

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**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.

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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 CHANGE OF EXTERNAL AUDITOR OF THE COMPANY  
AND APPOINTMENT OF AUDITING AGENCY FOR THE PURPOSE  
OF THE PROPOSED A SHARE OFFERING,  
RESIGNATION AND ELECTION OF DIRECTOR,  
PROPOSED CHANGE OF SCOPE OF OPERATIONS,  
PROPOSED CESSATION OF THE MERGER OF TIANJIE INSTALLATION  
ENGINEERING WITH THE COMPANY,  
PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A letter from the Board is set out on pages 4 to 11 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 10:00 a.m. on Tuesday, 5 December 2017, 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 Tuesday, 14 November 2017.

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.

20 October 2017

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## DEFINITIONS

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

“A Share(s)”	means	the ordinary shares(s) proposed to be newly issued by the Company pursuant to the Proposed A Share Offering or converted from the Domestic Shares, with a nominal value of RMB1.00 each, all of which will be listed on the Shanghai Stock Exchange and traded in RMB
“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
“Controlling Shareholder(s)”	means	the definition as ascribed thereto under the Hong Kong Listing Rules
“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, Zhuji City, Zhejiang Province, the PRC at 10 a.m. on Tuesday, 5 December 2017
“EGM Notice”	means	the notice for convening the EGM set out on page 12 and 13 of this circular
“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

## DEFINITIONS

“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
“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
“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 Advisers”	means	Zhejiang Confuway Law Firm
“Proposed A Share Offering”	means	the Company’s proposed initial public offering of not more than 15,000,000 A Shares in the PRC, details of which are set out in the Company’s circular dated 28 April 2017
“Remuneration Committee”	means	the remuneration committee of the Board
“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

## DEFINITIONS

“Subsidiary(ies)”	means	the definition as ascribed thereto under section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Substantial Shareholder(s)”	means	the definition as ascribed thereto under the Hong Kong Listing Rules
“TGL”	means	means Tengy Group Limited, also known as Tianjie Group Co., Ltd.*, (天潔集團有限公司) (formerly known as Zhejiang Tianjie Machinery Group Co., Ltd.* (浙江天潔機械集團有限公司)), a company incorporated in the PRC with limited liability on 5 June 1995 owned as to approximately 64.08% by Mr. BIAN Yu, 22.81% by Mr. BIAN Jianguang and 13.11% by Ms. BIAN Shu, and is a controlling Shareholder holding approximately 51.85% interests in 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 definition as ascribed thereto under paragraph V of this circular
“%”	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 Directors:*

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:*

Unit T, 6th Floor  
Union Industrial Building  
48 Wong Chuk Hang Road  
Wong Chuk Hang  
Aberdeen, Hong Kong

20 October 2017

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED CHANGE OF EXTERNAL AUDITOR OF THE COMPANY  
AND APPOINTMENT OF AUDITING AGENCY FOR THE PURPOSE  
OF THE PROPOSED A SHARE OFFERING,  
RESIGNATION AND ELECTION OF DIRECTOR,  
PROPOSED CHANGE OF SCOPE OF OPERATIONS,  
PROPOSED CESSATION OF THE 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 meeting of the Board held on 26 September 2017 in which the Board resolved to propose (1) the change of the Company's external auditor prior to the expiration of its term of office and the appointment of auditing agency for the purpose of the Proposed A Share Offering; (2) the nomination of Mr. CHEN Jiancheng for election as a non-executive Director (and, if elected, to also serve as a member of the Remuneration Committee) in replacement of Ms. ZHU Hong resigning for the remainder of her term of office commencing on the date of the EGM and expiring on 31 May 2019; (3) the change of scope of

## LETTER FROM THE BOARD

operations of the Company; (4) the cessation of the merger of Tianjie Installation Engineering with the Company; and (5) the amendments to the Articles of Association, and submitted the said 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 ordinary resolution (for resolution no. 1 and 2) or special resolution (for resolution no. 3 – 5) and, where applicable, by the relevant PRC regulatory authorities.

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 (5) 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 CHANGE OF EXTERNAL AUDITOR OF THE COMPANY AND APPOINTMENT OF AUDITING AGENCY FOR THE PURPOSE OF THE PROPOSED A SHARE OFFERING**

Ernst & Young has served as the external auditor of the Company for a number of years including the stage of its preparation for listing on the Stock Exchange. Having considered the forthcoming corporate development, budgetary arrangements as well as auditing requirements of the Company, the Board resolved to cease the engagement of Ernst & Young for the purpose of the auditing of the Company's annual results for the full year ending 31 December 2017 and accordingly propose an ordinary resolution at the EGM for consideration and approval by the Shareholders.

The Board, having consulted and confirmed with Ernst & Young, takes the view that there had neither been in disagreement nor any unresolved matters with them throughout the entirety of the period of engagement that would warrant and accordingly have to be brought to the attention of the Shareholders.

In replacement of Ernst & Young, the Board resolved to propose Zhonghui ANDA CPA Limited (formerly known as ANDA CPA Limited, “**Zhonghui ANDA**”) as the new external auditor of the Company with effect from the date of the EGM. Apart from the said change of external auditor, the Board also resolved to propose the appointment of Zhonghui Certified Public Accountants LLP (中匯會計師事務所(特殊普通合夥)) as the auditing agency for the purpose of the Proposed A Share Offering.

Zhonghui ANDA is a medium-sized accountancy firm based in Hong Kong with over twenty years of hands-on experience in handling, among other aspects, auditing, pre-listing consultancy, taxation, accounting and other corporate services.

A considerable number of staff of Zhonghui ANDA possesses relevant professional qualifications as accredited by, without limitation, the Hong Kong Institute of Certified Public Accountants (HKICPA), the Association of Chartered Certified Accountants (ACCA), the Chinese Institute of Certified Public Accountants (CICPA), the Institute of Chartered Accountants of England and Wales (ICAEW), CPA Australia, the Hong Kong Institute of

## LETTER FROM THE BOARD

Chartered Secretaries (HKICS), and the Institute of Chartered Secretaries and Administrators (ICSA). Besides, leveraging on the close relationship with various professional servicing institutions in Hong Kong, the PRC, Taiwan as well as overseas, the customer base of Zhonghui ANDA has been diversified to the extent of covering more industries and countries.

Zhonghui ANDA currently provides over 50 Hong Kong listed enterprises with auditing and other related services. Such listed clients include China Billion Resources Limited (stock code: 274), Shengli Oil & Gas Pipe Holdings Limited (stock code: 1080), China Environmental Resources Group Limited (stock code: 1130), Han Tang International Holdings Limited (stock code: 1187), China Innovation Investment Limited (stock code: 1217), China Longevity Group Company Limited (stock code: 1863), Jiu Rong Holdings Limited (stock code: 2358), DBA Telecommunication (Asia) Holdings Limited (stock code: 3335), China Trends Holdings Limited (stock code: 8171) and China Information Technology Development Limited (stock code: 8178).

Having taken into account the background and industry experience of Zhonghui CPA as set out above, the Board considered that it is with sufficient expertise and calibre for the purpose of the proposed engagement to be commencing from the date of the EGM till the conclusion of the annual general meeting to be convened for the year ending 31 December 2017.

In accordance with Rule 13.88 of the Hong Kong Listing Rules, Article 169 of the PRC Company Law as well as Article 86 and 187 of the Articles of Association, the subject resolution was submitted to the EGM for consideration and will become effective upon approval by way of ordinary resolution thereat.

### III. RESIGNATION AND ELECTION OF DIRECTOR

#### (1) Resignation of Director

Ms. ZHU Hong was, at the Company's annual general meeting convened for the year ended 31 December 2015, elected as an executive Director (and also became a member of the Remuneration Committee in replacement of Mr. ZHANG Yuanyuan) for a term expiring on 31 May 2019.

Due to the fulfilment of other work commitments, Ms. ZHU Hong will resign on the date of the EGM as an executive Director (and accordingly a member of the Remuneration Committee) prior to the expiration of her term of office. Ms. ZHU Hong confirms no disagreement with the Board.

#### (2) Election of Director

In replacement of Ms. ZHU Hong, the Board resolved to propose the nomination of Mr. CHEN Jiancheng for election at the EGM as a non-executive Director (and, if elected, to also serve a member of the Remuneration Committee) for a term commencing on the date of the EGM and expiring on 31 May 2019.



## LETTER FROM THE BOARD

Biographic details of Mr. CHEN Jiancheng, being the Director candidate nominated for election at the EGM, as required for disclosure under Rule 13.51(2) of the Hong Kong Listing Rules are set out as follows:

Mr. CHEN Jiancheng, aged 55, commenced his career at Zhuji County Mechanical Modelling Factory\* (諸暨縣機械模型廠) in January 1985. From 1986 to 1988, he worked as a technical supervisor\* (技術科長) of Zhuji Cement Machinery Factory\* (諸暨水泥機械廠), primarily responsible for the compilation of general equipment designs as well as manufacturing artworks. From 1990 to 1995, he served as a technical supervisor\* (技術科長) of Zhejiang Zhuji Environmental Industrial Equipment Factory\* (浙江省諸暨市工業環保設備總廠). In 1995, Mr. Chen joined TGL as an assistant to general manager, and then served as a deputy director of the Office of Technological Transformation (技術改造辦公室副主任) of TGL overseeing projects in relation to strip steel, medium sheets and other products from 2000 to 2009. From 2009 onwards, Mr. Chen has become the chief technology officer (技術總監) of TGL primarily responsible for technological research and development as well as product quality control.

Mr. CHEN Jiancheng graduated from Zhuji Paitou Middle School\* (諸暨市牌頭中學) in July 1979.

After approval has been sought by the Shareholders at the EGM, the Company will enter into a service contract with Mr. CHEN Jiancheng in accordance with the relevant requirements under the PRC Company Law as well as the Articles of Association. The entitlement of Mr. CHEN Jiancheng to compensations or other emoluments by the Company will be as same as that applicable to other members of respective current sessions of the Board.

In accordance with Article 37, 99 and 103 of the PRC Company Law as well as Article 86 of the Articles of Association, the subject resolution was submitted to the EGM for consideration and will become effective upon approval by way of ordinary resolution thereat.

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

In light of prevailing industry circumstances as well as the Company's operational needs, 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 equipment, electronic control equipment and steel structures; **manufacture**, sales and installation of pressure vessels; import and export of environmental protection equipment, alternative energy equipment and technologies. (Any business is subject to approval as required by law, the operation of which may commence upon approval by the relevant authorities)*".

Pursuant to Article 37, 99 and 103 of the PRC Company Law as well as 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

## LETTER FROM THE BOARD

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 the PRC Legal Advisers, 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. PROPOSED CESSATION OF THE MERGER OF TIANJIE INSTALLATION ENGINEERING WITH THE COMPANY**

Pursuant to the resolution passed at the Board meeting on 2 August 2016 for submission to the Shareholders for consideration and approval, it was resolved at the extraordinary general meeting on 20 September 2016 that Tianjie Installation Engineering (including but not limited to its assets, liabilities and operational resources) be merged with the Company (the “**TIE Merger**”).

The TIE Merger was originally proposed to be implemented for the purposes of, among others, (i) avoidance of Company’s possible breach of its contractual obligations due to the lack of requisite installation licences and qualifications and (ii) alleviation of tax burden. However, having taken into account the prevailing industry as well as operational circumstances, the Company decided to apply for the said requisite licences and qualifications be obtained in its own name. Therefore, the TIE Merger was deliberately considered by the Board not to proceed as planned.

As the Company’s wholly owned subsidiary the financial results of Tianjie Installation Engineering has at all material times been consolidated to those of the Group. Hence, the substance of interests held by the Company in Tianjie Installation Engineering would remain unchanged regardless of TIE Merger being taken place or not. Moreover, as of the date of issuance of this circular, both entities to the TIE Merger has not entered into agreements or other legally-binding documentations of any kind. On the basis of the foregoing, the Board is of the view that abortion of the TIE Merger would neither impede the standing operations of Tianjie Installation Engineering nor have any adverse impact on the interests of both the Company and the Shareholders as a whole.

In accordance with Article 37, 99 and 103 of the PRC Company Law as well as Article 62 and 87 of the Articles of Association, the subject resolution was submitted to the EGM for consideration and will become effective upon approval by way of special resolution thereat.

**LETTER FROM THE BOARD**

**VI. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

In pursuance of the Company’s ongoing operational needs and to facilitate the change of its scope of operations as covered in the foregoing resolution as per paragraph IV above of this circular, the Board resolved to propose a special resolution at the EGM on amendments to the Articles of Association. Such amendments, as further set out below, shall be made in accordance with the applicable laws, rules and regulations.

<b>Relevant provisions of the Articles of Association currently in effect</b>	<b>Relevant provisions of the Articles of Association after amendment</b>
<p>Article 12</p> <p>The scope of operations of the Company comprises research and development, design, manufacture, installation and sales of environmental pollution control equipment, electronic control equipment and steel structures; sales and installation of pressure vessels; import and export of environmental protection equipment, alternative energy equipment and technologies. (Any business is subject to approval as required by law, the operation of which may commence upon approval by the relevant authorities)</p>	<p>Article 12</p> <p>The scope of operations of the Company comprises research and development, design, manufacture, installation and sales of environmental pollution control equipment, electronic control equipment and steel structures; <b>manufacture</b>, sales and installation of pressure vessels; import and export of environmental protection equipment, alternative energy equipment and technologies. (Any business is subject to approval as required by law, the operation of which may commence upon approval by the relevant authorities)</p>
<p>Article 80</p> <p>A shareholder (including his/her/its proxy) when voting at a shareholders’ general meeting may exercise his/her/its voting rights in accordance with the number of voting shares and each share shall have one vote.</p> <p>.....</p>	<p>Article 80</p> <p>A shareholder (including his/her/its proxy) when voting at a shareholders’ general meeting may exercise his/her/its voting rights in accordance with the number of voting shares and each share shall have one vote. <b><u>A shareholder present at a general meeting (including his/her/its proxy) shall indicate his voting intention whether he would vote for or against those matters which are put to the vote. No blank votes and abstentions will be counted as valid votes for the purpose of votes counting.</u></b></p> <p>.....</p>

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.

Pursuant to Article 37, 99 and 103 of the PRC Company Law as well as 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 the PRC Legal Advisers, the foregoing proposed amendments to the Articles of Association conform with the requirements

## **LETTER FROM THE BOARD**

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.

### **VII. 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.

### **VIII. 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, 5 December 2017 is set out on page 12 and 13 in 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.

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 Tuesday, 14 November 2017.

## LETTER FROM THE BOARD

Pursuant to the Articles of Association, for the purpose of holding the EGM, the register of members of the Company will be closed from Monday, 6 November 2017 to Tuesday, 5 December 2017 (both days inclusive), during which period no transfer of Shares will be registered. Shareholders whose names appear on the register of members of the Company before the close of business on Friday, 3 November 2017 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 Friday, 3 November 2017.

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.

### **IX. 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*

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**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**”) 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, 5 December 2017 for the purpose of considering, and if thought fit, passing the resolutions as highlighted below.

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 20 October 2017 (the “**Circular**”).

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

- (1) To consider and approve the change of external auditor of the Company and the appointment of auditing agency for the purpose of the Proposed A Share Offering; and
- (2) To consider and approve the nomination of Mr. CHEN Jiancheng for election as a non-executive Director (and, if elected, to also serve as a member of the Remuneration Committee) in replacement of Ms. ZHU Hong resigning for the remainder of her term of office commencing on the date of the EGM and expiring on 31 May 2019.

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

- (3) To consider and approve the change of scope of operations of the Company;
- (4) To consider and approve the cessation of the merger of Tianjie Installation Engineering with the Company; and
- (5) To consider and approve the amendments to the Articles of Association.

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  
20 October 2017

## NOTICE OF EXTRAORDINARY GENERAL MEETING

*Notes:*

1. For the purpose of holding the EGM, the register of members of the Company will be closed from Monday, 6 November 2017 to Tuesday, 5 December 2017 (both days inclusive), during which period no transfer of 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 Friday, 3 November 2017.

The Shareholders whose names appear on the register of members of the Company before the close of business on Friday, 3 November 2017 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 Tuesday, 14 November 2017.
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.