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## 新疆天业节水灌溉股份有限公司

### XINJIANG TIANYE WATER SAVING IRRIGATION SYSTEM COMPANY LIMITED\*

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

**(Stock Code: 840)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting (the “**AGM**”) of Xinjiang Tianye Water Saving Irrigation System Company Limited\* (the “**Company**”) will be held at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the People's Republic of China (the “**PRC**”) on Thursday, 10 June 2010 at 11:00 a.m. for the following purposes and to pass the following resolutions:

#### **ORDINARY RESOLUTIONS**

1. To consider and approve the report of the directors (the “**Directors**”) of the Company for the year ended 31 December 2009;
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2009;
3. To consider and approve the audited consolidated financial statements of the Company and its subsidiaries and the auditors' report for the year ended 31 December 2009;
4. To consider and approve the resolution for making appropriation to statutory surplus reserve fund for the year ended 31 December 2009;
5. To authorize the board of Directors (the “**Board**”) to fix the remuneration of the Directors and the supervisors of the Company for the year 2010;
6. To consider and approve the re-appointment of SHINEWING (HK) CPA Limited as auditors of the Company and to authorize the Board to fix their remunerations;
7. Conditional upon passing of Special Resolution No. 2 as set out herein, the Company may send or supply corporate communications (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) to the holders of H shares of the Company (in relation to whom the conditions set below are met) by making such corporate communications available on the Company's own website (<http://www.tianyejieshui.com.cn>) be and is hereby approved, and the Directors be and are hereby authorized to sign all such documents and/or do all such things which they may consider necessary or expedient and in the interest of the shareholders of the Company

(the “**Shareholders**”) and the Company for the purpose of effecting or otherwise in connection with the Company’s proposed communication with the holders of H Shares of the Company through the Company’s website.

The supply of corporate communications by making such corporate communications available on the Company’s own website is subject to the fulfillment of the conditions: (i) that each holder of H Shares of the Company has been asked individually by the Company to agree that the Company may send or supply corporate communications generally, or the corporate communication in question, to such holder through the Company’s website; and (ii) that the Company has not received any objection from such holders of H Shares of the Company within the period of 28 days beginning with the date on which the Company’s request was sent.

## **SPECIAL RESOLUTIONS**

### 1. “**THAT:**

(A) there being granted to the Board an unconditional general mandate to issue, allot and deal with additional domestic shares of nominal value of RMB1.00 each in the registered capital of the Company (the “**Domestic Shares**”) and/or overseas-listed foreign invested shares of nominal value of RMB1.00 each in the share capital of the Company (the “**H Shares**”), to make or grant offers, agreements and options in respect thereof, subject to the following conditions:

- (a) the aggregate number of Domestic Shares and/or H Shares to be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Board shall not exceed 20% of the issued share capital of that class as at the date of passing of this resolution;
- (b) such mandate shall not extend beyond the period from the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the 12-month period following the passing of this resolution; or
  - (iii) the date on which the authority as set out in this resolution is revoked or varied by a special resolution of the Shareholders in a general meeting.
- (c) the Board will only exercise its power under such mandate in accordance with the Company Law of the PRC, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as may be amended from time to time) and other relevant laws and regulations of Hong Kong and the PRC, and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government authorities are obtained;

- (B) contingent on the Board resolving to issue additional shares pursuant to (A) above, the Board be authorised to:
- (a) increase the registered capital of the Company in accordance with the issue of the Domestic Shares and/or H Shares aforesaid, and attend to the relevant registration procedures with the relevant authorities in the PRC and Hong Kong;
  - (b) make appropriate amendments to the relevant provisions in articles of association of the Company (the “**Articles of Association**”) in relation to the registered capital of the Company and any other articles that require corresponding amendments so as to reflect the change in the registered capital and shareholding structure of the Company as a result of the allotment or issue of new shares and to submit the relevant amendments to the Articles of Association to the relevant authorities of the PRC and Hong Kong for approval and record (as the case may be); and
  - (c) approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issue of such new shares.”
2. “**THAT** the proposed amendments to the Articles of Association as set out in the circular of the Company dated 20 April 2010 be and are hereby approved, and the Board be and is hereby authorized to deal with on behalf of the Company the relevant filing and amendments (where necessary) procedures and other related issues arising from the amendments to the Articles of Association.”

By Order of the Board  
**Xinjiang Tianye Water Saving Irrigation System Company Limited\***  
**Guo Qing Ren**  
*Chairman*

Xinjiang PRC, 20 April 2010

*Notes:*

1. Any member entitled to attend and vote at the AGM is entitled to appoint in written form for one or more than one proxy to attend and vote at the AGM on his behalf. A proxy need not be a member of the Company.
2. The form of proxy for the AGM is herewith enclosed. In order to be valid, the form of proxy, if such proxy from is signed by a person under a power of attorney or authority on behalf of the appointer, a notarially certified power of attorney (if any) or other authority (if any) under which it is signed, must be deposited at the Company’s H Share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong (for the holders of H Shares only) or at the Company’s registered office at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC (for the holders of Domestic Shares only), not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting should you so wish.
3. Shareholders or their proxies shall present proofs of identities when attending the AGM.
4. The register of members of the Company will be closed from Friday, 21 May 2010 to Thursday, 10 June 2010, both days inclusive, during which no transfer of the shares of the Company will be effected. All transfers accompanied by the relevant share certificates for H Shares must be lodged with Company’s H

Share registrar and transfer office (for the holders of H Shares only) or lodged at the registered office of the Company (for the holders of Domestic Shares only) not later than 4:00 p.m. on Thursday, 20 May 2010. The Shareholders or their proxies being registered before the close of business on Thursday, 20 May 2010 are entitled to attend the AGM by presenting their identity documents.

5. Shareholders who intend to attend the AGM should complete and return the enclosed reply slip for attendance to the H Share registrar and transfer office of the Company in Hong Kong at Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (for the holders of H Shares only) or to the Company's registered office at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC (for the holders of Domestic Shares only), by hand, by post or by fax (the fax number of the Company's H Share registrar and transfer office: (852) 28611465 (for holders of H Shares only) or the Company's fax number: (86993) 2623163 (for holders of Domestic Shares only)) on or before 4:00 p.m. on Thursday, 20 May 2010.
6. Voting of the resolutions as set out in this notice will be by poll.
7. The AGM is expected to last for less than one day. The Shareholders and proxies attending the AGM shall be responsible for their own travelling and accommodation expenses.
8. The Company's registered address:

No. 36, Bei San Dong Road, Shihezi Economic and Technology Development Zone, Shihezi,  
Xinjiang, the PRC  
Fax: (86993) 2623163

*As at the date of this announcement, the Board comprises four executive Directors namely Guo Qing Ren, Shi Xiang Shen, Li Shuang Quan and Zhu Jia Ji, and four independent non-executive Directors namely He Lin Wang, Xia Jun Min, Gu Lie Feng and Mak King Sau.*

\* *For identification purpose only*