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新疆天業節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)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcements of the Company dated 7 March 2011 and 7 April 2011 respectively, which set out the possible transfer of the domestic shares from Mr. Guo and Mr. Wang to Tianye Holdings, the ultimate parent company of the Company.

The Board of Directors of the Company would like to announce that on 21 April 2011, Tianye Holdings has entered into agreements for transfer of the domestic shares with Mr. Guo and Mr. Wang respectively, and such transfers were approved by the MOC on 25 April 2011. Accordingly the Company proposes to amend the Articles in relation to the aforesaid transfers of domestic shares.

The proposed amendments to the Articles are subject to approval by the shareholders of the Company and fulfillment of the requirement of filing for record with the MOC. A circular containing details of the proposed amendments to the Articles together with a supplemental notice of annual general meeting of the Company at which a special resolution in relation to the proposed amendments to the Articles will be put forth to be considered, and, if thought appropriate, approved by the shareholders of the Company, will be dispatched to the shareholders of the Company as soon as practicable.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the announcements of Xinjiang Tianye Water Saving Irrigation System Company Limited* (the “**Company**”) dated 7 March 2011 and 7 April 2011 respectively, which set out the possible transfer of the domestic shares from Mr. Guo Shu Qing (“**Mr. Guo**”) and Mr. Wang Xiao Xian (“**Mr. Wang**”) to 新疆天業(集團)有限公司 (Xinjiang Tianye (Group) Limited*, “**Tianye Holdings**”), the ultimate parent company of the Company.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to announce that on 21 April 2011, Tianye Holdings has entered into the agreements for transfer of the domestic shares with Mr. Guo and Mr. Wang respectively, and such transfers were approved by the Ministry of Commerce (the “**MOC**”) of the People's Republic of China (the

“PRC”) on 25 April 2011. Accordingly the Company proposes to amend the Articles of Association of the Company (the “Articles”) in relation to the aforesaid transfers of domestic shares.

Pursuant to the agreement for transfer of the domestic shares with Mr. Guo, Mr. Guo agreed to transfer his 61,386,798 domestic shares (representing approximately 11.82% of the total issued share capital of the Company) to Tianye Holdings; and pursuant to the agreement for transfer of the domestic shares with Mr. Wang, Mr. Wang agreed to transfer his 50,335,128 domestic shares (representing approximately 9.69% of the total issued share capital of the Company) to Tianye Holdings. Immediately following the approval of the transfers of domestic shares by the MOC on 25 April 2011, each of Mr. Guo and Mr. Wang does not hold domestic shares of the Company and ceases to be the holder of the domestic shares, while Tianye Holdings directly holds 111,721,926 domestic shares (representing approximately 21.51% of the total issued share capital of the Company).

The shareholding structure of the Company as at the date of this announcement is as follows:

	Direct interest in the share capital of the Company as at the date of this announcement	
	<i>No. of Shares</i>	<i>%</i> <i>(Approximately)</i>
Xinjiang Tianye Company Limited (“ Tianye Company ”)	202,164,995	38.91
Tianye Holdings	111,721,926	21.51
China Academy of Machinery Science and Technology	2,410,123	0.46
Northwest Sci-Tech University of Agriculture and Forestry	824,516	0.16
H Shares	<u>202,400,000</u>	<u>38.96</u>
Total:	<u><u>519,521,560</u></u>	<u><u>100</u></u>

In order to reflect the above transfers of the domestic shares and for the purpose of complying with the Listing Rules and relevant laws and regulations of the PRC and Hong Kong, a special resolution will be proposed at the forthcoming annual general meeting to be held on Thursday, 12 May 2011 (the “AGM”) to approve, among other things, the necessary amendments to the Articles so as to conform with the relevant laws, rules and regulations in the PRC and Hong Kong. Subject to the passing of the aforesaid resolution at the AGM by shareholders of the Company, the proposed amendments to the Articles will take effect subject to the fulfilment of the requirement of filing for record with the MOC. Accordingly, the proposed amendments to the Articles will not become effective if the requirement of filing of the record of the above transfers with the MOC is not satisfied. Prior to the proposed amendments to the Articles becoming effective, the existing Articles will continue to be in force.

The following paragraph will be added as the last paragraph of Article 3.06 of the Articles:

“On 21 April 2011, Guo Shu Qing (郭書清) and Wang Xiao Xian (王孝先), the promoters, transferred all of their respective 61,386,798 shares and 50,335,128 shares to Xinjiang Tianye (Group) Limited (新疆天業(集團)有限公司). Upon the transfers, the share capital structure of the Company consists of a total of 519,521,560 ordinary shares, of which, 202,164,995 shares is held by Xinjiang Tianye Company Limited (新疆天業股份有限公司), representing 38.91% of the total share capital of the Company; 111,721,926 shares is held by Xinjiang Tianye (Group) Limited, representing 21.51% of the total share capital of the Company; 2,410,123 shares is held by China Academy of Machinery Science and Technology (機械科學研究總院), representing 0.46% of the total share capital of the Company; 824,516 shares is held by Northwest Sci-Tech University of Agriculture and Forestry (西北農林科技大學), representing 0.16% of the total share capital of the Company; 202,400,000 shares is held by shareholders of H Shares (overseas listing foreign shares), representing 38.96% of the total share capital of the Company.”

The above proposed amendments to the Articles contain provisions complying with the relevant provisions of Appendices 3 and 13D to the Listing Rules, insofar as applicable to the Articles.

A circular containing details of the proposed amendments to the Articles together with a supplemental notice of annual general meeting of the Company at which a special resolution in relation to the proposed amendments to the Articles will be put forth to be considered, and, if thought appropriate, approved by the shareholders of the Company, will be dispatched to the shareholders of the Company as soon as practicable.

By Order of the Board
Xinjiang Tianye Water Saving Irrigation System Company Limited*
Hou Guo Jun
Chairman

Xinjiang PRC, 27 April 2011

As at the date of this announcement, the Board comprises six executive Directors, namely Mr. Hou Guo Jun (Chairman), Mr. Shi Xiang Shen, Mr. Li Shuang Quan, Mr. Zhu Jia Ji, Mr. Yin Xiu Fa and Mr. Chen Lin and five independent non-executive Directors, namely Mr. He Lin Wang, Mr. Xia Jun Min, Mr. Gu Lie Feng, Mr. Mak King Sau and Mr. Wang Yun.

* *For identification purpose only*