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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 (POSTPONED)

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 PRC on Friday, 15 June 2012 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 2011;
2. To consider and approve the report of the Supervisory Committee of the Company for the year ended 31 December 2011;
3. To consider and approve the audited financial statements of the Company and its subsidiary and the auditors’ report for the year ended 31 December 2011;
4. To consider and approve the resolution for making appropriation to statutory surplus reserve fund for the year ended 31 December 2011;
5. To authorize the board of Directors of the Company (“the Board”) to fix the remuneration of the Directors and the supervisors (“Supervisors”) of the Company for the year 2012;
6. To consider and approve Pan-China Certified Public Accountants LLP as auditors of the Company following the resignation of Pan-China (H.K.) CPA Limited on 26 April 2012 and to authorize the Board to fix their remunerations;
7. To approve the resignation of Mr. Hou Guo Jun as an executive Director of the Company;
8. To consider and approve the appointment of Mr. Shao Mao Xu as an executive Director of the Company with effect from the date of passing of the relevant resolution at the AGM for a term of three years;

9. To consider and approve that:
- (a) the agreement (the “Master Purchase Agreement”) dated 12 March 2012 entered into between the Company and Xinjiang Tianye (Group) Limited* (新疆天業(集團)有限公司) (“Tianye Holdings”) (a copy of which is produced to the meeting marked “A” and initialed by the chairman of the meeting for identification purpose) in relation to the purchase by the Group on an ongoing basis of certain PVC resins which may be required by the Group, and the terms of and the transactions contemplated under the Master Purchase Agreement and the implementation thereof be and are hereby approved, confirmed and ratified; and
 - (b) the proposed annual caps in relation to the transactions under the Master Purchase Agreement for the period from the date on which the Master Purchase Agreement becomes effective until the end of the financial year ending 31 December 2014 will not exceed RMB266,800,000, RMB266,800,000 and RMB266,800,000 respectively be and are hereby approved; and
 - (c) any one Director of the Company, be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him to be incidental to, ancillary to or in connection with the matters contemplated in the Master Purchase Agreement.

SPECIAL RESOLUTION

1. To consider and approve the amendments to the articles of association of the Company (the “Articles of Association”) as follows:

Existing Article 2.02 of the Articles of Association reads:

“The scope of business of the Company includes: development and marketing of high and new water saving irrigation technologies; interim testing and marketing of advanced water saving fittings; technology transfer and service for water saving irrigation; development and utilization of computer application software for water saving irrigation; production and sales of PVC pipelines for water supply, PE pipelines and assemblies, pressure compensatory style drip films, labyrinth-style drip films, embedded-style drip films, agriculture films and drippers; import of scrap copper, scrap steel, scrap aluminum, scrap paper and scrap plastic; recycling and processing of scrap and obsolete plastic; distribution of electrical and mechanical goods (other than compact size vehicles) and chemical goods (other than dangerous chemical items and highly poisonous items); hydraulic industry (irrigation and drainage) (Class C); grade one subcontractor for construction of water saving irrigation project (specific scope is subject to quality certificate); business of exporting products and technologies produced by this enterprise itself and business of importing machinery and equipment, parts and components, raw and auxiliary materials and technologies required by this enterprise, other than goods and technologies solely operated by this enterprise or prohibited from import and export by the State.”

It is proposed that the existing Article 2.02 of the Articles of Association be deleted in its entirety and replaced with the following new Article 2.02:

“The scope of business of the Company includes: development and marketing of high and new water saving irrigation technologies; interim testing and marketing of advanced water saving fittings; technology transfer and service for water saving irrigation; development and utilization of computer application software for water saving irrigation; production and sales of PVC pipelines for water supply, PE pipelines and assemblies, pressure compensatory style drip tape, labyrinth-style drip tape, embedded-style drip tape, agriculture films and drippers; import of scrap copper, scrap steel, scrap aluminum, scrap paper and scrap plastic; recycling and processing of scrap and obsolete plastic; distribution of electrical and mechanical goods (other than compact size vehicles) and chemical goods (other than dangerous chemical items and highly poisonous items); hydraulic industry (irrigation and drainage) (Class C); grade one subcontractor for construction of water saving irrigation project (specific scope is subject to quality certificate); business of exporting products and technologies produced by this enterprise itself and business of importing machinery and equipment, parts and components, raw and auxiliary materials and technologies required by this enterprise, other than goods and technologies solely operated by this enterprise or prohibited from import and export by the State.”

By Order of the Board
Xinjiang Tianye Water Saving Irrigation System Company Limited*
Yin Xiu Fa
Chairman

Xinjiang PRC, 23 May 2012

* *For identification purpose only*

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 and, if such proxy form 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, 25 May 2012 to Friday, 15 June 2012, both days inclusive, during which no transfer of the shares of the Company will be effected. All transfers accompanied by relevant share certificates for H Shares of the Company must be lodged with Company's H share registrar and transfer office not later than 4:00 p.m. on Thursday, 24 May 2012.
5. Shareholders of the Company 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 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), 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 Friday, 25 May 2012.
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. Shareholders and their proxies shall attend the AGM at their own cost of travelling and accommodation.
8. The Company's registered address:
No. 36, Bei San Dong Road, Shihezi Economic and Technology Development Zone,
Shihezi, Xinjiang, the PRC.
Fax: (86993) 262 3163

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