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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)

CLARIFICATION ANNOUNCEMENT

POLL RESULTS OF ANNUAL GENERAL MEETING ON 15 JUNE 2018

Reference is made to the poll results announcement of the annual general meeting on 15 June 2018 (the "Announcement"). Unless otherwise specified, capitalized terms used herein shall have the same respective meaning as those defined in the Announcement.

The Company would like to clarify that due to an inadvertent mistake, certain information in the Announcement was not correctly stated and would like to make clarification to the following information in the Announcement:

For the ordinary resolutions 8 and 9 regarding the approval of the continuing connected transactions of Master Purchase Agreement and the Master Sales Agreement and the transaction contemplated thereinunder in which Tianye Holdings and Tianye Company being the connected persons of the Company should abstain from voting of such resolutions, the paragraphs in relation to the poll result of AGM on page 3 and 4 of the Announcement should read as follows:

ORDINARY RESOLUTIONS		No. of votes (%)			Total number of votes eligible, present and voting
		FOR	AGAINST	ABSTAIN	
8.	To consider and approve that:				
	(a) The agreement (the “Master Purchase Agreement”) dated 4 April 2018 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;	100	0	0	3,236,639
	(b) the proposed annual caps in relation to the transactions under the Master Purchase Agreement for the period from 1 January 2018 until the end of the financial year ending 31 December 2018 to 2020 will not exceed RMB250,000,000, RMB250,000,000 and RMB250,000,000 respectively be and are hereby approved; and	100	0	0	3,236,639
	(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/them to be incidental to, ancillary to or in connection with transactions contemplated under the Master Purchase Agreement.	100	0	0	3,236,639

ORDINARY RESOLUTIONS		No. of votes (%)			Total number of votes eligible, present and voting
		FOR	AGAINST	ABSTAIN	
9.	To consider and approve that:				
	(a) the agreement (the “Master Sales Agreement”) dated 4 April 2018 entered into between the Company and Tianye Holdings (a copy of which is produced to the meeting marked “B” and initialed by the chairman of the meeting for identification purpose) in relation to the sales by the Group on an ongoing basis of certain PVC PE pipelines, drip tape and drip assemblies which may be required by Tianye Holdings, and the terms of and the transactions contemplated under the Master Sales Agreement and the implementation thereof be and are hereby approved, confirmed and ratified;	100	0	0	3,236,639
	(b) the proposed annual caps in relation to the transactions under the Master Sales Agreement for the period from 1 January 2018 until the end of the financial year ending 31 December 2018 to 2020 will not exceed RMB18,000,000, RMB18,000,000 and RMB18,000,000 respectively be and are hereby approved; and	100	0	0	3,236,639
	(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/them to be incidental to, ancillary to or in connection with transactions contemplated under the Master Sales Agreement.	100	0	0	3,236,639

As at the date of the AGM, there were 519,521,560 Shares in issue (comprising 202,400,000 H Shares and 317,121,560 Domestic Shares), which was the total number of Shares entitling the holders to attend and vote for or against the resolutions at the AGM except ordinary resolutions 8 and 9. There were no restrictions on the Shareholders to cast votes on any of the resolutions at the AGM except ordinary resolutions 8 and 9 and no Shares entitling the Shareholders to attend and vote only against any of the proposed resolutions at the AGM according to Rule 13.40 of the Listing Rules. In addition, no Shareholder who holds 5% or more of the Shares with voting rights had put forward any proposal at the AGM. The Shareholders and authorized proxies holding an aggregate of 317,123,560 Shares, representing approximately 61.04% of the total number of issued Shares of the Company, were present and voting at the AGM.

Tianye Holdings and Tianye Company are connected persons of the Company. Together with their associates, they hold a total of 313,886,921 Shares which represented approximately 60.41% of the total issued Shares of the Company. They were required to abstain from voting at the AGM for ordinary resolutions 8 and 9 above, their voting for the ordinary resolutions 8 and 9 are therefore invalid at the AGM. Hence, the total number of Shares entitling the holders to attend and vote for or against ordinary resolutions 8 and 9 at the AGM was 2,000 H Shares and 3,234,639 Domestic Shares.

Save as disclosed above, all other information as set out in the Announcement remain unchanged. This clarification announcement is supplemental to and should be read in conjunction with the Announcement.

By order of the Board
Xinjiang Tianye Water Saving Irrigation System Company Limited*
Chen Lin
Chairman

Xinjiang, the PRC, 22 June 2018

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Chen Lin (Chairman), Mr. Zhang Qiang, Mr. Li He and Mr. Yang Wan Sen, and three independent non-executive Directors, namely Mr. Yin Feihu, Mr. Qin Ming and Mr. Mak King Sau.

** For identification purpose only*