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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)

**RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR
AND
NON-COMPLIANCE WITH THE LISTING RULES IN RELATION TO
BOARD COMPOSITION**

The board (the “Board”) of directors (the “Directors”) of Xinjiang Tianye Water Saving Irrigation System Company Limited (the “Company”) announces that Mr. Mak King Sau (“Mr. Mak”) has tendered his resignation as an independent non-executive Director and a member of the audit committee of the Company with effect from 31 October 2018 in order to devote more time on his other business commitments.

Mr. Mak has confirmed to the Company that he has no disagreement with the Board and there are no other matters that need to be brought to the attention of The Stock Exchange of Hong Kong Limited and the shareholders of the Company in respect of his resignation.

Upon the resignation of Mr. Mak, (i) the Company only has two independent non-executive Directors and the number of independent non-executive Directors fallen short of at least one-third of the Board, which falls below the minimum number required under Rules 3.10(1) and 3.10A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) respectively; and (ii) the audit committee of the Company comprising only two independent non-executive Directors, which also falls below the minimum of three members as required under Rule 3.21 of the Listing Rules. The Company is actively identifying suitable candidate for appointment as independent non-executive Director and member of the audit committee of the Company

so as to fulfill the requirements under Rules 3.10(1), 3.10A and 3.21 of the Listing Rules and the terms of reference of the audit committee of the Company within three months from 31 October 2018 pursuant to Rule 3.11 of the Listing Rules.

Further announcement will be made by the Company in relation to such appointment as and when appropriate.

The Board would like to express its sincere gratitude to Mr. Mak for his valuable contribution to the Company during his tenure of office.

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

Xinjiang, the PRC, 31 October 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 two independent non-executive Directors, namely Mr. Yin Feihu and Mr. Qin Ming.

* *For identification purposes only*