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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)**

**FURTHER ANNOUNCEMENT  
PROPOSED ELECTION OF DIRECTORS;  
PROPOSED ELECTION OF SUPERVISOR;  
AND**

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Reference is made to (1) the Notice of EGM and the circular in relation to the proposed election of Directors, the proposed election of Supervisor and the proposed amendments to the Article of Association (the “Documents”); and the announcement (the “Announcement”) in relation to the resignation of Directors, the resignation of member of the remuneration committee and the resignation of Supervisor of Xinjiang Tianye Water Saving Irrigation System Company Limited (the “Company”) dated 11 January 2019. Unless the context otherwise required, capitalized terms used herein shall have the same meanings as defined in the Documents.

The Company supplements the contents of the Announcement as follows to provide the following further information to the Shareholders for voting at the EGM.

**(1) PROPOSED ELECTION OF DIRECTORS**

Mr. Tan Xinmin (“Mr. Tan”) and Mr. Huang Dong (“Mr. Huang”) are proposed to be elected as executive Directors, respectively, and Ms. Gu Li (“Ms. Gu”) and Mr. Hung Ee Tek (“Mr. Hung”) are proposed to be elected as independent non-executive Directors, respectively with effect from the date of EGM, until the expiry of the current session of the Board.

The biographical details of each of the Directors proposed to be elected are set out as follows:

**Executive Directors:**

Mr. Tan Xinmin, aged 50, who graduated from Bingtuan Radio & TV University, Shihezi\* (兵團廣播電視大學石河子分校) with an undergraduate's degree, is an assistant accountant. From August 1985 to November 1986, he held office at the Shihezi Beiye Prison. Subsequently, he took up employment at Shihezi 141st Regiment from December 1986 to October 1999, and at Tianye Plastic Plant from November 1999 to March 2002. Since April 2002, Mr. Tan has been working at Gansu Tianye Water Saving Device Co., Ltd., during which, his positions include accountant, fiscal chief, chairman, and general manager. Currently, he is the chairman and general manager of Gansu Tianye Water Saving Device Co., Ltd.

Save as disclosed above, Mr. Tan has confirmed that: (1) he did not hold any position of the Group or any directorship of other listed companies in the last three years; (2) he does not have any relationship with any other Director, supervisor, senior management, or substantial or controlling shareholder of the Company or its subsidiaries; and (3) he does not have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

In addition, he has confirmed that no other information is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

Mr. Huang Dong, aged 46, who graduated from Xi'an Mining Industry College with a bachelor's degree, is a senior engineer. Previously, he served as deputy general manager and deputy plant president at Xinjiang Shihezi City Zhongfa Chemical Co., Ltd.\* (石河子中發化工有限責任公司) and Shihezi Chemical Plant. Currently, Mr. Huang holds office as the deputy party secretary, deputy general manager and deputy plant president of Xinjiang Shihezi City Zhongfa Chemical Co., Ltd. and Shihezi Chemical Plant, as deputy director at the technology center of Xinjiang Tianye (Group) Co., Ltd, and as director of Xinjiang Tianye Company Limited.

Save as disclosed above, Mr. Huang has confirmed that:(1) he did not hold any position of the Group or any directorship of other listed companies in the last three years; (2) he does not have any relationship with any other Director, supervisor, senior management, or substantial or controlling shareholder of the Company or its subsidiaries; and (3) he does not have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

In addition, he has confirmed that no other information is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

### **Independent Non-Executive Directors:**

Ms. Gu Li, aged 49, who graduated from Xinjiang University of Finance & Economics with a bachelor's degree, is a certified public accountant and a national judicial accounting appraiser. From June 1991 to November 2000, Ms. Gu was a senior staff member and worked as an accountant in the Poverty Alleviation Office of Xinjiang Production and Construction Corps. Since December 2000, she has been responsible for auditing at Xinjiang Xin Xin Hua Tong Certified Public Accountants Co., Ltd.\* (新疆新新華通有限責任會計師事務所). From June 2004 to January 2010, Ms. Gu served as the manager of Audit Department 2 of Xinjiang Xin Xin Hua Tong Certified Public Accountants Co., Ltd., and was promoted as deputy director of the same firm from January 2010 to January 2012. She has been serving as the director, legal representative and chief accountant of Xinjiang Xin Xin Hua Tong Certified Public Accountants Co., Ltd. since 2012.

Save as disclosed above, Ms. Gu has confirmed that:(1) she did not hold any position of the Group or any directorship of other listed companies in the last three years; (2) she does not have any relationship with any other Director, supervisor, senior management, or substantial or controlling shareholder of the Company or its subsidiaries; and (3) she does not have any interests in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

In addition, she has confirmed that no other information is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

Mr. Hung Ee Tek, aged 56, is a member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants of the United Kingdom. He obtained the Master of Arts in International Accounting from the City University of Hong Kong in 2002, and the Master of Arts in Global China Studies from the Hong Kong University of Science and Technology in 2006. From 2006 to 2017, Mr. Hung Ee Tek served as the CFO and company secretary at Ningbo Yidong Electronic Company Limited and Guangxi State Farm, as well as a CFO at Centron Telecom International Holding Limited.

Save as disclosed above, Mr. Hung Ee Tek has confirmed that: (1) he did not hold any position of the Group or any other directorship of other listed companies in the last three years; (2) he does not have any relationship with any other Director, supervisor, senior management, or substantial or controlling shareholders of the Company or its subsidiaries; and (3) he does not have any interests in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

In addition, he has confirmed that no other information is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

Upon their election becoming effective, Mr. Tan and Mr. Huang will not receive any Director's emoluments from the Company, while each of Ms. Gu and Mr. Hung will receive an annual Director's fee of RMB30,000 and HK\$60,000 respectively, which is determined by the remuneration committee of the Board by reference to their respective duties and responsibilities with the Company and the market rate for the position, subject to the approval of the Shareholders.

## **(2) PROPOSED ELECTION OF SUPERVISOR**

Mr. Xie Xinghui ("Mr. Xie") is proposed to be elected as external supervisor with effect from the date of EGM, until the expiry of the current session of the supervisory committee.

Mr. Xie Xinghui, aged 56, who graduated from Chongqing Construction Engineering College\* (重慶建築工程學院) in October 1981 with bachelor's degree, is a senior architect. Previously, Mr. Xie held office as deputy director, director, and deputy president of the Six Design Office of Shihezi Sub-institute of Xinjiang Production and Construction Corps Geotechnical Investigation and Design Institute\* (新疆兵團勘測設計研究院石河子分院設計六所). In March 2003, he served as the president of the Shihezi Sub-institute of Xinjiang Production and Construction Corps Construction Design Institute\* (兵團建工設計研究院石河子分院). Furthermore, he has various official titles, including member of the National Committee of the Chinese People's Political Consultative Conference (Xinjiang Autonomous Region), member of the Standing Committee of the Chinese People's Political Consultative Conference (Shihezi), chairperson of the Revolutionary Committee of the Chinese Kuomintang (Shihezi), executive of Central Entrepreneurship Association of the Revolutionary Committee of the Chinese Kuomintang\* (民革中央企業家聯誼會), vice president of Xinjiang Entrepreneurship Association of the Revolutionary Committee of the Chinese Kuomintang\* (民革新疆企業家聯誼會), and president of Shihezi Entrepreneurship Association\* (石河子企業聯合會).

Upon his election becoming effective, Mr. Xie will be entitled to annual supervisor's fees amounting to RMB30,000, which will be determined by the remuneration committee of the Board with reference to his duties at the Company and the current market rate of his position, subject to approval of the Shareholders.

Save as disclosed above, the aforesaid proposed supervisor has confirmed that:(1) he did not hold any position of the Group or any directorship or supervisorship of other listed companies in the last three years; (2) he does not have any relationship with any other Director, supervisor, senior management, or substantial or controlling shareholder of the Company or its subsidiaries; and (3) he does not have any interests in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date. In addition, he has confirmed that no other information relating to his election is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

### **(3) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The Company proposes to amend the Articles of Association for the inclusion of communist party building into the Articles of Association in order to further define the legal status of state-owned enterprise party organizations in corporate governance structure. The details of the proposed amendments to the Articles of Association are set out as follows:

- A. Article 1.08 is added after Article 1.07 of Chapter 1, and the original Article 1.08 and subsequent articles are renumbered in sequence.

Article 1.08: The Company shall establish the Chinese Communist Party Committee of Xinjiang Tianye Water Saving Irrigation System Company Limited (hereinafter referred to as the “Communist Party Committee”) in accordance with the Constitution of the Communist Party of China and Company Law. Centering on production and operation activities, the Communist Party Committee shall represent the leadership and political cores to provide directions for, exercise general oversight over and implement the measures for such production and operation activities. The Company shall also establish working bodies to represent the Communist Party, which shall be equipped with sufficient staff. The organizational structure and staffing of the communist party organization are incorporated into the management structure and staffing of the Company, as a result of which, the working capital of the communist party organization is included in the budget of the Company and charged to the Company’s management fees so as to safeguard the working capital of the communist party organization.

- B. “Chapter 10 Communist Party Committee” is added after Chapter 9 and the original Chapter 10 and subsequent chapters were renumbered in sequence.

Article 10.1 of Chapter 10 Party Committee: The communist party organization of the Company shall consist of one secretary and several members of the Communist Party Committee. Eligible members of the Communist Party Committee may join the Board, the supervisory committee and the senior management in accordance with legal procedures, while eligible communist party members serving on the Board, the supervisory committee and the senior management may join in the Communist Party Committee in accordance with relevant requirements and procedures. Meanwhile, the discipline inspection committee shall be established in accordance with relevant requirements.

Article 10.2: The Communist Party Committee shall, subject to the Constitution of the Communist Party of China and other party rules, perform the following duties:

- (1) To ensure and supervise the full implementation of the guidelines and policies of the Communist Party and the government throughout the Company, as well as to carry out the major strategic decisions of the Central Party Committee and the State Council, and the relevant important work arrangements of the Communist Party Committee of State-owned Assets Supervision and Administration Commission and the communist party organizations at a higher level.
- (2) To adhere to the principle of the Communist Party exercising leadership over officials in conjunction with the selection of operation managers by the Board and the exercise of the right of appointment by the operation managers in accordance with laws, in which case, the Communist Party Committee shall deliberate and produce opinions on the candidates nominated by the Board and general manager, or recommend nominees to the Board and general manager.
- (3) To study and discuss stable reform and development, management of significant operations, and material issues related to the interests of our staff, and provide advice and recommendations in this regard.
- (4) To assume full responsibility to tighten party governance at all levels, which requires leadership in the ideological and political work, united front work, ethical standard development, corporate culture and trade unions, and affairs of the Communist Youth League at the Company, leadership in the development of clean and honest practices of the Communist Party, and support the practice and performance by Discipline Committee of its supervisory obligations.
- (5) To strengthen the development of the communist party organization and party members in the Company's grass-roots organizations, and give full play to the communist party branch's role as the fortified defense line and communist party member's exemplary role as the aggressive drivers, so that the management team and employees are united and motivated to pursue the reform and development of the Company.
- (6) Be responsible for other relevant important matters within the organizational scope of the Communist Party Committee.

Article 10.3: In making decisions on major issues, the Board and management shall await the results of collective study and discussion of the communist party organization. The major operation and management matters of the Company shall be studied and discussed by the communist party organization as a whole before being decided by the Board or the senior management.

Article 10.4: The communist party organization's deliberations are generally conducted in the form of meetings. The notice, convening and voting procedures of the meeting shall be carried out in accordance with the relevant provisions of the Communist Party.

- C. The original Chapter 10 was adjusted to Chapter 11. Article 10.04 was added to Chapter 11 the Board of Directors, and the original Chapter 10 and subsequent chapters were renumbered in sequence.

Article 10.04: The Board shall hear the opinions of the Communist Party Committee of the Company in advance when deciding major issues of the Company.

The Company's legal advisers in Hong Kong and China confirmed that the proposed amendments to the Articles of Association comply with the listing rules and the provisions of the PRC law. The Company also confirmed that the proposed amendments to the Articles of Association are not unusual for Hong Kong listed companies.

The proposed amendments to the Articles of Association are subject to the approval by the Shareholders at the EGM by way of special resolution, the obtaining of all necessary approvals, authorization or registration procedures (if applicable) of the relevant government or regulatory agency, or submission of the relevant documents to such government or regulatory agency for filing.

Save as disclosed above, other information and content in the Announcement remain unchanged.

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

Xinjiang, PRC, 15 January 2019

*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