
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Xinjiang Tianye Water Saving Irrigation System Company Limited*, you should at once hand this circular, together with the enclosed forms of proxy, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

(1) PROPOSED GRANT OF ISSUE MANDATE;
(2) PROPOSED GRANT OF REPURCHASE MANDATE;
(3) PROPOSED AMENDMENTS
TO THE ARTICLES OF ASSOCIATION; AND
(4) NOTICES OF ANNUAL GENERAL MEETING
AND H SHAREHOLDERS' CLASS MEETING

The notices for convening the annual general meeting (“AGM”), the H Shareholders’ Class Meeting and the Domestic Shareholders’ Class Meeting (“**Class Meetings**”) of the Company to be held at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC on Friday, 7 June 2024 are set out on pages 36 to 45 of this circular. Whether or not you are able to attend such meetings, please complete and return the forms of proxy enclosed with this circular in accordance with the instructions printed thereon to the Hong Kong H share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, 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), as soon as possible and in any event not less than 24 hours before the time appointed for holding such meetings or any adjourned meetings. Completion and return of the forms of proxy will not preclude you from attending and voting at the meetings or any adjourned meeting(s) should you so wish.

* *For identification purposes only*

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be convened on Friday, 7 June 2024 at 11:00 a.m. at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC, the notice of which is set out on pages 36 to 41 of this circular;
“AGM Notice”	the notice dated 30 April 2024 for convening the AGM as set out on pages 36 to 41 of this circular;
“Articles of Association”	the articles of association of the Company as may be amended from time to time;
“associates”	has the meaning as defined under the Listing Rules;
“Board”	the board of Directors of the Company;
“CG Code”	the Corporate Governance Code contained in Appendix C1 of the Listing Rules;
“Chairman”	chairman of the Board;
“Class Meetings”	collectively, the H Shareholders’ Class Meeting and Domestic Shareholders’ Class Meeting;
“Company”	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 company established in the PRC with limited liability, whose H Shares are listed and traded on the Main Board of the Stock Exchange;
“Company Law”	The Company Law of the PRC as enacted by the Standing Committee of the Eighth National People’s Congress of the PRC on 29 December 1993 and came into force on 1 July 1994, as amended, supplemented or otherwise modified from time to time;
“CSRC”	the China Securities Regulatory Commission;
“Directors”	the directors of the Company;
“Domestic Share(s)”	domestic share(s) of nominal value of RMB1.00 each in the registered capital of the Company which are subscribed for in RMB;
“Domestic Shareholders’ Class Meeting”	the class meeting for holders of Domestic Shares of the Company to be held on Friday, 7 June 2024 at 1:00 p.m. at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC;

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“Group”	the Company and its subsidiaries;
“H Share(s)”	the overseas listed foreign invested share(s) of nominal value of RMB1.00 each in the share capital of the Company which are listed on the Main Board of the Stock Exchange and subscribed for and traded in HK\$;
“H Shareholders’ Class Meeting”	the class meeting for holders of H Shares of the Company to be held on Friday, 7 June 2024 at 12:00 noon at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC, the notice of which is set out on pages 42 to 45 of this circular;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Issue Mandate”	an unconditional general mandate to issue, allot and deal with the additional Domestic Shares and/or H Shares not exceeding 20% of the issued shares of that class as at the date of passing of the relevant resolution;
“Latest Practicable Date”	Wednesday, 24 April 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mandatory Provisions”	the Mandatory Provisions for the Articles of Association of the Companies to be Listed Overseas 《到境外上市公司章程必備條款》 issued on 27 August 1994 by the State Council Securities Policy Committee and the State Commission for Restructuring the Economic System of the People’s Republic of China;
“PRC”	the People’s Republic of China, but for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“Repurchase Mandate”	subject to the conditions set out in the proposed resolution approving the repurchase mandate at the AGM and the Class Meetings, the general mandate to be granted to the Board to exercise the power of the Company to repurchase H Shares, the aggregate nominal amount of which shall not exceed 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of passing of the relevant resolution as set out in the AGM notice and the Class Meetings notices;

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“RMB”	Renminbi, the lawful currency of the PRC;
“SAFE”	State Administration of Foreign Exchange of the PRC 《中華人民共和國國家外匯管理局》 or its successor authority;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	H Shares, the Domestic Shares and all shares of other class(es) resulting from sub-division, consolidation or reclassification thereof from time to time in the share capital of the Company;
“Shareholder(s)”	the holder(s) of H Shares and Domestic Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Substantial Shareholder(s)”	has the meaning as defined under the Listing Rules;
“Supervisor(s)”	the supervisor(s) of the Company;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers;
“Tianye Group”	Xinjiang Tianye (Group) Limited* (新疆天業(集團)有限公司), which was established in the PRC with limited liability on 28 June 1996, which is owned as to 90% and 10% by Eighth Division SASAC and 新疆生產建設兵團國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of Xinjiang Production and Construction Corps*). Tianye Group was directly interested in approximately 60.42% of the issued share capital of the Company at the Latest Practicable Date;
“Trial Measures”	the Trial Administrative Measures of Overseas Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》); and
“%”	per cent.

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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)

Executive Directors:

Mr. Zhou Gang (*Chairman*)
Mr. Han Gen
Mr. Jiang Dayong

Independent non-executive Directors:

Mr. Li Lianjun
Ms. Gu Li
Mr. Hung Ee Tek
Mr. He Xinlin

Supervisors:

Ms. Chen Ming
Mr. Xie Xinghui
Mr. Chen Cailai

Registered office:

No. 36, Bei San Dong Road,
Shihezi Economic and Technological
Development Zone,
Shihezi,
Xinjiang, PRC

Principal place of business in Hong Kong:

Room B102, Block B, 10/F.,
International Industrial Building,
No.501-503 Castle Peak Road,
Cheung Sha Wan, Kowloon,
Hong Kong

30 April 2024

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED GRANT OF ISSUE MANDATE;
(2) PROPOSED GRANT OF REPURCHASE MANDATE;
(3) PROPOSED AMENDMENTS
TO THE ARTICLES OF ASSOCIATION; AND
(4) NOTICES OF ANNUAL GENERAL MEETING
AND H SHAREHOLDERS' CLASS MEETING**

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LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to provide you with information relating to (1) the proposed grant of Issue Mandate; (2) proposed grant of Repurchase Mandate; (3) proposed amendments to the Articles of Association; and (4) notices of AGM and H Shareholders' Class Meeting.

2. PROPOSED GRANT OF ISSUE MANDATE

In order to ensure flexibility when it is desirable to allot additional Shares, the Directors will seek the approval of the Shareholders to grant the Issue Mandate at the AGM.

The Company has in issue an aggregate of 317,121,560 Domestic Shares and 202,400,000 H Shares as at the Latest Practicable Date.

Special resolution no. 1 as set out in the AGM Notice (the "**Special Resolution No. 1**") will be proposed at the AGM, namely (i) to grant to the Directors an Issue Mandate to issue, allot and deal with additional Shares up to a maximum of 63,424,312 Domestic Shares and 40,480,000 H Shares, representing 20% of the aggregate nominal amount of the issued share capital of the Company of that class as at the date of passing of the Special Resolution No. 1 on the basis that no further Shares will be issued or repurchased by the Company prior to the AGM; and (ii) to increase the number of existing share capital of the Company up to a maximum of 20% of the aggregate nominal amount of share capital of the Company which the Directors may issue under the Issue Mandate if given in the Special Resolution No. 1 as at the date of passing of the Special Resolution No. 1.

3. PROPOSED GRANT OF REPURCHASE MANDATE

The Company Law, the Mandatory Provisions and the Articles of Association provide for certain restrictions on share repurchase which are applicable to all classes of Shares of the Company.

The Company Law (to which the Company is subject) provides that a joint stock limited company incorporated in the PRC may not repurchase its shares unless such repurchase is effected for the purpose of (a) reducing its registered capital; (b) in connection with a merger between itself and another entity that holds its shares; (c) granting shares as reward to the staff of the company; or (d) the repurchase is made at the request of its shareholders who disagree with shareholders' resolutions in connection with a merger or division. The Mandatory Provisions, which the Company has incorporated into the Articles of Association, provide that subject to obtaining the approval of the relevant PRC regulatory authorities and in compliance with the Articles of Association, the Company may repurchase its issued Shares for the purpose of reducing its share capital or in connection with a merger between itself and another entity that holds its Shares or in circumstances permitted by laws or administrative regulations.

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The Listing Rules permit the shareholders of a PRC joint stock limited company to grant a general mandate to its directors to repurchase shares of such company that are listed on the Stock Exchange. Such mandate is required to be given by way of a special resolution passed by its shareholders in general meeting and special resolutions passed by holders of domestic shares and holders of overseas listed foreign shares at separate meetings.

H Shares are traded on the Stock Exchange in Hong Kong dollars. Therefore, the repurchase of H Shares by the Company is subject to the approval of the SAFE (or its successor authority), and the price payable by the Company upon any repurchase of H Shares will be paid in Hong Kong dollars.

In accordance with the requirements of the Articles of Association applicable to capital reduction, the Company will have to notify its creditors of the passing of the resolution for the reduction of the registered capital of the Company. In addition, the Company Law provides that the shares repurchased by a company will have to be cancelled and the registered capital of that company will therefore be reduced by an amount equivalent to the aggregate nominal value of the shares so cancelled. In the event of a reduction of registered capital, the Company shall inform its creditors by way of written notice and announcement within a prescribed period after the passing of the relevant resolutions approving such reduction. The creditors shall be entitled to request the Company for repayment of loan and/or provision of guarantee. The statutory notification requirement allows the creditors an opportunity for the recovery and/or security of the debt (in particular for those unsecured debts) where the Company's registered capital is to be reduced.

Conditions to repurchase of H Shares

In order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to repurchase any H Shares (including where such repurchase may lead to an enhancement of the net asset value per Share and/or the earnings per Share), approval is proposed to be sought from the Shareholders for the grant of the Repurchase Mandate to the Directors. In accordance with the legal and regulatory requirements described above, the Directors give notices to convene the AGM and the Class Meetings. At each such meeting, a special resolution will be proposed to grant to the Directors the Repurchase Mandate, i.e. a conditional general mandate to repurchase H Shares in issue on the Stock Exchange with an aggregate nominal value not exceeding 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of passing of such special resolution.

The Repurchase Mandate will be conditional upon (a) the special resolution for approving the grant of the Repurchase Mandate being passed at each of the AGM and the Class Meetings; and (b) the approvals of SAFE (or its successor authority) and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate. If the above conditions are not fulfilled, the Repurchase Mandate will not be exercisable by the Directors.

The Repurchase Mandate would expire on the earlier of (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of a period of twelve months following the passing of the relevant resolution at the AGM and the Class Meetings; or (c)

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the date on which the authority conferred by the special resolution is revoked or varied by a special resolution of the Shareholders in a general meeting or by a special resolution of holders of H Shares or holders of Domestic Shares at their respective class meetings.

The H Shares which may be repurchased by the Company pursuant to the Repurchase Mandate shall not exceed 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of passing of the resolution approving the Repurchase Mandate at the AGM and the Class Meetings.

An explanatory statement giving certain information regarding the Repurchase Mandate is set out in the Appendix to this circular.

4. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board announces that a special resolution will be proposed at the AGM to approve the amendments to the Articles of Association, details of which are as follows:

On 17 February 2023, the CSRC issued the Trial Measures and relevant guidelines, which include the abolition of the Notice on the Implementation of the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas (《關於執行〈到境外上市公司章程必備條款〉的通知》). The Trial Measures have been effective since 31 March 2023. From the effective date of the Trial Measures, PRC issuers shall formulate their articles of association with reference to the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》). In light of the above Trial Measures and relevant guidelines in effect, the Stock Exchange has made consequential amendments to the Listing Rules which have come into effect since 1 August 2023 to reflect, among other things, the Trial Measures and relevant guidelines in effect. On 1 August 2023, the CSRC issued the Management Measures for Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), pursuant to which more detailed regulations on the appointment of independent directors were stipulated.

Besides, pursuant to the consultation conclusions on the “Suggestions on the Expansion of Paperless Listing Regime and its Amendments to Other Listing Rules” published by the Stock Exchange in June 2023, amendments have been made to the Listing Rules with effect from 31 December 2023. As such, among other things, under the premises of complying with all applicable laws and regulations, a listed issuer must (i) send or otherwise make available the corporate communication (as defined under the Listing Rules) to the relevant holders of its securities using electronic means; or (ii) make the corporate communication available on its website and the Stock Exchange’s website. Listed issuers must make necessary amendments to its constitutional documents for complying with such requirements prior to the first annual general meeting held after 31 December 2023.

Given the aforesaid, the Board proposes to make certain amendments to the Company’s existing articles of association to, among other things, reflect (i) the above Trial Measures and relevant guidelines in effect; (ii) other requirements of the Listing Rules and the Company Law; (iii) the latest regulatory requirements of the Stock Exchange in relation to the expansion of paperless listing regime and the dissemination of corporate

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communication by electronic means by listed issuers and relevant amendments to the Listing Rules effective from 31 December 2023; and (iv) the actual situation of the Company.

The proposed amendments to the Articles of Association are subject to the approval by way of special resolution by Shareholders at the annual general meeting. In particular, the amendments involving the authorities of the general meeting and the Board made in accordance with the Company Law (i.e. article 1.04, article 8.02, article 8.07, article 8.24, article 8.28, article 11.03, article 11.13 to article 11.20, article 15.01 upon the amendments in the table below) will be effective from 1 July 2024 upon obtaining the approval of Shareholders, while other amendments will become immediately effective upon obtaining the approval of Shareholders.

The English version of the proposed amendments to the Articles of Association is the unofficial translation of its Chinese version. In case of inconsistencies between the Chinese version and the English version, the Chinese version shall prevail.

Details of the proposed amendments to the Articles of Association are as below:

Before amendment	After amendment
Article 1.01 Xinjiang Tianye Water Saving Irrigation System Co., Ltd. is a joint stock limited company established in accordance with the <i>Company Law</i> , <i>Special Provisions</i> and other State laws and administrative regulations.	Article 1.01 Xinjiang Tianye Water Saving Irrigation System Co., Ltd. is a joint stock limited company established in accordance with the <i>Company Law</i> , <i>Trial Administrative Measures of Overseas Offering and Listing by Domestic Companies</i> and other State laws and administrative regulations.
Article 1.04 The legal representative of the Company shall be the chairman of its board of directors.	Article 1.04 The legal representative of the Company shall be the chairman of its board of directors. Resignation of the chairman is deemed to be the simultaneous resignation as the legal representative. The Company shall, within thirty days from the resignation of the legal representative, determine a new legal representative.
Article 1.06 The Company revised the original regulations (hereinafter refer to “the original company article”) of the articles (or “this article”) on the extraordinary shareholders’ general meeting which was held on June 8th, 2004 and on the annual shareholders meeting which was held on April 15th, 2005 according to the Company Law, Special Provisions, the Essential Clauses and other relevant provision of state laws and administrative regulations.	Article 1.06 The Company revised the original regulations (hereinafter refer to “ the original company article ”) of the articles (or “ this article ”) on the extraordinary shareholders’ general meeting which was held on June 8th, 2004 and on the annual shareholders meeting which was held on April 15th, 2005 according to the Company Law, Trial Administrative Measures of Overseas Offering and Listing by Domestic Companies and other relevant provision of state laws and administrative regulations.

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Before amendment	After amendment
<p>Article 6.03 Shares shall sign by the chairman of the board. If the Stock Exchange where the shares of the Company are listed requires the senior management staff of the Company to sign, then it shall be signed by the relevant senior management staff. The shares shall be effective after sealed by the Company (including the securities company seal) or sealed in the form of printing stamp. Sealing the company seal or the securities company seal shall be authorized by the board of directors. The signature of the chairman of the board and the senior management staff of the Company may also take the form of printing.</p>	<p>Article 6.03 Shares shall sign by the chairman of the board. If the Stock Exchange where the shares of the Company are listed requires the senior management staff of the Company to sign, then it shall be signed by the relevant senior management staff. The shares shall be effective after sealed by the Company (including the securities company seal) or sealed in the form of printing stamp. Sealing the company seal or the securities company seal shall be authorized by the board of directors. The signature of the chairman of the board and the senior management staff of the Company may also take the form of printing. Under the conditions of paperless issuance and transactions of the Company's shares, other requirements stipulated by the securities regulatory authorities and stock exchanges at the place where the Company's shares are listed shall prevail.</p>
<p>Article 7.02 The shareholder of the ordinary share of the company could enjoy following rights:</p> <ol style="list-style-type: none"> (1) Get the dividends and benefit distribution in other forms in corresponding to the held shares (but they do not have the right to participate in the dividend announced later with the prepaid capital); (2) Participate in or appoint shareholder agent to attend the general meeting of stockholders and use the voting power; (3) Supervise the business operating activities of the company, raise suggestions or inquiries; (4) Transfer the share in corresponding to the law, administrative laws and regulations and the rules of articles of association; (5) Get relevant information according to the rules of articles of association, including: <ol style="list-style-type: none"> 1. Get the articles of association after paying the cost. 	<p>Article 7.02 The shareholder of the ordinary share of the company could enjoy following rights:</p> <ol style="list-style-type: none"> (1) Get the dividends and benefit distribution in other forms in corresponding to the held shares (but they do not have the right to participate in the dividend announced later with the prepaid capital); (2) Participate in or appoint shareholder agent to attend the general meeting of stockholders and use the right to speak and voting power (unless an individual shareholder shall abstain from voting on an individual matter under the requirements of the listing rules of the place where the company is listed); (3) Supervise the business operating activities of the company, raise suggestions or inquiries; (4) Transfer the share in corresponding to the law, administrative laws and regulations and the rules of articles of association; (5) Get relevant information according to the rules of articles of association, including: <ol style="list-style-type: none"> 1. Get the articles of association after paying the cost.

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Before amendment	After amendment
<p>2. After paying reasonable fees, they have the right of looking up and coping:</p> <p>(i) The register of shareholders of all parts;</p> <p>(ii) The personal data of the directors, supervisor and senior managers of the company, including:</p> <p>(a) The present and previous name, alias;</p> <p>(b) Main address (dwelling place);</p> <p>(c) Nationality;</p> <p>(d) The occupation and post of full-time and all other parttime jobs;</p> <p>(e) Identification paper documents and their numbers;</p> <p>(iii) The situation of capital stock of the company; the par value, amount, ceiling price and bottom price of every category of shares repurchased by company since the last account year, and the report about the cost that the company paid for these;</p> <p>(iv) The meeting minutes of the general meeting of stockholders.</p> <p>(6) When the company is terminated or cleared, they could participate in the distribution of residual properties of the company in corresponding to the portion of share held by them;</p> <p>(7) Other rights which are given by the law, administrative laws and regulations and articles of association.</p>	<p>2. After paying reasonable fees, they have the right of looking up and coping:</p> <p>(i) The register of shareholders of all parts;</p> <p>(ii) The personal data of the directors, supervisor and senior managers of the company, including:</p> <p>(a) The present and previous name, alias;</p> <p>(b) Main address (dwelling place);</p> <p>(c) Nationality;</p> <p>(d) The occupation and post of full-time and all other parttime jobs;</p> <p>(e) Identification paper documents and their numbers;</p> <p>(iii) The situation of capital stock of the company;</p> <p>(iv) The par value, amount, ceiling price and bottom price of every category of shares repurchased by company since the last account year, and the report about the cost that the company paid for these;</p> <p>(v) The meeting minutes of the general meeting of stockholders.</p> <p>(6) When the company is terminated or cleared, they could participate in the distribution of residual properties of the company in corresponding to the portion of share held by them;</p> <p>(7) Other rights which are given by the law, administrative laws and regulations and articles of association.</p>

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Before amendment	After amendment
<p>Article 8.02 The general meeting of stockholders could exercise the following functions and powers:</p> <p>(1) Decide the business policy and investment plan of the company;</p> <p>(2) Select and alter director, decide the reward which is related to the director;</p> <p>(3) Select and alter the supervisor which is taken up by the shareholder representative, decide the reward which is related to the supervisor;</p> <p>(4) Deliberate and approve the report of the Board;</p> <p>(5) Deliberate and approve the report of the board of supervisors;</p> <p>(6) Deliberate and approve the annually financial budget plan and final accounting plan of the company;</p> <p>(7) Deliberate and approve the profit distribution plan and deficit covering plan of the company;</p> <p>(8) Make resolution on the increase or decrease of the registered capital of the company;</p> <p>(9) Make resolution on the items such as the corporate combination, corporate separation, the form alternation of the company, dismiss and account settlement of the company;</p>	<p>Article 8.02 The general meeting of stockholders could exercise the following functions and powers:</p> <p>(1) Select and alter director, decide the reward which is related to the director;</p> <p>(2) Select and alter the supervisor which is taken up by the shareholder representative, decide the reward which is related to the supervisor;</p> <p>(3) Deliberate and approve the report of the Board;</p> <p>(4) Deliberate and approve the report of the board of supervisors;</p> <p>(5) Deliberate and approve the profit distribution plan and deficit covering plan of the company;</p> <p>(6) Make resolution on the increase or decrease of the registered capital of the company;</p> <p>(7) Make resolution on the items such as the corporate combination, corporate separation, the form alternation of the company, dismiss and account settlement of the company;</p> <p>(8) Make resolution on the issue of bonds;</p> <p>(9) Make resolution on employing accounting firm, terminating the employ or not making further employment of the accounting firm;</p>

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Before amendment	After amendment
<p>(10) Make resolution on the issue of bonds;</p> <p>(11) Make resolution on employing accounting firm, terminating the employ or not making further employment of the accounting firm;</p> <p>(12) Alter the articles of association;</p> <p>(13) Deliberate the proposal from the shareholders who hold more than 3% (3% included) shares alone or jointly;</p> <p>(14) Other items which are specified to be deliberated by the general meeting of shareholders by laws, administrative laws and regulations and articles of association. The general meeting of shareholders could authorize or entrust the Board to do the items which are authorized or entrusted.</p>	<p>(10) Alter the articles of association;</p> <p>(11) Deliberate the proposal from the shareholders who hold more than 1% (1% included) shares alone or jointly;</p> <p>(12) Other items which are specified to be deliberated by the general meeting of shareholders by laws, administrative laws and regulations and articles of association. The general meeting of shareholders could authorize the Board to make resolutions on the issuance of corporate bonds.</p>
<p>Article 8.05 The general meeting of shareholders could be divided into annual meeting of shareholders and temporary meeting of shareholders. The general meeting of shareholders is gathered by the Board. The annual meeting of shareholders should be held once a year and it should be held within 6 months after the finishing of previous accounting year.</p> <p>The Board should hold temporary meeting of shareholders within 2 months, if there is one of the following situations:</p> <p>(1) The number of directors is less than the regulated number of the “Corporation Law” or less than 2/3 of the number required by the articles of association;</p> <p>(2) The uncovered deficit of the company reaches 1/3 of the total paid up stock;</p>	<p>Article 8.05 The general meeting of shareholders could be divided into annual meeting of shareholders and temporary meeting of shareholders. The general meeting of shareholders is gathered by the Board. The annual meeting of shareholders should be held once a year and it should be held within 6 months after the finishing of previous accounting year.</p> <p>The Board should hold temporary meeting of shareholders within 2 months, if there is one of the following situations:</p> <p>(1) The number of directors is less than the regulated number of the “Corporation Law” or less than 2/3 of the number required by the articles of association;</p> <p>(2) The uncovered deficit of the company reaches 1/3 of the total paid up stock;</p>

LETTER FROM THE BOARD

Before amendment	After amendment
<p>(3) The shareholder who holds more than 10% (10% included) of the share alone or jointly requires to do so;</p> <p>(4) When the Board thinks it is necessary or the board of supervisors puts forward to hold the meeting;</p> <p>(5) More than 2 independent non executive Directors put forward to hold the meeting;</p> <p>(6) Other situations regulated in the articles of association.</p>	<p>(3) The shareholder who holds more than 10% (10% included) of the share alone or jointly requires to do so;</p> <p>(4) When the Board thinks it is necessary or the board of supervisors puts forward to hold the meeting;</p> <p>(5) The Supervisory Committee puts forward to hold the meeting;</p> <p>(6) Other situations regulated in the laws, administrative regulations, department rules, the listing rules of the exchange where the stock of the company is listed or the articles of association.</p>
<p>Article 8.06 Notices of general meetings shall be given in written form at least 20 days (excluding the date of such general meeting), while notices of extraordinary general meetings, containing the agenda, the date and the venue of the relevant meeting, must be given to all Shareholders listed in the register of members at least 15 days (excluding the date of such general meeting) prior to the day the relevant general meeting is intended to be held, and in written form or in any other manners as prescribed by the Articles of Association. Shareholders who intend to attend the relevant general meeting must respond, in writing to the Company, 10 days prior to the day the relevant general meeting is intended to be held.</p>	<p>Article 8.06 Notices of general meetings shall be given in written form at least 20 days (excluding the date of such general meeting), while notices of extraordinary general meetings, containing the agenda, the date and the venue of the relevant meeting, must be given to all Shareholders listed in the register of members at least 15 days (excluding the date of such general meeting) prior to the day the relevant general meeting is intended to be held, and in written form or in any other manners as prescribed by the Articles of Association. Shareholders who intend to attend the relevant general meeting must respond, in writing to the Company, 10 days prior to the day the relevant general meeting is intended to be held.</p>
<p>Article 8.07 On the annual general meeting of the company, the shareholders who alone or combined own a total number of more than 3% (3% included) of voting shares in the company, have the right to give a new proposal presented in written form to the Board of Directors 10 days before the date of general meeting of shareholders of the company. And the Board of Directors in the proposal shall mandate these matters and put them on the agenda of the meeting that the general meeting of shareholders is responsible for. General meeting of shareholders shall not make resolutions about things that have not been set out in the above notice.</p>	<p>Article 8.07 On the annual general meeting of the company, the shareholders who alone or combined own a total number of more than 1% (1% included) of voting shares in the company, have the right to give a new proposal presented in written form to the Board of Directors 10 days before the date of general meeting of shareholders of the company. And the Board of Directors in the proposal shall mandate these matters and put them on the agenda of the meeting that the general meeting of shareholders is responsible for. General meeting of shareholders shall not make resolutions about things that have not been set out in the above notice.</p>

LETTER FROM THE BOARD

Before amendment	After amendment
<p>Article 8.10 Notices of general meetings shall be given to all Shareholders irrespective of their entitlement to voting rights at general meetings. Such notices shall be given by way of delivery in person or by mail (with postage fully paid) to the relevant Shareholders at their registered address as contained in the register of members. The Company can issue or distribute the aforementioned notices to the Shareholders through the website of the Stock Exchange and of the Company or by email, and does not have to issue or distribute notices in manners as prescribed above, but in any event there shall be no violation of any laws, regulations and listing rules of the place where the Company's Shares are listed. For holders of Domestic Shares, notices of general meetings may also be made by way of announcements.</p> <p>A relevant notice as aforementioned shall be published on the website of the Stock Exchange and of the Company between the 45th to 50th days prior to the intended date of the relevant general meeting. Holders of Domestic Shares will be regarded as having been notified of the relevant general meeting as soon as the relevant notice is published on the website of the Stock Exchange and of the Company.</p> <p>Article 8.14 The vote power of attorney shall be prepared in the company residence or other places specified in the notice of meeting convening at least 24 hours before the meeting or 24 hours before the specific time of vote. The authorized power of attorney or other documents shall be notarized if it is signed by clients who authorize others with the right of signing. Notarized power of attorney or other authorization documents together with the vote power of attorney at the same time shall be prepared in the company residence or other places specified in the notice of meeting convening.</p>	<p>Article 8.10 Notices of general meetings shall be given to all Shareholders irrespective of their entitlement to voting rights at general meetings. Such notices shall be given by way of delivery in person or by mail (with postage fully paid) to the relevant Shareholders at their registered address as contained in the register of members. The Company can issue or distribute the aforementioned notices to the Shareholders through the website of the Stock Exchange and of the Company or by email, and does not have to issue or distribute notices in manners as prescribed above, but in any event there shall be no violation of any laws, regulations and listing rules of the place where the Company's Shares are listed. For holders of Domestic Shares, notices of general meetings may also be made by way of announcements.</p> <p>A relevant notice as aforementioned shall be published on the website of the Stock Exchange and of the Company 15 to 20 days prior to the intended date of the relevant general meeting. Holders of Domestic Shares will be regarded as having been notified of the relevant general meeting as soon as the relevant notice is published on the website of the Stock Exchange and of the Company.</p> <p>Article 8.14 The vote power of attorney shall be prepared in the company residence or other places specified in the notice of meeting convening at least 24 hours before the meeting or 24 hours before the specific time of vote. The authorized power of attorney or other documents shall be notarized if it is signed by clients who authorize others with the right of signing. Notarized power of attorney or other authorization documents together with the vote power of attorney at the same time shall be prepared in the company residence or other places specified in the notice of meeting convening.</p>

LETTER FROM THE BOARD

Before amendment	After amendment
<p>If the client is a legal entity, the authorized person who is authorized by resolution of the Board of Directors, its legal representative or other decision-making body, can play as a representative to attend the general meeting of shareholders of the company.</p> <p>Article 8.19 The shareholders (including nominee shareholders) in the process of vote, shall exercise the right to vote according to the shares amounts to which they representative, and each share has one vote right.</p> <p>Article 8.24 The following ordinary resolutions of the matter shall be passed by the general meeting of shareholders by:</p> <p>(4) The company's annual budget and final accounts, balance sheet, income statement and other financial reports;</p>	<p>If the client is a legal entity, the authorized person who is authorized by resolution of the Board of Directors, its legal representative or other decision-making body, can play as a representative to attend the general meeting of shareholders of the company. If its proxy(ies) attend(s) any general meeting, it shall be deemed to be present in person.</p> <p>Article 8.19 The shareholders (including nominee shareholders) in the process of vote, shall exercise the right to vote according to the shares amounts to which they representative, and each share has one vote right. Where applicable laws and regulations or the relevant listing rules of the place(s) where the company is listed require any shareholder to abstain from voting on a specific resolution or restrict any shareholder to vote only for (or against) a specific resolution, any vote cast by the shareholder or his or her proxy in contravention of the relevant requirement or restriction shall not be included.</p> <p>Article 8.24 The following ordinary resolutions of the matter shall be passed by the general meeting of shareholders by:</p> <p>(4) The company's balance sheet, income statement and other financial reports;</p>
<p>Article 8.25 The following matters shall be approved by the shareholders' meeting with special resolution:</p> <p>(1) The company increases or decreases its capital stocks and issues any kinds of shares, Warrants, or other similar securities;</p> <p>(2) Issuing of the company bonds;</p> <p>(3) Split-up, merger, dissolution and liquidation and significant purchase or sale of the company;</p> <p>(4) Modification of the Articles of Association;</p> <p>(5) Resolutions about change of the company form;</p>	<p>Article 8.25 The following matters shall be approved by the shareholders' meeting with special resolution:</p> <p>(1) The company increases or decreases its capital stocks and issues any kinds of shares, Warrants, or other similar securities;</p> <p>(2) Issuing of the company bonds;</p> <p>(3) Split-up, merger, dissolution and liquidation and significant purchase or sale of the company;</p> <p>(4) Modification of the Articles of Association;</p> <p>(5) Resolutions about change of the company form;</p>

LETTER FROM THE BOARD

Before amendment	After amendment
<p>(6) Other matters which is approved by the shareholders' meeting with ordinary resolution that the matters have significant influence on the company and shall be approved with special resolution. When the company purchases or sells any significant assets, or provides guarantees that exceed 30% of the company's total assets within a year, it shall be authorized by the resolutions made by the shareholder's meeting and adopted by the shareholders representing more than 2/3 of the voting rights of the shareholders who attend the shareholders' meeting.</p> <p>Article 8.27 When the board of supervisors or shareholders require to convene an interim shareholders' meeting or separate meeting of classified shareholders, it shall be transacted in accordance with the following procedures:</p> <p>(1) The board of supervisors or two or more shareholders who aggregately hold more than 10% (including 10%) of the shares which have voting rights in the meeting to be held can sign and submit a copy or several copies of written request of similar form and content for approval of the board of directors to convene interim shareholders' meeting or separate meetings of classified shareholders, and clarify the topic for discussion. The board of directors shall convene interim shareholders' meeting or separate meeting of classified shareholders as soon as possible after it receives the written request mentioned above. Then above-mentioned shares amount of the shareholders shall be calculated in accordance with the shareholding situation on the day when the shareholders put forward the written request.</p>	<p>(6) Other matters which is approved by the shareholders' meeting with ordinary resolution that the matters have significant influence on the company and shall be approved with special resolution. When the company purchases or sells any significant assets, or provides guarantees that exceed 30% of the company's total assets within a year, it shall be authorized by the resolutions made by the shareholder's meeting and adopted by the shareholders representing more than 2/3 of the voting rights of the shareholders who attend the shareholders' meeting.</p> <p>(7) Other matters which shall be approved with special resolution as required by the relevant listing rules of the place(s) where the company is listed.</p> <p>Article 8.27 When the board of supervisors or shareholders require to convene an interim shareholders' meeting or separate meeting of classified shareholders, it shall be transacted in accordance with the following procedures:</p> <p>(1) The board of supervisors or two or more shareholders who aggregately hold more than 10% (including 10%) of the shares which have voting rights of the Company can sign and submit a copy or several copies of written request of similar form and content for approval of the board of directors to convene interim shareholders' meeting and clarify the topic for discussion. The board of directors shall convene interim shareholders' meeting or separate meeting of classified shareholders as soon as possible after it receives the written request mentioned above. Then above-mentioned shares amount of the shareholders shall be calculated in accordance with the shareholding situation on the day when the shareholders put forward the written request.</p>

LETTER FROM THE BOARD

Before amendment	After amendment
<p>Article 8.28 The shareholders' meeting shall be convened by the board of directors and presided over by the chairman of the board of directors. If the chairman of the board of directors is unable or fails to perform his duties, the meeting shall be presided over by the deputy chairman of the board of directors. If the deputy chairman of the board of directors is unable or fails to perform his duties, the meeting shall be presided over by a director jointly elected by more than half of the directors. If the directors don't elect the chairman of the meeting, the shareholders who attend the meeting can elect one to act as the chairman of the meeting. If the shareholders are unable to elect the chairman of the meeting for any reasons, the shareholder who attends the meeting and holds most voting shares (including the agents of shareholders) shall act as the chairman of the meeting.</p>	<p>Article 8.28 The shareholders' meeting shall be convened by the board of directors and presided over by the chairman of the board of directors. If the chairman of the board of directors is unable or fails to perform his duties, the meeting shall be presided over by the deputy chairman of the board of directors. If the deputy chairman of the board of directors is unable or fails to perform his duties, the meeting shall be presided over by a director jointly elected by half of the directors. If the directors don't elect the chairman of the meeting, the shareholders who attend the meeting can elect one to act as the chairman of the meeting. If the shareholders are unable to elect the chairman of the meeting for any reasons, the shareholder who attends the meeting and holds most voting shares (including the agents of shareholders) shall act as the chairman of the meeting.</p>
<p>Chapter 9: Special Procedures for Resolution on Class Shareholders</p> <p>Article 9.01 The shareholders who hold different kinds of shares are classified shareholders.</p> <p>The classified shareholders have rights and undertake obligations in accordance with provisions of laws, administrative laws and regulations and articles of association.</p> <p>Article 9.02 When the company plans to change or abolish rights of the classified shareholders, it shall be approved by the shareholders' meeting with special resolution and by the influenced classified shareholders on the shareholders' meeting convened respectively according to the Article 9.04 to Article 9.08 of these Articles before it is carried out.</p>	<p>Chapter 9: Special Procedures for Resolution on Class Shareholders</p> <p>Article 9.01 The shareholders who hold different kinds of shares are classified shareholders.</p> <p>The classified shareholders have rights and undertake obligations in accordance with provisions of laws, administrative laws and regulations and articles of association.</p> <p>Article 9.02 When the company plans to change or abolish rights of the classified shareholders, it shall be approved by the shareholders' meeting with special resolution and by the influenced classified shareholders on the shareholders' meeting convened respectively according to the Article 9.04 to Article 9.08 of these Articles before it is carried out.</p>

LETTER FROM THE BOARD

Before amendment	After amendment
<p>Article 9.03 The following circumstances shall be regarded as change or abolition of rights of the classified shareholders:</p>	<p>Article 9.03 The following circumstances shall be regarded as change or abolition of rights of the classified shareholders:</p>
<p>(1) Increasing or decreasing the amount of the shares of that class, or increasing or decreasing the amount of the classified shares which have equal or more voting rights, distribution rights, and other rights comparing with the shares of that class;</p>	<p>(1) Increasing or decreasing the amount of the shares of that class, or increasing or decreasing the amount of the classified shares which have equal or more voting rights, distribution rights, and other rights comparing with the shares of that class;</p>
<p>(2) Converting all or a part of the shares of that class to shares of other classes, or converting all or a part of the shares of another class to shares of that class or authorize it with such conversion rights;</p>	<p>(2) Converting all or a part of the shares of that class to shares of other classes, or converting all or a part of the shares of another class to shares of that class or authorize it with such conversion rights;</p>
<p>(3) Canceling or decreasing the rights of acquiring the generated dividend or cumulative dividend of the shares of that class;</p>	<p>(3) Canceling or decreasing the rights of acquiring the generated dividend or cumulative dividend of the shares of that class;</p>
<p>(4) Decreasing or canceling the rights of acquiring dividend preferentially or acquiring preferential distribution of property in the company liquidation of the shares of that class;</p>	<p>(4) Decreasing or canceling the rights of acquiring dividend preferentially or acquiring preferential distribution of property in the company liquidation of the shares of that class;</p>
<p>(5) Increasing, canceling or decreasing the shares conversion right, right of choice, voting right, assignment right, preferential right of allotment, and right of acquiring the corporation securities of the shares of that class;</p>	<p>(5) Increasing, canceling or decreasing the shares conversion right, right of choice, voting right, assignment right, preferential right of allotment, and right of acquiring the corporation securities of the shares of that class;</p>
<p>(6) Canceling or decreasing the rights of collecting the payables of the company in particular currency of the shares of that class;</p>	<p>(6) Canceling or decreasing the rights of collecting the payables of the company in particular currency of the shares of that class;</p>
<p>(7) Establishing shares of new classes which have equal or more voting rights, distribution rights or other rights comparing with the shares of that class;</p>	<p>(7) Establishing shares of new classes which have equal or more voting rights, distribution rights or other rights comparing with the shares of that class;</p>
<p>(8) Restricting the conversion or proprietary rights of the shares of that class or increasing such restrictions;</p>	<p>(8) Restricting the conversion or proprietary rights of the shares of that class or increasing such restrictions;</p>
<p>(9) Issuing stock subscription rights or rights of shares conversion of the shares of that class or another class;</p>	<p>(9) Issuing stock subscription rights or rights of shares conversion of the shares of that class or another class;</p>

LETTER FROM THE BOARD

Before amendment	After amendment
<p>(10) Increasing the rights and privileges of shares of other classes;</p> <p>(11) The company reorganization scheme will cause that shareholders of different classes undertake responsibilities un-proportionately in the reorganization;</p> <p>(12) Modifying or abolishing the clauses of this Chapter.</p> <p>Article 9.04 The influenced classified shareholders, no matter whether they have voting rights originally on the shareholders' meeting, have voting rights on the separate meetings of classified shareholders in respect of the matters of (2) to (8), (11) to (12) in Article 9.03 of these Articles. But the interested shareholders don't have voting rights on the separate meeting of classified shareholders.</p> <p>The aforesaid interested shareholders are defined as the following:</p> <p>(1) When the company sends buy back offers to all the shareholders according to the same ratios or buys back the shares of itself in stock exchange through public means of exchange in accordance with the regulations in Article 4.04 of these Articles, the "interested shareholders" refer to the controlling shareholders defined in Article 7.05 of these Articles;</p> <p>(2) When the company buys back the shares of itself outside the stock exchange through the method of agreement according to the regulations in Article 4.04 of these Articles, the "interested shareholders" refer to the shareholders who are relevant with the very agreement;</p> <p>(3) In the company reorganization scheme, the "interested shareholders" refer to the shareholders who undertake responsibilities of less ratios than other shareholders of that class or the shareholders who have different interests from other shareholders of that class.</p>	<p>(10) Increasing the rights and privileges of shares of other classes;</p> <p>(11) The company reorganization scheme will cause that shareholders of different classes undertake responsibilities un-proportionately in the reorganization;</p> <p>(12) Modifying or abolishing the clauses of this Chapter.</p> <p>Article 9.04 The influenced classified shareholders, no matter whether they have voting rights originally on the shareholders' meeting, have voting rights on the separate meetings of classified shareholders in respect of the matters of (2) to (8), (11) to (12) in Article 9.03 of these Articles. But the interested shareholders don't have voting rights on the separate meeting of classified shareholders.</p> <p>The aforesaid interested shareholders are defined as the following:</p> <p>(1) When the company sends buy back offers to all the shareholders according to the same ratios or buys back the shares of itself in stock exchange through public means of exchange in accordance with the regulations in Article 4.04 of these Articles, the "interested shareholders" refer to the controlling shareholders defined in Article 7.05 of these Articles;</p> <p>(2) When the company buys back the shares of itself outside the stock exchange through the method of agreement according to the regulations in Article 4.04 of these Articles, the "interested shareholders" refer to the shareholders who are relevant with the very agreement;</p> <p>(3) In the company reorganization scheme, the "interested shareholders" refer to the shareholders who undertake responsibilities of less ratios than other shareholders of that class or the shareholders who have different interests from other shareholders of that class.</p>

LETTER FROM THE BOARD

Before amendment	After amendment
<p>Article 9.05 Resolutions of separate meeting of classified shareholders can only be made when the shareholders who attend the meeting and hold more than 2/3 of shares which have voting rights vote and approve it according to the Article 9.04 of these Articles.</p>	<p>Article 9.05 Resolutions of separate meeting of classified shareholders can only be made when the shareholders who attend the meeting and hold more than 2/3 of shares which have voting rights vote and approve it according to the Article 9.04 of these Articles.</p>
<p>Article 9.06 Notice of a class meeting shall be given in written form at least 20 days (excluding the date of such meeting), while notice of an extraordinary class meeting, containing the agenda, the date and the venue of the relevant class meeting, must be given to all holders of that particular class as listed in the register of members 15 days (excluding the date of such meeting) prior to the day the relevant class meeting is intended to be held, and in written form or in the manners as prescribed by the Articles of Association. Shareholders who intend to attend the relevant class meeting must respond, in writing to the Company, 10 days prior to the day the relevant class meeting is intended to be held.</p>	<p>Article 9.06 Notice of a class meeting shall be given in written form at least 20 days (excluding the date of such meeting), while notice of an extraordinary class meeting, containing the agenda, the date and the venue of the relevant class meeting, must be given to all holders of that particular class as listed in the register of members 15 days (excluding the date of such meeting) prior to the day the relevant class meeting is intended to be held, and in written form or in the manners as prescribed by the Articles of Association. Shareholders who intend to attend the relevant class meeting must respond, in writing to the Company, 10 days prior to the day the relevant class meeting is intended to be held.</p>
<p>The company can convene the separate meeting of classified shareholders when the shareholders planning to attend the meeting represent more than half of the total shares of that class which have voting rights on the meeting, or the company shall inform the items to be discussed on the meeting and the date and site of the meeting to shareholders once again through announcement in five days. After the announcement, the company can convene the separate meeting of classified shareholders, and such announcement shall be published on newspaper.</p>	<p>The company can convene the separate meeting of classified shareholders when the shareholders planning to attend the meeting represent more than half of the total shares of that class which have voting rights on the meeting, or the company shall inform the items to be discussed on the meeting and the date and site of the meeting to shareholders once again through announcement in five days. After the announcement, the company can convene the separate meeting of classified shareholders, and such announcement shall be published on newspaper.</p>
<p>Article 9.07 The notices of the separate meeting of classified shareholders are necessary to be sent only to the shareholders who have voting rights on the meeting.</p>	<p>Article 9.07 The notices of the separate meeting of classified shareholders are necessary to be sent only to the shareholders who have voting rights on the meeting.</p>
<p>The separate meeting of classified shareholders shall be held with the same procedures of the shareholders' meeting as far as possible. The relevant clauses about the procedures of the holding of shareholders' meeting in the articles of association are applicable to the separate meeting of classified shareholders.</p>	<p>The separate meeting of classified shareholders shall be held with the same procedures of the shareholders' meeting as far as possible. The relevant clauses about the procedures of the holding of shareholders' meeting in the articles of association are applicable to the separate meeting of classified shareholders.</p>

LETTER FROM THE BOARD

Before amendment	After amendment
<p>Article 9.08 Besides the shareholders of shares of other classes, shareholders of domestic shares and overseas listed foreign shares are regarded as shares of different classes.</p> <p>The following circumstances are not applicable to the special procedures of voting by classified shareholders:</p> <p>(1) Approved by the shareholders' meeting with special resolution, the company issues singly or simultaneously domestic shares and overseas listed foreign shares at the interval of 12 months and the amount of the domestic shares and overseas listed foreign shares to be issued don't respectively exceed 20% of the shares of that class which have been issued to public; or</p> <p>(2) The plan of issuing domestic shares and overseas listed foreign shares at the establishment of the company is completed within 15 months since the approval date of the Securities Commission of the State Council.</p>	<p>Article 9.08 Besides the shareholders of shares of other classes, shareholders of domestic shares and overseas listed foreign shares are regarded as shares of different classes.</p> <p>The following circumstances are not applicable to the special procedures of voting by classified shareholders:</p> <p>(1) Approved by the shareholders' meeting with special resolution, the company issues singly or simultaneously domestic shares and overseas listed foreign shares at the interval of 12 months and the amount of the domestic shares and overseas listed foreign shares to be issued don't respectively exceed 20% of the shares of that class which have been issued to public; or</p> <p>(2) The plan of issuing domestic shares and overseas listed foreign shares at the establishment of the company is completed within 15 months since the approval date of the Securities Commission of the State Council.</p>

LETTER FROM THE BOARD

Before amendment	After amendment
<p>Article 11.03 The board of directors is responsible for the shareholders' meeting and exercise the following functions:</p> <p>(1) Convening shareholders' meeting and presenting reports to the shareholders' meeting;</p> <p>(2) Implementing the resolutions made at the shareholders' meetings;</p> <p>(3) Determining the company's business and investment plans;</p> <p>(4) Working out the company's annual financial budget plans and final account plans;</p> <p>(5) Working out the company's profit distribution plans and loss recovery plans;</p> <p>(6) Working out the company's debt policies and financial policies; working out the company's plans on the increase or reduction of registered capital, as well as on the issuance of corporate bonds;</p> <p>(7) Working out the company's plans on significant purchase, buying back the shares of the company itself or sale and company's plans on merger, split, change of the company form, or dissolution;</p> <p>(8) Making decisions on the establishment of the company's internal management departments;</p>	<p>Article 11.03 The board of directors is responsible for the shareholders' meeting and exercise the following functions:</p> <p>(1) Convening shareholders' meeting and presenting reports to the shareholders' meeting;</p> <p>(2) Implementing the resolutions made at the shareholders' meetings;</p> <p>(3) Determining the company's business proposals, investment proposals and investment plans;</p> <p>(4) Determining the company's annual financial budget plans and final account plans;</p> <p>(5) Working out the company's profit distribution plans and loss recovery plans;</p> <p>(6) Working out the company's debt policies and financial policies; working out the company's plans on the increase or reduction of registered capital, as well as on the issuance of corporate bonds;</p> <p>(7) Working out the company's plans on significant purchase, buying back the shares of the company itself or sale and company's plans on merger, split, change of the company form, or dissolution;</p> <p>(8) Making decisions on the establishment of the company's internal management departments;</p>

LETTER FROM THE BOARD

Before amendment	After amendment
<p>(9) Employment or recall of the company's manager; employment or recall of the company's senior management personnel such as the deputy manager, chief financial officer and etc. and employment or recall of the secretary of board of directors according to the nomination of the manager, and making decisions on the remuneration and method of payment for the personnel mentioned above;</p> <p>Appointing or replacing the members of the board of directors and board of supervisors of the wholly-owned subsidiaries; Appointing, replacing or recommending the shareholder representatives, directors and supervisors of the holding subsidiary companies and the joint stock subsidiaries;</p> <p>(10) Making decisions on the setting of the embranchments of the company;</p> <p>(11) Working out modification scheme of the articles of association;</p> <p>(12) Working out the company's basic management system;</p> <p>(13) With the exception of the matters which should be resolved by the shareholders' meeting according to the Company Law and these articles, deciding other significant matters and administrative matters of the company and signing other important agreements; and</p> <p>(14) Other functions authorized by the shareholders' meeting, laws, regulations, and these articles of association.</p> <p>When the board of directors makes resolutions on matters mentioned above, the matters of (6), (7), and (11) requires approval of more than 2/3 of the voting directors, while other matters requires approval of more than half of the voting directors.</p> <p>When the board of directors makes resolutions about the connected transactions of the company, they must be signed by the independent unexecutive directors before the resolutions take effect.</p>	<p>(9) Employment or recall of the company's manager; employment or recall of the company's senior management personnel such as the deputy manager, chief financial officer and etc. and employment or recall of the secretary of board of directors according to the nomination of the manager, and making decisions on the remuneration and method of payment for the personnel mentioned above;</p> <p>Appointing or replacing the members of the board of directors and board of supervisors of the wholly-owned subsidiaries; Appointing, replacing or recommending the shareholder representatives, directors and supervisors of the holding subsidiary companies and the joint stock subsidiaries;</p> <p>(10) Making decisions on the setting of the embranchments of the company;</p> <p>(11) Working out modification scheme of the articles of association;</p> <p>(12) Working out the company's basic management system;</p> <p>(13) With the exception of the matters which should be resolved by the shareholders' meeting according to the Company Law and these articles, deciding other significant matters and administrative matters of the company and signing other important agreements; and</p> <p>(14) Other functions authorized by the shareholders' meeting, laws, regulations, and these articles of association.</p> <p>When the board of directors makes resolutions on matters mentioned above, it requires approval of more than half of the voting directors.</p> <p>When the board of directors makes resolutions about the connected transactions of the company, they must be signed by the independent unexecutive directors before the resolutions take effect.</p>

LETTER FROM THE BOARD

Before amendment	After amendment
<p>8 articles are added to Chapter 11</p>	<p>Continued in Chapter 11</p> <p>Article 11.13 The audit committee is established under Board of the Company. The audit committee comprises at least three independent non-executive Directors, and at least one of the independent non-executive Directors shall possess the accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules. The audit committee has one chairman, which shall be assumed by an independent non-executive Director.</p>
	<p>Article 11.14 The term of the audit committee shall align with the term of the Board. Upon expiry of the term, a member could be re-elected for reappointment. In case a member ceases to assume the position of Director of the Company during the term, he/she would automatically lose the eligibility as a member and the Board could fill up the number of members in accordance with the preceding clause.</p> <p>Article 11.15 The audit committee could exercise the following authorities:</p> <ol style="list-style-type: none"> (1) examine the finance of the Company; (2) audit the financial information of the Company and disclosure thereof, audit significant accounting policies of the Company and their consistent implementation, and supervise the financial operation; monitor the truthfulness of financial and accounting reports and the effectiveness of financial accounting reporting procedures implemented by the management; (3) examine, supervise and evaluate internal audit works of the Company, supervise the internal audit system of the Company and its implementation; evaluate the work procedures and work results of the internal audit department; (4) make suggestions on the appointment or replacement of external auditors, adopt appropriate measures to supervise the works of external auditors, review the reports from external auditors, and ensure external auditors assume the corresponding responsibilities towards their audit works; (5) urge the Company to ensure the sufficiency of resources for the operation of the internal audit department, and coordinate the communication between the internal audit department and external auditors;

LETTER FROM THE BOARD

Before amendment	After amendment
	<p>(6) evaluate the mechanism for employees of the Company to report on financial accounting reports, internal control or other improper acts, and the Company's independent and fair investigation on reported matters and the mechanism for taking appropriate actions;</p> <p>(7) report to the Board on its decisions and suggestions;</p> <p>(8) other authorities as stipulated by the Articles of Association or granted by the Board.</p> <p>Article 11.16 The following matters shall be passed by more than half of the members of the audit committee before being resolved by the Board:</p> <p>(1) employment and dismissal of the accounting firm(s) for auditing of the Company;</p> <p>(2) employment and dismissal of financial controller;</p> <p>(3) disclosure of financial accounting reports;</p> <p>(4) other matters as stipulated by laws, administrative regulations, department rules, the listing rules of the stock exchange of the place(s) where the stocks of the Company are listed or the Articles of Association.</p> <p>Article 11.17 The nomination committee is established under the Board and comprises five Directors, of which over half of the members shall be independent non-executive Directors. The nomination committee has one chairman, which shall be assumed by the chairman of the Board or an independent non-executive Director. The term of the nomination committee shall align with the term of the Board. Upon expiry of the term, a member could be re-elected for reappointment. In case a member ceases to assume the position of Director of the Company during the term, he/she would automatically lose the eligibility as a member and the Board could fill up the number of members in accordance with the preceding clause.</p>

LETTER FROM THE BOARD

Before amendment	After amendment
	<p>Article 11.18 The nomination committee could exercise the following authorities:</p> <ol style="list-style-type: none"> (1) examine the structure, number of members and composition of the Board (including skills, knowledge and experience), and make suggestions on any intended changes to the Board; (2) provide opinions and suggestions to the Board on the appointment or reappointment of Directors; (3) evaluate the independence of independent non-executive Directors; (4) other authorities as stipulated by the Articles of Association or granted by the Board. <p>Article 11.19 The remuneration and appraisal committee is established under the Board and comprises five Directors, of which over half of the members shall be independent non-executive Directors. The remuneration and appraisal committee has one chairman, which shall be assumed by an independent non-executive Director. The term of the remuneration and appraisal committee shall align with the term of the Board. Upon expiry of the term, a member could be re-elected for reappointment. In case a member ceases to assume the position of Director of the Company during the term, he/she would automatically lose the eligibility as a member and the Board could fill up the number of members in accordance with the preceding clause.</p> <p>Article 11.20 The remuneration committee could exercise the following authorities:</p> <ol style="list-style-type: none"> (1) study the remuneration policy and appraisal standards for Directors and senior management, conduct appraisal and make suggestions to the Board; (2) organize the performance evaluation of the Board on Directors, and make suggestions to the Board on the remuneration packages for individual Directors and senior management;

LETTER FROM THE BOARD

Before amendment	After amendment
	<p>(3) supervise the implementation of the Company's remuneration system;</p> <p>(4) ensure no Director shall be involved in determining his/her own remuneration;</p> <p>(5) other authorities as stipulated by the Articles of Association or granted by the Board.</p>
<p>Article 15.01 People shall not act as the directors, supervisors and senior management personnel with one of the following circumstances:</p> <p>(1) People with no civil capacity or limited civil capacity;</p> <p>(2) Because of embezzlement, bribery, property occupation, diverted property crime or destruction of social economic order crime, people who are sentenced to punishment and the execution expires is not exceeding five years or because of crime people who are deprived of political rights and the execution expires is not exceeding five years;</p> <p>(3) People who are acting the factory directors and managers or the directors of the enterprise and the companies that are bankrupt because of bad management, and have the individual responsibility for the bankruptcy of the enterprise and the company, in addition, it is less than 3 years since the end of the day when the company and the enterprise are bankrupt and liquidated;</p> <p>(4) People who are acting the legal representatives of the enterprise and the company whose business license is revoked because of violation and having the individual responsibility, in addition, it has been less than 3 years since the day of revocation of the business license of the company and the enterprise;</p> <p>(5) The large amount of the negative debt that the individual has which is overdue;</p>	<p>Article 15.01 People shall not act as the directors, supervisors and senior management personnel with one of the following circumstances:</p> <p>(1) People with no civil capacity or limited civil capacity;</p> <p>(2) Because of embezzlement, bribery, property occupation, diverted property crime or destruction of social economic order crime, people who are sentenced to punishment and the execution expires is not exceeding five years or because of crime people who are deprived of political rights and the execution expires is not exceeding five years. For those with suspended sentence, it is less than two years from the expiry of the suspended sentence;</p> <p>(3) People who are acting the factory directors and managers or the directors of the enterprise and the companies that are bankrupt because of bad management, and have the individual responsibility for the bankruptcy of the enterprise and the company, in addition, it is less than 3 years since the end of the day when the company and the enterprise are bankrupt and liquidated;</p> <p>(4) People who are acting the legal representatives of the enterprise and the company whose business license is revoked because of violation and having the individual responsibility, in addition, it has been less than 3 years since the day of revocation of the business license of the company and the enterprise;</p> <p>(5) The large amount of the negative debt that the individual has which is overdue, and is listed as a defaulter by the People's Court;</p>

LETTER FROM THE BOARD

Before amendment	After amendment
<p>(6) People who are facing the criminal law and put on case and investigated by the judicial organ, in addition, the case have not been completed;</p> <p>(7) The laws and the administrative rules and regulations stipulate the people who cannon leaders of enterprises;</p> <p>(8) The unnatural persons;</p> <p>(9) People who are identified by the relative appropriate agency as violating the rules of the relevant securities regulations, and who are involved in a fraud or dishonest behavior, and it has been not more than five years since the date of the ruling.</p>	<p>(6) People who are facing the criminal law and put on case and investigated by the judicial organ, in addition, the case have not been completed;</p> <p>(7) The laws and the administrative rules and regulations stipulate the people who cannon leaders of enterprises;</p> <p>(8) The unnatural persons;</p> <p>(9) People who are identified by the relative appropriate agency as violating the rules of the relevant securities regulations, and who are involved in a fraud or dishonest behavior, and it has been not more than five years since the date of the ruling.</p>
<p>Article 16.05 The Company's financial statements shall be formulated in accordance with Chinese accounting standards and regulations, and shall also be in accordance with international or overseas listing accounting standards. The significant differences occurring in accordance with the two accounting standards shall be classified in the financial statement. The Company shall, in time of allocating profit of the after-tax profit of the relevant fiscal year, take the statement with lower after-tax profit as final.</p> <p>Article 16.06 The Company's announcement or disclosure of interim results or financial information shall be formulated in accordance with Chinese accounting standards and regulations, and shall be in accordance with international or overseas listing accounting standards.</p>	<p>Article 16.05 The Company's financial statements shall be formulated in accordance with Chinese accounting standards and regulations.</p> <p>Article 16.06 The Company's announcement or disclosure of interim results or financial information shall be formulated in accordance with Chinese accounting standards and regulations.</p>

LETTER FROM THE BOARD

Before amendment	After amendment
<p>Chapter 21: Notice</p> <p>Article 21.01 Notices of the Company (for the purpose of this chapter, “notices” include notices of general meetings issued by the Company to Shareholders, Corporate Communications of the Company or other written materials) may be issued in each of the following manner:</p> <ol style="list-style-type: none"> (1) delivery in person; (2) by mail (with postage fully paid); (3) in the form of an announcement; (4) in a manner recognized by the listing and/or securities authorities. Regulating the stock exchange on which the Company’s Shares are listed, or in a manner that is otherwise permissible under the Articles of Association. <p>Article 21.03 “Corporate Communications” means any documents issued, or will be issued by the Company to the holder of any securities of the Company for their reference or for their action, including but not limited to:</p> <ol style="list-style-type: none"> (i) reports of the Board, the Company’s annual accounts and auditors’ reports and the Company’s summary of financials (if applicable); 	<p>Chapter 21: Notice</p> <p>Article 21.01 Notices of the Company (for the purpose of this chapter, “notices” include notices of general meetings issued by the Company to Shareholders, Corporate Communications of the Company or other written materials) may be issued in each of the following manner:</p> <ol style="list-style-type: none"> (1) delivery in person; (2) by mail (with postage fully paid); (3) in the form of an announcement; (4) in a manner recognized by the listing and/or securities authorities. Regulating the stock exchange on which the Company’s Shares are listed, or in a manner that is otherwise permissible under the Articles of Association. (5) by facsimile or email; (6) on the premise of complying with laws, administrative regulations and the listing rules of the place(s) where the stocks of the Company are listed, by publication on the websites designated by the Company and the Hong Kong Stock Exchange; (7) other means recognized by the Company or agreed with the recipient in advance or notified to the recipient; <p>Article 21.03 “Corporate Communications” means any documents issued, or will be issued by the Company to the holder of any securities of the Company for their reference or for their action, including but not limited to:</p> <ol style="list-style-type: none"> (i) reports of the Board, the Company’s annual accounts and auditors’ reports and the Company’s summary of financials (if applicable);

LETTER FROM THE BOARD

Before amendment	After amendment
<p>(ii) the Company's interim reports and the Company's summary of interim reports (if applicable);</p> <p>(iii) notices of meetings of the Company;</p> <p>(iv) listing documents of the Company;</p> <p>(v) the Company's circulars;</p> <p>(vi) authorization letters in relation to the Company; and</p> <p>(vii) reply forms and other documentary materials.</p>	<p>(ii) the Company's interim reports and the Company's summary of interim reports (if applicable);</p> <p>(iii) notices of meetings of the Company;</p> <p>(iv) listing documents of the Company;</p> <p>(v) the Company's circulars;</p> <p>(vi) authorization letters in relation to the Company; and</p> <p>(vii) reply forms and other documentary materials. Other corporate communication listed in the Listing Rules.</p> <p>Article 21.08 If the listing rules of the stock exchange where the Company's shares are listed stipulate that the Company shall send, post, distribute, dispatch, announce or otherwise provide relevant documents of the Company in English version and Chinese version and the Company has made appropriate arrangements to confirm whether the shareholders hope to receive only the English version or the Chinese version, the Company may (as per the intent stated by the shareholders) send only the English version or the Chinese version to the related shareholders as permitted by and in accordance with the applicable laws and regulations.</p>

Note: Apart from the above table, if the serial numbering of the articles of the Articles of Association is changed due to the addition, deletion or re-arrangement of certain articles, the serial numbering of the articles of the Articles of Association as so amended shall be changed accordingly, including cross-references.

5. AGM AND H SHAREHOLDERS' CLASS MEETING

The AGM and the H Shareholders' Class Meeting will be held on Friday, 7 June 2024 at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC.

LETTER FROM THE BOARD

The notices convening the AGM and the H Shareholders' Class Meeting at which the resolutions mentioned above will be proposed are set out on pages 36 to 45 of this circular.

Each Shareholder who has the right to attend and vote at the AGM and the H Shareholders' Class Meeting, is entitled to appoint one or more proxies, whether they are Shareholders or not, to attend and vote on his behalf at the AGM and the H Shareholders' Class Meeting. Forms of proxy for use by the Shareholders at the AGM and the H Shareholders' Class Meeting are enclosed. Whether or not you intend to be present at the AGM and the H Shareholders' Class Meeting, you are requested to complete and return the forms of proxy in accordance with the instructions thereon to the Hong Kong H share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, 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), as soon as possible and in any event not less than 24 hours before the time appointed for holding the AGM and the H Shareholders' Class Meeting or any adjourned meeting. Completion and return of the forms of proxy will not preclude you from attending and voting at the AGM and the H Shareholders' Class Meeting or any adjourned meeting(s) should you so wish.

6. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, save for certain procedural or administrative matter to be decided by the chairman of the meeting, all votes of the Shareholders at the general meetings will be taken by poll. Accordingly, the chairman of the AGM and H Shareholders' Class Meeting will therefore demand a poll for every resolution to be put to the vote at the AGM and H Shareholders' Class Meeting pursuant to the Articles of Association.

7. CLOSURE OF REGISTER OF MEMBERS

For the purpose of the AGM and the H Shareholders' Class Meeting, the register of the members of the Company will be closed from Tuesday, 4 June 2024 to Friday, 7 June 2024 (both days inclusive), during which no transfer of shares will be registered. In order to qualify for entitlement to attend and vote at the forthcoming annual general meeting and the H Shareholders' Class Meeting of the Company, all instrument of transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable and in any event not later than 4:30 p.m. on Monday, 3 June 2024.

LETTER FROM THE BOARD

8. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this circular misleading.

9. RECOMMENDATION

The Directors consider that all the proposed resolutions as set out in the AGM Notice and the notice of H Shareholders' Class Meeting Notices are in the interests of the Company and the Shareholders as a whole and, accordingly, the Directors recommend all Shareholders to vote in favour of all the resolutions proposed in the notices of AGM and Class Meetings in respect thereof.

Yours faithfully
For and on behalf of the Board
Xinjiang Tianye Water Saving Irrigation System Company Limited*
Zhou Gang
Chairman

* *For identification purposes only*

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to enable you to make an informed decision on whether to vote for or against the special resolution to approve the grant of the Repurchase Mandate to the Directors.

LISTING RULES RELATING TO THE REPURCHASE OF SECURITIES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below. The Company is empowered by the Articles of Association to repurchase its own securities.

SHARE CAPITAL

As at the Latest Practicable Date, the registered share capital of the Company was RMB519,521,560 comprising 317,121,560 Domestic Shares and 202,400,000 H Shares. Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and on the basis that no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the AGM and the Class Meetings, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 20,240,000 H Shares, being the maximum of 10% of the total H Shares in issue of the Company as at the date of passing the relevant resolution.

REASONS FOR THE REPURCHASE

The Directors believe that the Repurchase Mandate is in the interests of the Company and the Shareholders. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and its Shareholders.

FUNDING OF REPURCHASES

In repurchasing its H Shares, the Company may only apply funds from the Company's internal resources legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws, rules and regulations of the PRC, including but not limited to surplus funds and undistributed profits of the Company or the proceeds of a fresh issue of Shares made for the purpose of the repurchase.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with its position as at 31 December 2023, being disclosed in the Company's latest published audited accounts contained in the annual report for the year ended 31 December 2023. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company. The number of H Shares to

be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then prevailing, in the best interests of the Company.

STATUS OF REPURCHASED H SHARES

The Listing Rules provide that the listing of all the H Shares repurchased by the Company shall automatically be cancelled and the relevant share certificates shall be cancelled and destroyed. Under the PRC laws, the H Shares repurchased by the Company will be cancelled and the Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the H Shares so cancelled.

H SHARE PRICES

The highest and lowest prices at which the H Shares have traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
2023		
April	0.220	0.180
May	0.215	0.190
June	0.220	0.177
July	0.208	0.175
August	0.205	0.150
September	0.180	0.152
October	0.210	0.177
November	0.200	0.150
December	0.186	0.141
2024		
January	0.181	0.156
February	0.162	0.152
March	0.168	0.131
April (up to the Latest Practicable Date)	0.162	0.123

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC.

DISCLOSURE OF INTERESTS

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, their associates, have any present intention to sell to the Company any of the H Shares in the Company if the Repurchase Mandate is approved at the AGM and the Class Meetings.

As at the Latest Practicable Date, no connected person of the Company has notified the Company that he/she/it has a present intention to sell any H Shares nor has such connected person undertaken not to sell any of the securities held by him/her/it to the Company in the event that the Repurchase Mandate is granted.

IMPLICATION UNDER THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase securities pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Tianye Holdings, which is a major shareholder, held 313,886,921 Domestic Shares, representing approximately 60.42% of the registered capital of the Company. On the basis that 519,521,560 Shares in issue as at the Latest Practicable Date and assuming that no other Shares will be issued or repurchased by the Company on or prior to the date of the AGM and the Class Meetings, if the Repurchase Mandate were exercised in full, the percentage interests in the Company held by Tianye Holdings and its associates would increase to approximately 64.31% of the then registered share capital of the Company. The Directors are not aware of any consequences which will arise under the Takeovers Code and/or any similar applicable law as a result of any repurchases to be made under the Repurchase Mandate. Moreover, the Directors will not make share repurchase on the Stock Exchange if such repurchase would result in the requirements under Rule 8.08 of the Listing Rules not being complied with.

SECURITIES REPURCHASE MADE BY THE COMPANY

The Company had not purchased any H Shares (whether on the Stock Exchange or otherwise) during the six months immediately preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



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

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 People’s Republic of China (the “PRC”) on Friday, 7 June 2024 at 11:00 a.m. for the following purposes and to pass the following resolutions:

Unless otherwise specified, capitalized terms used herein shall have the same meaning as those defined in the circular dated 30 April 2024 of the Company.

ORDINARY RESOLUTIONS

1. To consider and approve the report of the directors (the “**Directors**”) of the Company for the year ended 31 December 2023
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2023
3. To consider and approve the audited consolidated financial statements of the Company and its subsidiaries and the auditors’ report for the year ended 31 December 2023
4. To consider and approve the resolution for making appropriation to statutory surplus reserve fund for the year ended 31 December 2023

* *For identification purposes only*

NOTICE OF ANNUAL GENERAL MEETING

5. To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors and the supervisors of the Company for the year 2024
6. To consider and approve the re-appointment of BDO China Shu Lun Pan Certified Public Accountants LLP as auditors of the Company and to authorise the Board to fix their remunerations

SPECIAL RESOLUTIONS

7. “**THAT:**
 - (A) there being granted to the Board an unconditional general mandate (“**Issue Mandate**”) to issue, allot and deal with additional domestic shares of nominal value of RMB1.00 each in the registered capital of the Company (the “**Domestic Shares**”) and/or overseas-listed foreign invested shares of nominal value of RMB1.00 each in the share capital of the Company (the “**H Shares**”), to make or grant offers, agreements and options in respect thereof, subject to the following conditions:
 - (a) the aggregate number of Domestic Shares and/or H Shares to be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Board shall not exceed 20% of the issued share capital of that class as at the date of passing of this resolution;
 - (b) the General Mandate shall not extend beyond the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the 12-month period following the passing of this resolution; or
 - (iii) the date on which the authority as set out in this resolution is revoked or varied by a special resolution of the Shareholders in a general meeting;
 - (c) the Board will only exercise its power under the Issue Mandate in accordance with the Company Law of the PRC, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as may be amended from time to time) and other relevant laws and regulations of Hong Kong and the PRC, and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government authorities are obtained;

NOTICE OF ANNUAL GENERAL MEETING

- (B) contingent on the Board resolving to issue additional shares pursuant to (A) above, the Board be authorised to:
- (a) increase the registered capital of the Company in accordance with the issue of the Domestic Shares and/or H Shares aforesaid, and attend to the relevant registration procedures with the relevant authorities in the PRC and Hong Kong;
 - (b) make appropriate amendments to the relevant provisions in articles of association of the Company (the “**Articles of Association**”) in relation to the registered capital of the Company and any other articles that require corresponding amendments so as to reflect the change in the registered capital and shareholding structure of the Company as a result of the allotment or issue of new shares and to submit the relevant amendments to the Articles of Association to the relevant authorities of the PRC and Hong Kong for approval and record (as the case may be); and
 - (c) approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issue of such new shares.”
8. “To authorise the Board of the Company to repurchase H Shares subject to the following conditions:
- (a) subject to paragraphs (b) and (c) below, during the Relevant Period (as defined in paragraph (d) below), the exercise by the Board of all the powers of the Company to repurchase H Shares in issue of the Company on the Stock Exchange, subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body hereby be and is approved;
 - (b) the aggregate nominal value of H Shares authorised to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent of the aggregate nominal value of H Shares in issue of the Company as at the date of the passing of this resolution;
 - (c) the approval in paragraph (a) above shall be conditional upon:
 - (i) the passing of a special resolution in the same terms as this special resolution no. 8 (except for this sub-paragraph (c)(i)) at the class meeting for holders of H Shares of the Company to be held on Friday, 7 June 2024 (or on such adjourned date as may be applicable); and the class meeting for holders of Domestic Shares of the Company to be held on Friday, 7 June 2024 (or on such adjourned date as may be applicable);

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the approval of the State Administration of Foreign Exchange of the PRC and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate; and
 - (iii) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedures set out in the Articles of Association;
- (d) for the purpose of this special resolution, “**Relevant Period**” means the period from the passing of this special resolution until whichever is the earlier of:
- (i) the conclusion of the next annual general meeting following the passing of this special resolution;
 - (ii) the expiration of a period of twelve months following the passing of this special resolution; or
 - (iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting or by a special resolution of holders of H Shares or holders of Domestic Shares of the Company at their respective class meetings; and
- (e) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H Shares being granted, the Board be hereby authorised to:
- (i) make such amendments to the Articles of Association of the Company as it thinks fit so as to reduce the registered capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares as contemplated in paragraph (a) above; and
 - (ii) file the amended Articles of Association of the Company with the relevant governmental authorities of the PRC and Hong Kong.”

NOTICE OF ANNUAL GENERAL MEETING

9. “**THAT** conditional upon the passing of special resolutions nos. 7 and 8 set out in the notice convening this meeting, the aggregate nominal amount of shares of RMB1.00 each in the share capital of the Company which is purchased or repurchased by the Company pursuant to the authority granted to the Board of the Company by special resolution no. 8 set out in the notice convening this meeting shall be added to the aggregate nominal amount of share capital of the Company that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the directors of the Company pursuant to special resolution no. 7 set out in the notice convening this meeting, provided that such shares shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution.”
10. To approve the proposal in relation to the amendments to the Articles of Association of the Company and authorize the Board of the Company to handle the relevant filing and amendment (if necessary) procedures and other related matters arising from the amendments to Articles of Association of the Company on behalf of the Company. For details of the amendments, please refer to the circular of the Company dated 30 April 2024.

By Order of the Board
Xinjiang Tianye Water Saving Irrigation System Company Limited*
Zhou Gang
Chairman

Xinjiang, PRC, 30 April 2024

* *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, 17/F, Far East Finance Centre, 16 Harcourt Road, 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.

NOTICE OF ANNUAL GENERAL MEETING

3. Shareholders or their proxies shall present proofs of identities when attending the AGM.
4. The register of the members of the Company will be closed from Tuesday, 4 June 2024 to Friday, 7 June 2024 (both days inclusive), during which no transfer of shares will be registered. In order to qualify for entitlement to attend and vote at the forthcoming annual general meeting of the Company, all instrument of transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable and in any event not later than 4:30 p.m. on Monday, 3 June 2024.
5. Shareholders 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 Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for the holders of H Shares only) or to 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) 28108185 (for holders of H Shares only) or the Company's fax number: (86993) 2623183 (for holders of Domestic Shares only)) on or before 4:00 p.m. on Tuesday, 28 May 2024.
6. As required under the Listing Rules, 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. The Shareholders and proxies attending the AGM shall be responsible for their own travelling and accommodation expenses.
8. The Company's registered address is:

No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone,
Shihezi, Xinjiang, the PRC



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)

NOTICE OF H SHAREHOLDERS' CLASS MEETING

NOTICE IS HEREBY GIVEN THAT a class meeting for holders of H Shares (the “**H Shareholders' Class Meeting**”) 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 People's Republic of China (the “**PRC**”) on Friday, 7 June 2024 at 12:00 noon for the following purposes and to pass the following resolutions:

SPECIAL RESOLUTION

1. To authorise the board (the “**Board**”) of directors (the “**Directors**”) of the Company to repurchase H Shares of the Company (the “**H Shares**”) subject to the following conditions:
 - (a) subject to paragraphs (b) and (c) below, during the Relevant Period (as defined in paragraph (d) below), the exercise by the Board of all the powers of the Company to repurchase H Shares in issue of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body be and is approved;
 - (b) the aggregate nominal value of H Shares authorised to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 percent of the aggregate nominal value of H Shares in issue of the Company as at the date of the passing of this resolution;

* For identification purposes only

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- (c) the approval in paragraph (a) above shall be conditional upon:
 - (i) the passing of a special resolution in the same terms as this special resolution no. 1 (except for this sub-paragraph (c)(i)) at the annual general meeting for holders of shares of the Company to be held on Friday, 7 June 2024 (or on such adjourned date as may be applicable); and the class meeting for holders of Domestic Shares of the Company to be held on Friday, 7 June 2024 (or on such adjourned date as may be applicable); and
 - (ii) the approval of the State Administration of Foreign Exchange of the PRC and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate; and
 - (iii) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedures set out in the Articles of Association;
- (d) for the purpose of this special resolution, “**Relevant Period**” means the period from the passing of this special resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting following the passing of this special resolution;
 - (ii) the expiration of a period of twelve months following the passing of this special resolution; or
 - (iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting or by a special resolution of holders of H Shares or holders of Domestic Shares of the Company at their respective class meetings; and
- (e) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H Shares being granted, the Board be hereby authorised to:
 - (i) make such amendments to the Articles of Association of the Company as it thinks fit so as to reduce the registered capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares as contemplated in paragraph (a) above; and

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- (ii) file the amended Articles of Association of the Company with the relevant governmental authorities of the PRC and Hong Kong.

By Order of the Board
Xinjiang Tianye Water Saving Irrigation System Company Limited*
Zhou Gang
Chairman

Xinjiang, PRC, 30 April 2024

* *For identification purpose only*

Notes:

1. The register of the members of the Company will be closed from Tuesday, 4 June 2024 to Friday, 7 June 2024 (both days inclusive), during which no transfer of H shares of the Company will be registered in order to determine the list of holders of H Shares of the Company (the “**H Shareholders**”) for attending the H Shareholders’ Class Meeting. In order to determine the eligibility to attend the H Shareholders’ Class Meeting, the last lodgment for H Share transfer should be made on Monday, 3 June 2024 at the H Share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by or before 4:30 p.m. The H Shareholders or their proxies being registered before the close of business on Monday, 3 June 2024 are entitled to attend the H Shareholders’ Class Meeting by presenting their identity documents.
2. Each H Shareholder having the rights to attend and vote at the H Shareholders’ Class Meeting is entitled to appoint one or more proxies (whether a H Shareholder or not) to attend and vote on his behalf.
3. H Shareholders can appoint a proxy by an instrument in writing (i.e. by using the Proxy Form enclosed). The Proxy Form shall be signed by the person appointing the proxy or an attorney authorised by such person in writing. If the Proxy Form is signed by an attorney, the power of attorney or other documents of authorization shall be notarially certified. To be valid, the Proxy Form and the notarially certified power of attorney or other documents of authorisation must be delivered to the registered address of the Company in not less than 24 hours before the time scheduled for the holding of the H Shareholders’ Class Meeting or any adjournment thereof.
4. H Shareholders who intend to attend the H Shareholders’ Class Meeting are requested to deliver the duly completed and signed reply slip for attendance to the Company’s registered and principal office in person, by post or by facsimile on or before 4:00 p.m., Tuesday, 28 May 2024.
5. H Shareholders or their proxies shall present proofs of their identities upon attending the H Shareholders’ Class Meeting. Should a proxy be appointed, the proxy shall also present the Proxy Form.

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6. The H Shareholders' Class Meeting is expected to last for less than one day. The H Shareholders and proxies attending the H Shareholders' Class Meeting shall be responsible for their own travelling and accommodation expenses.

7. The Company's registered address is:

No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone,
Shihezi, Xinjiang, the PRC

Fax: (86993) 2623183