



## 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 PRC on Friday, 8 May 2009 at 11:00 a.m. for the following purposes and to pass the following resolutions:

#### ORDINARY RESOLUTIONS

1. To consider and approve the report of the directors (the “**Directors**”) of the Company for the year ended 31 December 2008;
2. To consider and approve the report of the Supervisory Committee of the Company for the year ended 31 December 2008;
3. To consider and approve the audited financial statements of the Company and its subsidiary and the auditors’ report for the year ended 31 December 2008;
4. To consider and approve the resolution for making appropriation to statutory surplus reserve fund for the year ended 31 December 2008;
5. To authorize the board of Directors of the Company (“the Board”) to fix the remuneration of the Directors and the supervisors (“Supervisors”) of the Company for the year 2009;
6. To consider and approve the re-election of the Supervisors representing the shareholders of the Company (the “Shareholders”) and to authorise the Board to determine their remunerations;
7. To consider and approve the re-appointment of SHINEWING (HK) CPA Limited as auditors of the Company and to authorize the Board to fix their remunerations;

8. To consider and approve that:

- (a) the agreement (the “Master Purchase Agreement”) dated 16 March 2009 entered into between the Company and Xinjiang Tianye (Group) Limited\* (新疆天業(集團)有限公司) (“Tianye Holdings”) (a copy of which is produced to the meeting marked “A” and initialed by the chairman of the meeting for identification purpose) in relation to the purchase by the Group on an ongoing basis of certain diamond-shaped wheels, packaging films and PVC resins which may be required by the Group, and the terms of and the transactions contemplated under the Master Purchase Agreement and the implementation thereof be and are hereby approved, confirmed and ratified; and
- (b) the proposed caps in relation to the transactions under the Master Purchase Agreement for the period from the date on which the Master Purchase Agreement becomes effective until the end of the financial year ending 31 December 2011 will not exceed RMB83,940,000, RMB83,940,000 and RMB83,940,000 respectively be and are hereby approved; and
- (c) any one director of the Company, be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/them to be incidental to, ancillary to or in connection with the matters contemplated in the Master Purchase Agreement.”

### **SPECIAL RESOLUTIONS**

1. “**THAT:**

- (A) there being granted to the Board an unconditional general 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) such 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-months 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 of the Company in a general meeting.

- (c) the Board will only exercise its power under such mandate in accordance with the Company Law of the People's Republic of China (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;
- (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."
2. To authorize 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 Board may exercise 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 be and is approved;
  - (b) the aggregate nominal value of H Shares authorized 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. 2 (except for this sub-paragraph (c)(i)) at the class meeting for holders of H Shares of the Company to be held on Friday, 8 May 2009 (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, 8 May 2009 (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;
- (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 authorized 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.

By Order of the Board  
**Xinjiang Tianye Water Saving Irrigation System Company Limited\***  
**Guo Qing Ren**  
*Chairman*

Xinjiang PRC, 20 March 2009

\* *For identification purpose only*

*Notes:*

1. Any member entitled to attend and vote at the AGM is entitled to appoint in written form for one or more than one proxy to attend and vote at the AGM on his behalf. A proxy need not be a member of the Company.
2. The form of proxy for the AGM is herewith enclosed. In order to be valid, the form of proxy and, if such proxy form is signed by a person under a power of attorney or authority on behalf of the appointer, a notarially certified power of attorney (if any) or other authority (if any) under which it is signed, must be deposited at the Company's H share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (for the holders of H Shares only) or at the Company's registered office at No.36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC (for the holders of Domestic Shares only), not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting should you so wish.
3. Shareholders or their proxies shall present proofs of identities when attending the AGM.
4. The register of members of the Company will be closed from Friday, 17 April 2009 to Friday, 8 May 2009, both days inclusive, during which no transfer of the shares of the Company will be effected. All transfers accompanied by relevant share certificates for H Shares of the Company must be lodged with Company's H share registrar and transfer office not later than 4:00 p.m. on Thursday, 16 April 2009.
5. Shareholders of the Company who intend to attend the AGM should complete and return the enclosed reply slip for attendance to the H Share registrar and transfer office of the Company in Hong Kong at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (for the holders of H Shares only) or at the Company's registered office at No.36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC (for the holders of Domestic Shares only), by hand, by post or by fax (the fax number of the Company's H Share registrar and transfer office: (852) 28611465 for holders of H Shares only or the Company's fax number: (86993) 2623163 (for holders of Domestic Shares only)) on or before 4:00 p.m. on Thursday, 16 April 2009.
6. Voting of the resolutions as set out in this notice will be by poll.

*As at the date of this announcement, the Board comprises four executive Directors namely Guo Qing Ren, Shi Xiang Shen, Li Shuang Quan and Zhu Jia Ji, and four independent non-executive Directors namely He Lin Wang, Xia Jun Min, Gu Lie Feng and Mak King Sau.*