

---

**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 form of proxy, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**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 MEANS OF RECEIPT  
OF CORPORATE COMMUNICATIONS,  
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION,  
(3) PROPOSALS FOR GENERAL MANDATE TO ISSUE SHARES  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING AND CLASS MEETINGS**

---

This circular is dispatched together with the annual report of Xinjiang Tianye Water Saving Irrigation System Company Limited\* (“the Company”) for the year ended 31 December 2009 (the “Annual Report”).

The notice for convening the annual general meeting and the respective class meetings for holders of H shares (“H Shares”) and the domestic shares (“Domestic Shares”) of the Company to be held at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC on Thursday, 10 June 2010 is set out on pages 18 to 28 of this circular. Whether or not you are able to attend such meeting, please complete and return the form of proxy enclosed with the Annual Report and 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, 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), as soon as possible and in any event not less than 24 hours before the time appointed for holding such meetings or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meetings or any adjourned meeting should you so wish.

\* For identification purpose only

---

## TABLE OF CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
1. Introduction .....	4
2. Proposed Means of Receipt of Corporate Communications .....	5
3. Proposed Amendments to the Articles of Association .....	6
4. General Mandate to Issue Shares .....	6
5. AGM and Class Meetings .....	7
6. Closure of Register of Members .....	7
7. Recommendation .....	8
<b>Appendix I — General Information</b> .....	9
<b>Appendix II — Particulars of the Proposed Amendments                   to the Articles of Association</b> .....	13
<b>Notice of Annual General Meeting</b> .....	18
<b>Notice of Class Meeting for Holders of H Shares</b> .....	23
<b>Notice of Class Meeting for Holders of Domestic Shares</b> .....	26

---

## 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 Thursday, 10 June 2010 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 18 to 22 of this circular;
- “AGM Notice”** the notice dated 20 April 2010 for convening the AGM as set out on pages 18 to 22 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;
- “Chairman”** chairman of the Board;
- “Class Meetings”** the class meeting for holders of H Shares to be held immediately after the conclusion of the AGM and the class meeting for holders of Domestic Shares to be held immediately after the conclusion of the said class meeting for holders of H Shares, the respective notices of which are set out on pages 23 to 28 to this circular, or any adjournment thereof respectively;
- “Class Meetings Notices”** the notices for convening the Class Meetings set out on pages 23 to 28 in this circular;
- “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 on 18 December 2003 whose H Shares are listed and traded on the Main Board of the Stock Exchange;
- “Corporate Communications”** 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, (i) reports of the Board, the Company’s annual accounts and auditors’ reports and the Company’s summary of financials (if applicable); (ii) the Company’s interim reports and the Company’s summary of interim reports (if applicable); (iii) notices of meetings of the Company; (iv) listing documents of the Company; (v) the Company’s circulars; (iv) authorization letters in relation to the Company; and (vii) reply forms and other documentary materials;

---

## DEFINITIONS

---

<b>“Directors”</b>	the directors of the Company;
<b>“Domestic Shares”</b>	domestic share(s) of nominal value of RMB1.00 each in the registered capital of the Company which are subscribed for in RMB;
<b>“General Mandate”</b>	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;
<b>“Group”</b>	the Company and its subsidiaries;
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC;
<b>“H Shares”</b>	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 of Exchange and subscribed for and traded in HK\$;
<b>“Latest Practicable Date”</b>	13 April 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange;
<b>“PRC”</b>	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;
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC;
<b>“SFO”</b>	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
<b>“Share(s)”</b>	H Shares, the Domestic Shares and all shares of other class(es) resulting from any sub-division, consolidation or reclassification thereof from time to time in the share capital of the Company;
<b>“Shareholders”</b>	the holders of H Shares and Domestic Shares from time to time;
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;
<b>“Substantial Shareholder(s)”</b>	has the meaning as defined under the Listing Rules;

---

## DEFINITIONS

---

<b>“Supervisor(s)”</b>	the supervisors of the Company;
<b>“Tianye Company”</b>	新疆天業股份有限公司 (Xinjiang Tianye Company Limited*), a company established in the PRC with limited liability on 9 June 1997, and 248,832,000 A shares of which were listed on the Shanghai Stock Exchange as at the date hereof;
<b>“Tianye Holdings Group”</b>	新疆天業(集團)有限公司 (Xinjiang Tianye (Group) Limited*) and its subsidiaries (excluding the Group); and
<b>“%”</b>	per cent.

\* *For identification purpose only*



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)**

*Executive Directors:*

Mr. Guo Qing Ren (*Chairman*)  
Mr. Shi Xiang Shen  
Mr. Li Shuang Quan  
Mr. Zhu Jia Ji

*Independent non-executive Directors:*

Mr. He Lin Wang  
Mr. Xia Jun Min  
Mr. Gu Lie Feng  
Mr. Mak King Sau

*Registered office:*

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

*Principal place of business  
in Hong Kong:*

21/F New World Tower 1,  
18 Queen's Road Central,  
Central,  
Hong Kong

20 April 2010

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSED MEANS OF RECEIPT  
OF CORPORATE COMMUNICATIONS,  
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION,  
(3) PROPOSALS FOR GENERAL MANDATE TO ISSUE SHARES  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING AND CLASS MEETINGS**

**1. INTRODUCTION**

Reference is made to the announcement of the Company dated 12 April 2010 in relation to the proposed amendments to the Articles of Association and the proposed means of receipt of Corporate Communications.

\* *For identification purpose only*

---

## LETTER FROM THE BOARD

---

The purpose of this circular is to provide you with information relating to (a) the proposed means of receipt of Corporate Communications, (b) the proposed amendments to the Articles of Association, and (c) other resolutions to be proposed at the AGM and the Class Meetings to be held at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC on Thursday, 10 June 2010.

### **2. PROPOSED MEANS OF RECEIPT OF CORPORATE COMMUNICATIONS**

The Stock Exchange published amendments to the Listing Rules in relation to, among other things, Rule 2.07A in respect of an issuer's provision of corporate communications to the relevant holders of its securities using electronic means. In accordance with Rule 2.07A (2A) of the Listing Rules, to the extent that:

- (1) the shareholders of the listed issuer have resolved in general meeting that the listed issuer may send or supply corporate communications to shareholders by making them available on the listed issuer's own website; or
- (2) the listed issuer's constitutional documents contain provision to that effect,

a holder of the listed issuer's securities in relation to whom the following conditions are met is taken to have agreed that the listed issuer may send or supply corporate communications to him in that manner.

The conditions are that (i) the holder has been asked individually by the listed issuer to agree that the listed issuer may send or supply corporate communications generally, or the corporate communications in question, to him by means of the listed issuer's own website; and (ii) the listed issuer has not received a response indicating the holder's objection within the period of 28 days beginning with the date on which the listed issuer's request was sent.

The Board takes the view that, for the reasons of environmental protection and cost saving as well as to increase communication efficiency with the Shareholders, it is in the best interests of the Company and the Shareholders as a whole for the Company to send or supply Corporate Communications to the Shareholders of H Shares by simply making them available on the Company's own website (<http://www.tianyejieshui.com.cn>). The Board has therefore resolved to propose resolutions to be approved by the Shareholders by way of an ordinary resolution at the AGM that the holders of H Shares may be given the choice to receive Corporate Communications in which the Company may send or supply Corporate Communications to the holders of H Shares in relation to whom the abovementioned conditions are met by making them available on the Company's website (<http://www.tianyejieshui.com.cn>).

In order to give effect to the proposed means of receipt of Corporate Communications immediately after the AGM, both the above resolution and the resolution for approving the proposed amendments to the Articles of Association have to be passed at the AGM. Upon approval of the said resolutions at the AGM, the Company will make arrangements as soon as practicable to ask the Shareholders of H Shares individually whether he or she agrees that the Company may send or supply Corporate Communications generally to him or her by means of the Company's own website.

---

## LETTER FROM THE BOARD

---

Holders of Domestic Shares will receive Corporate Communications by way of announcements or through the website of the Company or other means in compliance with the Articles of Association and the relevant laws and regulatory requirements.

### 3. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board proposes to make certain amendments to the Articles of Association to allow the Company to send or supply Corporate Communications to the Shareholders by making them available on the Company's own website, in line with Rule 2.07A of the Listing Rules and other amendments of the Listing Rules which came into effect on 1 January 2009.

Accordingly, the Board proposes to seek the approval of the Shareholders by way of a special resolution at the AGM to amend the Articles of Association. The proposed amendments to the Articles of Association shall come into effect upon the later of (i) the passing of the special resolutions of the Shareholders at the AGM to approve such amendments; and (ii) the Company obtaining the approval of the Ministry of Commerce of the PRC or its authorised agencies (in necessary) to such amendments.

The Articles of Association are written in Chinese without an official English version. Therefore, any English translation is for reference only. In case of any discrepancy between the two versions, the Chinese version shall prevail.

Particulars of the proposed amendments to the Articles of Association are set out in Appendix II to this circular.

### 4. GENERAL MANDATE TO ISSUE SHARES

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

The Company has in issue an aggregate of 519,521,560 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 a General Mandate to issue, allot and deal with additional Shares up to a maximum of 103,904,000 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 General Mandate if given in the Special Resolution No. 1 as at the date of passing of the Special Resolution No. 1.

---

## LETTER FROM THE BOARD

---

### 5. AGM AND CLASS MEETINGS

The AGM and Class Meetings will be held on Thursday, 10 June 2010 at the conference room of the Company at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC, at which special resolutions will be proposed to seek approval of the Shareholders, among other things, for the amendments to the Articles of Association. At the AGM and Class Meetings, votes of the Shareholders will be conducted by way of poll.

Each Shareholder who has the right to attend and vote at the AGM and the Class Meetings, is entitled to appoint one or more proxies, whether they are Shareholders or not, to attend and, on a poll, vote on his behalf at the AGM and the Class Meetings. The notices of the AGM and Class Meetings are set out on pages 18 to 27 of this circular. Forms of proxy for use by the Shareholders at the AGM and the Class Meetings are enclosed. Whether or not you intend to be present at the AGM and the Class Meetings, you are requested to complete and return the respective form 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, 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), as soon as possible and in any event not less than 24 hours before the time appointed for holding the AGM and the Class Meetings or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM and the Class Meetings or any adjourned meeting should you so wish.

An announcement will be made by the Company following conclusion of the AGM and the Class Meetings to inform Shareholders of the results of these meetings.

### 6. CLOSURE OF REGISTER OF MEMBERS

For the purpose of the AGM and the Class Meetings, the register of the members of the Company will be closed from Friday, 21 May 2010 to Thursday, 10 June 2010 (both days inclusive), during which no transfer of shares will be registered. In order to qualify for entitlement to attend and vote at the AGM and the Class Meetings, 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, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (for the holders of H Shares only) or lodged at the registered office of the Company 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 practicable and in any event not later than 4:00 p.m. on Thursday, 20 May 2010.

---

## LETTER FROM THE BOARD

---

### 7. RECOMMENDATION

The Directors consider that all the proposed resolutions as set out in the AGM Notice and the Class Meetings Notices are all 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 to be proposed at the AGM and the Class Meetings in respect thereof.

Yours faithfully  
For and on behalf of the Board  
**Xinjiang Tianye Water Saving Irrigation System Company Limited\***  
**Guo Qing Ren**  
*Chairman*

\* *For identification purpose only*

## 1. 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.

## 2. DISCLOSURE OF INTERESTS

### Directors, Supervisors and chief executive of the Company

*Directors', Supervisors' and chief executives' interests in Shares, underlying Shares and debentures of the Company or its associated corporations*

- (a) As at the Latest Practicable Date, the interests of the Directors, Supervisors (as if the requirements applicable to the Directors under the SFO had applied to the Supervisors) or chief executives of the Company, including their respective associates, in the Shares and/or underlying Shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the “**Model Code**”) of the Listing Rules on the Stock Exchange, were as follows:

Name of Director/ Supervisor	Name of company/ associated corporation	Capacity	Number and class of securities (Note 1)	Approximate percentage of shareholding
Guo Qing Ren (Director)	Tianye Company (Note 2)	Beneficial owner	46,080 Domestic Shares (L)	0.011%
Shi Xiang Shen (Director)	Tianye Company	Beneficial owner	34,864 Domestic Shares (L)	0.008%
Huang Jun Lin (Supervisor)	Tianye Company	Beneficial owner	53,248 Domestic Shares (L)	0.012%

Notes:

- The letter “L” represents the Directors’ and Supervisors’ long positions in such securities.
- Tianye Company is a company established in the PRC with limited liability on 9 June 1997, and 248,832,000 A shares of which are listed in the Shanghai Stock Exchange.

- (b) As at the Latest Practicable Date, other than as disclosed above, none of the Directors, Supervisors and chief executives of the Company nor their respective associates had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations.

### Substantial Shareholders of the Company

#### (A) Substantial Shareholders

As at the Latest Practicable Date, the register of Substantial Shareholders maintained by the Company pursuant to Section 336 of Part XV of the SFO shows that the following persons or entities (other than the Directors, Supervisors or chief executives of the Company) had notified the Company of relevant interests and short positions in the Shares or underlying Shares of the Company:

Name	Type of interest	Capacity	Number of the Domestic Shares held (Note 1)	Approximate percentage of the total issued share capital of the Company (Note 2)
Tianye Company	Corporate	Beneficial owner	202,164,995 (L)	38.91% (Note 3)
Xinjiang Tianye (Group) Limited* (“Tianye Holdings”) (Note 4)	Corporate	Interest in controlled corporation	202,164,995 (L)	38.91%
Guo Shu Qing (Note 5)	Personal	Beneficial owner	61,386,798 (L)	11.82%
Wang Xiao Xian (Note 6)	Personal	Beneficial owner	50,335,128 (L)	9.69%

*Notes:*

- “L” denotes the person’s/entity’s long positions in the Shares.
- The approximately percentage of shareholding is calculated with reference to the total issued Share of 519,521,560 Shares (including Domestic Shares and H Shares).
- The Domestic Shares held by Tianye Company were equivalent to approximately 63.75% of the total Domestic Shares in issue.
- The Domestic Shares were held by Tianye Company. By virtue of the SFO, Tianye Holdings, which is interested in approximately 43.27% of the registered capital of Tianye Company, is deemed to be interested in the 202,164,995 Domestic Shares held by Tianye Company.
- The Domestic Shares held by Guo Shu Qing were equivalent to approximately 19.36% of the total Domestic Shares in issue.
- The Domestic Shares were held by Wang Xiao Xian were equivalent to approximately 15.87% of the total Domestic Shares in issue.

*(B) Other persons who are required to disclose their interests pursuant to Division 2 and 3 of Part XV of the SFO*

As at the Latest Practicable Date, save for the persons or entities disclosed in subsection (A) above, no other persons or entities (other than the Directors, Supervisors or chief executives of the Company) had notified the Company of relevant interests and short positions in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company under section 336 of Part XV of the SFO.

As at the Latest Practicable Date, the Company was not aware of any persons (other than the Directors, the Supervisors and chief executives of the Company) who had an interest or short position in the Shares or underlying Shares of the Company.

Save as disclosed above and so far as the Directors are aware, as at the Latest Practicable Date, no other person had an interest or short position in the Company's Shares or underlying Shares (as the case may be) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

### **3. SERVICE AGREEMENTS**

As at the Latest Practicable Date, none of the Directors, proposed directors, Supervisors or proposed supervisors of the Company had any existing or proposed service contract with any member of the Group excluding contracts expiring or determinable by the Company within one year without payment of compensation (other than statutory compensation).

### **4. INTEREST IN CONTRACT**

As at the Latest Practicable Date, none of the Directors or Supervisors was materially interested in any contract or arrangement entered into by any member of the Group, and which was significant in relation to the business of the Group.

### **5. MATERIAL ADVERSE CHANGE**

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2009, being the date to which the latest published audited financial statements of the Group were made up.

### **6. COMPETING INTEREST**

As at the Latest Practicable Date, none of the Directors of the Company and its subsidiaries, or their respective associates has interests in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

**7. LITIGATION**

No member of the Group is at present engaged in any litigation or arbitration of material importance to the Group and no litigation or claim of material importance to the Group is known to the Directors or the Company to be pending or threatened by or against any member of the Group.

**8. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the Articles of Association and this circular are available for inspection at the principal place of business in Hong Kong of the Company at 21/F New World Tower 1, 18 Queen's Road Central, Hong Kong during normal business hours from the date of this circular up to and including 3 May 2010.

**9. MISCELLANEOUS**

- (a) The English text of this circular shall prevail over the Chinese text.
- (b) The registered and head office of the Company is situated at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC.
- (c) The place of business of the Company in Hong Kong is at 21/F New World Tower 1, 18 Queen's Road Central, Hong Kong.
- (d) The Hong Kong share registrar and transfer office of the Company is at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (e) The secretary to the Board of the Company is Ms. Chow Yuk Lan. She is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.

\* *For identification purpose only*

The proposed amendments to the Articles of Association are set out below:

**1. ARTICLE 2.02**

The second paragraph of the current Article 8.05 of the Articles of Association reads:

“The scope of business of the company include: development and marketing of high and new water saving irrigation technologies; interim testing and marketing of advanced water saving fittings; technology transfer and service for water saving irrigation; development and utilization of computer application software for water saving irrigation; production and sales of PVC pipelines for water supply, PE pipelines and assemblies, pressure compensatory style drip films, labyrinth-style drip films, embedded-style drip films, agriculture films and drippers; import of scrap steel, scrap steel, scrap aluminium, scrap paper and scrap plastic; grade one subcontractor for construction of water saving irrigation project (specific scope is subject to quality certificate); business of exporting products and technologies produced by this enterprise itself and business of importing machinery and equipment, parts and components, raw and auxiliary materials and technologies required by this enterprise, other than goods and technologies solely operated by this enterprise or prohibited from import and export by the state.”

The second paragraph of the Article 8.05 is proposed to be deleted and substituted by the following:

“The scope of business of the company include: development and marketing of high and new water saving irrigation technologies; interim testing and marketing of advanced water saving fittings; technology transfer and service for water saving irrigation; development and utilization of computer application software for water saving irrigation; production and sales of PVC pipelines for water supply, PE pipelines and assemblies, pressure compensatory style drip films, labyrinth-style drip films, embedded-style drip films, agriculture films and drippers; import of scrap steel, scrap steel, scrap aluminium, scrap paper and scrap plastic; grade one subcontractor for construction of water saving irrigation project (specific scope is subject to quality certificate); business of exporting products and technologies produced by this enterprise itself and business of importing machinery and equipment, parts and components, raw and auxiliary materials and technologies required by this enterprise, other than goods and technologies solely operated by this enterprise or prohibited from import and export by the state; recycling and processing of scrap and obsolete plastic; distribution of electrical and mechanical goods (other than compact size vehicles) and chemical goods (other than dangerous chemical items and highly poisonous items).”

**2. ARTICLE 8.05**

The current Article 8.05 of the Articles of Association reads:

“Notices of 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 45 days (including the date of such general meeting) prior to the

day the relevant general meeting is intended to be held, and in written form. Shareholders who intend to attend the relevant general meeting must respond, in writing to the Company, 20 days prior to the day the relevant general meeting is intended to be held.”

The Article 8.05 is proposed to be deleted and substituted by the following:

“Notices of 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 45 days (including 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, 20 days prior to the day the relevant general meeting is intended to be held.”

### **3. ARTICLE 8.08**

The current first requirement for a valid notice of a Shareholders’ meeting pursuant to Article 8.08 of the Articles of Association (that “(1) The notice shall be in writing;”) is proposed to be deleted and substituted by the following:

“(1) The notice shall be in writing or distributed in any other manners as prescribed by the Articles of Association.”

### **4. ARTICLE 8.09**

The first and second paragraphs of the current Article 8.09 of the Articles of Association reads:

“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. For holders of Domestic Shares, notices of general meetings may also be made by way of announcements.

The notice as aforementioned shall be published on one or more newspapers as designated the securities regulating branch of the State Council 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.”

The first and second paragraphs of Article 8.09 are proposed to be deleted and substituted by the following:

“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.

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."

**5. ARTICLE 9.06**

The current first paragraph of Article 9.06 of the Articles of Association reads:

"Notice of a 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 45 days (including the date of such class meeting) prior to the day the relevant class meeting is intended to be held, and in written form. Shareholders who intend to attend the relevant class meeting must respond, in writing to the Company, 20 days prior to the day the relevant class meeting is intended to be held."

The first paragraph of Article 9.06 is proposed to be deleted and substituted by the following:

"Notice of a 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 45 days 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, 20 days prior to the day the relevant class meeting is intended to be held."

**6. ARTICLE 15.04**

The current second paragraph of Article 15.04 of the Articles of Association reads:

"The Company shall, 21 days prior to the intended date of an annual general meeting of the Company, send a copy of the aforementioned reports of the Company by post (with postage fully paid) to every holder of H Shares at their respective registered address as contained in the register of members of the Company."

The second paragraph of Article 15.04 is proposed to be deleted and substituted by the following:

“The Company shall, 21 days prior to the intended date of an annual general meeting of the Company, send a copy of the aforementioned reports of the Company by post (with postage fully paid) to every holder of foreign listed shares at their respective registered address as contained in the register of members of the Company, provided that there shall be no violation of any laws, regulations and listing rules of the place where the Company’s Shares are listed, the Company can issue or distribute the aforementioned financial reports of the Company to the Shareholders through the website of the Stock Exchange and of the Company or by email, without following the issuing or distributing manners as prescribed above.”

**7. ARTICLE 20.01**

The current Article 20.01 of the Articles of Association reads:

“Unless otherwise stipulated by this Articles of Association, if the Company issues notices, information or written statements to the holders of H Shares, such notices, information or written statements shall be given by way of delivery in person or by mail (with postage fully paid) to the holders of H Shares at their registered address as contained in the register of members.”

The Article 20.01 is proposed to be deleted and substituted by the following:

“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:

- (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.”

**8. ARTICLES 20.03**

The current Article 20.03 of the Articles of Association reads:

“Notices issued in the form of an announcement in accordance with the Articles of Association shall be published in the medium as designated or required by the relevant laws and administrative rules. Notices issued in the form of an announcement to the holders of H Shares in accordance with the Articles of Association shall be published on the designated newspaper as required by the Listing Rules.”

The Article 20.03 is proposed to be deleted and substituted by the following:

“Notices issued in the form of an announcement shall be published in the relevant publications (if any) and/or the relevant designated medium (including websites) of the relevant listing and/or securities authorities regulating the stock exchange on which the Company’s Shares are listed.

In relation to the Listing Rules requirements for the manner of issuance and/or distribution of Corporate Communications and in accordance with the laws and regulations of the relevant listing and/or securities authorities regulating the stock exchange on which the Company’s Shares are listed, the Company may issue and/or distribute Corporate Communications to the holders of foreign listed shares by electronic means or on the website of the Company and of the Stock Exchange in lieu of issuing and/or distributing the relevant information by delivery in person or by mail (with postage fully paid).

“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:

- (i) reports of the Board, the Company’s annual accounts and auditors’ reports and the Company’s summary of financials (if applicable);
- (ii) the Company’s interim reports and the Company’s summary of interim reports (if applicable);
- (iii) notices of meetings of the Company;
- (iv) listing documents of the Company;
- (v) the Company’s circulars;
- (vi) authorization letters in relation to the Company; and
- (vii) reply forms and other documentary materials.”

#### **9. ARTICLE 20.07**

The following paragraph will be added as Article 20.07:

“The relevant documents that are distributed by the Company to the Shareholders by electronic means in accordance with Articles 20.01 and 20.03 above should, in accordance with the requirements and requests of the Stock Exchange, be published on the website of the Stock Exchange and of the Company. The Shareholders will be deemed to have received such documents as soon as they are published in the aforementioned manner.”

---

## 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 Thursday, 10 June 2010 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 2009;
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2009;
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 2009;
4. To consider and approve the resolution for making appropriation to statutory surplus reserve fund for the year ended 31 December 2009;
5. To authorize the board of Directors (the “**Board**”) to fix the remuneration of the Directors and the supervisors of the Company for the year 2010;
6. 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;
7. Conditional upon passing of Special Resolution No. 2 as set out herein, the Company may send or supply corporate communications (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) to the holders of H shares of the Company (in relation to whom the conditions set below are met) by making such corporate communications available on the Company's own website (<http://www.tianyejieshui.com.cn>) be and is hereby approved, and the Directors be and are hereby authorized to sign all

\* For identification purpose only

---

## NOTICE OF ANNUAL GENERAL MEETING

---

such documents and/or do all such things which they may consider necessary or expedient and in the interest of the shareholders of the Company (the “**Shareholders**”) and the Company for the purpose of effecting or otherwise in connection with the Company’s proposed communication with the holders of H Shares of the Company through the Company’s website.

The supply of corporate communications by making such corporate communications available on the Company’s own website is subject to the fulfillment of the conditions: (i) that each holder of H Shares of the Company has been asked individually by the Company to agree that the Company may send or supply corporate communications generally, or the corporate communication in question, to such holder through the Company’s website; and (ii) that the Company has not received any objection from such holders of H Shares of the Company within the period of 28 days beginning with the date on which the Company’s request was sent.

### 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-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 such 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

---

## NOTICE OF ANNUAL GENERAL MEETING

---

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. “**THAT** the proposed amendments to the Articles of Association as set out in the circular of the Company dated 20 April 2010 be and are hereby approved, and the Board be and is hereby authorized to deal with on behalf of the Company the relevant filing and amendments (where necessary) procedures and other related issues arising from the amendments to the Articles of Association.”

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

Xinjiang PRC, 20 April 2010

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

\* For identification purpose only

---

## NOTICE OF ANNUAL GENERAL MEETING

---

### 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, 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, 21 May 2010 to Thursday, 10 June 2010, both days inclusive, during which no transfer of the shares of the Company will be effected. All transfers accompanied by the relevant share certificates for H Shares must be lodged with Company's H Share registrar and transfer office (for the holders of H Shares only) or lodged at the registered office of the Company (for the holders of Domestic Shares only) not later than 4:00 p.m. on Thursday, 20 May 2010. The Shareholders or their proxies being registered before the close of business on Thursday, 20 May 2010 are entitled to attend the AGM by presenting their identity documents.
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, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, 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) 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, 20 May 2010.
6. Voting of the resolutions as set out in this notice will be by poll.

---

## NOTICE OF ANNUAL GENERAL MEETING

---

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:

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

Fax: (86993) 2623163



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 CLASS MEETING FOR HOLDERS OF H SHARES**

NOTICE IS HEREBY GIVEN THAT a class meeting (the “**Class Meeting**”) for holders of H shares (“**H Shares**”) 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 Thursday, 10 June 2010 at 12:00 noon for the following purpose and to pass the following resolution:

**SPECIAL RESOLUTION**

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-month period following the passing of this resolution; or

\* For identification purpose only

---

## NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES

---

- (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 such 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;
- (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.”

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

Xinjiang PRC, 20 April 2010

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

\* For identification purpose only

---

## NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES

---

### Notes:

1. The register of members of the Company will be temporarily closed from Friday, 21 May 2010 to Thursday, 10 June 2010 (both days inclusive) during which no transfer of H Shares will be registered in order to determine the list of holders of H Shares (the “**Shareholders**”) for attending the Class Meeting. The last lodgment for H Share transfer should be made on Thursday, 20 May 2010 at Tricor Investor Services Limited by or before 4:00 p.m. The Shareholders or their proxies being registered before the close of business on Thursday, 20 May 2010 are entitled to attend the Class Meeting by presenting their identity documents. The address of Tricor Investor Services Limited is at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong.
2. Each Shareholder having the rights to attend and vote at the Class Meeting is entitled to appoint one or more proxies (whether a Shareholder or not) to attend and vote on his behalf. Should more than one proxy be appointed by one Shareholder, such proxy shall only exercise his voting rights on a poll.
3. 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 Company’s H Share registrar and transfer office in not less than 24 hours before the time scheduled for the holding of the Class Meeting or any adjournment thereof.
4. Shareholders who intend to attend the Class Meeting are requested to deliver the duly completed and signed reply slip for attendance to the Company’s H Share registrar and transfer office in person, by post or by facsimile on or before 4:00 p.m., Thursday, 20 May 2010.
5. Shareholders or their proxies shall present proofs of their identities upon attending the Class Meeting. Should a proxy be appointed, the proxy shall also present the proxy form.
6. The Class Meeting is expected to last for less than one day. The Shareholders and proxies attending the Class Meeting shall be responsible for their own travelling and accommodation expenses.
7. The Company’s registered address:  
  
No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone,  
Shihezi, Xinjiang, the PRC  
Fax: (86993) 2623163



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 CLASS MEETING FOR HOLDERS  
OF DOMESTIC SHARES**

**NOTICE IS HEREBY GIVEN THAT** a class meeting (the “**Class Meeting**”) for holders of domestic shares (“**Domestic Shares**”) 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 Thursday, 10 June 2010 at 12:30 p.m. for the following purpose and to pass the following resolution:

**SPECIAL RESOLUTION**

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-month period following the passing of this resolution; or

\* For identification purpose only

---

## NOTICE OF CLASS MEETING FOR HOLDERS OF DOMESTIC SHARES

---

- (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 such 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;
- (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.”

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

Xinjiang PRC, 20 April 2010

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

\* For identification purpose only

---

## NOTICE OF CLASS MEETING FOR HOLDERS OF DOMESTIC SHARES

---

### Notes:

1. The register of members of the Company will be temporarily closed from Friday, 21 May 2010 to Thursday, 10 June 2010 (both days inclusive) during which no transfer of Domestic Shares will be registered in order to determine the list of holders of Domestic Shares (the “**Shareholders**”) for attending the Class Meeting. The last lodgment for Domestic Share transfer should be made on Thursday, 20 May 2010 at the Company’s registered and principal office by or before 4:00 p.m. The Shareholders or their proxies being registered before the close of business on Thursday, 20 May 2010 are entitled to attend the Class Meeting by presenting their identity documents.
2. Each Shareholder having the rights to attend and vote at the Class Meeting is entitled to appoint one or more proxies (whether a Shareholder or not) to attend and vote on his behalf. Should more than one proxy be appointed by one Shareholder, such proxy shall only exercise his voting rights on a poll.
3. 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 Class Meeting or any adjournment thereof.
4. Shareholders who intend to attend the 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., Thursday, 20 May 2010.
5. Shareholders or their proxies shall present proofs of their identities upon attending the Class Meeting. Should a proxy be appointed, the proxy shall also present the proxy form.
6. The Class Meeting is expected to last for less than one day. The Shareholders and proxies attending the Class Meeting shall be responsible for their own travelling and accommodation expenses.
7. The Company’s registered address:

No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone,  
Shihezi, Xinjiang, the PRC  
Fax: (86993) 2623163