
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.

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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)

**PROPOSED FURTHER AMENDMENTS TO
THE ARTICLES OF ASSOCIATION,
AND
SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING**

The supplemental notice for convening the annual general meeting of Xinjiang Tianye Water Saving Irrigation System Company Limited* (the “Company”) to be held at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC on Thursday, 12 May 2011 at 11:00 a.m. is set out on pages 8–9 of this circular. Whether or not you are able to attend such meeting, please complete and return the supplemental form 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, 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 supplemental 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>
Definitions	1
Letter from the Board	3
Supplemental Notice of Annual General Meeting	8

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, 12 May 2011 at 11:00 a.m. at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC;
“AGM Notice”	the notice dated 25 March 2011 for convening the AGM;
“Articles of Association”	the articles of association of the Company as may be amended from time to time;
“Board”	the board of Directors;
“Chairman”	chairman of the Board;
“Company”	新疆天業節水灌溉股份有限公司 (Xinjiang Tianye Water Saving Irrigation System Company Limited*), a company established in the PRC with limited liability on 27 December 1999. Pursuant to an approval granted by the relevant PRC authorities on 18 December 2003, the Company restructured its capital and was converted into a joint stock limited liability company, whose H Shares are listed and traded on the Main Board of the Stock Exchange on 24 January 2008;
“Directors”	the directors of the Company;
“Domestic Shares”	domestic share(s) of nominal value of RMB1.00 each in the registered capital of the Company which are subscribed for in RMB;
“First Circular”	the circular of the Company dated 25 March 2011 which sets out the venue of the AGM and the resolutions proposed to be put forward to the Shareholders for consideration and approval at the AGM;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“H Shares”	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\$;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

DEFINITIONS

“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;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	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;
“Shareholders”	the holders of H Shares and Domestic Shares from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplemental AGM Notice”	the supplemental notice of annual general meeting dated 29 April 2011, which is set out on pages 8–9 of this circular; and
“%”	per cent.

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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. Hou Guo Jun (*Chairman*)
Mr. Shi Xiang Shen
Mr. Yin Xiu Fa
Mr. Li Shuang Quan
Mr. Zhu Jia Ji
Mr. Chen Lin

Registered office:

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

Independent non-executive Directors:

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

*Principal place of business
in Hong Kong:*

Unit 2209, 22/F.,
Wu Chung House,
213 Queen's Road East,
Wanchai,
Hong Kong

Supervisors:

Ms. Ni Mei Lan
Mr. He Jie
Mr. Huang Jun Liu
Mr. Zhou Qian

29 April 2011

To the Shareholders

Dear Sir or Madam,

**PROPOSED FURTHER AMENDMENTS TO
THE ARTICLES OF ASSOCIATION,
AND
SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

Reference is made to the AGM Notice and First Circular. The purpose of this circular is to provide you the Supplemental AGM Notice, together with information on the additional resolution relating to the proposed amendments to the Articles of Association to be proposed at the AGM to be held at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC on Thursday, 12 May 2011 at 11:00 a.m..

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LETTER FROM THE BOARD

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcements of the Company dated 7 March 2011 and 7 April 2011 respectively, which set out the possible transfer of all the Domestic Shares held by Mr. Guo Shu Qing (“**Mr. Guo**”) and Mr. Wang Xiao Xian (“**Mr. Wang**”) by 新疆天業（集團）有限公司 (Xinjiang Tianye (Group) Limited*, “**Tianye Holdings**”), the ultimate parent company of the Company.

On 21 April 2011, Tianye Holdings entered into the agreements for transfer of the Domestic Shares with Mr. Guo and Mr. Wang respectively. Pursuant to the agreement for transfer of the Domestic Shares with Mr. Guo, Mr. Guo agreed to transfer his 61,386,798 Domestic Shares (representing approximately 11.82% of the total issued share capital of the Company) to Tianye Holdings; and pursuant to the agreement for transfer of the Domestic Shares with Mr. Wang, Mr. Wang agreed to transfer his 50,335,128 Domestic Shares (representing approximately 9.69% of the total issued share capital of the Company) to Tianye Holdings. The aforesaid transfers of Domestic Shares were approved by the Ministry of Commerce of the PRC on 25 April 2011. Immediately following the approval of the aforesaid transfers of Domestic Shares, each of Mr. Guo and Mr. Wang does not hold Domestic Shares and ceases to be the holder of the Domestic Shares, while Tianye Holdings directly holds 111,721,926 Domestic Shares (representing approximately 21.51% of the total issued share capital of the Company).

LETTER FROM THE BOARD

The shareholding structure of the Company as at the date of this circular is as follows:

	Direct interest in the share capital of the Company as at the date of this circular	
	<i>No. of Shares</i>	<i>%</i>
	<i>(Approximately)</i>	
Xinjiang Tianye Company Limited (“ Tianye Company ”)	202,164,995	38.91
Tianye Holdings	111,721,926	21.51
China Academy of Machinery Science and Technology	2,410,123	0.46
Northwest Sci-Tech University of Agriculture and Forestry	824,516	0.16
H Shares	<u>202,400,000</u>	<u>38.96</u>
Total:	<u>519,521,560</u>	<u>100</u>

In order to reflect the above transfers of the Domestic Shares and for the purpose of complying with the Listing Rules and relevant laws and regulations of the PRC and Hong Kong, the special resolution No. 3 as set out in the Supplemental AGM Notice will be proposed at the AGM to approve the necessary amendments to the Articles of Association so as to conform with the relevant laws, rules and regulations in the PRC and Hong Kong. Subject to the passing of the aforesaid resolution at the AGM by Shareholders, the proposed amendments to the Articles of Association will take effect subject to the fulfilment of the requirement of filing for record with the Ministry of Commerce of the PRC. Accordingly, the proposed amendments to the Articles of Association will not become effective if the requirement of filing of the record of the above transfers with the Ministry of Commerce of the PRC is not satisfied. Prior to the proposed amendments to the Articles of Association becoming effective, the existing Articles of Association will continue to be in force.

LETTER FROM THE BOARD

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

The following paragraph shall be added as the last paragraph of the Article 3.06 of the Articles of Association:

“On 21 April 2011, Guo Shu Qing (郭書清) and Wang Xiao Xian (王孝先), the promoters, transferred all of their respective 61,386,798 shares and 50,335,128 shares to Xinjiang Tianye (Group) Limited (新疆天業(集團)有限公司). Upon the transfer, the share capital structure of the Company consists of a total of 519,521,560 ordinary shares, of which, 202,164,995 shares is held by Xinjiang Tianye Company Limited (新疆天業股份有限公司), representing 38.91% of the total share capital of the Company; 111,721,926 shares is held by Xinjiang Tianye (Group) Limited, representing 21.51% of the total share capital of the Company; 2,410,123 shares is held by China Academy of Machinery Science and Technology (機械科學研究總院), representing 0.46% of the total share capital of the Company; 824,516 shares is held by Northwest Sci-Tech University of Agriculture and Forestry (西北農林科技大學), representing 0.16% of the total share capital of the Company; 202,400,000 shares is held by shareholders of H Shares (overseas listing foreign shares), representing 38.96% of the total share capital of the Company.”

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.

AGM

The AGM will be held, as originally scheduled, on Thursday, 12 May 2011 at the conference room of the Company at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC.

In light of the additional resolution to be voted at the AGM, a supplemental form of proxy for use by the Shareholders at the AGM is enclosed. Whether or not you intend to be present at the AGM, you are requested to complete and return the supplemental 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 or any adjourned meeting. Completion and return of the supplemental form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting should you so wish.

An announcement will be made by the Company following conclusion of the AGM to inform Shareholders of the results of the meeting.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the proposed resolution as set out in the Supplemental AGM Notice 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 the resolution to be proposed at the AGM in respect thereof.

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

* *For identification purpose only*



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)

**SUPPLEMENTAL NOTICE OF
THE ANNUAL GENERAL MEETING FOR YEAR 2010**

This notice is supplemental to the notice dated 25 March 2011 (the “Notice”) of the annual general meeting (the “AGM”) of Xinjiang Tianye Water Saving Irrigation System Company Limited (the “Company”). The AGM will be held, as originally scheduled, 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, 12 May 2011 at 11:00 a.m..

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the AGM will be held as originally scheduled to consider and, if thought fit, pass the following resolution in addition to the resolutions set out in the Notice:

II. AS SPECIAL RESOLUTIONS:

3. “THAT the proposed amendments to the Articles of Association as set out in the circular of the Company dated 29 April 2011 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.” (for Chinese circular)

By Order of the Board
Xinjiang Tianye Water Saving Irrigation System Company Limited*
Hou Guo Jun
Chairman

Xinjiang PRC, 29 April 2011

* For identification purpose only

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The original form of proxy and a circular containing the notice of AGM were despatched to shareholders on 25 March 2011 together with the Company's 2010 Annual Report.

In light of the additional resolution to be voted on at the AGM, a supplemental form of proxy containing the additional resolution is despatched to shareholders on 29 April 2011 together with this supplemental notice of AGM. Shareholders are requested to complete and return the supplemental form of proxy in accordance with the instructions printed thereon.

If no supplemental form of proxy duly completed and returned is lodged with the Company, the original form of proxy lodged will be treated as valid if duly completed and returned. The proxy so appointed will be entitled to vote or abstain at his/her discretion on any resolution properly put to the AGM, including the additional resolution set out in the supplemental notice of AGM. If the Company receives, in addition to a duly completed and returned original form of proxy, a duly completed and returned supplemental form of proxy, the Company will treat both the original form of proxy and the supplemental form of proxy as valid. The supplemental form of proxy is for the additional resolution only. The proxy appointed only under the supplemental form of proxy should vote on the additional resolution only. Shareholders who wish to appoint a proxy to vote on the resolutions set out in the notice of AGM should also duly complete and return the original form of proxy.

2. Save for the inclusion of the additional resolution, there are no other changes to the resolutions set out in the notice of AGM dated 25 March 2011. Please refer to the notice of AGM for the other resolutions to be submitted to the AGM and the relevant matters.
3. A shareholder entitled to attend and vote at this meeting may appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a shareholder of the Company.
4. In order to be valid, the supplemental 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 Shares registrar and transfer office at Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (for 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 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 a Shareholder from attending and voting at the AGM or any adjourned meeting should he/she so wish.

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