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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult an exchange participant or other registered dealer in securities, a 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 supplemental circular and the accompanying second form of proxy to the purchaser or transferee or to the bank, exchange participant or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**新疆天业节水灌溉股份有限公司**

**XINJIANG TIANYE WATER SAVING IRRIGATION SYSTEM COMPANY LIMITED\***

*(a joint stock limited company incorporated in the People's Republic of China)*

**(Stock Code: 840)**

**SUPPLEMENTAL CIRCULAR  
TO  
THE CIRCULAR TO SHAREHOLDERS DATED 28 MARCH 2012  
AND  
APPOINTMENT OF NEW AUDITORS  
AND  
SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING**

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This supplemental circular should be read together with the circular to Shareholders dated 28 March 2012 (“the Circular”). The supplemental notice of the annual general meeting of the Company to be convened on Friday, 18 May 2012 at 11:00 a.m. at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC; (“the AGM”) is set out on page 6 of this supplemental circular. Unless the context requires otherwise, capitalized terms used in this supplemental circular shall have the same meanings ascribed thereto in the Circular.

Whether or not you are able to attend the AGM, you are requested to complete the enclosed second form of proxy (the “Second Form of Proxy”) in accordance with the instructions printed thereon and return it to the Company’s share registrars, Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the Second Form of Proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish.

\* *For identification purpose only*

4 May 2012

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## DEFINITIONS

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

“Pan-China”	Pan-China Certified Public Accountants LLP;
“Pan-China (H.K.)”	Pan-China (H.K.) CPA Limited;
“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;
“Tianye Company”	Xinjiang Tianye Company Limited* (新疆天業股份有限公司), a company established in the PRC with limited liability on 9 June 1997, and 438,592,000 A shares of which were listed on the Shanghai Stock Exchange as at the date hereof.

\* *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)

*Executive Directors:*

Mr. Yin Xiu Fa (*Chairman*)  
Mr. Hou Guo Jun  
Mr. Shi Xiang Shen  
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. Mak King Sau  
Mr. Wang Yun

*Principal place of business in Hong Kong:*

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

4 May 2012

*To Shareholders*

Dear Sir or Madam,

**SUPPLEMENTAL CIRCULAR  
TO**

**THE CIRCULAR TO SHAREHOLDERS DATED 28 MARCH 2012  
AND APPOINTMENT OF NEW AUDITORS AND  
SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

This supplemental circular should be read together with the Circular which contains, inter alia, information of the renewal of continuing connected transaction. The purpose of this supplemental circular is to give you (i) further information regarding the proposed appointment of Pan-China as auditors of the Company; and (ii) the supplemental notice of the AGM and the Second Form of Proxy.

\* For identification purpose only

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## LETTER FROM THE BOARD

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### 2. PROPOSED CHANGE OF AUDITORS

Pan-China (H.K.) was re-appointed as auditors of the Group at the last annual general meeting of the Company held on 12 May 2011 to hold office until the conclusion of the next annual general meeting of the Company. The Company aims to carry out effective cost control and reduce overall operating expenses of the Company, and has reached agreement with Pan-China (H.K.) and Pan-China to reallocate the audit engagement of the Group for the financial year ending 31 December 2012 from Pan-China (H.K.) to Pan-China who is also the auditors of Tianye Company, the immediate holding company of the Company. The Board considers that it is in the best interest of the Company and Shareholders as a whole to replace Pan-China (H.K.) with Pan-China.

Pan-China (H.K.) tendered its resignation to the Company on 26 April 2012. The Board confirms that there are no matters in respect of the proposed change of auditors of the Company, which it considers should be brought to the attention of the Shareholders and creditors of the Company.

The Board proposed to appoint Pan-China as the auditors of the Group following the resignation of Pan-China (H.K.) on 26 April 2012 as Pan-China is the auditors of Tianye Company, the immediate holding company of the Company. The Board considers that it is more cost effective to have the same auditors for the Group's different entities in different jurisdictions. An ordinary resolution will be proposed at the AGM to appoint Pan-China as the auditors of the Company.

### 3. SECOND FORM OF PROXY

Since the form of proxy ("the First Form of Proxy") sent together with the Circular and the 2011 Annual Report of the Company does not contain the proposed resolution for the proposed appointment of Pan-China as the auditors of the Company following the resignation of Pan-China (H.K.) on 26 April 2012, the Second Form of Proxy has been prepared and is enclosed with this supplemental circular.

You are requested to complete the Second Form of Proxy in accordance with the instructions printed thereon and return it to the Company's share registrars, Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Special arrangements about the completion and submission of the Second Form of Proxy are also set out in the Appendix to this supplemental circular. Shareholders who have appointed or intend to appoint proxies to attend the AGM are requested to pay particular attention to the special arrangements set out therein.

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## LETTER FROM THE BOARD

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### 4. RECOMMENDATIONS

In addition to the recommendation contained in the Circular, the Board is of the opinion that the proposed appointment of Pan-China as the auditors of the Company following the resignation of Pan-China (H.K.) on 26 April 2012 is in the best interests of the Company and therefore recommend you to vote in favour of the resolution to be proposed at the AGM.

Yours faithfully,  
By order of the Board  
**Xinjiang Tianye Water Saving Irrigation System Company Limited\***  
**Yin Xiu Fa**  
*Chairman*

Xinjiang, the PRC, 4 May 2012

\* *For identification purpose only*

A Shareholder who has not yet lodged the First Form of Proxy with the Company's share registrars is requested to lodge the Second Form of Proxy if he/she wishes to appoint proxies to attend the AGM on his/her behalf. In this case, the First Form of Proxy should **not** be lodged with the Company's share registrars.

A Shareholder who has already lodged the First Form of Proxy with the Company's share registrars should note that:

- (i) **If no Second Form of Proxy is lodged with the Company's share registrars, the First Form of Proxy will be treated as a valid form of proxy lodged by him/her if correctly completed.** The proxy so appointed by the Shareholder will be entitled to vote at his/her discretion or to abstain from voting on any resolution properly put to the AGM other than those referred to in the notice convening the AGM and the First Form of Proxy including, the resolutions for the appointment of Pan-China as the auditors of the Company following the resignation of Pan-China (H.K.) set out in this supplemental circular.
- (ii) **If the Second Form of Proxy is lodged with the Company's share registrars 48 hours prior to the time appointed for holding the AGM or any adjourned meeting ("the Closing Time"), the Second Form of Proxy will revoke and supersede the First Form of Proxy previously lodged by him/her. The Second Form of Proxy will be treated as a valid form of proxy lodged by the Shareholder if correctly completed.**
- (iii) **If the Second Form of Proxy is lodged with the Company's share registrars after the Closing Time, the Second Form of Proxy will be invalid. However, it will revoke the First Form of Proxy previously lodged by the Shareholder, and any vote that may be cast by the purported proxy (whether appointed under the First Form of Proxy or the Second Form of Proxy) will not be counted in any poll which will be taken on a proposed resolution. Accordingly, Shareholders are advised not to lodge the Second Form of Proxy after the Closing Time. If such Shareholders wish to vote at the AGM, they will have to attend in person and vote at the AGM themselves.**

Shareholders are reminded that completion and delivery of the First Form of Proxy and/or the Second Form of Proxy will not preclude Shareholders from attending and voting in person at the AGM or at any adjourned meeting should they so wish.

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## SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

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**新疆天业节水灌溉股份有限公司**

**XINJIANG TIANYE WATER SAVING IRRIGATION SYSTEM COMPANY LIMITED\***

*(a joint stock limited company incorporated in the People's Republic of China)*

**(Stock Code: 840)**

### **SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING**

**SUPPLEMENTAL NOTICE IS HEREBY GIVEN** that the Annual General Meeting of members of 新疆天业节水灌溉股份有限公司 (Xinjiang Tianye Water Saving Irrigation System Company Limited\*) (the "Company") will be held on Friday, 18 May 2012 at 11:00 a.m. at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC for the following purposes:

#### **ORDINARY RESOLUTION**

1. To appoint auditors (note (1)).

By order of the Board  
**Xinjiang Tianye Water Saving Irrigation System Company Limited\***  
**Yin Xiu Fa**  
*Chairman*

Xinjiang, the PRC, 4 May 2012

#### **Notes:**

- (1) With respect to resolution 6 of the notice of the Annual General Meeting of the Company dated 28 March 2012 (the "Notice"), it is proposed to appoint Pan-China Certified Public Accountants LLP as the auditors of the Company following the resignation of Pan-China (H.K.) CPA Limited.
- (2) Please refer to the Notice for details in respect of the other resolutions to be considered at the Annual General meeting.
- (3) As at the date of this supplemental notice, the Board comprises six executive Directors namely Yin Xiu Fa (Chairman), Hou Guo Jun, Shi Xiang Shen, Li Shuang Quan, Zhu Jia Ji and Chen Lin and five independent non-executive Directors namely He Lin Wang, Xia Jun Min, Gu Lie Feng, Wang Yun and Mak King Sau.

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