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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 your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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

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### 新疆天业节水灌溉股份有限公司 XINJIANG TIANYE WATER SAVING IRRIGATION SYSTEM COMPANY LIMITED\*

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

**(Stock Code: 840)**

- (1) PROPOSED GRANT OF ISSUE MANDATE;  
(2) PROPOSED GRANT OF REPURCHASE MANDATE;  
(3) RETIREMENT OF DIRECTORS AND PROPOSED RE-ELECTION OF DIRECTORS;  
(4) RETIREMENT OF SUPERVISORS AND PROPOSED RE-ELECTION OF SUPERVISORS;  
AND  
(5) NOTICES OF ANNUAL GENERAL MEETING AND CLASS MEETINGS**

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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 2018 (the "Annual Report").

The notice for convening the annual general meeting ("AGM"), the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting ("Class Meetings") of the Company to be held at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC on Friday, 14 June 2019 at 12:00 noon are set out on pages 18 to 26 of this circular. Whether or not you are able to attend such meetings, please complete and return the forms of proxy enclosed with this circular in accordance with the instructions printed thereon to the Hong Kong H share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (for the holders of H Shares only) or at the Company's registered office at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC (for the holders of Domestic Shares only), as soon as possible and in any event not less than 24 hours before the time appointed for holding such meetings or any adjourned meetings. Completion and return of the forms of proxy will not preclude you from attending and voting at the meetings or any adjourned meeting(s) should you so wish.

\* For identification purpose only

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened on Friday, 14 June 2019 at 12:00 noon at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC, the notice of which is set out on pages 18 to 26 of this circular;
“AGM Notice”	the notice dated 24 April 2019 for convening the AGM as set out on pages 18 to 26 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”	collectively, the H Shareholders’ Class Meeting and Domestic Shareholders’ Class Meeting;
“Company”	新疆天業節水灌溉股份有限公司 (Xinjiang Tianye Water Saving Irrigation System Company Limited*), a joint stock company established in the PRC with limited liability on 18 December 2003, whose H Shares are listed and traded on the Main Board of the Stock Exchange;
“Company Law”	The Company Law of the PRC as enacted by the Standing Committee of the Eighth National People’s Congress of the PRC on 29 December 1993 and came into force on 1 July 1994, as amended, supplemented or modified from time to time;
“Directors”	the directors of the Company;
“Domestic Share(s)”	domestic share(s) of nominal value of RMB1.00 each in the registered capital of the Company which are subscribed for in RMB;
“Domestic Shareholders’ Class Meeting”	the class meeting for holders of Domestic Shares to be held on Friday, 14 June 2019 at 12:00 noon at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC, the notice of which is set out on pages 18 to 26 of this circular;
“Group”	the Company and its subsidiaries;

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## DEFINITIONS

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“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“H Share(s)”	the overseas listed foreign invested share(s) of nominal value of RMB1.00 each in the share capital of the Company which are listed on the Main Board of the Stock Exchange and subscribed for and traded in HK\$;
“H Shareholders’ Class Meeting”	the class meeting for holders of H Shares to be held on Friday, 14 June 2019 at 12:00 noon at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC, the notice of which is set out on pages 18 to 26 of this circular;
“Issue Mandate”	an unconditional general mandate to issue, allot and deal with the additional Domestic Shares and/or H Shares not exceeding 20% of the issued shares of that class as at the date of passing of the relevant resolution;
“Latest Practicable Date”	16 April 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mandatory Provisions”	the Mandatory Provisions for the Articles of Association of the Companies to be Listed Overseas (《到境外上市公司章程必備條款》) issued on 27 August 1994 by the State Council Securities Policy Committee and the State Commission for Restructuring the Economic System;
“PRC”	the People’s Republic of China, but for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“Repurchase Mandate”	subject to the conditions set out in the proposed resolution approving the repurchase mandate at the AGM and the Class Meetings, the general mandate to be granted to the Board to exercise the power of the Company to repurchase H Shares, the aggregate nominal amount of which shall not exceed 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of passing of the relevant resolution as set out in the AGM notice and the Class Meetings notices;
“RMB”	Renminbi, the lawful currency of the PRC;

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## DEFINITIONS

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“SAFE”	State Administration of Foreign Exchange of the PRC (《中華人民共和國國家外匯管理局》) or its successor authority;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	H Shares, the Domestic Shares and all shares of other class(es) resulting from any sub-division, consolidation or reclassification thereof from time to time in the share capital of the Company;
“Shareholder(s)”	the holder(s) of H Shares and Domestic Shares from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Substantial Shareholder(s)”	has the meaning as defined under the Listing Rules;
“Supervisor(s)”	the supervisor(s) of the Company;
“Takeovers Code”	The Hong Kong Codes on Takeovers and Mergers and Share Buy-backs;
“Tianye Company”	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, the A shares of which are listed on the Shanghai Stock Exchange. It is a controlling shareholder of the Company;
“Tianye Holdings”	Xinjiang Tianye (Group) Limited* (新疆天業(集團)有限公司), which was established in the PRC with limited liability on 28 June 1996, was wholly owned by SACC of No. 8 Division. It owns approximately 42.05% and 21.50% of the registered capital of Tianye Company and the Company respectively at the Latest Practicable Date; and
“%”	per cent.

\* 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. Chen Lin (*Chairman*)  
Mr. Huang Dong  
Mr. Tan Xinmin

*Independent non-executive Directors:*

Mr. Yin Feihu  
Mr. Qin Ming  
Ms. Gu Li  
Mr. Hung Ee Tek

*Supervisors:*

Mr. Chen Cailai  
Mr. Xie Xinghui  
Ms. Chen Jun

*Registered office:*

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

*Principal place of business*

*in Hong Kong:*  
Unit A, 27/F.,  
Billion Plaza II,  
10 Cheung Yue Street,  
Cheung Sha Wan,  
Kowloon,  
Hong Kong

24 April 2019

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSED GRANT OF ISSUE MANDATE;  
(2) PROPOSED GRANT OF REPURCHASE MANDATE;  
(3) RETIREMENT OF DIRECTORS AND PROPOSED RE-ELECTION OF  
DIRECTORS;  
(4) RETIREMENT OF SUPERVISORS AND PROPOSED  
RE-ELECTION OF SUPERVISORS;  
AND  
(5) NOTICES OF ANNUAL GENERAL MEETING AND CLASS MEETINGS**

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## LETTER FROM THE BOARD

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### 1. INTRODUCTION

The purpose of this circular is to provide you with information about the resolutions relating to (1) the proposed grant of Issue Mandate; (2) proposed grant of Repurchase Mandate; (3) retirement of directors and proposed re-election of directors; (4) retirement of supervisors and proposed re-election of supervisors; and (5) notices of AGM and Class Meetings.

### 2. PROPOSED GRANT OF ISSUE MANDATE

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

The Company has in issue an aggregate of 317,121,560 Domestic Shares and 202,400,000 H Shares as at the Latest Practicable Date. Special resolution no. 1 as set out in the AGM Notice (the “Special Resolution No. 1”) will be proposed at the AGM, namely (i) to grant to the Directors an Issue Mandate to issue, allot and deal with additional Shares up to a maximum of 63,424,312 Domestic Shares and 40,480,000 H Shares, representing 20% of the aggregate nominal amount of the issued share capital of the Company of that class as at the date of passing of the Special Resolution No. 1 on the basis that no further Shares will be issued or repurchased by the Company prior to the AGM; and (ii) to increase the number of existing share capital of the Company up to a maximum of 20% of the aggregate nominal amount of share capital of the Company which the Directors may issue under the Issue Mandate if given in the Special Resolution No. 1 as at the date of passing of the Special Resolution No. 1.

### 3. PROPOSED GRANT OF REPURCHASE MANDATE

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

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

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## LETTER FROM THE BOARD

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

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

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

### **Conditions to repurchase of H Shares**

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

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

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

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## LETTER FROM THE BOARD

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

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

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

#### **4. RETIREMENT OF DIRECTORS AND PROPOSED RE-ELECTION OF DIRECTORS**

In accordance with the provisions of the Articles of Association, Mr. Chen Lin, Mr. Huang Dong, Mr. Tan Xinmin, Mr. Yin Feihu, Mr. Qin Ming, Ms. Gu Li and Mr. Hung Ee Tek will retire by rotation at the forthcoming AGM. Mr. Chen Lin, Mr. Huang Dong and Mr. Tan Xinmin, being eligible for re-election, will offer themselves for re-election as executive Directors, while Mr. Yin Feihu, Mr. Qin Ming, Ms. Gu Li and Mr. Hung Ee Tek, being eligible for re-election, will offer themselves for re-election as independent non-executive Directors, all for a term of three years effective from the date on which the resolutions for their re-elections are passed at the AGM.

Ordinary resolutions will be proposed at the AGM seeking approval of the elections of each of Mr. Chen Lin, Mr. Huang Dong and Mr. Tan Xinmin as executive Directors, as well as each of Mr. Yin Feihu, Mr. Qin Ming, Ms. Gu Li and Mr. Hung Ee Tek as independent non-executive Directors for a term of three years effective from the date on which the said resolutions are passed at the AGM.

The biographical details of each of the Directors proposed to be re-elected are set out as follows:

##### **Executive Directors:**

##### ***Mr. Chen Lin***

Mr. Chen Lin, aged 43, is an executive Director and Chairman of the Board. Mr. Chen graduated from Shihezi University with undergraduate qualifications and obtained a researcher qualifications certificate awarded by the PRC Ministry of Agriculture in October 2016. He has been engaged in agricultural water conservation research in the past 12 years and has been in charge of and participated in numerous projects on water-saving agricultural irrigation technologies. Mr. Chen is currently deputy general manager of Tianye Holdings, and was appointed as the chairman of the board of Tianye Company in October 2016. Since he joined the Company in August 2010, he has been an executive Director and was appointed as Chairman of the Board on 7 August 2014.

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## LETTER FROM THE BOARD

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### *Mr. Huang Dong*

Mr. Huang Dong, aged 46, who graduated from Xi'an Mining Industry College with a bachelor's degree, is a senior engineer. Previously, he served as deputy general manager and deputy plant president at Xinjiang Shihezi City Zhongfa Chemical Co., Ltd.\* (石河子中發化工有限責任公司) and Shihezi Chemical Plant. Currently, Mr. Huang holds office as the deputy party secretary, deputy general manager and deputy plant president of Xinjiang Shihezi City Zhongfa Chemical Co., Ltd. And Shihezi Chemical Plant, as deputy director at the technology center of Xinjiang Tianye (Group) Co., Ltd, and as director of Xinjiang Tianye Company Limited. Mr. Huang was appointed as an executive Director of the Company on 26 February 2019.

### *Mr. Tan Xinmin*

Mr. Tan Xinmin, aged 50, who graduated from Bingtuan Radio & TV University, Shihezi\* (兵團廣播電視大學石河子分校) with an undergraduate's degree, is an assistant accountant. From August 1985 to November 1986, he held office at the Shihezi Beiyue Prison. Subsequently, he took up employment at Shihezi 141st Regiment from December 1986 to October 1999, and at Tianye Plastic Plant from November 1999 to March 2002. Since April 2002, Mr. Tan has been working at Gansu Tianye Water Saving Device Co., Ltd., during which, his positions include accountant, fiscal chief, chairman, and general manager. Currently, he is the chairman and general manager of Gansu Tianye Water Saving Device Co., Ltd. Mr. Tan was appointed as an executive Director of the Company on 26 February 2019.

### **Independent Non-executive Directors:**

### *Mr. Yin Feihu*

Mr. Yin Feihu, aged 66, is an independent non-executive Director. Mr. Yin graduated from China Agricultural University with a master degree in agricultural extension (MAE) and education background in agriculture, chemical engineering, computer and economic management. Currently, Mr. Yin is research associate with Xinjiang Academy of Agricultural And Reclamation Science, as well as a member of the International Geosphere-Biosphere Programme (IGBP), China National Committee, a director of Soil Science Society of China, managing director of Chinese Society of Plant Nutrition And Fertilizer Sciences, deputy director of National Cotton Processing Engineering Technology Research Center, vice chairman of Xinjiang Academy of Agricultural Sciences, vice chairman of Xinjiang Soil And Fertilizer Association, chairman of the Society of Plant Nutrition And Fertilizer Science, Xinjiang Production and Construction Corps, a doctoral tutor with China Agricultural University. He engaged in agricultural research for more than 30 years. Mr. Yin was appointed as an independent non-executive Director of the Company in May 2013.

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## LETTER FROM THE BOARD

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### *Mr. Qin Ming*

Mr. Qin Ming, aged 48, is an independent non-executive Director. Mr. Qin graduated from Xinjiang University with a major in law and has obtained qualifications as a registered accountant and a lawyer in PRC. Currently, he works in Tian Yang Law Firm and he is also the legal counsel of Xinjiang Bayi Iron & Steel Co., Ltd. and Xinjiang Tianshan Wool Tex Stock Co., Ltd.. He has over 10 years of experience in legal affairs. Mr. Qin was appointed as an independent non-executive Director of the Company in May 2013.

### *Ms. Gu Li*

Ms. Gu Li, aged 49, who graduated from Xinjiang University of Finance & Economics with a bachelor's degree, is a certified public accountant and a national judicial accounting appraiser. From June 1991 to November 2000, Ms. Gu was a senior staff member and worked as an accountant in the Poverty Alleviation Office of Xinjiang Production and Construction Corps. Since December 2000, she has been responsible for auditing at Xinjiang Xin Xin Hua Tong Certified Public Accountants Co., Ltd.\* (新疆新新華通有限責任會計師事務所). From June 2004 to January 2010, Ms. Gu served as the manager of Audit Department 2 of Xinjiang Xin Xin Hua Tong Certified Public Accountants Co., Ltd., and was promoted as deputy director of the same firm from January 2010 to January 2012. She has been serving as the director, legal representative and chief accountant of Xinjiang Xin Xin Hua Tong Certified Public Accountants Co., Ltd. since 2012. Ms. Gu was appointed as an independent non-executive Director of the Company on 26 February 2019.

### *Mr. Hung Ee Tek*

Mr. Hung Ee Tek, aged 56, is a member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants of the United Kingdom. He obtained the Master of Arts in International Accounting from the City University of Hong Kong in 2002, and the Master of Arts in Global China Studies from the Hong Kong University of Science and Technology in 2006. From 2006 to 2017, Mr. Hung Ee Tek served as the CFO and company secretary at Ningbo Yidong Electronic Company Limited and Guangxi State Farm, as well as a CFO at Centron Telecom International Holding Limited. Mr. Hung was appointed as an independent non-executive Director of the Company on 26 February 2019.

### **Length of Service of Directors Proposed to be Re-elected**

Upon their re-election becoming effective, each of Mr. Chen Lin, Mr. Huang Dong, Mr. Tan Xinmin, Mr. Yin Feihu, Mr. Qin Ming, Ms. Gu Li, and Mr. Hung Ee Tek will enter into a service agreement with the Company for a term of three years, effective from the date on which the relevant resolution for their respective re-election or election is passed at the AGM.

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## LETTER FROM THE BOARD

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### **Emoluments of Directors Proposed to be Re-elected**

Upon their re-election becoming effective, each of Mr. Chen Lin and Mr. Tan Xinmin will receive an annual Director's fee for the year of 2019 of RMB180,000 and RMB150,000, which is determined by the remuneration committee of the Board by reference to their respective duties and responsibilities with the Company and the market rate for the position subject to the approval of the Shareholders. The Company will not pay any Director's fee to Mr. Huang, while each of Ms. Gu Li, Mr. Yin Feihu, Mr. Qin Ming and Mr. Hung Ee Tek will receive an annual Director's fee of RMB30,000, RMB30,000, RMB30,000, and HK\$60,000, which is determined by the remuneration committee of the Board by reference to their respective duties and responsibilities with the Company and the market rate for the position subject to the approval of the Shareholders.

### **Confirmations from Directors**

All of the above proposed Directors have confirmed that, save as disclosed above, (1) they do not hold any positions with the Group and has not been a director in any other listed companies in the past three years; (2) they are not connected with any Director, Supervisor, senior management or substantial or controlling Shareholders of the Company or any of its subsidiaries; and (3) they do not have any interest in any Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

In addition, they have confirmed that there is no other information in respect of their re-election or election that is discloseable pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders.

## **5. RETIREMENT OF SUPERVISORS AND PROPOSED RE-ELECTION OF SUPERVISORS**

In accordance with the provisions of the Articles of Association, Mr. Chen Cailai, Mr. Xie Xinghui and Ms. Chen Jun will retire by rotation at the forthcoming AGM. Mr. Chen Cailai and Mr. Xie Xinghui, being eligible for re-election, will offer themselves for re-election as shareholder representative Supervisor, while Ms. Chen Jun, being eligible for re-election, will offer herself for re-election as the employee representative Supervisor, all for a term of three years effective from the date on which the resolutions for their re-elections are passed at the AGM.

### **Shareholder Representative Supervisor Proposed to be Re-elected**

#### ***Mr. Chen Cailai***

Mr. Chen Cailai, aged 35, graduated from Xinjiang Agricultural University with a major in applied chemistry. He obtained a professional qualification of engineer in January 2008. Mr. Chen joined Tianye Holdings in 2007 and served as field operator from July 2007 to October 2007, and then served as project research and development operator from October 2007 to January 2008. He then served as an assistant engineer

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## LETTER FROM THE BOARD

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in the research center of Tianye Holdings from January 2008 to April 2010. Mr. Chen then served as responsible officer for intellectual property in the research center of Tianye Holdings from April 2010 to April 2011. He then served as the deputy head of information department and integrated management department respectively in the research center of Tianye Holdings from April 2011 to April 2014. After that, he served as the head of integrated management department in the research center of Tianye Holdings from April 2014 to July 2014 as well as an engineer in Tianye Holdings from April 2014 till present. Mr. Chen also served as the secretary of the first branch of research center of Tianye Holdings from July 2014 to August 2015. Mr. Chen then also served as the director of intellectual property office of research center of Tianye Holdings from August 2015 to April 2017. Mr. Chen has been serving as the member of monitoring office of the party committee of Tianye Holdings since April 2017. He has over ten years of experience in engineering. Mr. Chen was appointed as a Supervisor of the Company on 15 June 2018.

### *Mr. Xie Xinghui*

Mr. Xie Xinghui, aged 56, who graduated from Chongqing Construction Engineering College\* (重慶建築工程學院) in October 1981 with bachelor's degree, is a senior architect. Previously, Mr. Xie held office as deputy director, director, and deputy president of the Six Design Office of Shihezi Sub-institute of Xinjiang Production and Construction Corps Geotechnical Investigation and Design Institute\* (新疆兵團勘測設計研究院石河子分院設計六所). In March 2003, he served as the president of the Shihezi Sub-institute of Xinjiang Production and Construction Corps Construction Design Institute\* (兵團建工設計研究院石河子分院). Furthermore, he has various official titles, including member of the National Committee of the Chinese People's Political Consultative Conference (Xinjiang Autonomous Region), member of the Standing Committee of the Chinese People's Political Consultative Conference (Shihezi), chairperson of the Revolutionary Committee of the Chinese Kuomintang (Shihezi), executive of Central Entrepreneurship Association of the Revolutionary Committee of the Chinese Kuomintang\* (民革中央企業家聯誼會), vice president of Xinjiang Entrepreneurship Association of the Revolutionary Committee of the Chinese Kuomintang\* (民革新疆企業家聯誼會), and president of Shihezi Entrepreneurship Association\* (石河子企業聯合會). Mr. Xie was appointed as a supervisor of the Company on 26 February 2019.

### **Employee Representative Supervisor Proposed to be Re-elected**

### *Ms. Chen Jun*

Ms. Chen Jun, aged 53, is a supervisor and the Chairman of Supervisory Committee of the Company. Ms. Chen graduated from the Central Communist Party Institution with a major in economic management. She was awarded senior economist qualification certificate in 2015. Ms. Chen joined Tianye Holdings in 1990, and served as deputy party secretary when joining the Group in December 2015. She has more than 20 years of experience in business management. Ms. Chen was appointed as a worker representative supervisor of the Company and Chairman of Supervisory Committee in June 2016.

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## LETTER FROM THE BOARD

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In accordance with the requirements of the Company Law, the employees of the Company will elect Ms. Chen Jun as the employee representative Supervisor through democratic election.

### **Length of Service of Supervisors Proposed to be Re-elected**

Upon their election becoming effective, each of Mr. Chen Cailai, Mr. Xie Xinghui and Ms. Chen Jun will enter into a service agreement with the Company with a term of three years, effective from the date on which the relevant resolution for their respective election is passed at the AGM and the relevant workers' election meeting.

### **Emoluments of Supervisors Proposed to be Re-elected**

Upon their election becoming effective, each of Mr. Chen Cailai, Mr. Xie Xinghui, and Ms. Chen Jun will receive an annual Supervisor's fee for the year 2019. The Company will not pay any Supervisor's fee to Mr. Chen. Mr. Xie Xinghui and Ms. Chen Jun will receive an annual Supervisor's fee of RMB30,000 and RMB170,000, respectively, which is determined by the remuneration committee of the Board by reference to their respective duties and responsibilities with the Company and the market rate for the position subject to the approval of the Shareholders.

### **Confirmations from Supervisors**

All of the above proposed Supervisors have confirmed that, save as disclosed above, (1) they do not hold any positions with the Group and has not been a director or supervisor in any other listed companies in the past three years; (2) they are not connected with any Director, Supervisor, senior management or substantial or controlling Shareholders of the Company or any of its subsidiaries; and (3) they do not have any interest in any Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

In addition, they have confirmed that there is no other information in respect of their election that is discloseable pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders.

## **6. AGM AND CLASS MEETINGS**

The AGM and the Class Meetings will be held on Friday, 14 June 2019 at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC.

The notices convening the AGM and the Class Meetings at which the resolutions mentioned above will be proposed are set out on pages 18 to 26 of this circular.

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 vote on his behalf at the AGM and the Class Meetings. Forms of proxy for

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## LETTER FROM THE BOARD

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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 forms of proxy in accordance with the instructions thereon to the Hong Kong H share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, 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 forms of proxy will not preclude you from attending and voting at the AGM and the Class Meetings or any adjourned meeting(s) should you to wish.

### **7. VOTING BY WAY OF POLL**

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

### **8. 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, 24 May 2019 to Friday, 14 June 2019 (both days inclusive), during which no transfer of shares will be registered. In order to qualify for entitlement to attend and vote at the forthcoming annual general meeting and the Class Meetings of the Company, all instrument of transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable and in any event not later than 4:00 p.m. on Thursday, 23 May 2019.

### **9. 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.

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## LETTER FROM THE BOARD

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### 10. RECOMMENDATION

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

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

\* *For identification purpose only*

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

### **LISTING RULES RELATING TO THE REPURCHASE OF SECURITIES**

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

### **SHARE CAPITAL**

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

### **REASONS FOR THE REPURCHASE**

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

### **FUNDING OF REPURCHASES**

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

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with its position as at 31 December 2018, being disclosed in the Company's latest published audited accounts contained in the annual report for the year ended 31 December 2018. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company. The number of H Shares to

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

### STATUS OF REPURCHASED H SHARES

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

### H SHARE PRICES

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

	<b>Highest</b> (HK\$)	<b>Lowest</b> (HK\$)
<b>2018</b>		
April	0.650	0.600
May	0.590	0.490
June	0.540	0.400
July	0.435	0.350
August	0.440	0.330
September	0.380	0.325
October	0.440	0.290
November	0.385	0.300
December	0.530	0.290
<b>2019</b>		
January	0.425	0.340
February	0.430	0.325
March	0.380	0.340
April (up to the Latest Practicable Date)	0.415	0.340

### DIRECTORS' UNDERTAKING

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

**DISCLOSURE OF INTERESTS**

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

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

**IMPLICATION UNDER THE TAKEOVERS CODE**

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

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, (i) Tianye Company was the Substantial Shareholder, which held 202,164,995 Domestic Shares, representing approximately 38.91% of the registered capital of the Company; (ii) Tianye Holdings, which is interested in approximately 42.05% of the registered capital of Tianye Company, held 111,721,926 Domestic Shares, representing 21.50% of the registered capital of the Company. On the basis that 519,521,560 Shares in issue as at the Latest Practicable Date and assuming that no other Shares will be issued or repurchased by the Company on or prior to the date of the AGM and the Class Meetings, if the Repurchase Mandate were exercised in full, the percentage interests in the Company held by Tianye Company and its associates would increase to approximately 62.87% of the then registered share capital of the Company. The Directors are not aware of any consequences which will arise under the Takeovers Code and/or any similar applicable law as a result of any repurchases to be made under the Repurchase Mandate. Moreover, the Directors will not make share repurchase on the Stock Exchange if such repurchase would result in the requirements under Rule 8.08 of the Listing Rules not being complied with.

**SECURITIES REPURCHASE MADE BY THE COMPANY**

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

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## 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)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting (the “AGM”) of Xinjiang Tianye Water Saving Irrigation System Company Limited\* (the “Company”) will be held at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the People’s Republic of China (the “PRC”) on Friday, 14 June 2019 at 12:00 noon 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 2018;
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2018;
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 2018;
4. To consider and approve the resolution for making appropriation to statutory surplus reserve fund for the year ended 31 December 2018;
5. To consider and re-elect the following persons as executive Directors with effect from the date of passing of this resolution for a term of three years:
  - (a) Mr. Chen Lin;
  - (b) Mr. Huang Dong; and
  - (c) Mr. Tan Xinmin.

\* *For identification purpose only*

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## NOTICE OF ANNUAL GENERAL MEETING

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6. To consider and re-elect the following persons as independent non-executive Directors with effect from the date of passing of this resolution for a term of three years:
  - (a) Mr. Yin Feihu;
  - (b) Mr. Qin Ming;
  - (c) Ms. Gu Li; and
  - (d) Mr. Hung Ee Tek.
7. To consider and re-elect the following persons as shareholders representative Supervisors with effect from the date of passing of this resolution for a term of three years:
  - (a) Mr. Chen Cailai
  - (b) Mr. Xie Xinghui; and
  - (c) Ms. Chen Jun.
8. To authorise the board of Directors (the “Board”) to fix the remuneration of the Directors and the supervisors of the Company for the year 2019; and
9. To consider and approve the re-appointment of Pan-China Certified Public Accountants LLP as auditors of the Company and to authorise the Board to fix their remunerations.

### SPECIAL RESOLUTIONS

1. **“THAT:**
  - (A) there being granted to the Board an unconditional general mandate (“**Issue Mandate**”) to issue, allot and deal with additional domestic shares of nominal value of RMB1.00 each in the registered capital of the Company (the “**Domestic Shares**”) and/or overseas-listed foreign invested shares of nominal value of RMB1.00 each in the share capital of the Company (the “**H Shares**”), to make or grant offers, agreements and options in respect thereof, subject to the following conditions:
    - (a) the aggregate number of Domestic Shares and/or H Shares to be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Board shall not exceed 20% of the issued share capital of that class as at the date of passing of this resolution;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the General Mandate shall not extend beyond the period from the passing of this resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the expiration of the 12-month period following the passing of this resolution; or
    - (iii) the date on which the authority as set out in this resolution is revoked or varied by a special resolution of the Shareholders in a general meeting;
  - (c) the Board will only exercise its power under the Issue Mandate in accordance with the Company Law of the PRC, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as may be amended from time to time) and other relevant laws and regulations of Hong Kong and the PRC, and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government authorities are obtained;
- (B) contingent on the Board resolving to issue additional shares pursuant to (A) above, the Board be authorised to:
- (a) increase the registered capital of the Company in accordance with the issue of the Domestic Shares and/or H Shares aforesaid, and attend to the relevant registration procedures with the relevant authorities in the PRC and Hong Kong;
  - (b) make appropriate amendments to the relevant provisions in articles of association of the Company (the “**Articles of Association**”) in relation to the registered capital of the Company and any other articles that require corresponding amendments so as to reflect the change in the registered capital and shareholding structure of the Company as a result of the allotment or issue of new shares and to submit the relevant amendments to the Articles of Association to the relevant authorities of the PRC and Hong Kong for approval and record (as the case may be); and
  - (c) approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issue of such new shares.”
2. “To authorise the Board of the Company to repurchase H Shares subject to the following conditions:
- (a) subject to paragraphs (b) and (c) below, during the Relevant Period (as defined in paragraph (d) below), the Board may exercise all the powers of the Company to repurchase H Shares in issue of the Company on the Stock Exchange, subject to and in accordance with all applicable laws, rules and

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## NOTICE OF ANNUAL GENERAL MEETING

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regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body be and is approved;

- (b) the aggregate nominal value of H Shares authorised to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent of the aggregate nominal value of H Shares in issue of the Company as at the date of the passing of this resolution;
- (c) the approval in paragraph (a) above shall be conditional upon:
  - (i) the passing of a special resolution in the same terms as this Special Resolution No. 2 (except for this sub-paragraph (c)(i)) at the class meeting for holders of H Shares of the Company to be held on Friday, 14 June 2019 (or on such adjourned date as may be applicable); and the class meeting for holders of Domestic Shares of the Company to be held on Friday, 14 June 2019 (or on such adjourned date as may be applicable); and
  - (ii) the approval of the State Administration of Foreign Exchange of the PRC and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate; and
  - (iii) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedures set out in the Articles of Association;
- (d) for the purpose of this special resolution, “Relevant Period” means the period from the passing of this special resolution until whichever is the earlier of:
  - (i) the conclusion of the next annual general meeting following the passing of this special resolution;
  - (ii) the expiration of a period of twelve months following the passing of this special resolution; or
  - (iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting or by a special resolution of holders of H Shares or holders of Domestic Shares of the Company at their respective class meetings; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (e) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H Shares being granted, the Board be hereby authorised to:
  - (i) make such amendments to the Articles of Association of the Company as it thinks fit so as to reduce the registered capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares as contemplated in paragraph (a) above; and
  - (ii) file the of the Company with the relevant governmental authorities of the PRC and Hong Kong.”
  
- 3. “**THAT** conditional upon the passing of special resolutions nos. 1 and 2 set out in the notice convening this meeting, the aggregate nominal amount of shares of RMB1.00 each in the share capital of the Company which is purchased or repurchased by the Company pursuant to the authority granted to the Board of the Company by special resolution no. 2 set out in the notice convening this meeting shall be added to the aggregate nominal amount of share capital of the Company that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the directors of the Company pursuant to special resolution no. 1 set out in the notice convening this meeting, provided that such shares shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution.”

By Order of the Board  
**Xinjiang Tianye Water Saving Irrigation System Company Limited\***  
**Chen Lin**  
*Chairman*

Xinjiang, PRC, 24 April 2019

\* *For identification purpose only*

**Notes:**

1. Any member entitled to attend and vote at the AGM is entitled to appoint in written form for one or more than one proxy to attend and vote at the AGM on his behalf. A proxy need not be a member of the Company.
2. The form of proxy for the AGM is herewith enclosed. In order to be valid, the form of proxy, 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, Level 22, Hopewell Centre, 183 Queen’s Road East, 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

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## NOTICE OF ANNUAL GENERAL MEETING

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(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 the members of the Company will be closed from Friday, 24 May 2019 to Friday, 14 June 2019 (both days inclusive), during which no transfer of shares will be registered. In order to qualify for entitlement to attend and vote at the forthcoming annual general meeting of the Company, all instrument of transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable and in any event not later than 4:00 p.m. on Thursday, 23 May 2019.
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, Level 22, Hopewell Centre, 183 Queen's Road East, 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) 2623183 (for holders of Domestic Shares only)) on or before 4:00 p.m. on Thursday, 23 May 2019.
6. As required under the Listing Rules, voting of the resolutions as set out in this notice will be by poll.
7. The AGM is expected to last for less than half a 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) 2623183



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 H SHAREHOLDERS' CLASS MEETING

NOTICE IS HEREBY GIVEN THAT a class meeting for holders of H Shares (the “**H Shareholders' Class Meeting**”) of Xinjiang Tianye Water Saving Irrigation System Company Limited\* (the “**Company**”) will be held at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC on Friday, 14 June 2019 at 12:00 noon for the following purposes and to pass the following resolutions:

**SPECIAL RESOLUTION**

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

\* For identification purpose only

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## NOTICE OF H SHAREHOLDERS' CLASS MEETING

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- (c) the approval in paragraph (a) above shall be conditional upon:
  - (i) the passing of a special resolution in the same terms as this Special Resolution No. 1 (except for this sub-paragraph (c)(i)) at the annual general meeting for holders of shares of the Company to be held on Friday, 14 June 2019 (or on such adjourned date as may be applicable); and the class meeting for holders of Domestic Shares of the Company to be held on Friday, 14 June 2019 (or on such adjourned date as may be applicable); and
  - (ii) the approval of the State Administration of Foreign Exchange of the PRC and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate; and
  - (iii) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedures set out in the Articles of Association;
- (d) for the purpose of this special resolution, “Relevant Period” means the period from the passing of this special resolution until whichever is the earlier of:
  - (i) the conclusion of the next annual general meeting following the passing of this special resolution;
  - (ii) the expiration of a period of twelve months following the passing of this special resolution; or
  - (iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting or by a special resolution of holders of H Shares or holders of Domestic Shares of the Company at their respective class meetings; and
- (e) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H Shares being granted, the Board be hereby authorised to:
  - (i) make such amendments to the Articles of Association of the Company as it thinks fit so as to reduce the registered capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares as contemplated in paragraph (a) above; and

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## NOTICE OF H SHAREHOLDERS' CLASS MEETING

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

By Order of the Board  
**Xinjiang Tianye Water Saving Irrigation System Company Limited\***  
**Chen Lin**  
*Chairman*

Xinjiang, PRC, 24 April 2019

\* *For identification purpose only*

### Notes:

1. The register of the members of the Company will be closed from Friday, 24 May 2019 to Friday, 14 June 2019 (both days inclusive), during which no transfer of H shares of the Company will be registered in order to determine the list of holders of H Shares of the Company (the “**H Shareholders**”) for attending the H Shareholders’ Class Meeting. In order to determine the eligibility to attend the H Shareholders’ Class Meeting, the last lodgment for H Share transfer should be made on Thursday, 23 May 2019 at Tricor Investor Services Limited by or before 4:00 p.m. The H Shareholders or their proxies being registered before the close of business on Thursday, 23 May 2019 are entitled to attend the H Shareholders’ Class Meeting by presenting their identity documents. The address of Tricor Investor Services Limited is Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
2. Each H Shareholder having the rights to attend and vote at the H Shareholders’ Class Meeting is entitled to appoint one or more proxies (whether a H Shareholder or not) to attend and vote on his behalf.
3. H Shareholders can appoint a proxy by an instrument in writing (i.e. by using the Proxy Form enclosed). The Proxy Form shall be signed by the person appointing the proxy or an attorney authorised by such person in writing. If the Proxy Form is signed by an attorney, the power of attorney or other documents of authorization shall be notarially certified. To be valid, the Proxy Form and the notarially certified power of attorney or other documents of authorisation must be delivered to the registered address of the Company in not less than 24 hours before the time scheduled for the holding of the H Shareholders’ Class Meeting or any adjournment thereof.
4. H Shareholders who intend to attend the H Shareholders’ Class Meeting are requested to deliver the duly completed and signed reply slip for attendance to the Company’s registered and principal office in person, by post or by facsimile on or before 4:00 p.m., Thursday, 23 May 2019.
5. H Shareholders or their proxies shall present proofs of their identities upon attending the H Shareholders’ Class Meeting. Should a proxy be appointed, the proxy shall also present the Proxy Form.

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## NOTICE OF H SHAREHOLDERS' CLASS MEETING

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

7. The Company's registered address:

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

Fax: (86993) 2623183