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This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the prospectus dated 21st February, 2006 (the "Prospectus") issued by the 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 limited company incorporated in the People's Republic of China)

(Stock code: 8280)

**STABILISING ACTIONS AND
END OF STABILISATION PERIOD**

SUMMARY

- The Company announces that the stabilisation period in connection with the Placing ended on 29th March, 2006.
- The only stabilising actions undertaken before expiration of the stabilisation period were over-allocations of 26,400,000 H Shares made in the Placing and the exercise in full of the Over-allotment Option on 23rd March, 2006 referred to in the Prospectus in respect of an aggregate of 26,400,000 additional H Shares at the Placing Price of HK\$1.18 per H Share, solely to cover such over-allocations in the Placing.

The Company makes this announcement pursuant to Section 9(2) of the Securities and Futures (Price Stabilising) Rules and announces that the stabilisation period in connection with the Placing ended on 29th March, 2006. Before expiration of the stabilisation period, the only stabilising actions undertaken were over-allocations of 26,400,000 H Shares made in the Placing and exercise in full by Sun Hung Kai (for itself and on behalf of the Underwriters) on 23rd March, 2006 of the Over-allotment Option referred to in the Prospectus to require the Company to issue an aggregate of 26,400,000 additional H Shares at the Placing Price of HK\$1.18 per H Share,

representing 15% of the total number of the Placing Shares initially available under the Placing, solely to cover such over-allocations in the Placing. The details of the exercise of the Over-allotment Option are more particularly described in the Company's announcement dated 24th March, 2006.

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

Executive Directors:

Guo Qing Ren
Shi Xiang Shen
Huang Yao Xin
Li Shuang Quan

Independent non-executive Directors:

He Lin Wang
Xia Jun Min
Gu Lie Feng

Hong Kong, 30th March, 2006

* *For identification purposes only*

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement and a copy of the Prospectus will remain on the GEM website at <http://www.hkgem.com> and in the case of the announcement, on the "Latest Company Announcements" page for at least 7 days from the date of its posting.