



## 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: 8280)

#### 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 PRC on 19 May 2006 at 11:00 a.m. for the following purposes:

#### **I. ORDINARY RESOLUTIONS**

1. To consider and approve the report of the directors (the “Directors”) of the Company for the year ended 31 December 2005;
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2005;
3. To consider and approve the audited financial statements of the Company and its subsidiary and the auditors’ report for the year ended 31 December 2005;
4. To consider and approve the resolution of final dividend distribution for the year ended 31 December 2005;
5. To consider and approve the resolution for making appropriation to statutory surplus reserve fund and statutory public welfare fund for the year ended 31 December 2005;
6. To re-elect Mr. Huang Yao Xin, Mr. Li Shuang Quan and Mr. Xia Jun Min as Directors of the Company
7. To authorize the board (the “Board”) of Directors to fix the remuneration of the Directors and the supervisors of the Company for the year 2006;
8. To consider and approve the re-appointment of Deloitte Touche Tohmatsu as auditors of the Company and to authorize the Board to fix their remunerations.

## II. SPECIAL RESOLUTIONS

To consider and, if thought fit, pass with or without modifications, the following resolution as an special resolutions of the Company:

9. “THAT”:

- (A) there being granted to the Board an unconditional general mandate to issue, allot and deal with additional domestic shares of nominal value of RMB1.00 each in the share capital of the Company (the “Domestic Shares”) and/or overseas-listed foreign invested shares of nominal value of RMB1.00 each in the share capital of the Company (the “H Shares”), to make or grant offers, agreements and options in respect thereof, subject to the following conditions:
- (a) the aggregate number of Domestic Shares and/or H Shares to be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Board shall not exceed 20% of the issued share capital of that class as at the date of passing of this resolution;
  - (b) such mandate shall not extend beyond the period from the passing of this resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the expiration of the 12-months 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 of the Company in a general meeting.
  - (c) the Board will only exercise its power under such mandate in accordance with the Company Law of the People’s Republic of China (the “PRC”), the Rules Governing the Listing of Securities on the Growth Enterprise Market of 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 authorized 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 the 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 for approval and record; 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.

10. Subject to all the necessary approvals and/or consents from the relevant PRC authorities and bodies being obtained and/or upon the procedures as required under the laws, regulations and/or administrative orders of Hong Kong and the PRC being completed,

(a) the articles of association of the Company be and is hereby amended in the following manner:

Article 2.02

Inserting the words “and import rights of scrapped material of copper, steel, aluminium, paper and plastic” after the words of the sales and manufacturing of drip assemblies in the fourth line of existing Article 2.02;

(b) the Board be and is hereby authorised to do all such further acts and things and take all steps which in its opinion may be necessary, desirable and expedient to give effect to such amendment, including but not limited to application for approval of, registration of or filing the amendments with the relevant government authorities of the PRC and Hong Kong and making further amendments as government authorities of the PRC may require.

By Order of the Board

**Xinjiang Tianye Water Saving Irrigation System Company Limited\***

**Guo Qing Ren**

*Chairman*

Xinjiang PRC, 30 March 2006

*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 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 share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai Hong Kong (for the holders of H Shares only) or at the Company's registered office at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC (for the holders of Domestic Shares only), not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting should you so wish.

3. Shareholders or their proxies shall present proofs of identities when attending the AGM.
4. The register of members of the Company will be closed from 29 April 2006 to 19 May 2006, both days inclusive, during which no transfer of the shares of the Company will be effected. All transfers accompanied by relevant share certificates for H Shares of the Company must be lodged with Company's H share registrar and transfer office not later than 4:00 p.m. on 28 April 2006. Shareholders of the Company whose name appears on the register of members of the Company at 4:00 p.m. on 28 April 2006 will be entitled to attend and vote at the AGM.
5. Shareholders of the Company 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 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), by hand, by post or by fax (the fax number of the Company's H Share registrar and transfer office: (852) 28611465 for holders of H Shares only or the Company's fax number: (86993)2623163 (for holders of Domestic Shares only).) on or before 4:00 p.m. Friday, 28 April 2006.

\* *For identification purposes only*