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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: 8280)

CLARIFICATION ANNOUNCEMENT

The board of directors (the "Board") of Xinjiang Tianye Water Saving Irrigation System Company Limited (the "Company") wishes to clarify certain information contained in the Result Announcement (Summary) of the Third Quarter 2006 (the "Announcement") announced on 20 October 2006.

Reference is made to sections headed "Profit/(Loss) after Taxation & MI" and "Profit (loss) after ETD Items" of the Announcement. Due to clerical mistakes made inadvertently, the "Profit/(Loss) after Taxation & MI" and the "Profit (loss) after ETD Items" for the nine months ended 30 September 2006 should be 29,185,000 instead of 29,134,000 and the figure for the nine months ended 30 September 2005 should be 25,663,000 instead of 27,268,000. The Board apologizes for such inadvertent clerical-error.

By order of the Board of
Xinjiang Tianye Water Saving Irrigation System Company Limited*
Wong Hon Kei Anthony
Company Secretary

Hong Kong, 20 December 2006

As at the date of this announcement, the Board comprises four executive Directors namely Guo Qing Ren, Shi Xiang Shen, Huang Yao Xin and Li Shuang Quan, and three independent non-executive Directors namely He Lin Wang, Xia Jun Min and Gu Lie Feng.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) 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.

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