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This announcement, for which the Directors of Xinjiang Tianye Water Saving Irrigation System Company Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Xinjiang Tianye Water Saving Irrigation System Company Limited. 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.



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 EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**EGM**”) of Xinjiang Tianye Water Saving Irrigation System Company Limited (the “**Company**”) will be held at the Conference Room, No.36 Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the People’s Republic of China (the “**PRC**”) on 15 October 2007 at 9:00 a.m. for the purposes of considering and, if thought fit, with or without modification, passing the following resolutions each as an ordinary or special resolution (as the case may be) of the Company:

I. SPECIAL RESOLUTIONS

1. “**THAT** conditional upon (1) the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval of the listing of, and permission to deal in, on the main board (the “**Main Board**”) of the Stock Exchange 202,400,000 H Shares of RMB1.00 each in the issued share capital of the Company (the “**H Shares**”) (the “**Proposed Introduction**”); (2) the China Securities Regulatory Commission granting approval of the listing of the H Shares in issue on the Main Board; (3) the publication by the Company of a notice in respect of the proposed withdrawal of listing of the H Shares on the Growth Enterprise Market of the Stock Exchange (the “**GEM**”) (the “**Proposed Withdrawal**”) which shall be published at least five clear business days from the date on which the shareholders of the Company shall have approved the Proposed Withdrawal; (4) the GEM Listing Committee of the Stock Exchange granting a waiver for the reduction of the notice period required under Rule 9.19(3) of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) to at least five clear business days from the date on which the shareholders of the Company shall have approved the Proposed Withdrawal and the fulfillment of such waiver by the Company; and (5) the obtaining of all other relevant

consents (if any) which are required in connection with the implementation of the Proposed Withdrawal and the Proposed Introduction and the fulfillment of all conditions which may be attached to such consents, the Proposed Introduction be and is hereby approved and confirmed; the listing of the H Shares on GEM shall cease with effect from such date and time as the directors of the Company (the “**Directors**”) may designate and any Director or the company secretary of the Company be and is hereby authorised generally to do all such acts for and on behalf of the Company as he/she may deem necessary, desirable or expedient to effect and implement the foregoing; and the notice period required under Rule 9.19(3) of the GEM Listing Rules in connection with the Proposed Withdrawal be reduced to at least five clear business days from the date on which the shareholders of the Company shall have approved the Proposed Withdrawal.”

2. “**THAT** conditional upon the listing of the H Shares (as defined in resolution No. 1 set out in this notice) on the Main Board of the Stock Exchange:

- (1) there be granted to the board of Directors of the Company (“**Board**”) an unconditional general mandate (“**General Mandate**”) to issue, allot and deal with additional shares in the capital of the Company and to make or grant offers or agreements in respect thereof, subject to the following conditions:
 - (a) such mandate shall not extend beyond the Relevant Period save that the Board may during the Relevant Period make or grant offers or agreements which might require the exercise of such powers after the end of the Relevant Period;
 - (b) the aggregate nominal amount of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Board otherwise than pursuant to any scrip dividends or similar arrangement providing for the allotment of such shares in lieu of the whole or part of a dividend on such shares or any share option scheme adopted by the Company and in accordance with the articles of association of the Company (“**Articles of Association**”), shall not exceed:
 - i. 20 per cent of the aggregate nominal amount of Domestic Shares of the Company in issue; and
 - ii. 20 per cent of the aggregate nominal amount of H Shares of the Company in issue, in each case as at the date of passing of this resolution; and
 - (c) the Board will only exercise its power under such mandate in accordance with the Company Law of the PRC and the Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as the same may be amended from time to time) and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government authorities are obtained;

For the purposes of this resolution:

“Domestic Share(s)” mean the ordinary domestic share(s) with a nominal value of RMB1.00 each in the registered share capital of the Company which are subscribed for in RMB;

“H Shares” mean the overseas listed foreign invested shares with a nominal value of RMB1.00 each in the registered share capital of the Company, which are listed on The Stock Exchange of Hong Kong Limited and subscribed for and traded in Hong Kong dollars;

“Relevant Period” means the period from the date of passing this resolution until the earlier of:

- (a) the conclusion of the next annual general meeting of the Company following the passing of this resolution; or
 - (b) the passing of a special resolution of the Company in a general meeting revoking or varying the authority set out in this resolution.
- (2) contingent on the Board resolving to issue shares pursuant to paragraph (1) of this resolution, the Board be authorised:
- (a) to approve, execute and do, or procure to be executed and done all such documents and matters which it may consider necessary in connection with the issue of such new shares, including but not limited to the time, quantity and place for such issue, to make all necessary applications to the relevant authorities, and to enter into underwriting agreement(s) or any other agreement(s);
 - (b) to determine the use of proceeds and to make necessary filings and registration with the relevant authorities in the PRC, and/or Hong Kong and any other places and jurisdictions (as appropriate);
 - (c) to increase the registered capital of the Company and make any amendments to the Articles of Association in accordance with such increase and to register the increased capital with the relevant authorities in the PRC and/or Hong Kong and any other places and jurisdictions (as appropriate) so as to reflect the new capital and/or share capital structure of the Company resulting from the intended allotment and issue of the shares of the Company pursuant to paragraph (1) of this resolution.
- (3) the general mandate to issue H Shares granted to the Directors as set out in the notice of the annual general meeting of the Company held on 10 May 2007 be and is hereby revoked.”
3. **“THAT** conditional upon the listing of the H Shares (as defined in resolution No. 1 set out in this notice) on the Main Board of the Stock Exchange, amendments shall be made to the existing articles of association of the Company (the **“Existing Articles”**), with effect from the date on which dealings in the H Shares on the Main Board of the Stock Exchange commences and the amendments to the Existing Articles are approved by the Ministry of Commerce (whichever is later). The details of the amendments are as follows:
- (i) Paragraph 1 of Article 10.01 of the Existing Articles:

by deleting the words “the board of directors shall consist of 7 directors” and insert the words “the board of directors shall consist of at least 7 directors” afterward the words “the Company shall set up a board of directors,”.

THAT the Directors be and are hereby authorized to do such other acts and things, enter into all such transactions and arrangements, execute such other documents and/or deeds and/or take all such steps, which in their opinion may be necessary, desirable or expedient to amend the Existing Articles further, as the Directors may deem appropriate and necessary, and file or register the amended Existing Articles (subject to further amendments (if any) being made to the same by the Directors) with the relevant authorities of the PRC and Hong Kong, if required.”

II. ORDINARY RESOLUTION

4. To consider the appointment of Mak King Sau as an independent non-executive Director with effect from the date of passing of the resolution at the EGM for a term of three years.

By Order of the Board
**Xinjiang Tianye Water Saving Irrigation
System Company Limited***

Guo Qing Ren
Chairman

Xinjiang, the PRC, 30 August 2007

Notes:

1. Any member entitled to attend and vote at the EGM is entitled to appoint in written form for one or more than one proxy to attend and vote at the EGM on his behalf. A proxy need not be a member of the Company.
2. The form of proxy for the EGM 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 EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting should you so wish.
3. Shareholders or their proxies shall present proofs of identities when attending the EGM.
4. Shareholders of the Company who intend to attend the EGM 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 4:30 p.m., Monday, 24th September, 2007.

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

This notice, 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 notice 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 notice misleading; and (3) all opinions expressed in this notice have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This notice will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting.

** For identification purpose only*