
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.*

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited takes no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular, for which the directors of the Company 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 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 circular 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 circular misleading; and (iii) all opinions expressed in this circular 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)

PROPOSED RESOLUTIONS FOR SHAREHOLDERS:

**(i) PROPOSED VOLUNTARY WITHDRAWAL OF LISTING
ON THE GROWTH ENTERPRISE MARKET OF
THE STOCK EXCHANGE OF HONG KONG LIMITED;**

**(ii) PROPOSED LISTING ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED
BY WAY OF INTRODUCTION;**

**(iii) PROPOSED REDUCTION OF THE MINIMUM NOTICE PERIOD
IN RESPECT OF THE PROPOSED WITHDRAWAL;**

**(iv) PROPOSED GRANT OF NEW GENERAL MANDATE
AND PROPOSED REVOCATION OF EXISTING GENERAL MANDATE;**

**(v) PROPOSED AMENDMENTS TO THE ARTICLES
OF ASSOCIATION OF THE COMPANY; AND**

(vi) PROPOSED APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

30 August 2007

* For identification purposes only

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of The Stock Exchange of Hong Kong Limited and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

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

“Articles Amendments”	the amendments to be proposed to be made to the Articles of Association at the Class Meetings so as to conform them with the applicable laws, rules and regulations in the PRC and Hong Kong for the purposes of the Proposed Introduction;
“Articles of Association”	the articles of association of the Company as may be amended from time to time;
“Board”	the board of Directors;
“Business Day”	a day on which licensed banks are open for business in Hong Kong and the Stock Exchange is open for business of dealing in securities;
“CCASS”	Central Clearing and Settlement System;
“Chairman”	the chairman of the Board;
“Class Meeting(s)”	the Domestic Share Class Meeting and /or the H Shares Class Meeting of the Company to be convened on 10 October 2007 at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC, the notice of which are set out on pages 24 to 29 of this circular;
“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 PRC and the H Shares of which are listed on GEM;
“CSRC”	China Securities Regulatory Commission;
“Director(s)”	the director(s) of the Company;
“Domestic Shares”	domestic share(s) of nominal value of RMB1.00 each in the share capital of the Company which are subscribed for in RMB;
“Domestic Shares Class Meeting”	the class meeting of the holders of Domestic Shares to be held for the purpose of approving the Proposed Introduction, the Proposed Withdrawal and the Articles Amendments, further details of which are contained in the notice convening the said meeting set out in this circular;
“Effective Date”	expected to be on 10 December 2007, the date on which the Proposed Withdrawal and the Proposed Introduction become effective;
“EGM”	an extraordinary general meeting of the Company to be held at Conference Room, No. 36 Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang , the PRC on 15 October 2007 at 9:00 a.m. or any adjournment thereof;
“EGM Notice”	the notice convening the EGM, which is set out on pages 19 to 23 of this circular;

DEFINITIONS

“Existing General 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;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries (as defined in the GEM Listing Rules);
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“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 GEM and subscribed for and traded in HK\$;
“H Shares Class Meeting”	the class meeting of holders of H Shares to be held for the purpose of approving the Proposed Introduction, the Proposed Withdrawal and the Articles Amendments, further details of which are contained in the notice convening the said meeting set out in this circular;
“Introduction Document”	the introduction document dated 30 August 2007 to be issued by the Company in connection with the Proposed Introduction to be dispatched together with this circular;
“Joint Sponsors”	Sun Hung Kai International Limited and KGI Capital Asia Limited;
“Latest Practicable Date”	28 August 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular;
“Listing Committee”	the listing committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time, and any applicable practice notes, supplementary guidance or other regulations issued by the Stock Exchange;
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM;
“PRC”	the People’s Republic of China, which for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Proposed Introduction”	the proposed listing of the H Shares on the Main Board by way of introduction pursuant to the Listing Rules;

DEFINITIONS

“RMB”	Renminbi, the lawful currency for the time being of the PRC;
“SFO”	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;
“Shareholders”	the holders of H Shares and Domestic Shares from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Share Issue Mandate”	a general mandate proposed to be granted to the Directors to allot, issue and otherwise deal with Shares not exceeding 20% of the aggregate amount of Domestic Shares in issue and 20% of the aggregate nominal amount of the H Shares in issue as at the date of the passing of the relevant special resolution as set out in the EGM Notice;
“Supervisor(s)”	members of the supervisory committee of the Company;
“Proposed Withdrawal”	the proposed withdrawal of the listing of the H Shares on GEM;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“%”	per cent.

For the purpose of this circular, unless otherwise specified, conversion of RMB into HK\$ is based on the exchange rate of RMB1.00 = HK\$1.00 for the purpose of illustration only. No representation is made and there is no assurance that RMB or HK\$ can be purchased or sold at such rate.

EXPECTED TIMETABLE

The expected timetable for the Proposed Withdrawal and the Proposed Introduction is set out below :

Despatch of the circular, the notices convening the EGM and the separate Class meetings and the related forms of proxy and reply slips to the Shareholders	Thursday, 30 August 2007
Despatch of the Listing Document to the Shareholders	Thursday, 30 August 2007
Latest time for lodgement with the instrument of transfer accompanied by the relevant share certificate in order to qualify for attending and voting at EGM and/or separate Class Meetings	4:30 p.m. on Friday, 14 September 2007
Close of registers of member of the Company for determining entitlements of the Shareholders to attend and vote at EGM and Class Meetings (both day inclusive) from	Saturday, 15 September 2007
to	Monday, 15 October 2007
Latest time for return of related reply slips for the EGM and the separate Class Meetings	4:30 p.m. Monday, 24 September 2007
Latest time to lodgement of related forms of proxy the EGM and the separate Class Meetings	9:00 a.m. on Saturday, 13 October 2007
EGM	9:00 a.m. on Monday, 15 October 2007
Class meeting of holders of the H Shares	10:00 a.m. on Monday, 15 October 2007
Class meeting of holders of the Domestic Shares	11:00 a.m. on Monday, 15 October 2007
Date of the announcement of results of the EGM and the separate Class Meetings which are to be published in The Standard (in English), Hong Kong Economic Times (in Chinese) and on the GEM website	Tuesday, 16 October 2007
Notice of the Proposed Withdrawal on or before	Tuesday, 16 October 2007
The CSRC granting approval for the listing of the H Shares on the Main Board on or before	Thursday, 29 November 2007
Date of the announcement in respect of the CSRC granting approval for the listing of the H Shares on the Main Board on or before ...	Friday, 30 November 2007
Last day of dealing in the H Shares on GEM	4:00 p.m. on Friday, 7 December 2007
Withdrawal of listing of the H Shares on GEM effective from	9:30 a.m. on Monday, 10 December 2007
Dealings in the H Shares on the Main Board to commence on	9:30 a.m. on Monday, 10 December 2007

Shareholders should note that the above expected timetable is subject to change.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Guo Qing Ren (*Chairman*)
Mr. Shi Xiang Shen
Mr. Li Shuang Quan
Mr. Zhu Jia Ji

Registered office:

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

Independent non-executive Directors:

Mr. He Lin Wang
Mr. Xia Jun Min
Mr. Gu Lie Feng

Principal place of business in Hong Kong:

21/F New World Tower 1,
18 Queen's Road Central,
Central,
Hong Kong

30 August 2007

To the Shareholders

Dear Sir or Madam,

PROPOSED RESOLUTIONS FOR SHAREHOLDERS:

**(i) PROPOSED VOLUNTARY WITHDRAWAL OF LISTING
ON THE GROWTH ENTERPRISE MARKET OF
THE STOCK EXCHANGE OF HONG KONG LIMITED;**

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**(v) PROPOSED AMENDMENTS TO THE ARTICLES
OF ASSOCIATION OF THE COMPANY;**

AND

(vi) PROPOSED APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

LETTER FROM THE BOARD

INTRODUCTION

On 14 May 2007, the Board announced that the Joint Sponsors had on behalf of the Company submitted an application to the Stock Exchange for the Proposed Introduction and informed the Stock Exchange of the intention of the Company to implement the Proposed Withdrawal, conditional upon the conditions set out in the paragraph headed “Conditions of the Proposed Withdrawal and the Proposed Introduction” below.

In connection with the Proposed Introduction, the Directors propose to the Shareholders to amend the Articles of Association, and grant the Share Issue Mandate and to revoke the Existing General Mandate in order to comply with the requirements under the Main Board Listing Rules.

The purpose of this circular is to give you further information on, inter alia, (i) the Proposed Withdrawal, (ii) the Proposed Introduction, (iii) the proposed amendments to the Articles of Association, (iv) the proposed grant of the Share Issue Mandate, the proposed revocation of the Existing General Mandate, (v) the proposed amendments to Articles of Association and (vi) the proposed appointment of an independent non-executive Director and to seek Shareholders’ approval of the resolutions in respect of the aforesaid at the EGM and the separate Class Meetings as described in the paragraph headed “The EGM and Class Meetings” below. The notices convening the EGM and the separate Class Meetings are set out in pages 19 to 29 of this circular.

THE PROPOSED WITHDRAWAL AND THE PROPOSED INTRODUCTION

On 14 May 2007, the Joint Sponsors had on behalf of the Company submitted an advance booking form to the Stock Exchange for the listing of, and permission to deal in, on the Main Board 202,400,000 H Shares in issue.

The Stock Exchange informed the Joint Sponsors on 28 August 2007 that the Listing Committee had granted an approval in principle of the listing of, and permission to deal in, the H Shares on the Main Board. Immediately following the Proposed Withdrawal, the listing of the H Shares on the GEM will be withdrawn and the H Shares as mentioned in the immediately preceding paragraph will be listed on the Main Board.

WAIVER FROM STRICT COMPLIANCE WITH THE MINIMUM NOTICE PERIOD IN RESPECT OF THE PROPOSED WITHDRAWAL

Pursuant to Rule 9.19 of the GEM Listing Rules, an issuer that has an alternative listing on a another regulated, regularly operating, open stock exchange or securities market recognised for this purpose by the Stock Exchange, may not voluntarily withdraw its listing on GEM unless:

- (i) the prior approval of the shareholders of the issuer has been obtained by way of an ordinary resolution passed at a duly convened meeting of the shareholders of the issuer;
- (ii) the prior approval of holders of H Shares and Domestic Shares has been obtained at the separate Class Meetings; and
- (iii) the issuer has given its shareholders and holders of H Shares and Domestic Shares at least three months’ notice of the proposed withdrawal of listing.

In connection with the Proposed Withdrawal, the Company has applied to, and the Stock Exchange has granted, a waiver from strict compliance with the minimum three months’ notice required under Rule 9.19 of the GEM Listing Rules, subject to the fulfillment of the following conditions:

- (i) the prior approval of the Shareholders for the reduction in the notice period for the Proposed Withdrawal to at least five clear Business Days shall have been obtained;

LETTER FROM THE BOARD

- (ii) in respect of the H Shares, there is no change in the board lot size, the share certificates, the share registrar and the trading currency in connection with the proposal to transfer its listing status; and
- (iii) there is no other fact that leads the Stock Exchange to believe that the reduced notice period is not feasible.

Accordingly, the EGM and the separate Class Meetings are respectively convened to seek the approval of the Shareholders for, amongst other things, the Proposed Withdrawal and the proposed reduction in the notice period for the Proposed Withdrawal. After Shareholders' approval shall have been obtained, a notice of the Proposed Withdrawal will be published at least five clear Business Days from the date on which the Shareholders shall have approved the Proposed Withdrawal at the EGM and separate Class Meetings.

The Directors consider that it is in the best interests of the Shareholders and the Company as a whole that the notice period for the Proposed Withdrawal be reduced so that the Proposed Withdrawal and the Proposed Introduction can be carried out as soon as practicable after obtaining the relevant approvals from the Shareholders at the EGM and the Class Meetings as well as from the CSRC.

CONDITIONS OF THE PROPOSED WITHDRAWAL AND THE PROPOSED INTRODUCTION

The implementation of the Proposed Withdrawal and the Proposed Introduction are conditional upon, amongst other things:

- (i) the Main Board Listing Committee granting approval for the listing of, and permission to deal in, the H Shares on the Main Board as mentioned under the paragraph headed "The Proposed Withdrawal and the Proposed Introduction" above;
- (ii) the CSRC granting approval for the listing of the H Shares on the Main Board;
- (iii) the passing of relevant resolutions at the EGM and the separate Class Meetings to approve, amongst other things, the Proposed Withdrawal, the Proposed Introduction and the proposed reduction in the notice period for the Proposed Withdrawal;
- (iv) the publication of a notice of the Proposed Withdrawal after obtaining the approval of Shareholders referred to in condition (iii) above not less than five clear Business Days after the approval of the Shareholders for the Proposed Withdrawal;
- (v) the GEM Listing Committee granting a waiver for the reduction of the notice period for the Proposed Withdrawal from a minimum of three months under Rule 9.19(3) of GEM Listing Rules to at least five clear business days from the date on which the Shareholders shall have approved the Proposed Withdrawal at the EGM and the separate Class Meetings and the fulfillment of such waiver by the Company; and
- (vi) 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 fulfillment of all conditions which may be attached to such consents.

EFFECTS OF THE PROPOSED WITHDRAWAL AND THE PROPOSED INTRODUCTION

Subject to the fulfillment of the conditions set out in the immediately preceding paragraph, it is expected that dealings in the H Shares on GEM will cease at 9:30 a.m. on the Effective Date and dealings in the H Shares on the Main Board will commence at 9:30 a.m. on the Effective Date. The Company will make an announcement

LETTER FROM THE BOARD

after the EGM and the respective Class Meetings to publish the results of the EGM and the respective Class Meetings and other information on the Proposed Withdrawal and the trading arrangements of the H Shares with respect to the Proposed Withdrawal and the Proposed Introduction. The Company will also issue a notice of the Proposed Withdrawal from the date on which the Shareholders shall have approved the Proposed Withdrawal at the EGM and the respective Class Meetings.

The Proposed Withdrawal and the Proposed Introduction will have no effect on the existing share certificates in respect of the H Shares which will continue to be good evidence of legal title and will not involve any transfer or exchange of the existing share certificates. The Directors propose no change to be made to the board lot size, trading currency of the H Shares and the share registrar of the H Shares in connection with the Proposed Withdrawal and the Proposed Introduction. The H Shares will continue to be traded in board lots of 2,000 H Shares. Please note that if and when the H Shares are listed on the Main Board, you may be required to sign a new client agreement with your stockbrokers.

The H Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from 28 February 2006, the date on which dealings in the H Shares on GEM commenced. If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on Main Board and the Company continues to comply with the stock admission requirements of HKSCC, the H Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the H Shares on Main Board. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day. All necessary arrangements have been made for the H Shares in issue to continue to be admitted into CCASS. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Please also note that the continuing obligations of listed issuers under the Listing Rules and the GEM Listing Rules are not the same. Under the GEM Listing Rules, the Company is required to publish its quarterly results on the internet website operated by the Stock Exchange. Upon the listing of the H Shares on the Main Board, the Company will cease the practice of quarterly reporting and will follow the relevant requirements of the Listing Rules which include, amongst other things, through paid announcements in newspapers generally circulated in Hong Kong, publish its interim results and annual results within three months and four months from the end of the relevant period or financial year-end respectively. The Directors are of the view that following the reporting requirements under the Listing Rules will provide investors and the Shareholders with a high degree of transparency and a more complete picture of the performance of the Group during the relevant period. The Directors also believe that the cessation of quarterly reporting would save significant publishing costs and other related expenses, and enable management to devote greater management time to other key aspects of the operation of the Company's business.

REASONS FOR THE PROPOSED WITHDRAWAL AND THE PROPOSED INTRODUCTION

The Group is principally engaged in the design, manufacturing and sales of drip films, PVC/PE pipelines and drip assemblies used in water saving irrigation system. The Group is also engaged in the provision of installation services of water saving irrigation system for its customers. Since the listing of the H Shares on GEM of the Stock Exchange on 28 February 2006, the Group has grown rapidly in terms of the scope of its markets and the range of new products. Its profit attributable to equity holders of the Company for the last two years has increased significantly from approximately RMB52,658,000 (equivalently to HK\$52,658,000) for the year ended 31 December 2005 to approximately RMB62,497,000 for the year ended 31 December 2006 (equivalent to approximately HK\$62,497,000).

LETTER FROM THE BOARD

After reviewing the financial performance of the Group and taking into consideration the potential advantages of the Proposed Introduction and the current market conditions, the Directors are of the view that a listing of the H Shares on the Main Board will help enhance the profile of the Group, resulting in further coverage and recognition from leading industry analysts and the investing public, consider that the listing of the H Shares on the Main Board will be beneficial to the future growth, financing flexibility and business development of the Group. The Directors further confirm that there is no new fund raising in the Proposed Introduction.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In view of the Proposed Introduction and Proposed Withdrawal and for the purposes of complying with the Listing Rules and the relevant laws and regulations in the PRC and Hong Kong, special resolution will also be proposed at the EGM and the Class Meetings to approve, on a conditional basis, the necessary amendments to the Articles of Association so as to conform them with the relevant laws, rules and regulations in the PRC and Hong Kong. Subject to the passing of the relevant special resolutions at the EGM and the Class Meetings, the Articles Amendments will take effect subject to the Proposed Introduction and the Proposed Withdrawal becoming unconditional and the listing of the H Shares on the Main Board. Accordingly, the Articles Amendments will not become effective if the Company does not proceed with the Proposed Introduction and the Proposed Withdrawal. Prior to the Articles Amendments becoming effective, the Articles of Association will continue to be in force.

The Articles Amendments seek to provide consequential amendments to the Articles of Association as a result of the Proposed Introduction. The Articles Amendments will become effective on the date of the listing of the H Shares on the Main Board. The details of the amendments set out in the Articles Amendments are as follows:

Paragraph 1 of Article 10.01 of the Existing Articles following:

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,”.

The Articles Amendments contain provisions complying with the relevant provisions of Appendices 3 and 13D to the Listing Rules, insofar as applicable to the Articles of Association.

GENERAL MANDATE

The Directors are of the view that as the Existing General Mandate makes specific references to GEM, in connection with the Proposed Introduction on the Main Board, special resolution will be proposed at the EGM to revoke the Existing General Mandate and to grant to the Directors the Share Issue Mandate. The Share Issue Mandate will expire upon the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) the passing of a special resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by the relevant resolutions. The relevant resolutions relating to the Share Issue Mandate are set out as resolution number 2 in the EGM Notice.

The Directors confirm that they have not exercised the Existing General Mandate to issue Shares after they were granted to the Directors pursuant to resolutions passed at the annual general meeting of the Company held on 10 May 2007 and that they have no present intention to exercise the Existing General Mandates prior to the Proposed Introduction.

LETTER FROM THE BOARD

PROPOSED APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The EGM Notice contains an ordinary resolution as to approve the appointment of Mr. Mak King Sau as an independent non-executive Director with effect from the date of passing of the relevant resolution for a term of three years.

Experience

Mr. Mak King Sau (麥敬修), aged 33, is a proposed independent non-executive Director. Mr. Mak has more than 10 years of experience in corporate finance and private equity fund investment industry. He was an associate director of an investment bank in Hong Kong for 3 years. He had served as the chief investment officer in a Hong Kong listed company for about 3 years. Mr. Mak also worked for a private equity fund for 3 years. He is a member of American Institute Certified Public Accountant, and graduated from Boston University with a bachelor degree in business administration in 1995 and from the University of London with a master degree in financial and management in 1997.

Other Directorship

Save as disclosed above, Mr. Mak has not held any directorship in any other listed company in the last three years before the Latest Practicable Date.

Length of service

Mr. Mak will enter into a service agreement with the Company with effect from the date of re-election for a term of three years. Save as the above, Mr. Mak does not hold any position in the Group in the last few years.

Director's emoluments

Mr. Mak will receive an annual Director's fee to be determined by the Board subject to the authorization by the Shareholders with reference to his duties and responsibilities with the Company and the market rate for the position.

Relationships

Mr. Mak has no relationship with any Director, supervisor or the senior management of the Company, or with any management Shareholder, substantial Shareholder or controlling Shareholder of the Company.

Interests in Shares

So far as the Directors are aware as at the Latest Practicable Date, Mr. Mak does not have any interest in the shares (within the meaning of Part XV of the SFO).

Matters that need to be brought to the attention of the Shareholders

Save as disclosed above, there are no other matters concerning Mr. Mak that need to be brought to the attention of the Shareholders. Nor is there any information regarding Mr. Mak required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules. There is no information which is discloseable nor is/was Mr. Mak involved in any of the matters required to be disclosed pursuant to any of requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

LETTER FROM THE BOARD

THE EGM AND CLASS MEETINGS

The notices convening the EGM and the separate Class Meetings are set out on pages 19 to 29 of this circular.

Special resolutions will be proposed at the EGM to consider and, if thought fit, approve, amongst other things, the following:

- (i) the Proposed Withdrawal;
- (ii) the Proposed Introduction;
- (iii) the proposed reduction in the notice period for the Proposed Withdrawal;
- (iv) the proposed revocation of the Existing General Mandate and grant of Share Issue Mandate; and
- (v) the proposed amendments to the Articles of Association.

Special resolution will be proposed at each of the Class Meetings to consider and, if thought fit, approve, amongst other things, the followings.

- (i) the Proposed Withdrawal;
- (ii) the Proposed Introduction; and
- (iii) The Proposed amendments to the Articles of Association.

Ordinary resolution will be proposed at the EGM to consider and, if thought fit, approve, amongst other things, the following:

- (i) the Proposed appointment of an Independent non-executive Director

Whether or not you are able to attend the meetings, you are reminded to complete the forms of proxy enclosed with this circular, in accordance with the instructions printed thereon and send the relevant forms of proxy to the registered office of the Company at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC (for holders of Domestic Shares), or to the office of the Company's H Share Registrar, Tricor Investor Services Limited, on the 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong (for holders of H Shares) as soon as practicable and in any event not later than 24 hours before the respective time appointed for the holding of the separate Class Meetings of holders of H Shares and holders of Domestic Shares and the EGM. Completion and return of the relevant forms of proxy will not preclude you from attending and voting in person at the meetings or at any adjourned meetings should you so wish.

Reply slips for each of the EGM and the separate Class Meetings have also been enclosed. You are reminded to complete and sign the relevant reply slips (if you are entitled to attend the relevant meetings) and return the signed slips to the Company's registered office (for holders of Domestic Shares), or to the office of the Company's H Share Registrar, Tricor Investor Services Limited, on the 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong (for holders of H Shares) on or before 24 September 2007 in accordance with the instructions printed thereon.

RIGHT TO DEMAND A POLL

Pursuant to the Articles of Association, at any general meeting of the Company a resolution put to the vote of the meeting shall be decided on a show of hand unless a poll is taken as may from time to time be required

LETTER FROM THE BOARD

under the GEM Listing Rules or any other applicable laws, rules or regulations or unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded by:

- (i) the chairman of the meeting;
- (ii) at least five members of the Company present in person or by proxy and entitled to vote or who represent in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (iii) any member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

RECOMMENDATION

The Board considers that the Proposed Introduction, the Proposed Withdrawal, the proposed reduction in the notice period for the Proposed Withdrawal, the proposed revocation of the Existing General Mandate, the proposed grant of the Share Issue Mandate and the proposed amendments to the Articles of Association to be in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the resolutions to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the appendix to this circular.

Yours faithfully

For and on behalf of the Board

Xinjiang Tianye Water Saving Irrigation System Company Limited*

Guo Qing Ren

Chairman

* For identification purpose only

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the GEM 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:

- (a) the information contained in this circular is accurate and complete in all material aspects and not misleading;
- (b) there are no other matters the omission of which would make any statement herein misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

2. DISCLOSURE OF INTERESTS

Directors', Supervisors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures

As at the Latest Practicable Date, the interests of the Directors, Supervisors (as if the requirements applicable to the Directors under the SFO had applied to the Supervisors) or chief executives of the Company, including their respective associates, in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to Rules 5.67 of the GEM Listing Rules were as follows:

Name of Directors/ Supervisors	Name of companies/ corporations	Capacity	Number and class of securities (Note 1)	Approximate percentage of shareholding
Guo Qing Ren (Director)	Xinjiang Tianye Company Limited ("Tianye Company")	Beneficial owner	46,080 domestic shares	0.0105%
Shi Xiang Shen (Director)	Tianye Company	Beneficial owner	34,864 domestic shares	0.0079%
Huang Jun Lin (Supervisor)	Tianye Company	Beneficial owner	53,248 domestic shares	0.0121%

Note:

1. The letter "L" represents the Directors' and Supervisors' long position in such securities.

Other than as disclosed above, none of the Directors, Supervisors and chief executives of the Company nor their representative associates had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporation as at the Latest Practicable Date.

Directors' and Supervisors' Interest in any Asset Acquired, Disposed or Leased

None of the Directors and Supervisors has any material interest, direct or indirect, in any asset which, since 31 December 2006, being the date to which the latest audited consolidated financial statements of the Group have been made up, had been acquired or disposed of by or leased to any member of the Group or was proposed to be acquired or disposed of by or leased to any member of the Group.

Director's and Supervisors' Service Contracts

Each of the Directors and Supervisors has entered into a service contract with the Company for an initial term of 36 months commencing on 7 February 2006. These contracts are only determinable by the Company upon occurrence of certain conditions as set out in these contracts or upon expiry of these contracts.

Other than as disclosed above, no Directors or Supervisors proposed for re-election at the forthcoming annual general meeting has a service contract which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

Directors' and Supervisors' Interests in Contracts of Significance

Save as disclosed under the paragraph headed "CONNECTED AND RELATED PARTY TRANSACTIONS", no contract of significance to which the Company, its holding company or subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at the date of this circular.

Substantial Shareholders and Other Persons' Interests and Short Positions in Shares and Underlying Shares of the Company

(A) Substantial Shareholders

As at the Latest Practicable Date, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following persons or entities (other than a Director, Supervisor or Chief Executive) had notified the Company of relevant interests and short positions in the Shares or underlying Shares of the Company:

Name	Type/nature of interest	Capacity	Number of the domestic shares of the Company held (Note 1)	Approximate percentage of the total issued share capital of the Company (Note 2)
Tianye Company	Corporate	Beneficial owner	202,164,995(L)	38.91% (Note 3)
Xinjiang Tianye (Group) Limited ("Tianye Holdings")(Note 4)	Corporate	Interest in controlled corporation	202,164,995(L)	38.91%
Shenzhen City Li Tai Lai Investment Development Company Limited ("Li Tai Lai")	Corporate	Beneficial owner	93,994,831(L)	18.09% (Note 5)
Yang Ming Gui (Note 6)	Personal	Interest in controlled corporation	93,994,831(L)	18.09%

Notes:

1. The letter “L” denotes the person’s/entity’s long positions in the Shares.
2. The approximate percentage of shareholding is calculated with reference to the total issued Share of 519,521,560 Shares (including domestic Shares and H Shares).
3. The domestic Shares held by Tianye Company were equivalent to approximately 63.75% of the total domestic Shares in issue.
4. The domestic Shares were held by Tianye Company. By virtue of the SFO, Tianye Holdings, which is interested in approximately 43.27% of the registered capital of Tianye Company, is deemed to be interested in the 202,164,995 domestic Shares held by Tianye Company.
5. The domestic Shares held by Li Tai Lai were equivalent to approximately 29.64% of the total domestic Shares in issue.
6. The domestic Shares were held by Li Tai Lai. By virtue of the SFO, Yang Ming Gui, who is interested in 58% of the registered capital of Li Tai Li, is deemed to be interested in the 93,994,831 domestic Shares held by Li Tai Lai.

(B) *Other persons who are required to disclose their interests pursuant to Division 2 and 3 of Part XV of the SFO*

As at the Latest Practicable Date, save for the persons or entities disclosed in sub-section (A) above, the following persons or entities (other than a Director, Supervisor or Chief Executive of the Company) had notified the Company of relevant interests and short positions in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name	Type of interest	Capacity	Number of the H shares of the Company held (Note 1)	Approximate percentage of the total issued share capital of the Company (Note 2)
UBS AG	Corporate	Investment manager	18,425,000(L)	3.55% (Note 3)
Fidelity International Limited	Corporate	Investment manager	16,164,000(L)	3.11% (Note 4)
BNP Paribas Asset Management	Corporate	Investment manager	14,212,000(L)	2.74% (Note 5)

Note:

1. The letter “L” denotes the person’s/entity’s long positions in the Shares.
2. The approximate percentage of shareholding is calculated with reference to the total issued Shares of 519,521,560 Shares (including domestic Shares and H Shares).
3. The H Shares held by UBS AG were equivalent to approximately 9.10% of the total H Shares in issue.
4. The H Shares held by Fidelity International Limited were equivalent to approximately 7.99% of the total H Shares in issue.
5. The H Shares held by BNP Paribas Asset Management were equivalent to approximately 7.02% of the total H Shares in issue.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any persons (other than the Directors, the Supervisors and chief executive of the Company) who had an interest and short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

Connected and Related Party Transactions

Pursuant to Rule 20.38 of the GEM Listing Rules, the Board engaged the auditors of the Company to perform certain agreed upon procedures in respect of the continuing connected transactions of the Group. The auditors have reported their factual findings on these procedures to the Board. The Independent Non-Executive Directors have reviewed the continuing connected transactions and the report of the auditors, and have confirmed that the transactions have been entered into by the Company in the ordinary course of its business, on normal commercial terms or on terms no less favorable than terms available to or from independent third parties, and in accordance with the terms of the agreements governing such transactions that are fair and reasonable and in the interest of the shareholders of the Company as a whole.

Details of the continuing connected transactions during the year ended 31st December, 2006 are as following:

Nature of transactions/business	RMB'000
Sales of finished goods	13,537
Purchase of raw materials	60,521
Rentals of plant and machinery	280
Rentals of land and buildings	1,464

Save as the above, the Group also entered into following connected transactions agreements on 7 February 2006:

- purchase agreement with Tianye Holdings (the substantial shareholder of the Company), pursuant to which the Group agreed to purchase spare parts and used materials, including but not limited to diamond-shaped wheels and used drip films, from Tianye Holdings and/or its subsidiaries (excluding Tianye Company and/or its subsidiaries and/or its controlled corporations) from time to time for a term from 1 January 2006 to 31 December 2008, and the price for those spare parts and used materials will be agreed from time to time between the parties concerned by reference to the prevailing market prices at the relevant time;
- master purchase agreement with Tianye Company (the substantial shareholder of the Company), pursuant to which the Group agreed to purchase raw materials, including but not limited to PVC resins, contracting films, internal films and stabilisers, from Tianye Company and/or its subsidiaries and/or its controlled corporations from time to time for a term from 1st January, 2006 to 31 December 2008, and the price for those raw materials will be agreed from time to time between the parties concerned by reference to the prevailing market price at the relevant time;
- sale agreement with Tianye Holdings (the substantial shareholder of the Company), pursuant to which Tianye Holdings and/or its subsidiaries (excluding Tianye Company and/or its subsidiaries and/or its controlled corporations) agreed to purchase products manufactured by the Group, including but not limited to drip films, PVC/PE pipelines and drip assemblies, from time to time for a term from 1 January 2006 to 3 December 2008, and the price for those products manufactured by the Group will be agreed from time to time between the parties concerned by reference to the prevailing market price at the relevant time;
- master sale agreement with Tianye Company (the substantial shareholder of the Company), pursuant to which Tianye Company and/or its subsidiaries and/or its controlled corporations agreed to purchase

products manufactured by the Group, including but not limited to drip films, PVC/PE pipelines and drip assemblies, from time to time for a term from 1 January 2006 to 31 December 2008, and the price for those products manufactured by the Group will be agreed from time to time between the parties concerned by reference to the prevailing market price at the relevant time;

- leases in respect of the office premises located at 3rd Floor, No. 36 Bei San Dong Road, Economic and Technological Development Zone, Shihezi, Xinjiang (新疆石河子經濟技術開發區北三東路36號第三層) and the factory premises located at No.36 Bei San Dong Road, Economic and Technological Development Zone, Shihezi, Xinjiang (新疆石河子經濟技術開發區北三東路36號) and No.94-22 Bei Yi Road, Economic and Technological Development Zone, Shihezi, Xinjiang (新疆石河子經濟技術開發區北一路94-22號) with Tianye Company (the substantial shareholder of the Company), for a term from 1 July 2005 to 30 June 2008 at the rent of RMB1,455,820 per annum (including property management fee);
- lease in respect of the office premises located at 1st Floor of No. 36 Bei San Dong Road, Economic and Technological Development Zone, Shihezi, Xinjiang (新疆石河子經濟技術開發區北三東路36號第一層) with Tianye Company (the substantial shareholder of the Company), for a term from 1 July 2005 to 30 June 2008 at the rent of RMB3,500 per annum (including property management fee);
- lease in respect of the office premises located at No. 94-2 Gong San Xiao Qu, Bei Yi Road, Shihezi, Xinjiang (新疆石河子北一路工三小區94-2號辦公樓) with Tianye Company (the substantial shareholder of the Company), for a term from 1 July 2005 to 30 June 2008 at the rent of RMB4,320 per annum (including property management fee).

The above connected transactions agreements and their proposed annual caps were approved by an ordinary resolution of a general meeting of the Company held on 7 February 2006. The details of these transactions were disclosed in the prospectus dated 26 February, 2006.

In respect of each of the related party transactions as listed in note 30 to the consolidated financial statements, which are also connected transactions, and the transaction contemplated under each of the above connected transactions agreements, the Company has complied with the relevant requirements under Chapter 20 of the GEM Listing Rules.

3. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial position or trading prospects of the Group since 31 December 2006, the date to which the latest audited financial statements of the Group were made up.

4. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance known to the Directors was pending or threatened by or against the Company or any of its subsidiaries.

5. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the office of 21/F, New World Tower 1, 18 Queen's Road Central, Hong Kong during normal business hours on any weekday (except public holidays) from the date of this circular up to and including 13 September 2007:

- (a) the Articles of Association;

- (b) the Amended Articles;
- (c) the annual report of the Company for the year ended 31st December, 2006; and
- (d) the service contracts of the Directors and Supervisors referred to in the paragraph entitled “Directors and Supervisors’ Service Contracts” in this appendix.

6. MISCELLANEOUS

- (i) The registered office of the Company is at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC.
- (ii) The principal place of business in Hong Kong is 21/F, New World Tower 1, 18 Queen’s Road Central, Hong Kong.
- (iii) The Company’s H Share registrar and transfer office in Hong Kong is Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong.
- (iv) The company secretary and qualified accountant of the Company is Mr. Wong Hon Kei, Anthony. The compliance officer of the Company is Mr. Shi Xiang Shen.
- (v) In the event of inconsistency, the English language test of this circular shall prevail over the Chinese language test.

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

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;

NOTICE OF EXTRAORDINARY GENERAL MEETING

“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.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

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*

NOTICE OF H SHARES CLASS MEETING

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 H SHARES CLASS MEETING

NOTICE IS HEREBY GIVEN THAT a class meeting (the “**Class Meeting**”) of the holders of the H Shares 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 10:00 a.m. for the purposes of considering and, if thought fit, with or without modification, passing the following special resolutions:

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 the 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 (“**GEM**”) of the Stock Exchange (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) 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; (5) 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; and (6) the obtaining of

NOTICE OF H SHARES CLASS MEETING

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 Rules Governing the Listing of Securities on The Growth Enterprise Market of the Stock Exchange 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, 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.”

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 Class Meeting is entitled to appoint in written form for one or more than one proxy to attend and vote at the Class Meeting on his behalf. A proxy need not be a member of the Company.
2. The form of proxy for the Class Meeting 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

NOTICE OF H SHARES CLASS MEETING

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 not less than 24 hours before the time appointed for holding the Class Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the Class Meeting or any adjourned meeting should you so wish.

3. Shareholders or their proxies shall present proofs of identities when attending the Class Meeting.
4. Shareholders of the Company who intend to attend the Class Meeting 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 by hand, by post or by fax (the fax number of the Company's H Share registrar and transfer office: (852) 28611465) 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*

NOTICE OF DOMESTIC SHARES CLASS MEETING

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 DOMESTIC SHARES CLASS MEETING

NOTICE IS HEREBY GIVEN THAT a class meeting (the **“Class Meeting”**) of the holders of the Domestic Shares 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 11:00 a.m. for the purposes of considering and, if thought fit, with or without modification, passing the following special resolutions:

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 the 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 (**“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) 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; (5) amendments is made to the existing articles of association of the Company with effect from the date on which dealings in the H Shares on the

NOTICE OF DOMESTIC SHARES CLASS MEETING

Main Board or the Stock Exchange commences and the amendments to the existing articles are approved by the Ministry of Commerce (whichever is later); and (6) 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 Rules Governing the Listing of Securities on The Growth Enterprise Market of the Stock Exchange 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, 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” after 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.”

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 Class Meeting is entitled to appoint in written form for one or more than one proxy to attend and vote at the Class Meeting on his behalf. A proxy need not be a member of the Company.
2. The form of proxy for the Class Meeting 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 registered office at No. 36, Bei San Dong Road, Shihezi Economic and

NOTICE OF DOMESTIC SHARES CLASS MEETING

Technological Development Zone, Shihezi, Xinjiang, the PRC, not less than 24 hours before the time appointed for holding the Class Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the Class Meeting or any adjourned meeting should you so wish.

3. Shareholders or their proxies shall present proofs of identities when attending the Class Meeting.
4. Shareholders of the Company who intend to attend the Class Meeting should complete and return the enclosed reply slip for attendance at the Company's registered office at No. 36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC, by hand, by post or by fax (the fax number of the Company's fax number: (86993) 2623163) 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.

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