



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: 840)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**AGM**”) of Xinjiang Tianye Water Saving Irrigation System Company Limited* (the “**Company**”) will be held at No.36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC on Friday, 25th April, 2008 at 11:00 a.m. for the following purposes and to pass the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the report of the directors (the “**Directors**”) of the Company for the year ended 31st December, 2007;
2. To consider and approve the report of the Supervisory Committee of the Company for the year ended 31st December, 2007;
3. To consider and approve the audited financial statements of the Company and its subsidiary and the auditors’ report for the year ended 31st December, 2007;
4. To consider and approve the declaration by the board of Directors (the “**Board**”) of a final dividend of RMB0.036 per share for the year ended 31st December, 2007, payable to each shareholder whose names appear on the register of members of the Company as at Wednesday, 2nd April, 2008 and to authorise the Directors to take any necessary actions required under the applicable laws and regulations in connections hereto;
5. To consider and approve the resolution for making appropriation to statutory surplus reserve fund for the year ended 31st December, 2007;
6. To authorise the Board to fix the remuneration of the Directors and the Supervisors of the Company for the year 2008;
7. To consider and approve the re-appointment of SHINEWING (HK) CPA Limited as auditors of the Company and to authorise the Board to fix their remunerations; and
8. To consider and approve proposal(s) put forward at such meeting by any shareholder(s) holding 5% of the shares of the Company carrying the right to vote at such meeting (if any).

SPECIAL RESOLUTIONS

1. “THAT:

- (A) there being granted to the Board an unconditional general mandate to issue, allot and deal with additional domestic shares of nominal value of RMB1.00 each in the share capital of the Company (the “**Domestic Shares**”) and/or overseas-listed foreign invested shares of nominal value of RMB1.00 each in the share capital of the Company (the “**H Shares**”), to make or grant offers, agreements and options in respect thereof, subject to the following conditions:
- (a) the aggregate number of Domestic Shares and/or H Shares to be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Board shall not exceed 20% of the issued share capital of that class as at the date of passing of this resolution;
 - (b) such mandate shall not extend beyond the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the 12-months period following the passing of this resolution;
or
 - (iii) the date on which the authority as set out in this resolution is revoked or varied by a special resolution of the Shareholders of the Company in a general meeting.
 - (c) the Board will only exercise its power under such mandate in accordance with the Company Law of the People’s Republic of China (the “**PRC**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as may be amended from time to time) and other relevant laws and regulations of Hong Kong and the PRC, and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government authorities are obtained;
- (B) contingent on the Board resolving to issue additional shares pursuant to (A) above, the Board be authorised to:
- (a) increase the registered capital of the Company in accordance with the issue of the Domestic Shares and/or H Shares aforesaid, and attend to the relevant registration procedures with the relevant authorities in the PRC and Hong Kong;

- (b) make appropriate amendments to the relevant provisions in articles of association of the Company (the “**Articles of Association**”) in relation to the registered capital of the Company and any other articles that require corresponding amendments so as to reflect the change in the registered capital and shareholding structure of the Company as a result of the allotment or issue of new shares and to submit the relevant amendments to the Articles of Association to the relevant authorities of the PRC for approval and record; and
- (c) approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issue of such new shares.”
2. “**THAT** subject to fulfillment of the requirements of obtaining approval from the Ministry of Commerce of the PRC (the “**MOC**”) and shareholders of the Company and filing for record with MOC, the following paragraph shall be added to the last paragraph of Article 3.06 of the Articles of Association:

“On 3rd March, 2008, Shenzhen City Li Tai Lai Investment Development Company Limited transferred its 52,000,000 domestic shares to Guo Shu Qing and its 41,994,831 domestic shares to Wang Xiao Xian. After the transfers, the shareholding structure of the Company shall be: 519,521,560 ordinary shares, of which 202,164,995 shares held by Xinjiang Tianye Company Limited, representing 38.91% of the total issued shares capital of the Company; 61,386,798 shares held by Guo Shu Qing, representing 11.82% of the total issued shares capital of the Company; 50,335,128 shares held by Wang Xiao Xian, representing 9.69% of the total issued shares capital of the Company; 2,410,123 shares held by China Academy of Machinery Science and Technology, representing 0.46% of the total issued shares capital of the Company; 824,516 shares held by Northwest Sci-Tech University of Agriculture and Forestry, representing 0.16% of the total issued shares capital of the Company; and 202,400,000 shares held by the shareholders of H Shares, representing 38.96% of the total issued shares capital of the Company.”

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

Xinjiang PRC, 10th March, 2008

Notes:

1. Any member entitled to attend and vote at the AGM is entitled to appoint in written form for one or more than one proxy to attend and vote at the AGM on his behalf. A proxy need not be a member of the Company.
2. The form of proxy for the AGM is herewith enclosed. In order to be valid, the form of proxy and, if such proxy form is signed by a person under a power of attorney or authority on behalf of the appointer, a notorially certified power of attorney (if any) or other authority (if any) under which it is signed, must be deposited at the Company's H share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (for the holders of H Shares only) or at the Company's registered office at No.36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC (for the holders of Domestic Shares only), not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting should you so wish.
3. Shareholders or their proxies shall present proofs of identities when attending the AGM.
4. The register of members of the Company will be closed from Thursday, 3rd April, 2008 to Friday, 25th April, 2008, both days inclusive, during which no transfer of the shares of the Company will be effected. All transfers accompanied by relevant share certificates for H Shares of the Company must be lodged with Company's H share registrar and transfer office not later than 4:00 p.m. on Wednesday, 2nd April, 2008.
5. Shareholders of the Company who intend to attend the AGM should complete and return the enclosed reply slip for attendance to the H Share registrar and transfer office of the Company in Hong Kong at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (for the holders of H Shares only) or at the Company's registered office at No.36, Bei San Dong Road, Shihezi Economic and Technological Development Zone, Shihezi, Xinjiang, the PRC (for the holders of Domestic Shares only), by hand, by post or by fax (the fax number of the Company's H Share registrar and transfer office: (852) 28611465 for holders of H Shares only or the Company's fax number: (86993) 2623163 (for holders of Domestic Shares only)) on or before 4:00 p.m., Wednesday, 2nd April, 2008.

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

* *For identification purpose only*