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新疆天业节水灌溉股份有限公司

XINJIANG TIANYE WATER SAVING IRRIGATION SYSTEM COMPANY LIMITED*

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 840)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the “EGM”) 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 People’s Republic of China (the “**PRC**”) on Wednesday, 18 August 2010 at 11:00 a.m. for the following purposes and to pass the following resolutions:

ORDINARY RESOLUTIONS

1. To approve the resignation of Mr. Guo Qing Ren as an executive director of the Company;
2. To consider and approve the appointment of Mr. Hou Guo Jun as an executive director of the Company with effect from the date of passing of the relevant resolution at the EGM for a term of three years;
3. To consider and approve the appointment of Mr. Yin Xiu Fa as an executive director of the Company with effect from the date of passing of the relevant resolution at the EGM for a term of three years;
4. To consider and approve the appointment of Mr. Chen Lin as an executive director of the Company with effect from the date of passing of the relevant resolution at the EGM for a term of three years;
5. To consider and approve the appointment of Mr. Wang Yun as an independent non-executive director of the Company with effect from the date of passing of the relevant resolution at the EGM for a term of three years;
6. To re-elect and appoint Mr. Shi Xiang Shen as an executive director of the Company;
7. To re-elect and appoint Mr. Li Shuang Quan as an executive director of the Company;
8. To re-elect and appoint Mr. Zhu Jia Ji as an executive director of the Company;

9. To re-elect and appoint Mr. He Lin Wang as an independent non-executive director of the Company;
10. To re-elect and appoint Mr. Xia Jun Min as an independent non-executive director of the Company;
11. To re-elect and appoint Mr. Gu Lie Feng as an independent non-executive director of the Company;
12. To re-elect and appoint Mr. Mak King Sau as an independent non-executive director of the Company;
13. To re-elect and appoint Mr. He Jie as a supervisor;
14. To re-elect and appoint Mr. Huang Jun Lin as a supervisor;

SPECIAL RESOLUTION

15. To consider and approve the amendments to the articles of association of the Company (the “Articles of Association”) as follows:

(i) Article 10.01

The current first paragraph of Article 10.01 of the Articles of Association reads:

“The Company shall establish a Board of Directors, and the Board of Directors shall comprise at least seven directors. External Directors (refers to Directors who hold no position in the Company) shall account for half or more of the members of the Board of Directors, including three Independent Non-executive Directors (refer to Directors who are independent from the shareholders of the Company and who holds no position in the Company).”

The first paragraph of Article 10.01 is proposed to be deleted and substituted by the following:

“The Company shall establish a Board of Directors, and the Board of Directors shall comprise at least seven directors, including at least three Independent Non-executive Directors (refers to Directors who are independent from the shareholders of the Company and who hold no position in the Company).”

(ii) Article 13.02

The current first paragraph of Article 13.02 of the Articles of Association reads:

“Supervisory Committee shall comprise three members. External Supervisors (refers to supervisors who hold no position in the Company) shall account for half or more of the members of the Supervisory Committee, including two or more Independent Supervisors (refer to supervisors who are independent from the shareholders of the Company and who hold no position in the Company).”

The first paragraph of Article 13.02 is proposed to be deleted and substituted by the following:

“Supervisory Committee shall comprise no less than three members. External Supervisors (refers to supervisors who hold no position in the Company) shall account for half or more of the members of the Supervisory Committee, including two or more Independent Supervisors (refer to supervisors who are independent from the shareholders of the Company and who hold no position in the Company).”

(iii) Article 13.03

The current first paragraph of Article 13.03 of the Articles of Association reads:

“Two members of Supervisory Committee shall be shareholders’ representatives (including External Supervisors and Independent Supervisors) and one member shall be employees’ representatives. Supervisor acting as shareholders’ representative shall be appointed and removed by general meeting of shareholders and supervisor acting as employees’ representative shall be appointed and removed by voting by employees.”

The first paragraph of Article 13.02 is proposed to be deleted and substituted by the following:

“One-third or more of the members of Supervisory Committee shall be employees’ representatives and the rest shall be shareholders’ representatives (including External Supervisors and Independent Supervisors). Supervisor acting as shareholders’ representative shall be appointed and removed by general meeting of shareholders and supervisor acting as employees’ representative shall be appointed and removed by voting by employees.”

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

Xinjiang PRC, 2 July 2010

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, if such proxy from 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. The register of members of the Company will be closed from Thursday, 29 July 2010 to Wednesday, 18 August 2010, both days inclusive, during which no transfer of the shares of the Company will be effected. All transfers accompanied by the relevant share certificates for H Shares must be lodged with Company’s H Share registrar and transfer office (for the holders of H Shares only) or lodged at the registered office of the Company (for the holders of Domestic Shares only) not later than 4:00 p.m. on Wednesday, 28 July 2010. The Shareholders or their proxies being registered before the close of business on Wednesday, 28 July 2010 are entitled to attend the EGM by presenting their identification documents.
5. Shareholders 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 Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong (for the holders of H Shares only) or to 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) 2861 1465 (for holders of H Shares only) or the Company's fax number: (86993) 262 3163 (for holders of Domestic Shares only)) on or before 4:00 p.m. on Wednesday, 28 July 2010.

6. Voting of the resolutions as set out in this notice will be by poll.
7. The EGM is expected to last for less than one day. Shareholders and their proxies shall attend the EGM at their own cost of travelling and accommodation.
8. The Company's registered address:

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

Fax: (86993) 262 3163

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*