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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)

ANNOUNCEMENT

This statement is made at the request of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The board (the "Board") of directors (the "Directors") of Xinjiang Tianye Water Saving Irrigation System Company Limited* (the "Company") has noted the decreases in the price and increase in trading volume of the shares of the Company today and wish to state that the Board is not aware of any reasons for such changes.

The Board also confirms that there are no negotiations or agreements relating to intended acquisitions or realisations by the Company which are discloseable under Rule 13.23 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board, the Directors individually and jointly accept responsibility for the accuracy of this announcement.

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

Hong Kong, 2 July 2008

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

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in the announcement, the omission of which would make any statement in this announcement misleading.

** For identification purposes only*