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SOUTH WEST ECO DEVELOPMENT LIMITED

西南環保發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1908)

PROPOSED CHANGE OF AUDITOR

The Board announces that:

- BDO Limited will retire as auditor of the Company with effect from the conclusion of the forthcoming annual general meeting of the Company; and
- subject to the approval of the Company's shareholders at the forthcoming annual general meeting of the Company, Grant Thornton Hong Kong Limited will be appointed as new auditor of the Company following the retirement of BDO Limited.

INTRODUCTION

The board of directors (the "**Board**") of South West Eco Development Limited (the "**Company**", together with its subsidiaries, the "**Group**") announces that:

- BDO Limited will retire as auditor of the Company with effect from the conclusion of the forthcoming annual general meeting of the Company to be held on 28 April 2015 (the "**AGM**").
- The Board has resolved, with the recommendation of the audit committee of the Board (the "**Audit Committee**"), to propose the appointment of Grant Thornton Hong Kong Limited ("**Grant Thornton**") as the new auditor of the Company following the retirement of BDO Limited at the AGM and will hold office until the next annual general meeting of the Company (the "**Proposal**").

The Proposal is subject to the approval by the shareholders of the Company at the AGM.

REASON FOR THE CHANGE OF AUDITOR

Since 23 December 2014, Well Land International Limited, an indirect subsidiary of Xiamen C&D Inc., a Shanghai-listed company (stock code: 600153), which is a subsidiary of Xiamen C&D Corporation Limited, a state-owned group of companies under the supervision of Xiamen Municipality, became the controlling shareholder of the Company. Grant Thornton China is the existing auditor of Xiamen C&D Inc.

In order to unify the audit procedure between the Company and its parent group of companies and enhance efficiency in the audit process, the Board is of the view that it is in the best interests of the Company and its shareholders as a whole to appoint Grant Thornton as the new auditor of the Company.

The Board together with the Audit Committee and BDO Limited confirm that there is no disagreement between the Company and BDO Limited, and is not aware of any other reason(s) or any other matters that need to be brought to the attention of the shareholders of the Company, relating to the proposed change of auditor except as disclosed above.

APPRECIATION

The Board would like to take this opportunity to express its gratitude to BDO Limited for its professional and quality services rendered to the Group during its tenure of office.

For and on behalf of
South West Eco Development Limited
Zhuang Yuekai
Chairman and Executive Director

Hong Kong, 23 March 2015

As at the date of this announcement, the directors of the Company (the “**Directors**”) are:-

Executive Directors:

Mr Zhuang Yuekai (*Chairman*)

Mr Shi Zhen (*Chief Executive Officer*)

Ms Zhao Chengmin (*Deputy Executive Officer*)

Dr Lee Tse Ching, Elaine (*also known as Dr. Eick Lee Tse Ching, Elaine*)

Non-executive Directors:

Ms Wang Xianrong

Ms Wu Xiaomin

Independent Non-executive Directors:

Mr Wong Chi Wai

Mr Wong Tat Yan, Paul

Mr Chan Chun Yee