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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: 8280)**

## **PROPOSED CHANGE OF AUDITORS**

The Board announces that the Board proposes to remove Deloitte as the auditors of the Group and to appoint SHINEWING as the auditors of the Group to fill the casual vacancy arising from removal of Deloitte upon the approval by the shareholders of the Company by an ordinary resolution at an extraordinary general meeting of the Company and to hold office until conclusion of the next annual general meeting.

The board of directors (the "Board") of Xinjiang Tianye Water Saving Irrigation System Company Limited (the "Company") announces that since the Company and Deloitte Touche Tohmatsu ("Deloitte"), Certified Public Accountants could not reach an agreement on the auditors' remuneration for the financial year ending 31 December 2006, the Board proposes to remove Deloitte as the auditors of the Company and its subsidiaries (the "Group"). The removal of Deloitte as the auditors of the Group will be subject to the approval by the shareholders of the Company by an ordinary resolution at an extraordinary general meeting of the Company.

The Board further proposes to appoint SHINEWING (HK) CPA Limited ("SHINEWING") as the auditors of the Group to fill the casual vacancy arising from removal of Deloitte. The appointment of SHINEWING as the auditors of the Group will be subject to the approval by the shareholders of the Company by an ordinary resolution at an extraordinary general meeting of the Company.

Deloitte have not yet commenced any audit work on the accounts of the Group for the year ending 31 December 2006. The Board believes that the change of auditors will not affect the audit of financial statements and the release of annual results of the Group for the financial year ending 31 December 2006 provided that the required shareholders' approval for the change of auditors is duly given.

A circular containing further details of the proposed change of auditors, together with a notice to convene the extraordinary general meeting of the Company, will be dispatched to the shareholders of the Company as soon as possible. Further announcement will be made after the appointment of SHINEWING as auditors of the Company has been approved by the shareholders of the Company.

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

Xinjiang, the People's Republic of China, 28 December 2006

*As at the date of this announcement, the Board comprises four executive Directors namely Guo Qing Ren, Shi Xiang Shen, Huang Yao Xin and Li Shuang Quan, and three independent non-executive Directors namely He Lin Wang, Xia Jun Min and Gu Lie Feng.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 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.*

*This announcement will remain on the GEM website at "www.hkgem.com" on the "Latest Company Announcements" page for at least 7 days from the day of its posting.*

*\* For identification purposes only*