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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

Reference is made to a circular (the “**Circular**”) regarding the proposed change of auditors made on 4 January 2007 and a clarification announcement made on 17 January 2007 by the Company.

The board of directors (the “**Board**”) of Xinjiang Tianye Water Saving Irrigation System Company Limited\* (the “**Company**”) would like to announce that on 24 January 2007, Deloitte Touche Tohmatsu (“**Deloitte**”), certified public accountants, sent to the Company a termination letter confirming there were no matters need to be brought to the attention of the holders of securities of the Company (the “**Shareholders**”) other than the fact that agreement could not be reached on the auditor’s remuneration for the financial year ended 31 December 2006, as stated in the Circular.

The Board would like to remind the Shareholders that the extraordinary general meeting for the proposed change of auditors will be held on 16 February 2007 at 11:00 a.m. to approve the removal of Deloitte as auditors of the Company and its subsidiaries (the “**Group**”) and the appointment of SHINEWING (HK) CPA Limited (“**SHINEWING**”) as the auditors of the Group to fill the casual vacancy arising from the removal of Deloitte. Further announcement will be made after the appointment of SHINEWING as auditors of the Group 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, 26 January 2007

*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*