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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)

RESIGNATION OF AUDITORS

The Board announces that on 6 December 2010, the Company received the Letter of Resignation from Messrs. SHINEWING (HK) CPA Limited (“SHINEWING”) whereby SHINEWING tendered its resignation as auditors of the Group with effect from 6 December 2010. SHINEWING stated in the Letter of Resignation that the reason for its resignation was due to the failure on the part of the Board and SHINEWING to reach a mutual agreement on the audit fee in respect of the audit of the Group’s financial statements for the year ending 31 December 2010.

The board of directors (the “Board”) of Xinjiang Tianye Water Saving Irrigation System Company Limited* (the “Company”) announces that on 6 December 2010, the Company received a letter dated 6 December 2010 (the “Letter of Resignation”) from Messrs. SHINEWING CPA Limited (“SHINEWING”) whereby SHINEWING tendered its resignation as auditors of the Company and its subsidiaries (the “Group”) with effect from 6 December 2010. SHINEWING stated in the Letter of Resignation that the reason for its resignation was due to the failure on the part of the Board and SHINEWING to reach a consensus on the audit fee for the year ending 31 December 2010. SHINEWING confirmed in the Letter of Resignation that there were no circumstances connected with its resignation which it considers should be brought to the attention of the shareholders and the creditors of the Company.

The Board further proposes to appoint Messrs. Pan-China (H.K.) CPA LIMITED (“Pan-China”) as the auditors of the Group to fill the casual vacancy arising from resignation of SHINEWING. The appointment of Pan-China 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.

SHINEWING has not yet commenced any audit work on the accounts of the Group for the year ending 31 December 2010. 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 2010 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 Pan-China 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*
Hou Guo Jun
Chairman

Xinjiang, the People's Republic of China, 6 December 2010

As at the date of this announcement, the Board comprises six executive Directors namely Shi Xiang Shen, Li Shuang Quan, Zhu Jia Ji, Hou Guo Jun, Yin Xiu Fa and Chen Lin, and five independent non-executive Directors namely He Lin Wang, Xia Jun Min, Gu Lie Feng, Mak King Sau and Wang Yun.

* *For identification purposes only*