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**新疆天業節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 26 April 2012, the Company received the Letter of Resignation from Messrs. Pan-China (H.K.) CPA Limited (“Pan-China (H.K.)”) whereby Pan-China (H.K.) tendered its resignation as auditors of the Group with effect from 26 April 2012. The Company aims to carry out effective cost control and reduce overall operating expenses of the Group, and has reached agreement with Messrs. Pan-China Certified Public Accountants LLP (“Pan-China”) and Pan-China (H.K.) to transfer the audit engagement of the Group for the financial year ending 31 December 2012 from Pan-China (H.K.) to Pan-China. Pan-China (H.K.) is a member firm of Pan-China who is also the auditors of Xinjiang Tianye Company Limited, the immediate holding company of the Company.

The board of directors (the “Board”) of Xinjiang Tianye Water Saving Irrigation System Company Limited\* (the “Company”) announces that on 26 April 2012, the Company received a letter dated 26 April 2012 (the “Letter of Resignation”) from Messrs. Pan-China (H.K.) CPA Limited (“Pan-China (H.K.)”) whereby Pan-China (H.K.) tendered its resignation as auditors of the Company and its subsidiaries (the “Group”) with effect from 26 April 2012. The Company aims to carry out effective cost control and reduce overall operating expenses of the Group, and has reached agreement with Messrs. Pan-China Certified Public Accountants LLP (“Pan-China”) and Pan-China (H.K.) to transfer the audit engagement of the Group for the financial year ending 31 December 2012 from Pan-China (H.K.) to Pan-China. Pan-China (H.K.) is a member firm of Pan-China who is also the auditors of Xinjiang Tianye Company Limited, the immediate holding company of the Company. Pan-China (H.K.) 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 Certified Public Accountants LLP as the auditors of the Group to fill the casual vacancy arising from resignation of Pan-China (H.K.). 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 the annual general meeting of the Company.

Pan-China (H.K.) has not yet commenced any audit work on the accounts of the Group for the year ending 31 December 2012. 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 2012 provided that the required shareholders' approval for the change of auditors is duly given.

A supplemental circular containing further details of the proposed change of auditors, together with a supplemental notice of annual 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\***  
**Yin Xiu Fa**  
*Chairman*

Xinjiang, the People's Republic of China, 27 April 2012

*As at the date of this announcement, the Board comprises six executive Directors namely Yin Xiu Fa (Chairman), Shi Xiang Shen, Li Shuang Quan, Zhu Jia Ji, Hou Guo Jun 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*