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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)

### POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform shareholders of the Company and potential investors that based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2010, the Group achieved record highs of both the total revenue and the net profit attributable to owners of the Company for such financial year. The net profit in 2010 is expected to have a growth of over 100% as compared with the net profit recorded in 2009.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

This announcement is made by Xinjiang Tianye Water Saving Irrigation System Company Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2010, the Group achieved record highs of both the total revenue and the net profit attributable to owners of the Company for such financial year.

Benefiting from the increased efforts on the investment in water conservancy construction in agriculture in China, gross profit for the Group's products increased, and with the effectiveness achieved by the Group's optimization on clients' credit management, financing costs were lowered, hence the net profit attributable to owners of the Company in 2010 is expected to achieve record high and grow by over 100% as compared to the net profit recorded in 2009.

This positive profit alert is a preliminary assessment by the Company's management based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2010, which has not been confirmed nor audited by the auditors of the Company.

Further details of the Group's financial performance will be disclosed in the Company's announcement of final results for the year ended 31 December 2010, which is expected to be published in March 2011.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**Xinjiang Tianye Water Saving Irrigation System Company Limited\***  
**Hou Guo Jun**  
*Chairman*

Xinjiang, the PRC, 21 February 2011

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

\* *for identification only*