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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)

## PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that the Group expects to record a significant decrease in profit for the six months ended 30 June 2013 compared to the corresponding period ended 30 June 2012.

The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited management accounts of the Group for the six months ended 30 June 2013 and information currently available and such information has not been audited nor reviewed by the Company's auditors.

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

This announcement is made by Xinjiang Tianye Water Saving Irrigation System Company Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Company and its subsidiaries (collectively the “**Group**”) expects to record a significant decrease in profit for the six months ended 30 June 2013 compared to the corresponding period ended 30 June 2012. Based on the preliminary assessment of the Group's unaudited management accounts for the six months ended 30 June 2013 and information currently available to the Board, the expected decrease in profit was primarily attributable to intensified competition in the industry, leading to a decrease in product prices and lower profit margin of the Group. Meanwhile, the Group is relatively far away from the interior provinces of China, whereby the accompanying higher distribution costs had crimped the profit of the Group.

The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited management accounts of the Group for the six months ended 30 June 2013 and information currently available and such information has not been audited nor reviewed by the Company's auditors.

Details of the Group's performance will be disclosed in the interim results announcement to be published on 9 August 2013.

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

By order of the Board  
**Xinjiang Tianye Water Saving Irrigation System Company Limited\***  
**Li Shuang Quan**  
*Chairman*

Xinjiang, the People's Republic of China  
26 July, 2013

*As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Li Shuang Quan (Chairman), Mr. Zhu Jia Ji, Mr. Shao Mao Xu, Mr. Chen Lin and Mr. Zhang Qiang and four independent non-executive Directors, namely Mr. Mak King Sau, Mr. Qin Ming, Mr. Cao Jian and Mr. Yin Feihu.*

\* *For identification purposes only*