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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)

**VOLUNTARY ANNOUNCEMENT
INVESTMENT IN A WHOLLY-OWNED SUBSIDIARY**

For expansion and development of the water-saving irrigation market in Nanjiang, Xinjiang, on 22 March 2016, Xinjiang Tianye Water Saving Irrigation System Co., Ltd. (the “Company”) established a wholly-owned subsidiary named Xinjiang Tianye Nanjiang Water Saving Agriculture Co., Ltd. (the “Subsidiary”) in Tumxuk, Xinjiang with the registered capital of RMB20 million. The Subsidiary mainly engages in the business of water-saving products such as drip irrigation tapes, subsurface salt-drainage PVC corrugated pipes, pressure compensation drip irrigation pipes and PE delivery pipes, etc. and plans to build as the effective water-saving agricultural base of the Company, and also establishes four centers, including integrated assembly and manufacturing of high and new water-saving equipment, marketing services for integration of irrigation, fertilization and pesticides, intelligent promotional trainings in effective water-saving agriculture and R&D application on salt draining control of Nanjiang underground pipes. It aims at enhancing the promotion effort of applying modern water-saving agricultural technologies of the Company in Nanjiang, achieving a significant breakthrough in scale and strength of the Company’s operation in Nanjiang.

By order of the Board of
Xinjiang Tianye Water Saving Irrigation System Company Limited*
Chen Lin
Chairman

Xinjiang, the PRC, 24 March 2016

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

* *For identification purposes only*