

Hong Kong Exchange and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 Xinjiang Tianye Water Saving Irrigation System Company Limited (the “**Company**”, together with its subsidiaries shall be referred to as the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”).

The board of directors (the “**Board**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that after the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2016, the Group’s result is expected to record an increase in net loss by not less than 500% as compared to the same period last year.

Based on the information currently available to the Company, such substantial increase in net loss is mainly attributable to (i) the drop of profit margin of our products resulted from unstable raw material supply during lower half of the year which led to sharp increase in product cost; (ii) the impairment losses on certain assets of the Group; and (iii) the increase in operating expenses mainly due to investment in three new subsidiaries during the year.

The Board would also like to inform the Shareholders and potential investors that the financial position of the Group remains stable.

The Group’s final results for the financial year ended 31 December 2016 are still under review and subject to finalization and confirmation by the auditor of the Company as well as approvals of the audit committee of the Company and the Board at their meetings respectively to be held by the end of March 2017. The audited final results announcement of the Group for the financial year ended 31 December 2016 will be published by the end of March 2017.

Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

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

Xinjiang, the PRC, 13 March 2017

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Chen Lin (Chairman), Mr. Zhang Qiang, Mr. Li He and Mr. Yang Wan Sen, and three independent non-executive Directors, namely Mr. Yin Feihu, Mr. Qin Ming and Mr. Mak King Sau.

* *For identification purpose only*