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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)

POSITIVE PROFIT ALERT

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

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the year ended 31 December 2017, the Group expected to record a net profit for the year ended 31 December 2017, as compared to the net loss of last year with an increment of approximately 100%.

Based on information currently available to the Group, the above expected increase in net profit was primarily attributable to: (a) the gross profit recorded for the sale of drip tape and drip assembles for the year ended 31 December 2017, while gross loss was recorded for last year; and (b) the asset impairment loss decreased significantly due to technical reformation of the Group.

The information contained in this announcement is only based on the information currently available to the Company and the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2017 which has not been audited or reviewed by the auditors nor approved by the audit committee of the Company. The Group will issue an announcement on its final results for the year ended 31 December 2017 in accordance with the Listing Rules. There may be discrepancies between information contained herein and the final audited financial results. Shareholders and potential investors are advised to beware of potential investment risk.

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

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

Hong Kong, 20 March, 2018

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 purposes only*