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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 under Rule 13.09(1) of the Listing Rules.

The Board would like to inform the Shareholders and potential investors that the Group anticipates its consolidated results for the twelve months ending 31 December 2008 will have a substantial decrease as compared with the corresponding period in 2007.

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", together with its subsidiaries, the "Group") under Rule 13.09(1) of the Rules Governing the Listing of Securities (the "Listing Rules") of The Stock Exchange of Hong Kong Limited.

The board (the "Board") of directors of the Company would like to inform the shareholders of the Company (the "Shareholders") and potential investors that the Group anticipates its consolidated results for the twelve months ending 31 December 2008 will have a substantial decrease as compared with the corresponding period in 2007. Based on the currently available information, the decrease is mainly due to the lower gross profit margin from the Group's operations caused by the fluctuations in raw materials price amid financial crisis. This announcement is based on the preliminary calculation by the Company's management according to the management account of the Company. Details of the financial data of the Group will be disclosed in the Group's 2008 annual report and the relevant announcement is expected to be posted on the websites of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk) and the Company (www.tianyejieshui.com.cn) in the first half of 2009.

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

By order of the Board of
Xinjiang Tianye Water Saving Irrigation System Company Limited*
Guo Qing Ren
Chairman

Xinjiang, China, 24 November 2008

As at the date of this announcement, the Board comprises four executive directors, namely Guo Qing Ren, Shi Xiang Shen, Zhu Jia Ji and Li Shuang Quan, and four independent non-executive directors, namely He Lin Wang, Xia Jun Min, Gu Lie Feng and Mak King Sau.

* For identification purpose only