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新疆天業節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 of the Company (the “**Board**”) 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, the Group is expected to record an estimated net loss of RMB50,000,000 to RMB65,000,000 for the year ended 31 December 2021, as compared to the net profit of approximately RMB2,057,000 for the financial year ended 31 December 2020.

Based on information currently available to the Group, the above expected net loss was primarily attributable to various impairment losses and a decrease in gross profit of the major operations for the year ended 31 December 2021.

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

The information contained in this announcement is only a preliminary assessment by the Board based on currently available information and such information has not been audited or reviewed by the Company's auditor. The annual results of the Group for the year ended 31 December 2021 is expected to be announced on 30 March 2022.

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*
Li He
Chairman

Xinjiang, the PRC, 18 March 2022

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Li He (Chairman), Mr. Huang Dong and Mr. Tan Xinmin, and four independent non-executive Directors, namely Mr. Yin Feihu, Mr. Li Lianjun, Ms. Gu Li and Mr. Hung Ee Tek.

* *For identification purpose only*