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

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 RMB75,000,000 to RMB90,000,000 for the year ended 31 December 2022, as compared to the net loss of approximately RMB64,816,000 for the financial year ended 31 December 2021.

Based on information currently available to the Group, the above expected net loss was mainly due to i) the impact of the COVID-19 pandemic on the Company’s logistics and transportation, resulting in a significant decrease in product sales volume and a decline in gross profit margin; ii) asset impairment losses recorded during the year ended 31 December 2022; and iii) higher project costs due to the impact of raw material prices, resulting in a decrease in profit.

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 estimate by the directors of the Company based on currently available information and such information has not been audited or reviewed by the Company's auditor and audit committee. The results of the Group for the year ended 31 December 2022 is expected to be announced on 30 March 2023.

By Order of the Board
Xinjiang Tianye Water Saving Irrigation System Company Limited
Chairman
Li He

Xinjiang, the PRC, 10 March 2023

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Li He (Chairman), Ms. Yang Ling and Mr. Jiang Dayong, and four independent non-executive Directors, namely Mr. Li Lianjun, Ms. Gu Li, Mr. Hung Ee Tek and Mr. He Xinlin.

* *For identification purposes only*