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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)

**POSITIVE PROFIT ALERT
SUPPLEMENTAL ANNOUNCEMENT**

This supplemental 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 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.

Reference is made to the positive profit alert announcement of the Company dated 8 March 2024 (the “**Announcement**”). Unless otherwise specified, capitalized terms used herein shall have the same meaning as those defined in the Announcement.

The Board would like to further inform the Shareholders and potential investors that based on the latest information available to the Board, including (i) the preliminary draft of the valuation report (the “**Valuation Report**”) issued by the independent valuer in relation to the recoverable amount of certain fixed assets subject to the Group’s proposed asset impairment test as at the date of this announcement; (ii) the settlement information of certain engineering projects of the Group; and (iii) further review of the adjusted unaudited consolidated management accounts of the Group, the Group is expected to record an estimated net loss of RMB10,000,000 to RMB12,000,000 for the Reporting Year (a net loss of approximately RMB81,410,000 was recorded for the financial year ended 31 December 2022 (“**FY2022**”)).

Compared with the figures disclosed in the Announcement (i.e. the estimated net profit of RMB3,000,000 to RMB5,000,000 expected to be recorded during the Reporting Year), the change was mainly because: (i) in order to objectively and fairly present the financial position and operating result of the Group for the Reporting Year, the Company engaged an independent valuer to issue the preliminary draft of the Valuation Report for impairment test of fixed assets with indicator of impairment, resulting to an increase of asset impairment loss; and (ii) the expected gross profit of certain engineering projects of the Group declined based on latest settlement statement.

The main reason for the decrease in the loss recorded by the Company for the Reporting Year as compared with FY2022 has been disclosed in the Announcement, and the Company has no additional information for the reasons.

The Company is still in the process of preparing the consolidated annual results of the Group for the Reporting Year. The information contained in this supplemental announcement is only based on the Board's current assessment of the latest unaudited consolidated management accounts of the Group for the Reporting Year, 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 2023 is expected to be announced on 28 March 2024.

Shareholders 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*
Zhou Gang
Chairman

Xinjiang, the PRC, 22 March 2024

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Zhou Gang (Chairman), Mr. Han Gen 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 purpose only*