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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)

**ANNOUNCEMENT – VOLUNTARY RESULTS ANNOUNCEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

SUMMARY

This announcement is made voluntarily by the Company pursuant to the requirement set out in chapter 13 of the Listing Rules. The Board announces the unaudited consolidated results of the Group for the nine months ended 30 September 2009.

The unaudited consolidated total comprehensive income attributable to owners of the parent for the nine months ended 30 September 2009 was approximately RMB1,579,000.

This announcement is made voluntarily by the Company pursuant to the requirement set out in chapter 13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”). The board of directors (the “Board”) of Xinjiang Tianye Water Saving Irrigation System Company Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the nine months ended 30 September 2009 together with the unaudited comparative figures for the corresponding period in 2008 as follows:

* For identification purpose only

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR
THE NINE MONTHS ENDED 30 SEPTEMBER 2009**

		(Unaudited)	
		For the nine months ended	
		30 September	
	<i>Note</i>	2009	2008
		<i>RMB'000</i>	<i>RMB'000</i>
Revenue	2	356,327	563,152
Cost of sales		<u>(322,381)</u>	<u>(495,053)</u>
Gross profits		33,946	68,099
Other income		1,048	1,430
Distribution costs		(16,964)	(17,982)
Administrative expenses		(10,378)	(11,456)
Other expenses		(244)	(392)
Finance costs		(6,341)	(7,203)
Investment income from financial instruments		1,577	–
Loss on disposal of interests in subsidiaries		<u>(406)</u>	<u>–</u>
Profit before tax		2,238	32,496
Income tax expenses		<u>(1,752)</u>	<u>(540)</u>
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>486</u>	<u>31,956</u>
Total comprehensive income/(loss) attributable to:			
Owners of the parent		1,579	30,914
Minority interests		<u>(1,093)</u>	<u>1,042</u>
		<u>486</u>	<u>31,956</u>
Earning per share – basic		<u>RMB0.003</u>	<u>RMB0.060</u>

Notes:

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The unaudited consolidated third quarterly results have been prepared in accordance with accounting principles generally accepted in Hong Kong which include Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The unaudited consolidated results have been prepared on the historical cost basis except for financial instruments, which are initially measured at fair values.

The accounting policies adopted in preparing the unaudited consolidated third quarterly results are consistent with those applied to the annual financial statements of the Group for the year ended 31 December 2008.

In the current period, the Group has applied, for the first time, a number of new/revised standards and interpretations issued by the HKICPA, which are effective for the accounting periods beginning on or after 1 January 2009. The adoption of these new/revised standards and interpretations has had no material effect on the results and financial positions of the Group for the current and prior periods.

The Group has not early applied the new/revised standards and interpretations that have been issued by HKICPA but are not yet effective in the current period.

2. REVENUE

Revenue represents the fair value of the consideration received and receivable for goods sold to external customers, net of value-added tax, returns and discounts, and the consideration received and receivable for the services provided during the period, and is analysed as follows:

	For the nine months ended 30 September	
	2009	2008
	RMB'000	RMB'000
Drip films and drip assemblies	224,816	405,899
PVC/PE pipelines	131,511	156,250
Provision of installation service	–	1,003
	<u>356,327</u>	<u>563,152</u>

Note: According to the sales mix of the Group, drip assemblies are usually sold as auxiliary products of drip films. Therefore, drip films and drip assemblies are classified under the same category.

BUSINESS REVIEW

Being affected by the global financial turmoil, selling price of the Group’s flagship products, especially drip films, have dropped to a relatively low level, which resulted in significant decrease of the Group’s results as compared with the corresponding period last year. With the rapid rebound of the PRC economy, the agricultural water saving industry which the Group engaged in is gradually recovering. Our directors believe the Group has already gone through the most difficult period of this financial turmoil.

REVIEW OF RESULTS

The audit committee of the Company, which consists of four independent non executive directors, has reviewed the unaudited consolidated results announcement of the Group for the nine months ended 30 September 2009.

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

Xinjiang, the PRC, 23 October 2009

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