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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 THREE MONTHS ENDED 31 MARCH 2010**

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 three months ended 31 March 2010.

The unaudited consolidated total comprehensive income attributable to owners of the Company for the three months ended 31 March 2010 was approximately RMB1,137,000.

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 three months ended 31 March 2010 together with the unaudited comparative figures for the corresponding period in 2009 as follows:

* For identification purposes only

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR
THE THREE MONTHS ENDED 31 MARCH 2010**

		(Unaudited)	
		For the three months ended	
		31 March	
		2010	2009
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	2	108,250	89,098
Cost of sales		<u>(98,045)</u>	<u>(82,433)</u>
Gross profits		10,205	6,665
Other income		452	848
Distribution costs		(4,546)	(4,840)
Administrative expenses		(3,520)	(3,516)
Finance costs		<u>(1,366)</u>	<u>(2,801)</u>
Profit/(loss) before tax		1,225	(3,644)
Income tax expense		<u>(451)</u>	<u>(52)</u>
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		<u>774</u>	<u>(3,696)</u>
Total comprehensive income/(loss) attributable to:			
Owners of the Company		1,137	(3,820)
Minority interests		<u>(363)</u>	<u>124</u>
		<u>774</u>	<u>(3,696)</u>
Earning/(loss) per share – basic and diluted		<u>RMB0.22 cents</u>	<u>RMB(0.74 cents)</u>

Notes:

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The unaudited consolidated first quarterly results have been prepared in accordance with Hong Kong Financial Reporting Standards 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 certain financial instruments, which are initially measured at fair values.

The accounting policies adopted in preparing the unaudited consolidated first quarterly results are consistent with those applied to the annual financial statements of the Group for the year ended 31 December 2009.

In the current period, the Group has applied a number of new and revised standards, amendments to standards and interpretations (“new and revised HKFRSs”) issued by the HKICPA, which are effective for the accounting periods beginning on or after 1 January 2010. The adoption of these new and revised HKFRSs had no material effect on the results and financial positions of the Group for the current and prior accounting periods.

The Group has not early applied the new and 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 three months ended	
	31 March	
	2010	2009
	RMB'000	RMB'000
Drip films and drip assemblies	69,468	50,447
PVC/PE pipelines	38,782	38,651
	<u>108,250</u>	<u>89,098</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

With China’s rapid economic recovery and the government’s increasing investment in agriculture and water conservancy facilities, product marketability and profitability of the Group showed a recovery trend. Meanwhile, severe drought hit five provinces in southwest China in current period which once again raise the concern of regional government regarding the importance of agricultural water-saving irrigation facilities. The Directors believe that, with the warming of global climate, water shortage will be the prime concern of different countries, the Group’s agricultural water saving products will play a greater role in resolving the problem.

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 three months ended 31 March 2010.

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

Xinjiang, the PRC, 28 April 2010

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.