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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)

**ANNOUNCEMENT — VOLUNTARY RESULTS ANNOUNCEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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 nine months ended 30 September 2010.

The unaudited consolidated total comprehensive income attributable to owners of the parent for the nine months ended 30 September 2010 was approximately RMB3,131,000.

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 2010 together with the unaudited comparative figures for the corresponding period in 2009 as follows:

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR
THE NINE MONTHS ENDED 30 SEPTEMBER 2010**

		(Unaudited)	
		For the nine months ended	
		30 September	
		2010	2009
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	2	372,708	356,327
Cost of sales		<u>(338,005)</u>	<u>(322,381)</u>
Gross profits		34,703	33,946
Other income		1,173	1,048
Distribution costs		(17,076)	(16,964)
Administrative expenses		(10,697)	(10,378)
Other expenses		(1,381)	(244)
Finance costs		(2,731)	(6,341)
Investment income from financial instruments		—	1,577
Loss on disposal of interests in subsidiaries		<u>—</u>	<u>(406)</u>
Profit before tax		3,991	2,238
Income tax expenses		<u>(1,842)</u>	<u>(1,752)</u>
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>2,149</u>	<u>486</u>
Total comprehensive income/(loss) attributable to:			
Owners of the parent		3,131	1,579
Minority interests		<u>(982)</u>	<u>(1,093)</u>
		<u>2,149</u>	<u>486</u>
Earning per share — basic		<u>RMB0.006</u>	<u>RMB0.003</u>

Notes:

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The unaudited consolidated third 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 third 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 nine months ended	
	30 September	
	2010	2009
	<i>RMB'000</i>	<i>RMB'000</i>
Drip films and drip assemblies	231,738	224,816
PVC/PE pipelines	<u>140,970</u>	<u>131,511</u>
	<u><u>372,708</u></u>	<u><u>356,327</u></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 the increased investment in agricultural water saving facility by China year after year, there are growing number of new enterprise entering into the agricultural production sector which resulted in intense competition in the industry. By virtue of good product quality and better pricing, the Group's market share has gradually increased. Directors of the Group believed that by continuous development in new areas of agricultural water saving applications, the Group will continue to play a competitive advantage and improve business efficiency.

REVIEW OF RESULTS

The audit committee of the Company has reviewed the unaudited consolidated results announcement of the Group for the nine months ended 30 September 2010.

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

Xinjiang, the PRC, 22 October 2010

As at the date of this announcement, the Board comprises six executive Directors namely Shi Xiang Shen, Li Shuang Quan, Zhu Jia Ji, Hou Guo Jun, Yin Xiu Fa and Chen Lin, and five independent non-executive Directors namely He Lin Wang, Xia Jun Min, Gu Lie Feng, Mak King Sau and Wang Yun.

* *For identification purpose only*