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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 2011**

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 2011.

The unaudited consolidated total comprehensive income attributable to owners of the Company for the nine months ended 30 September 2011 was approximately RMB18,275,000.

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 2011 together with the unaudited comparative figures for the corresponding period in 2010 as follows:

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR
THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

		(Unaudited)	
		For the nine months ended	
		30 September	
		2011	2010
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	2	569,547	372,708
Cost of sales		<u>(502,669)</u>	<u>(338,005)</u>
Gross profits		66,878	34,703
Other income		582	1,173
Distribution costs		(27,249)	(17,076)
Administrative expenses		(14,643)	(10,697)
Other expenses		(804)	(1,381)
Finance costs		<u>(3,415)</u>	<u>(2,731)</u>
Profit before tax		21,349	3,991
Income tax expenses		<u>(3,666)</u>	<u>(1,842)</u>
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>17,683</u>	<u>2,149</u>
Total comprehensive income/(loss) attributable to:			
Owners of the Company		18,275	3,131
Non-controlling interests		<u>(592)</u>	<u>(982)</u>
		<u>17,683</u>	<u>2,149</u>
Earning per share — basic		<u>RMB0.035</u>	<u>RMB0.006</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 2010.

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 2011. 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	
	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
Drip films and drip assemblies	364,516	231,738
PVC/PE pipelines	<u>205,031</u>	<u>140,970</u>
	<u><u>569,547</u></u>	<u><u>372,708</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

Tianye drip irrigation systems of the Group achieved initial results from marketing promotion in Mainland China and gaining user acceptance. In September 2011, the Group was invited by Liaoning Province to participate in pre-engineering research, planning and design of its ten thousand acres of agricultural water-saving drip irrigation project. The directors of the Company believe that the gradual implementation of the project will have positive effect on marketing promotion of our Tianye drip irrigation systems in Mainland China.

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 2011.

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

Xinjiang, the PRC, 21 October 2011

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*