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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 THREE MONTHS ENDED 31 MARCH 2012**

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 2012.

The unaudited consolidated total comprehensive income attributable to owners of the Company for the three months ended 31 March 2012 was approximately RMB1,557,000.

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 2012 together with the unaudited comparative figures for the corresponding period in 2011 as follows:

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 MARCH 2012

		(Unaudited)	
		For the three months ended	
		31 March	
	<i>Note</i>	2012	2011
		<i>RMB'000</i>	<i>RMB'000</i>
Revenue	2	131,375	165,343
Cost of sales		<u>(117,682)</u>	<u>(147,130)</u>
Gross profits		13,693	18,213
Other income		208	51
Distribution costs		(5,309)	(5,898)
Administrative expenses		(4,442)	(4,242)
Finance costs		<u>(2,273)</u>	<u>(1,064)</u>
Profit before tax		1,877	7,060
Income tax expense		<u>(333)</u>	<u>(1,044)</u>
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>1,544</u>	<u>6,016</u>
Total comprehensive income/(loss) attributable to:			
Owners of the Company		1,557	6,307
Non-controlling interests		<u>(13)</u>	<u>(291)</u>
		<u>1,544</u>	<u>6,016</u>
Earning per share — basic and diluted		<u>RMB0.3 cents</u>	<u>RMB1.21 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 2011.

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 2012. 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	
	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
Drip films and drip assemblies	101,530	108,806
PVC/PE pipelines	<u>29,845</u>	<u>56,537</u>
	<u>131,375</u>	<u>165,343</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.

PROSPECTS

During the reporting period, as affected by the March snow, customers delay their purchase of agricultural water-saving products, resulting in the Group’s sales revenue decreased. The Group expects the demand for agricultural water-saving products during the remaining year to be in a growing trend. At the same time, the “water-saving increase in grain” operations launched by the Chinese government in northeast China, will effectively promote further development of the Group’s business.

REVIEW OF RESULTS

The audit committee of the Company, which consists of five independent non executive directors, has reviewed the unaudited consolidated results announcement of the Group for the three months ended 31 March 2012.

By order of the Board
Xinjiang Tianye Water Saving Irrigation System Company Limited*
 Yin Xiu Fa
Chairman

Xinjiang, the PRC, 20 April 2012

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

* *For identification purposes only*