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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 2013**

**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 2013.

The unaudited consolidated total comprehensive income attributable to owners of the Company for the three months ended 31 March 2013 was approximately RMB856,000.

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 2013 together with the unaudited comparative figures for the corresponding period in 2012 as follows:

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 MARCH 2013**

		(Unaudited)	
		For the three months ended	
		31 March	
	Note	2013	2012
		RMB'000	RMB'000
<b>1. Operating revenue</b>		<b>168,994</b>	131,375
Including: Operating income	3	<b>168,994</b>	131,375
<b>2. Operating cost</b>		<b>168,011</b>	130,466
Including: Cost of sales		<b>153,225</b>	118,480
Business taxes and surcharges		<b>35</b>	41
Distribution costs		<b>8,861</b>	5,309
Administrative expenses		<b>4,509</b>	4,416
Finance costs		<b>1,381</b>	2,220
Assets impairment loss		—	—
Add: Gain on changes in fair value (loss shall be stated as “-”)		—	839
Investment income (loss shall be stated as “-”)		—	—
Including: Investment income from associates and jointly controlling entities		—	—
<b>3. Operating profits (loss shall be stated as “-”)</b>		<b>983</b>	1,748
Add: Non-operating income		<b>50</b>	134
Less: Non-operating expenses		<b>2</b>	5
Including: Loss on disposal of non- current assets		—	—
<b>4. Total profits (loss shall be stated as “-”)</b>		<b>1,031</b>	1,877
Less: Income tax expenses		<b>279</b>	333
<b>5. Net profits (loss shall be stated as “-”)</b>		<b>752</b>	1,544
<b>6. Earnings per share:</b>			
(1) Basic earnings per share		<b>0.002</b>	0.003
(2) Diluted earnings per share		<b>0.002</b>	0.003
<b>7. Other comprehensive income</b>		—	—
<b>8. Total comprehensive income</b>		<b>752</b>	1,544
Attributable to owners of the Company		<b>856</b>	1,557
Attributable to non-controlling interests		<b>(104)</b>	(13)

Notes:

## 1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The unaudited consolidated first quarterly results have been prepared on a going concern basis in accordance with the “Enterprise Accounting Standards — Basic Standards” and 38 specific accounting standards, subsequent practice notes, interpretations and other relevant regulations (collectively “ASBEs”) promulgated by the Ministry of Finance in 15 February 2006. In addition, the Company has also disclosed relevant financial information required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”).

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 2012.

## 2 CHANGE IN ACCOUNTING STANDARDS

The Company prepared its financial statements according to relevant requirements under both the Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants and the ASBE issued by the Ministry of Finance of the PRC for the year ended 31 December 2011 and previous years, and disclosed its financial statements prepared under the HKFRS on the Hong Kong Stock Exchange.

According to the “Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong” which was published by the Stock Exchange in December 2010, from 1 January 2012, the Company prepared its financial statements under the ASBE alone, rather than the HKFRS, and disclosed its financial statements prepared under the ASBE on the Hong Kong Stock Exchange. As the Company is incorporated in the Mainland, the Company believes the financial statements prepared under the ASBE comply with the Listing Rules and the disclosure requirements and are in the best interest of the Company.

## 3. OPERATING INCOME

Operating income 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	
	2013	2012
	RMB'000	RMB'000
Drip films and drip assemblies	102,616	101,530
PVC/PE pipelines	41,657	29,845
Provision of installation services	24,721	—
	<u>168,994</u>	<u>131,375</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

The Group has recorded relatively decreased performance when compared to the same period of last year, due to lower prices of our agricultural water-saving fittings under increasingly fierce competition in the industry. However, the Group has maintained a steady growth in sales revenue by virtue of its quality products and brand recognition among customers. We believe that it is the improved customer satisfaction that has facilitated the existence and development of the Group over the long run. Hence, we will continue to provide quality products and services toward bumper harvest and profit of our customers, thereby seeking for the business growth of the Group.

## REVIEW OF RESULTS

The audit committee of the Company, which consists of three independent non executive directors, has reviewed the unaudited consolidated results announcement of the Group for the three months ended 31 March 2013.

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

Xinjiang, the PRC, 24 April 2013

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

\* *For identification purposes only*