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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 2014**

**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 2014.

The unaudited consolidated total comprehensive income attributable to owners of the Company for the nine months ended 30 September 2014 was approximately RMB666,000.

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 2014 together with the unaudited comparative figures for the corresponding period in 2013 as follows:

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014**

		<b>For the nine months ended</b>	
		<b>30th September,</b>	
		<b>2014</b>	<b>2013</b>
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
1. Operating revenue	2	<b>533,425</b>	530,599
Including: Other operating income		<b>11,140</b>	5,563
Operating income		<b>522,285</b>	525,036
2. Operating cost		<b>532,481</b>	529,146
Including: Cost of sales		<b>488,190</b>	482,256
Including: Other operating expenses		<b>8,060</b>	3,356
Operating expenses		<b>480,130</b>	478,900
Business taxes and surcharges		<b>2,276</b>	581
Distribution costs		<b>27,195</b>	28,629
Administrative expenses		<b>15,070</b>	14,627
Finance costs		<b>(205)</b>	3,053
Assets impairment loss		<b>(45)</b>	—
3. Operating profits		<b>944</b>	1,453
Add: Non-operating income		<b>315</b>	664
Less: Non-operating expenses		<b>305</b>	441
4. Total profits		<b>954</b>	1,676
Less: Income tax expenses		<b>630</b>	1,303
5. Net profits		<b>324</b>	373
6. Earnings per share — basic		<b>RMB0.001</b>	RMB0.002
7. Other comprehensive income		—	—
8. Total comprehensive income		<b>324</b>	373
Total consolidated income attributable to owners of the Company		<b>666</b>	855
Total consolidated income attributable to minority interests		<b>(342)</b>	(482)
9. Dividend		—	—

Notes:

## 1. BASIS OF PREPARATION

The unaudited condensed consolidated third 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.

The accounting policies adopted in preparing the unaudited condensed consolidated third quarterly results were in consistent with those applied to the annual financial statements of the Group for the year ended 31st December, 2013.

## 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	
	2014	2013
	RMB'000	RMB'000
Drip films and drip assemblies	324,530	311,712
PVC/PE pipelines	187,246	188,603
Provision of installation services	10,509	24,721
Other operating income	11,140	5,563
	<u>533,425</u>	<u>530,599</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

Profit decline in the Group companies was mainly due to the intensified market competition and the lower selling price of products. The Directors believe that, through introducing refined management across the Group and optimizing its management system, the Group could effectively manage the market risk and improve its business performance.

## 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 2014.

By order of the Board  
**Xinjiang Tianye Water Saving Irrigation System Company Limited\***  
**Chen Lin**  
Chairman

Xinjiang, the PRC, 25 October 2014

*As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Chen Lin (Chairman), Mr. Zhu Jia Ji, Mr. Shao Mao Xu and Mr. Zhang Qiang and four independent non-executive Directors, namely Mr. Mak King Sau, Mr. Qin Ming, Mr. Cao Jian and Mr. Yin Feihu.*

\* For identification purpose only