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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 2015**

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 2015.

The unaudited consolidated total comprehensive loss attributable to owners of the Company for the nine months ended 30 September 2015 was approximately RMB10,681,000.

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 2015 together with the unaudited comparative figures for the corresponding period in 2014 as follows:

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**

	<i>Note</i>	For the nine months ended	
		2015	2014
		RMB'000	RMB'000
		(unaudited)	(unaudited)
1. Operating revenue	2	488,800	533,425
Including: Other operating income		9,590	11,140
Operating income		479,210	522,285
2. Operating cost		508,581	532,481
Including: Cost of sales		452,000	488,190
Business taxes and surcharges		1,537	2,276
Distribution costs		32,529	27,195
Administrative expenses		16,971	15,070
Finance costs		(194)	(205)
Assets impairment loss		5,738	(45)
Add: Investment income		4,778	—
3. Operating (loss) profits		(15,003)	944
Add: Non-operating income		5,373	315
Less: Non-operating expenses		238	305
4. Total (loss) profits		(9,868)	954
Less: Income tax expenses		1,244	630
5. Net (loss) profits		(11,112)	324
6. Earnings/(loss) per share — basic		RMB(0.021)	RMB0.001
7. Other comprehensive income		—	—
8. Total comprehensive income		(11,112)	324
Total consolidated (loss) income attributable to owners of the Company		(10,681)	666
Total consolidated loss attributable to minority interests		(431)	(342)
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, 2014.

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	
	2015	2014
	RMB'000	RMB'000
Drip films and drip assemblies	276,456	324,530
PVC/PE pipelines	192,190	187,246
Provision of installation services	10,564	10,509
Other operating income	9,590	11,140
	<u>488,800</u>	<u>533,425</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

During the reporting period, the effect of the Mainland’s economic downturn on the Group remained lingering. Through various means such as enhanced cost control on production process, technological innovation, open competitive pricing procurement among vendors and procurement hedging on raw materials, the Group achieved a significant outcome in terms of decreasing the production cost and enhancing the corporate efficiency.

The Directors of the Group consider that the Mainland’s economic downturn will effectively promote the rapid elimination of certain less competent enterprises in the industry, which will be conducive to an orderly competitive environment. Meanwhile, the competition in such process will be more brutal, and the operating pressure and challenges exposed to enterprises will be intensified. The Directors of the Group are confident that the Group will be able to get through such stage smooth and steady.

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 2015.

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

Xinjiang, the PRC, 23 October 2015

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*