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新疆天業節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 2016**

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 2016.

The unaudited consolidated total comprehensive income attributable to owners of the Company for the three months ended 31 March 2016 was approximately RMB235,000.

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 2016 together with the unaudited comparative figures for the corresponding period in 2015 as follows:

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 MARCH 2016

		(Unaudited)	
		For the three months ended	
		31 March	
	<i>Note</i>	2016	2015
		<i>RMB'000</i>	<i>RMB'000</i>
1. Operating revenue		148,028	110,751
Including: Operating income	3	148,028	110,751
2. Operating cost		149,512	114,269
Including: Cost of sales		134,548	99,221
Business taxes and surcharges		569	45
Distribution costs		9,019	10,262
Administrative expenses		5,695	4,761
Finance costs		-67	-19
Assets impairment loss		-252	-1
Add: Gain on changes in fair value (loss shall be stated as “-”)		—	—
Investment income (loss shall be stated as “-”)		1,563	—
3. Operating profits (loss shall be stated as “-”)		79	-3,518
Add: Non-operating income		515	42
Less: Non-operating expenses		—	14
4. Total profits (loss shall be stated as “-”)		594	-3,490
Less: Income tax expenses		239	90
5. Net profits (loss shall be stated as “-”)		355	-3,580
6. Earnings per share:			
(1) Basic earnings per share		RMB0.0005	RMB-0.0066
(2) Diluted earnings per share		RMB0.0005	RMB-0.0066
7. Other comprehensive income		—	—
8. Total comprehensive income (loss shall be stated as “-”)		355	-3,580
Attributable to owners of the Company		235	-3,454
Attributable to non-controlling interests		120	-126

Notes:

1. CORPORATE BACKGROUND

Xinjiang Tianye Water Saving Irrigation System Company Limited (hereinafter referred to as the “Company”) was co-founded by the joint investment from Xinjiang Tianye Company Limited and Xinjiang Shihezi Yunfa Investment Company Limited (新疆石河子運發投資有限責任公司). It was registered with the Administration for Industry & Commerce of Xinjiang Uygur Autonomous Region on 27 December 1999, and is headquartered in Shihezi City, Xinjiang Uygur Autonomous Region. The registration number of its business license is 650000410002177 and its registered capital is RMB519,521,560.00, comprising of 519,521,560 shares of RMB1 each, of which 317,121,560 are domestic shares held by legal persons and 202,400,000 are overseas H shares. The Company transferred its listing from the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) to the Main Board of the Stock Exchange on 24 January 2008, with its stock code changed from 8280 to 0840.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The unaudited consolidated first quarterly results have been prepared on a going concern basis. The financial statements prepared by the Company are in accordance with the requirement of the Accounting Standards for Business Enterprises (“ASBE”) to give a true and complete view of the related information about the financial positions and operating results of the Company. In addition, the Company has also disclosed relevant financial information required by the Rules Governing the Listing of Securities on the 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 2015.

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	
	2016	2015
	RMB'000	RMB'000
Drip films and drip assemblies	66,429	54,537
PVC/PE pipelines	60,617	53,964
Provision of installation services	<u>7,419</u>	<u>1,066</u>
	134,465	109,567
Others operating income	<u>13,563</u>	<u>1,184</u>
	<u><u>148,028</u></u>	<u><u>110,751</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.

PROSPECTS

The Directors of the Group are of the opinion that there is still substantial development prospect and room for increase for the agricultural water management and efficient water saving irrigation industry. In light of this, the Group will increase its effort in research and development, accelerate the upgrade and generational change of its products, so as to enhance the core competency of the company.

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 2016.

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

Xinjiang, the PRC, 28 April 2016

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 purposes only*