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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 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 nine months ended 30 September 2016.

The unaudited consolidated total comprehensive income attributable to owners of the Company for the nine months ended 30 September 2016 was approximately RMB440,000.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016**

		For the nine months ended 30th September,	
	<i>Note</i>	2016	2015
		RMB'000	RMB'000
		(unaudited)	(unaudited)
1. Operating revenue	2	508,276	488,800
Including: Other operating income		26,832	9,590
Operating income		481,444	479,210
2. Operating cost		510,127	508,581
Including: Cost of sales		456,939	452,000
Business taxes and surcharges		2,448	1,537
Distribution costs		30,077	32,529
Administrative expenses		21,206	16,971
Finance costs		(291)	(194)
Assets impairment loss		(252)	5,738
Add: Investment income		3,220	4,778
3. Operating profits (loss)		1,369	(15,003)
Add: Non-operating income		1,939	5,373
Less: Non-operating expenses		139	238
4. Total profits (loss)		3,169	(9,868)
Less: Income tax expenses		2,491	1,244
5. Net profits (loss)		678	(11,112)
6. Earnings (loss) per share — basic		RMB0.001	RMB(0.021)
7. Other comprehensive income		—	—
8. Total comprehensive income (loss)		678	(11,112)
Total consolidated income (loss) attributable to owners of the Company		440	(10,681)
Total consolidated income (loss) attributable to minority interests		238	(431)
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, 2015.

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	
	2016	2015
	RMB'000	RMB'000
Drip films and drip assemblies	261,599	276,456
PVC/PE pipelines	197,863	192,190
Provision of installation services	22,084	10,564
Other operating income	26,730	9,590
	<u>508,276</u>	<u>488,800</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, through the implementation of various measures such as reinforcing the cost control for the production process, increasing the labors' productivity, launching of new products, conducting quality-to-price procurement from suppliers and enhancing efforts in market development, the Group has significantly improved the economic efficiency.

The Group is of the opinion that the domestic economy is currently in a slow and steady state. As the supply-side reform has been implementing in full swing, it is beneficial to alleviate the pressures faced by the industry. The Group will speed up the research and development as well as the promotion of application for its new products by implementing the construction of the project of effective water saving and agricultural irrigation in Xinjiang, and will give further impetus to the development of the Group accordingly. The Directors of the Group believe that the Group is capable of achieving a good operating result.

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 2016.

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

Xinjiang, the PRC, 26 October 2016

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Chen Lin (Chairman), Mr. Zhang Qiang, Mr. Li He and Mr. Yang Wan Sen, and three independent non-executive Directors, namely Mr. Yin Feihu, Mr. Qin Ming and Mr. Mak King Sau.

* *For identification purpose only*