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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 2017**

**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 2017.

The unaudited consolidated total comprehensive income attributable to owners of the Company for the nine months ended 30 September 2017 was approximately RMB3,573,000.

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 2017 together with the unaudited comparative figures for the corresponding period in 2016 as follows:

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017**

		<b>For the nine months ended</b>	
		<b>30th September,</b>	
		<b>2017</b>	<b>2016</b>
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
1. Operating revenue	2	519,233	508,276
Including: Other operating income		17,628	26,832
Operating income		<u>501,605</u>	<u>481,444</u>
2. Operating cost		514,988	510,127
Including: Cost of sales		463,024	456,939
Business taxes and surcharges		2,674	2,448
Distribution costs		27,533	30,077
Administrative expenses		23,205	21,206
Finance costs		(1,425)	(291)
Assets impairment loss		(23)	(252)
Add: Investment income		<u>—</u>	<u>3,220</u>
3. Operating profits		4,245	1,369
Add: Non-operating income		1,207	1,939
Less: Non-operating expenses		<u>112</u>	<u>139</u>
4. Total profits		5,340	3,169
Less: Income tax expenses		<u>1,135</u>	<u>2,491</u>
5. Net profits		<u><u>4,205</u></u>	<u><u>678</u></u>
6. Earnings per share — basic		<u><u>RMB0.007</u></u>	<u><u>RMB0.001</u></u>
7. Other comprehensive income		—	—
8. Total comprehensive income		4,205	678
Total consolidated income attributable to owners of the Company		3,573	440
Total consolidated income attributable to minority interests		<u><u>632</u></u>	<u><u>238</u></u>
9. Dividend		<u><u>—</u></u>	<u><u>—</u></u>

*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, 2016.

**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:

	<b>For the nine months ended</b>	
	<b>30 September</b>	
	<b>2017</b>	<b>2016</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Drip films and drip assemblies	<b>253,344</b>	261,599
PVC/PE pipelines	<b>160,823</b>	197,863
Provision of installation services	<b>87,438</b>	22,084
Other operating income	<b>17,628</b>	26,730
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	<b>519,233</b>	508,276
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*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**

The Group considers that ongoing investments from the Chinese government into the construction of agricultural efficient water-saving irrigation infrastructure will present opportunities and potential for the sustainability of the efficient water-saving irrigation business. As a result, the Group will facilitate the strategic implementation of distinct, diverse and premier products by developing and applying our new products and technologies to upgrade our water-saving equipment, which in return will increase and enhance our core competitive strengths.

## 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 2017.

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

Xinjiang, the PRC, 27 October 2017

*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*