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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 2019**

**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 2019.

The total unaudited consolidated loss attributable to owners of the Company for the nine months ended 30 September 2019 was approximately RMB6,059,000.

This announcement is made voluntarily by the Company pursuant to the requirement(s) 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 2019 together with the unaudited comparative figures for the corresponding period in 2018 as follows:

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME**

*FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019*

		<b>For the nine months ended 30th September,</b>	
	<i>Note</i>	<b>2019</b>	2018
		<b>RMB’000</b>	<b>RMB’000</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
<b>1. Operating revenue</b>	2	<b>405,309</b>	324,898
Including: Other operating income		<b>2,395</b>	11,519
Operating income		<b>402,914</b>	313,379
<b>2. Operating cost</b>		<b>412,675</b>	345,540
Including: Cost of sales		<b>335,730</b>	297,316
Business taxes and surcharges		<b>2,445</b>	2,184
Distribution costs		<b>42,826</b>	22,961
Administrative expenses		<b>29,526</b>	22,734
Research and development costs		<b>1,758</b>	771
Finance costs		<b>(732)</b>	(213)
Assets impairment loss		<b>1,122</b>	(213)
Less: Loss on disposal of assets		<b>87</b>	(751)
Add: Other income		<b>1,085</b>	1,057
<b>3. Operating profits (losses shall be stated as “–”)</b>		<b>(6,194)</b>	(20,336)
Add: Non-operating income		<b>415</b>	93
Less: Non-operating expenses		<b>40</b>	82
<b>4. Total profits (losses shall be stated as “–”)</b>		<b>(5,819)</b>	(20,325)
Less: Income tax expenses		<b>724</b>	397
<b>5. Net profits (losses shall be stated as “–”)</b>		<b>(6,543)</b>	(20,722)

	<b>For the nine months ended</b>	
	<b>30th September,</b>	
	<b>2019</b>	<b>2018</b>
<i>Note</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>6. Earnings/(Losses) per share — basic</b>	<b><u>RMB(0.013)</u></b>	<b><u>RMB(0.040)</u></b>
<b>7. Other comprehensive income</b>	—	—
<b>8. Total comprehensive income</b>	<b>(6,059)</b>	<b>(20,722)</b>
Total consolidated income attributable to owners of the Company	<b><u>(484)</u></b>	<b><u>(20,403)</u></b>
Total consolidated income attributable to minority interests	<b><u>(6,543)</u></b>	<b><u>(319)</u></b>
<b>9. Dividend</b>	—	—

## 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 31 December 2018.

### 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	
	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>
Drip films and drip assemblies	107,282	97,283
PVC/PE pipelines	259,840	164,796
Provision of installation services	35,792	51,300
Other operating income	2,395	11,519
	<u>405,309</u>	<u>324,898</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**

The Group is view of that the water-saving agricultural irrigation industry in the PRC has a promising future, despite the increasingly fierce market competition resulting from the established market and scale in such industry. The Group effectively improved its economic efficiency by adopting various measures, such as strengthening the cost control in the production process, disposing of equipment, revitalizing idle assets, increasing labor productivity, and increasing efforts in research and development and market development for new products.

The Group believes that with the continuous implementation of reform of state-owned enterprises, the implementation of various reforms has enhanced the Group's internal vitality and market competitiveness.

## **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 2019.

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

Xinjiang, the PRC, 29 October 2019

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Chen Lin (Chairman), Mr. Huang Dong and Mr. Tan Xinmin, and four independent non-executive Directors, namely Mr. Yin Feihu, Mr. Qin Ming, Ms. Gu Li and Mr. Hung Ee Tek.*

\* *For identification purpose only*