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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 THREE MONTHS ENDED 31 MARCH 2023**

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 2023.

The unaudited consolidated total comprehensive gain attributable to owners of the Company for the three months ended 31 March 2023 was approximately RMB488,000.

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 (the “**Board**”) of directors (the “**Directors**”) 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 2023 together with the unaudited comparative figures for the corresponding period in 2022 as follows:

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2023

		(Unaudited)	
		For the three months ended	
		31 March	
		2023	2022
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
1. Operating revenue		301,586	256,291
Including: Operating income	3	301,586	256,291
2. Operating cost		307,680	268,313
Including: Cost of sales		289,402	249,990
Business taxes and surcharges		663	412
Distribution costs		5,150	6,740
Administrative expenses		10,702	9,564
Research and development expenses		1,175	1,193
Finance costs		589	414
Assets impairment loss		0	0
Add: Gains from disposal of assets (loss shall be stated as “–”)		5,062	16
Other income		1,401	251
		<hr/>	<hr/>
3. Operating profits (loss shall be stated as “–”)		369	–11,755
Add: Non-operating income		129	434
Non-operating expenses		1	50
		<hr/>	<hr/>
4. Total profits (loss shall be stated as “–”)		497	–11,371
Less: Income tax expenses		54	11
		<hr/>	<hr/>
5. Net profits (loss shall be stated as “–”)		443	–11,382
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(Unaudited)
For the three months ended
31 March

	2023	2022
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
6. Earnings per share:		
(loss shall be stated as “-”)		
(1) Basic earnings per share	0.0009	-0.0222
(2) Diluted earnings per share	0.0009	-0.0222
7. Other comprehensive income	0	0
8. Total comprehensive income		
(loss shall be stated as “-”)	443	-11,382
Attributable to owners of the Company	488	-11,529
Attributable to non-controlling interests	-45	147
	<u> </u>	<u> </u>

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 27th December 1999, and is headquartered in Shihezi City, Xinjiang Uygur Autonomous Region. The creditability code of its Business License of Enterprise Legal Person is 91650000757655578C and its registered capital is RMB519,521,560.00, comprising of 519,521,560 shares of RMB1 each in aggregate, of which 317,121,560 are domestic shares held by legal persons and 202,400,000 are overseas H shares. The Company transferred its share listing from the Growth Enterprise Market (“**GEM**”) of the Stock Exchange to the Main Board of the Hong Kong Stock Exchange on 24 January 2008, with its Stock Code changed from 8280 to 0840.

The Company operates in the plastic product manufacturing industry. Its business scope mainly covers production and sale of PVC materials for water supply pipes, PE piping materials and accessories, pressure compensatory drip tapes, labyrinth-style drip tapes, embedded-style drip tapes, agricultural tapes and drippers. It engages in water-saving irrigation project installation, high-standard farmland construction, integrated agricultural services, smart agriculture and raw material trading business, with an annual production capacity of 6 million tonnes of agricultural tapes, water saving drip irrigation devices and ancillary capabilities, is the first domestic one-stop water-saving irrigation service provider integrating production, research and development, sales, training, engineering services and technology export.

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 2022.

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	
	2023 RMB'000	2022 RMB'000
Drip films and drip assemblies	8,504	10,721
PVC/PE pipelines	46,797	38,027
Project income	55,885	33,506
Trade income	183,316	156,218
	<u>294,502</u>	<u>238,472</u>
Others operating income	<u>7,084</u>	<u>17,819</u>
	<u><u>301,586</u></u>	<u><u>256,921</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.

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 2023.

By order of the Board
Xinjiang Tianye Water Saving Irrigation System Company Limited*
Li He
Chairman

Xinjiang, the PRC, 20 April 2023

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Li He (Chairman), Ms. Yang Ling and Mr. Jiang Dayong, and four independent non-executive Directors, namely Mr. Li Lianjun, Ms. Gu Li, Mr. Hung Ee Tek and Mr. He Xinlin.

* *For identification purpose only*