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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 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 nine months ended 30 September 2023.

The unaudited total comprehensive profit of the Company for the nine months ended 30 September 2023 was approximately RMB8,549,000.

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 2023 together with the unaudited comparative figures for the corresponding period in 2022 as follows:

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023**

	<i>Note</i>	For the nine months ended	
		2023	2022
		<i>RMB’000</i>	<i>RMB’000</i>
		(unaudited)	(unaudited)
1. Operating revenue	2	1,725,608	1,089,408
Including: Operating income		1,707,517	1,039,444
2. Total operating cost		1,719,803	1,137,055
Including: Cost of sales		1,650,522	1,075,228
Business taxes and surcharges		3,091	2,501
Distribution costs		24,735	21,004
Administrative expenses		36,117	32,424
Research and development expenses		4,703	4,453
Finance costs		789	1,478
Asset impairment losses		(6)	—
Credit impairment losses		(148)	(33)
(reversal of impairment losses shall be stated as “—”)			
Add: Gains from disposal of assets (losses shall be stated as “—”)		5,125	(162)
Add: Other income		6,019	3,817
3. Operating profits (losses shall be stated as “—”)		16,949	(43,992)
Add: Non-operating income		580	3,808
Less: Non-operating expenses		(1,672)	(143)
4. Total profits (losses shall be stated as “—”)		15,857	(40,327)
Less: Income tax expenses		(7,308)	561
5. Net profits (losses shall be stated as “—”)		8,549	(40,888)

	For the nine months ended	
	30th September,	
	2023	2022
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
6. Earnings/(losses) per share — basic	<u>RMB0.0165</u>	<u>RMB(0.078)</u>
7. Other comprehensive income	—	—
8. Total comprehensive profits (losses shall be treated as “—”)	<u>8,549</u>	<u>(40,888)</u>
Total comprehensive profits/(losses) attributable to owners of the parent company	5,222	(40,524)
Total comprehensive profits/(losses) attributable to minority interests	3,327	(364)
9. Dividend	<u>—</u>	<u>—</u>

NOTES:

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The unaudited condensed consolidated third quarterly results have been prepared on a going concern basis in accordance with the Accounting Standards for Business Enterprises-Basic Standards and 38 specific accounting standards issued by the Ministry of Finance on 15 February 2006, and Application Guidance for Accounting Standards for Business Enterprises, Interpretation of Accounting Standards for Business Enterprises and other relevant requirements issued thereafter (collectively “ASBEs”).

The accounting policies adopted in preparing the unaudited condensed consolidated financial statements are in consistent with those adopted in the annual financial statements of the Group for the year ended 31 December 2022.

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,	
	2023	2022
	RMB'000	RMB'000
Drip films and drip assemblies	81,812	32,329
PVC/PE pipelines	327,252	121,159
Engineering income	538,263	243,163
Income from trading	760,190	642,794
Other operating income	18,091	49,963
	<u>1,725,608</u>	<u>1,089,408</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

In recent years, the government has significantly strengthened its investment efforts in the rural water conservancy industry, particularly focusing on the construction of high-standard farmland and water-saving irrigation projects, as well as the modernization of agriculture. In close alignment with the “14th Five-Year Plan” development blueprint and the direction of national policies, the Company positioned “modern agriculture” as its main business, and strategically developed modern agricultural industry clusters, including products featuring “irrigation, fertilization, and salination”, agricultural water and soil engineering, digital agricultural services for water-saving, deep processing of agricultural products and agricultural trade logistics. The Company achieved specialized, intensive, and large scale development through financial innovation, scientific research innovation, and model innovation, built itself as a comprehensive digital water-saving agricultural service provider, and served as a key contributor to the government’s socialization efforts in modern agricultural services.

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 2023.

By order of the Board
Xinjiang Tianye Water Saving Irrigation System Company Limited*
Zhou Gang
Chairman

Xinjiang, the PRC, 31 October 2023

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Zhou Gang (Chairman), Mr. Han Gen 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*