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新疆天業節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 2021**

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 2021.

The unaudited total comprehensive loss of the Company for the nine months ended 30 September 2021 was approximately RMB797,000.

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 2021 together with the unaudited comparative figures for the corresponding period in 2020 as follows:

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

	Note	For the nine months ended 30th September,	
		2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
1. Operating revenue	2	718,870	475,065
Including: Other operating income		75,413	17,491
Income from principal businesses		643,457	457,574
2. Total operating cost		725,175	476,376
Including: Cost of sales		663,778	415,980
Business taxes and surcharges		2,988	2,829
Distribution costs		26,878	28,545
Administrative expenses		31,708	27,468
Research and development costs		4,126	2,703
Finance costs		1,012	1,173
Credit impairment losses (reversal of impairment losses shall be stated as “—”)		(5,315)	(2,322)
Less: Gains from disposal of assets (losses shall be stated as “—”)		89	(442)
Add: Investment gains		—	692
Add: Other income		3,757	1,405
3. Operating profits (losses shall be stated as “—”)		(2,459)	344
Add: Non-operating income		3,264	303
Less: Non-operating expenses		183	189
4. Total profits (losses shall be stated as “—”)		622	458
Less: Income tax expenses		1,419	662
5. Net profits (losses shall be stated as “—”)		(797)	(204)

	For the nine months ended	
	30th September,	
	2021	2020
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
6. Earnings/(losses) per share — basic	<u>RMB(0.0015)</u>	<u>RMB(0.0004)</u>
7. Other comprehensive income	—	—
8. Total comprehensive profits (losses shall be treated as “—”)	<u>(797)</u>	<u>(204)</u>
Total comprehensive profits/(losses) attributable to owners of the parent company	(1,993)	(724)
Total comprehensive profits/(losses) attributable to minority interests	1,196	520
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 2020.

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	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Drip films and drip assemblies	54,951	104,979
PVC/PE pipelines	193,277	220,978
Engineering income	147,498	131,617
Income from trading	247,731	—
Other operating income	75,413	17,491
	<u>718,870</u>	<u>475,065</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 believes that the efficient water-saving irrigation industry in the PRC enjoys bright market prospects since China has increased its support and strengthened its financing for such industry on a year-on-year basis in recent years, which are opening up new areas and providing new development opportunities for intensive management and intelligent application in China's water-saving irrigation equipment industry, while the government closely centers on the comprehensive promotion of rural revitalization and accelerates the modernization of agriculture and rural areas in an attempt to advance the construction of high-standard farmland.

The Group closely focuses on the 14th Five-Year Plan with its strategic positioning to “build an open industry development model with a digital agricultural operation management system as its core direction with its principal businesses based on products, engineering, agricultural services and trade”, which will effectively improve the economic efficiency of the Company and open a new chapter for the development of water-saving agriculture.

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 2021.

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

Xinjiang, the PRC, 29 October 2021

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*