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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 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 three months ended 31 March 2019.

The unaudited consolidated total comprehensive loss attributable to owners of the Company for the three months ended 31 March 2019 was approximately RMB11,679,000.

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 three months ended 31 March 2019 together with the unaudited comparative figures for the corresponding period in 2018 as follows:

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2019

		(Unaudited)	
		For the three months ended	
		31 March	
		2019	2018
		<i>RMB'000</i>	<i>RMB'000</i>
	<i>Note</i>		
1. Operating revenue		72,295	79,252
Including: Operating income	3	72,295	79,252
2. Operating cost		84,507	83,739
Including: Cost of sales		65,613	70,996
Business taxes and surcharges		446	530
Distribution costs		8,598	5,914
Administrative expenses		9,496	6,535
Finance costs		36	-23
Assets impairment loss		-8	-213
Add: Gain on changes in fair value (loss shall be stated as “-”)		-5	2
Other income		300	355
3. Operating profits (loss shall be stated as “-”)		-11,917	-4,185
Add: Non-operating income		2	4
Less: Non-operating expenses		3	24
4. Total profits (loss shall be stated as “-”)		-11,918	-4,151
Less: Income tax expenses		0	77
5. Net profits (loss shall be stated as “-”)		-11,918	-4,228

(Unaudited)
For the three months ended
31 March

	2019	2018
<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	-0.0229	0.0076
(2) Diluted earnings per share	-0.0229	0.0076
7. Other comprehensive income	0	0
8. Total comprehensive income		
(loss shall be stated as “-”)	-11,918	-4,228
Attributable to owners of the Company	-11,679	-3,973
Attributable to non-controlling interests	-239	-255
	<u>-11,918</u>	<u>-4,228</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.

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 2018.

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	
	2019 RMB'000	2018 RMB'000
Drip films and drip assemblies	19,342	16,718
PVC/PE pipelines	47,365	40,582
Provision of installation services	5,537	16,674
	<u>72,244</u>	<u>73,974</u>
Others operating income	<u>51</u>	<u>5,277</u>
	<u><u>72,295</u></u>	<u><u>79,252</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 AND PROSPECTS

The Group is of the view that water-saving irrigation industry in the PRC enjoys enormous potential for future development and that the water-saving agricultural irrigation industry continues to be one of the industries that the Chinese government focuses on and prioritizes on its development agenda. As the Chinese government promotes the scale, intensification, specialization and standardization in agricultural efficient water-saving irrigation and the construction of water conservancy projects in a step-by-step manner, it will greatly promote the rapid growth of the water-saving industry.

By making full use of its own technology and market advantages, the Group will increase investment in the research and development of new product and application of new technology, accelerate the layout of the industrial chain to further expand and enhance the core competitiveness of the Group through the implementation of strategic initiatives for diversifying and differentiating the premier products.

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 2019.

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

Xinjiang, the PRC, 25 April 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*