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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 2022**

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 2022.

The unaudited total comprehensive loss of the Company for the nine months ended 30 September 2022 was approximately RMB40,888,000.

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 2022 together with the unaudited comparative figures for the corresponding period in 2021 as follows:

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

	Note	For the nine months ended 30th September,	
		2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
1. Operating revenue	2	1,089,408	718,870
Including: Operating income		1,039,444	643,457
2. Total operating cost		1,137,055	725,175
Including: Cost of sales		1,075,228	669,459
Business taxes and surcharges		2,501	2,988
Distribution costs		21,004	21,197
Administrative expenses		32,424	31,708
Research and development costs		4,453	4,126
Finance costs		1,478	1,012
Credit impairment losses (reversal of impairment losses shall be stated as “—”)		(33)	(5,315)
Add: Gains from disposal of assets (losses shall be stated as “—”)		(162)	89
Add: Other income		3,817	3,757
3. Operating profits (losses shall be stated as “—”)		(43,992)	(2,459)
Add: Non-operating income		3,808	3,264
Less: Non-operating expenses		143	183
4. Total profits (losses shall be stated as “—”)		(40,327)	622
Less: Income tax expenses		561	1,419
5. Net profits (losses shall be stated as “—”)		(40,888)	(797)

	For the nine months ended	
	30th September,	
	2022	2021
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
6. Earnings/(losses) per share — basic	<u>RMB(0.078)</u>	<u>RMB(0.0015)</u>
7. Other comprehensive income	—	—
8. Total comprehensive profits (losses shall be treated as “—”)	<u>(40,888)</u>	<u>(797)</u>
Total comprehensive profits/(losses) attributable to owners of the parent company	(40,524)	(1,993)
Total comprehensive profits/(losses) attributable to minority interests	(364)	1,196
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 2021.

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	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Drip films and drip assemblies	32,329	54,951
PVC/PE pipelines	121,159	193,277
Engineering income	243,163	147,498
Income from trading	642,794	247,731
Other operating income	49,963	75,413
	<u>1,089,408</u>	<u>718,870</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 given priority to increasing investments in the water conservancy industry in rural areas, by taking the construction and modernization of water supply and water-saving irrigation in rural areas as important missions. By closely centering around the development programs under the “14th Five-Year Plan”, the Company persistently pursues the general policy of prioritizing the development of agriculture and rural areas, and closely keeps abreast of national policies and orientation. Furthermore, on top of continuing to consolidate and strengthen our traditional business segments, we will address weak links of emerging businesses so as to realize the common development of “design + product + engineering + agricultural services”. In line with the development strategy of rural revitalization, we will continue to facilitate agricultural modernization in rural areas, while advancing construction of high-standard farmland. In return, these ongoing efforts will effectively improve the Company’s economic performances and create a new chapter in 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 2022.

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

Xinjiang, the PRC, 28 October 2022

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*