

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities.



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)

INSIDE INFORMATION ANNOUNCEMENT

This announcement is made by Xinjiang Tianye Water Saving Irrigation System Company Limited (the “**Company**”) pursuant to the Inside Information Provisions (“**Inside Information Provisions**”) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited.

Reference is made to the announcement (the “**Announcement**”) of the Company dated 21 February 2023 in relation to, among other things, the Proposed Restructuring and the SFC waiving the obligation of Tianye Group to make a general offer pursuant to Note 6(a) to Rule 26.1 of the Takeovers Code in relation to the Proposed Restructuring (the “**Waiver**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company has been informed by its controlling shareholder, Tianye Group, that on 7 March 2023, Tianye Group entered into an equity transfer agreement (the “**Equity Transfer Agreement**”) with Tianye Company for the implementation of the Proposed Restructuring. Major terms of the Equity Transfer Agreement are set out as follows:

Date : 7 March 2023

Parties : (i) Tianye Company (as the transferor); and
(ii) Tianye Group (as the transferee)

Equity transfer and consideration : Tianye Company transferred all of its equity interests in the Company (i.e. 202,164,995 domestic shares, representing approximately 38.91% of all the issued shares of the Company) to Tianye Group at a consideration of RMB188,873,200.

The consideration was determined based on the valuation report prepared by an independent qualified valuer, Yu Wei International Asset Appraisal (Shenzhen) Co., Ltd. (宇威國際資產評估(深圳)有限公司), which adopts the market approach and the asset-based approach to appraise the value of all the shareholders’ equity interest in the Company as at 30 September 2022.

Conditions precedent : The Equity Transfer Agreement shall take effect upon fulfilment of all of the following conditions:

- (i) the Equity Transfer Agreement and the transaction contemplated thereunder being approved by the shareholders of Tianye Company at its general meeting; and
- (ii) the Waiver remaining valid and not being revoked.

Upon completion of the transaction under the Equity Transfer Agreement, Tianye Group will continue to be the controlling shareholder of the Company and directly hold approximately 60.42% of all the issued shares of the Company while Tianye Company will no longer hold any issued shares of the Company.

The Equity Transfer Agreement is subject to the satisfaction of its conditions precedent and there can be no assurance that the transaction under the Equity Transfer Agreement will eventually be consummated. The Company will publish further announcement on the progress of the transaction under the Equity Transfer Agreement as and when appropriate and in accordance with the Listing Rules and Inside Information Provisions.

Shareholders of the Company and the public are reminded to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 7 March 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 purposes only*