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: 00840)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE, 2026

SUMMARY

- Total operating revenue for the six months ended 30th June, 2026 was approximately RMB558,431,000, representing an increase of approximately 74.54% from approximately RMB319,937,000 for the corresponding period in the previous year.

- Unaudited net profit for the six months ended 30th June, 2026 was approximately RMB68,000, while net loss for the corresponding period in the previous year was approximately RMB15,499,000. The unaudited net profit attributable to owners of the parent company for the six months ended 30th June, 2026 was approximately RMB19,000, as compared with the net loss of approximately RMB15,621,000 for the corresponding period in the previous year.

- Basic earnings per share for the six months ended 30th June, 2026 were approximately RMB0.00004 (basic losses per share for the corresponding period in 2025: RMB0.030).

- The Board does not recommend the payment of interim dividend for the six months ended 30th June, 2026 (for the corresponding period in 2025: nil).

FOR THE SIX MONTHS ENDED 30TH JUNE, 2026

The board (the "**Board**") of directors (the "**Directors**") of Xinjiang Tianye Water Saving Irrigation System Company Limited (the "**Company**") hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 30th June, 2026, together with the comparative figures for the corresponding period in 2025. These unaudited interim financial statements have been reviewed by the audit committee (the "**Audit Committee**") of the Company.

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30th June,	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
1. Total operating revenue	3	**558,431**	319,937
Including: Other operating income		**63,992**	2,076
Income from principal businesses		**494,439**	317,861
2. Total operating cost		**562,158**	338,106
Including: Cost of sales		**524,425**	295,296
Business taxes and surcharges		**1,883**	2,002
Distribution costs		**3,678**	7,407
Administrative expenses		**29,243**	29,789
Research and development expenses		**5,369**	4,574
Finance costs		**588**	1,397
Asset impairment loss		**(256)**	(256)
Credit impairment loss		**(2,772)**	(1,398)
Add: Other income		**5,887**	3,023
Gain from disposal of assets		**76**	705
3. Operating (losses)/profits		**2,236**	(15,146)
Add: Non-operating income		**403**	501
Non-operating expenses		**(167)**	(132)
4. Total profits	5	**2,472**	(14,777)
Less: Income tax expenses	6	**(2,403)**	(722)
5. Net (loss)/profit		**68**	(15,499)
Net (loss)/profit attributable to owners of the parent company		**19**	(15,621)
Profit/(loss) attributable to minority interests		**49**	122

	Notes	For the six months ended 30th June,	
		2026	2025
		RMB'000	*RMB'000*
		(unaudited)	(unaudited)
6. Profit/(loss) per share — basic	7	**RMB0.00004**	RMB(0.030)
7. Other comprehensive income		**—**	—
8. Total comprehensive (loss)/profit		**68**	(15,499)
Total comprehensive (loss)/profit attributable to owners of the parent company		**19**	(15,621)
Total comprehensive profit/(loss) attributable to minority interests		**49**	122
9. Dividend	8	**—**	—

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30th June, 2026 *RMB'000* (unaudited)	As at 31st December, 2025 *RMB'000* (audited)
Current assets:			
Cash		**330,137**	477,698
Trade receivables	9	**300,748**	220,348
Receivables financing		**8,978**	2,722
Prepayments		**123,774**	69,364
Other receivables		**24,947**	22,753
Inventories		**216,573**	172,956
Contract assets		**0.00**	111,025
Other current assets		**15,638**	16,425
Total current assets		**1,020,795**	1,093,291
Non-current assets:			
Long-term equity investments		**0.00**	0.00
Fixed assets		**105,898**	104,379
Construction in progress		**456**	1,174
Productive biological assets	10	**34,499**	32,313
Right-of-use assets		**40,651**	39,804
Intangible assets		**13,803**	14,230
Development expenses		**6,560**	—
Long-term deferred expenses		**4,575**	5,138
Deferred income tax assets		**2,952**	2,952
Total non-current assets		**209,394**	199,990
Total assets		**1,230,189**	1,293,281
Current liabilities:			
Short-term borrowings		**50,000**	20,015
Trade payables	11	**381,449**	403,815
Contract liabilities		**258,436**	332,038
Employee remuneration payables		**4,725**	5,432
Taxes payables		**3,244**	2,134
Other payables		**39,806**	44,617
Non-current liabilities due within one year		—	53,035
Other current liabilities		—	4,952
Total current liabilities		**737,660**	866,038

	Notes	As at 30th June, 2026 RMB'000 (unaudited)	As at 31st December, 2025 RMB'000 (audited)
Non-current liabilities:			
Long-term borrowings		**50,000**	—
Lease liabilities		**52,025**	44,216
Deferred income		**27,696**	26,394
Deferred income tax liabilities		**36**	25
Total non-current liabilities		**129,757**	70,635
Total liabilities		**867,417**	936,673
Equity of owners:			
Share capital		**519,522**	519,522
Capital reserve		**52,932**	52,932
Special reserve		**6,096**	—
Surplus reserve		**34,724**	34,724
Retained earnings		**(280,299)**	(280,317)
Total equity attributable to owners of the parent company		**332,975**	326,861
Minority interests		**29,796**	29,747
Total equity of owners		**362,771**	356,608
Total liabilities and equity of owners		**1,230,189**	1,293,281

CONDENSED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the six months ended 30th June, 2026

	Share capital *RMB'000* (unaudited)	**Capital reserve** *RMB'000* (unaudited)	**Special reserve** *RMB'000* (unaudited)	**Surplus reserve** *RMB'000* (unaudited)	**Retained earnings** *RMB'000* (unaudited)	**Total equity attributable to owners of the parent company** *RMB'000* (unaudited)	**Minority interests** *RMB'000* (unaudited)	**Total equity** *RMB'000* (unaudited)
At 1st January, 2026	**519,522**	**52,932**	**—**	**34,724**	**(280,317)**	**326,861**	**29,747**	**356,608**
Total comprehensive loss for the period	**—**	**—**	**6,096**	**—**	**18**	**6,114**	**50**	**6,164**
At 30th June, 2026	**519,522**	**52,932**	**6,096**	**34,724**	**(280,299)**	**332,975**	**29,797**	**362,772**
At 1st January, 2025	519,522	52,932	33	34,724	(225,493)	381,718	28,290	410,008
Total comprehensive income for the period	—	—	4,587	—	(15,621)	(11,034)	122	(10,912)
At 30th June, 2025	519,522	52,932	4,620	34,724	(241,114)	370,684	28,412	399,096

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30th June, 2026

	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Net cash flow generated from operating activities	**(176,970)**	(90,368)
Net cash flow generated from investing activities	**(99)**	713
Net cash flow generated from financing activities	**29,508**	27,582
Net increase in cash and cash equivalents	**(147,561)**	(62,073)
Balance of cash and cash equivalents at 1st January	**477,698**	422,324
Balance of cash and cash equivalents at 30th June	**330,137**	360,251

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended 30th June, 2026

1. GENERAL

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 Unified Social Credit Identifier of the Company's current Business License 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 shares are domestic shares held by legal persons and 202,400,000 shares are overseas H shares. The Company transferred its share listing from the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") to the Main Board of the Stock Exchange on 24th 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 sales of PVC materials for water supply pipes, PE piping materials and accessories, pressure compensatory drip tapes, labyrinth-style drip tapes, embedded-style drip tapes, and agricultural tapes and drippers. It engages in water-saving irrigation project construction and installation, as well as the land-based agricultural services, with an annual production capacity of 6 million tonnes of agricultural tapes, water saving drip irrigation devices and ancillary capabilities, is the first domestic one-stop water-saving irrigation service provider integrating production, research and development, sales, training, engineering services and technology export.

The Company included 16 subsidiaries, namely, Gansu Tianye Water Saving Device Co., Ltd* (hereinafter referred to as "**Gansu Tianye**"), Xinjiang Tiantun Supply Chain Co., Ltd* (hereinafter referred to as "**Tiantun Supply Chain**"), Akesu Tianye Water Saving Co., Ltd* (hereinafter referred to as "**Akesu Tianye**"), Shihezi Tiancheng Water Saving Device Co., Ltd (hereinafter referred to as "**Tiancheng Water Saving**"), Liaoning Tianye Water Saving Irrigation Co., Ltd* (hereinafter referred to as "**Liaoning Tianye**"), Xinjiang Tianye Nanjiang Water Saving Agriculture Co., Ltd* (hereinafter referred to as "**Nanjiang Water Saving**"), Zhongxinnong Modern Water Saving Technology Company Limited* (hereinafter referred to as "**Zhongxinnong Water Saving**"), Xinjiang Tianye Wisdom Agriculture Technology Company Limited* (hereinafter referred to as "**Wisdom Agriculture**"), Shihezi Xiyu Water Conservancy and Hydropower Construction and Installation Engineering Co., Ltd.* (hereinafter referred to as "**Xiyu Water Conservancy**"), Shihezi Tianye Xiying Water Saving Device Co., Ltd.* (hereinafter referred to as "**Xiying Water Saving**"), Liaoning Tianfu Ecological Agriculture Development Group Co., Ltd.* (hereinafter referred to as "**Tianfu Ecological**"), Xinjiang Hongrui Huixin New Material Technology Co., Ltd.* (hereinafter referred to as "**Hongrui Huixin**"), Xinjiang Tianye Modern Agricultural Technology Co., Ltd.* (hereinafter referred to as "**Modern Agricultural**"), Beijing Tianye International Agricultural Engineering and Technology Co., Ltd.* (hereinafter referred to as "**Beijing Tianye**"), Shihezi Silu Tianyang Pre-Mixed Concrete Co., Ltd.* (hereinafter referred to as "**Silu Tianyang**") and Henan Tianye Modern Agricultural Technology Co., Ltd.* (hereinafter referred to as "**Henan Tianye**") into the consolidated financial statements for the period. For details, please refer to the change in the scope of consolidation and information on interests in other entities as set forth in the notes to these financial statements.

The unaudited condensed consolidated financial statements are presented in Renminbi ("**RMB**"), which is the functional currency of the Group.

2. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATE

The Company's unaudited condensed consolidated financial statements have been prepared on a going concern basis in accordance with the "Accounting Standards for Business Enterprises — Basic Standards" (《企業會計準則 — 基本準則》) and 38 specific accounting standards, subsequent practice notes, interpretations and other relevant regulations (collectively "**ASBEs**") promulgated by the Ministry of Finance on 15th February, 2006. In addition, the Company has also disclosed relevant financial information required by Appendix D2 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The accounting policies applied are consistent with those as referred to in the annual financial statements for the year ended 31st December, 2025, save for the new and amended standards as set forth below.

3. TOTAL OPERATING REVENUE

Total operating revenue is measured at the fair value of the consideration received and receivables for goods sold to external customers, net of value-added tax, returns and discounts, and the consideration received and receivables for the services provided during the period, and is analysed as follows:

	For the six months ended 30th June,	
	2026	2025
	RMB'000	*RMB'000*
Drip tapes and drip assemblies	**14,348**	293
PVC/PE pipelines	**30,518**	74,678
Income from trading	**195,116**	65,404
Provision of installation services	**241,957**	170,564
Building materials products	**11,798**	4,396
Other operating income	**64,694**	4,602
	558,431	319,937

Notes:

1. According to the sales mix of the Group, drip assemblies are usually sold as auxiliary products of drip tapes. Therefore, drip tapes and drip assemblies are classified under the same category.

2. Other operating income was primarily attributable to income derived from external processing of spare and accessory parts by mechanical workshops and gain from fixed assets leasing.

3. Building materials products are purchased from Shihezi Silu Tianyang Pre-Mixed Concrete Co., Ltd.*

4. BUSINESS AND GEOGRAPHICAL SEGMENT

During the period, the sole principal activity of the Group was the design, manufacture, installation and sales of irrigation system and equipment and related operations in the PRC and accordingly, no analysis of business and geographical segment is presented.

5. TOTAL PROFITS

	For the six months ended 30th June,	
	2026	2025
	RMB'000	*RMB'000*
Total profits have been arrived at after charging:		
Depreciation	**4,400**	19,438
and after crediting:		
Bank interest income	**316**	374

6. INCOME TAX EXPENSES

	For the six months ended 30th June,	
	2026	2025
	RMB'000	*RMB'000*
Enterprise Income Tax	**2,403**	721

(1) On 9th November, 2023, the Company obtained the high-tech enterprise certificate with the certificate number of GR202365000655 for a term of three years and was entitled to a preferential tax treatment of enterprise income tax at a reduced tax rate of 15% from 2024 to 2026.

(2) The Company's subsidiaries, Gansu Tianye, Akesu Tianye and Xiyu Water Conservancy were subject to an enterprise income tax at a tax rate of 15% in 2025 as they complied with the requirements of the preferential tax policies of the Western Development.

(3) Pursuant to the relevant requirements of Announcement of the Ministry of Finance and the State Taxation Administration on Further Tax and Fee Policies to Support the Development of Micro and Small Enterprises and Individual Industrial and Commercial Households (Announcement No. 12 [2023] of the Ministry of Finance and the State Taxation Administration), from 1st January, 2023 to 31st December, 2027, for small enterprises with little profit, a reduced rate of 25% was included in taxable income and enterprise income tax was paid at a rate of 20%.

The above preferential taxation policies are applicable to subsidiaries including Tiantun Supply Chain, Liaoning Tianye, Xiying Water Saving, Wisdom Agriculture, Nanjiang Water Saving, Hongrui Huixin, Modern Agricultural, Henan Tianye, Zhongxinnong Water Saving, Beijing Tianye International and Tiancheng Water Saving.

7. EARNINGS PER SHARE — BASIC

The calculations of basic earnings per share for the six months ended 30th June, 2026 are based on the net profit attributable to owners of the parent company of approximately RMB19,000 (net loss for the corresponding period in 2025: approximately RMB15,621,000) and the weighted average number of 519,521,560 (for the corresponding period in 2025: 519,521,560 ordinary shares) ordinary shares in issue during the period.

No diluted earnings per share has been presented for the two periods ended 30th June, 2026 and 2025 as there was no dilutive share outstanding during both periods.

8. DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30th June, 2026 (for the corresponding period in 2025: nil).

9. TRADE RECEIVABLES

(1) Aging analysis

Age	**As at 30th June, 2026** ***RMB'000***	As at 31st December, 2025 *RMB'000*
Within 1 year	**108,011**	126,966
1–2 years	**59,892**	72,513
2–3 years	**64,510**	12,632
3–4 years	**26,578**	9,422
4–5 years	**3,398**	13,495
Over 5 years	**38,359**	45,860
Total	**300,748**	280,888

The trade receivables are based on the month when amounts are actually recorded.

(2) Breakdown by category

	As at 30th June, 2026				
	RMB'000				
	Book balance		**Bad-debt provision**		
Category	**Amount**	**Percentage (%)**	**Amount**	**Percentage of provision (%)**	**Carrying amount**
Individually significant and for which bad debt provision has been separately made	**19,163**	**6.37**	**19,163**	**100**	**0**
Bad-debt provision made on a group basis	**281,585**	**93.63**	**43,623**	**15.50**	**237,962**
Total	**300,748**	**100**	**62,786**	**20.88**	**237,962**

	As at 31st December, 2025				
	RMB'000				
	Book balance		Bad-debt provision		
Category	Amount	Percentage (%)	Amount	Percentage of provision (%)	Carrying amount
Individually significant and for which bad debt provision has been separately made	19,163	6.82	19,163	100.00	—
Bad-debt provision made on a group basis	261,725	93.18	41,376	15.81	220,348
Total	280,888	100.00	60,540	21.55	220,348

10. PRODUCTIVE BIOLOGICAL ASSETS

Breakdown

Item	**Planting Tangerines** *RMB'000*	**Total**
Initial carrying amount		
Opening balance	32,313	32,313
Increase during the period		
1) Additions	2,186	2,186
Decrease during the period		
1) Disposal		
Closing balance		
Accumulated depreciation		
Opening balance		
Increase during the period		
1) Provision		
Decrease during the period		
1) Disposal		
Closing balance		
Provision for impairment		
Opening balance		
Increase during the period		
1) Provision		
Decrease during the period		
1) Disposal		
Closing balance		
Carrying amount		
Carrying amount at the end of the period	34,499	34,499
Carrying amount at the beginning of the period	32,313	32,313

11. TRADE PAYABLES

Included in the balance of the Group were trade payables with the following aging analysis:

	As at 30th June, 2026	As at 31st December, 2025
	RMB'000	*RMB'000*
Age:		
Within 1 year	**151,086**	162,248
1–2 years	**117,254**	124,647
2–3 years	**46,191**	48,869
Over 3 years	**66,918**	68,051
	381,449	403,815

The trade payables are based on the month when amounts are actually recorded.

12. CAPITAL COMMITMENTS

	As at 30th June, 2026	As at 31st December, 2025
	RMB'000	*RMB'000*
Capital expenditure of the Group in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**400**	750

13. CONNECTED TRANSACTIONS

(a) Transactions

During the period, the Group had the following significant transactions with Xinjiang Tianye (Group) Limited* (新疆天業(集團)有限公司) ("**Tianye Holdings**", together with its subsidiaries other than the Group, "**Tianye Holdings Group**"):

	For the six months ended 30th June,	
	2026	2025
	RMB'000	*RMB'000*
Nature of transaction/business		
Sales of finished goods	**41,348**	24,056
Purchase of raw materials	**78,268**	34,307
Rental income from premises	**151**	151
Rental of plant and machineries	**230**	136

(b) Compensation to key management personnel

The remuneration paid to the Directors, supervisors and other key management personnel of the Company are as follows:

	For the six months ended 30th June,	
	2026	2025
	RMB'000	*RMB'000*
Directors and supervisors	**261**	365
Other key management personnel	**920**	955
Total	**1,181**	1,320

14. MAJOR TRANSACTIONS/BALANCES WITH OTHER STATE-CONTROLLED ENTERPRISES IN THE PRC

The Group operates in an economic environment currently predominated by entities directly or indirectly owned or controlled by the PRC government ("**State-controlled Entities**" and each a "**State-controlled Entity**"). In addition, the Group itself is part of a larger group of companies under Tianye Holdings which is controlled by the PRC government.

The Group conducts business with other State-controlled Entities. The Directors consider that those State-controlled Entities are independent third-parties with respect to the Group's business transactions with them.

In establishing its pricing strategies and approval process for transactions with other State-controlled Entities, the Group does not differentiate whether or not the counterparty is a State-controlled Entity.

Material transactions/balances of the Group with other State-controlled Entities are as follows:

(a) Material transactions

	For the six months ended 30th June,	
	2026	2025
	RMB'000	*RMB'000*
Nature of transaction		
Sales of goods	**52,820**	67,040
Purchase of raw materials	**39,252**	34,660
Interest expenses	**863**	1,714

(b) Material balances

	As at 30th June, 2026 *RMB'000*	As at 30th June, 2025 *RMB'000*
Bank balances	**330,137**	360,251
Trade and other receivables	**24,947**	23,900
Trade and other payables	**39,806**	51,595

Except as disclosed above, the Directors are of the opinion that transactions with other State-controlled Entities are not significant to the Group's operations.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

For the six months ended 30th June, 2026, the unaudited total operating revenue of the Group was approximately RMB558,431,000, representing an increase of approximately 74.54% from approximately RMB319,937,000 for the corresponding period in the previous year. The increase in the total operating revenue was mainly due to the increase in revenue from projects of the Company during the year.

Gross profit

For the six months ended 30th June, 2026, the unaudited gross profit was approximately RMB34,006,000, with gross profit margin of approximately 6.09%, while the unaudited gross profit and gross profit margin for the corresponding period in the previous year were approximately RMB24,641,000 and approximately 7.70%, respectively, representing a decrease of approximately 1.61 percentage points in gross profit margin. This was mainly due to a decrease in product output and an increase in costs, which led to a decrease in the overall gross profit margin.

Operating costs and expenses

Unaudited distribution costs for the six months ended 30th June, 2026 and the corresponding period in the previous year were approximately RMB3,678,000 and approximately RMB7,407,000, respectively, representing a decrease of approximately RMB3,729,000 or approximately 50.34%. The decrease in distribution costs was mainly due to the decrease in product sales.

Unaudited administrative expenses for the six months ended 30th June, 2026 and the corresponding period in the previous year were approximately RMB29,243,000 and approximately RMB29,789,000, respectively, representing a decrease of approximately RMB546,000 or approximately 1.83%.

Unaudited net finance costs for the six months ended 30th June, 2026 and the corresponding period in the previous year were approximately RMB588,000 and approximately RMB1,397,000, respectively. The decrease in finance costs was mainly due to the decrease in financing interest rate.

Asset impairment loss

Unaudited reversal of asset impairment loss for the six months ended 30th June, 2026 and the corresponding period in the previous year was RMB256,000 and RMB256,000, respectively.

Credit impairment loss

For the six months ended 30th June, 2026 and the corresponding period in the previous year, unaudited reversal of credit impairment loss was RMB2,772,000 and RMB1,398,000, respectively.

Net profit attributable to owners of the parent company

For the six months ended 30th June, 2026, the Group recorded the unaudited net profit attributable to owners of the parent company of approximately RMB19,000 as compared with the net loss of approximately RMB15,621,000 for the corresponding period in the previous year. The net profit recorded was primarily due to the increase in revenue, the reversal of credit impairment losses and the decrease in three types of expenses.

Future prospects

Closely aligning with national strategic opportunities including food security, rural revitalization, green and low-carbon development, and the Belt and Road Initiative, the Company leverages Xinjiang's regional advantages and the agricultural industry foundation of the Xinjiang Production and Construction Corps. Focusing on its core strategic direction of "building a domestic leading comprehensive integrated service provider across the entire digital agriculture industry chain", the Company adheres to the general operating keynote of "seeking progress while maintaining stability, and improving quality and efficiency". With the high-efficiency water-saving industry at its core, the Company constructs a six-in-one development pattern comprising green zero-carbon industrial-agricultural integration, smart equipment intelligent manufacturing, digital agriculture empowerment, core technology leadership, open and radiation layout, and institutional mechanisms safeguarding. It continues to deeply cultivate the entire water-saving agriculture industry chain, striving to build a leading enterprise across the full industry chain in the fields of water-saving irrigation and digital agriculture.

The Company continuously increases investment in core technology research and development, relying on the research and development platforms of high-tech enterprises and specialized, refined, differential and innovative enterprises to gather industry-academic-research resources. It targets key areas such as water-saving irrigation, saline-alkali land improvement, zero-carbon agriculture, intelligent water control, and large-diameter composite pipe processes. The Company optimizes the five-dimensional collaborative technical model covering water, fertilizer, air, salt, and smart control, promotes the standardized and industrialized upgrade of core products, accelerates the commercialization of technological achievements, continuously participates in the formulation of industry standards, consolidates its differentiated technological barriers and industry influence, and empowers strategy implementation through technological upgrades.

Relying on the results of existing modern water-saving agricultural technology demonstration bases, the Company steadily expands the scale of large-scale planting bases, upgrades high-efficiency water-saving and digital control systems, and builds standardized smart farms. It explores pathways for zero-carbon industrial and agricultural integrated development, integrates the entire chain of planting, processing, and resource recycling, and promotes the efficient conversion of agricultural waste into resources. Simultaneously, the Company expands supporting businesses such as digital agricultural services and agricultural trade logistics, focuses on core main businesses including smart agriculture system integration, proactively optimizes low-efficiency business segments, and consolidates the foundation of industrial development.

Capitalizing on policy dividends from national modernized irrigation districts and high-standard farmland system construction, the Company has established a market layout strategy focused on "consolidating foundations within Xinjiang, expanding presence outside Xinjiang, and broadening application scenarios across all areas". It continues to deeply cultivate the domestic market, deepen upstream and downstream industrial synergy, and provide customers with integrated "technology + equipment + engineering + digital + services" solutions.

Adhering to compliant operations as the baseline for development, the Company strictly complies with the HKEX Listing Rules as well as domestic and overseas laws and regulations. It continuously improves its corporate governance and internal control systems, strengthens its capacity to foresee and respond to various operational risks, deepens granular management of trade receivables and cash flow controls, and continuously optimizes its asset-light operational model to achieve simultaneous improvements in scale and efficiency while reinforcing the defenses for production safety and compliant operations. The Company will reward all shareholders with sustained and stable operating results, support the implementation of national strategies for food security and rural revitalization, and make ongoing contributions to the development of agricultural modernization in China.

Liquidity, financial resources and capital structure

During the period, the Group raised its funding primarily from cash generated from its business operations.

As at 30th June, 2026, the Group had a gearing ratio (which is defined as total borrowings over total equity) of 27.56% (as at 31st December, 2025: 12.53%). The Directors confirm that the Group financed its operations primarily from cash generated from its business operations and the Group had not experienced any liquidity problem for the six months ended 30th June, 2026.

Contingent Liabilities

As at 30th June, 2026, the Company did not have any significant contingent liabilities.

Foreign currency exposure

As confirmed by the Directors, the Group's present operations are mainly carried out in the PRC, and all of the Group's receipts and payments in relation to the operations are basically denominated in Renminbi. In this respect, there is no significant currency mismatch in its operational cashflows and the Group is not exposed to any significant foreign currency exchange risk in its operations.

Employee and salary policies

The Directors consider the quality of employees as the most critical factor in maintaining the Group's business growth and enhancing its profitability. The Group offers salary packages with reference to the performance and working experience of individual employees, and the prevailing market rates. As at 30th June, 2026, the Group had about 377 full-time employees.

Retirement benefit scheme and other benefits

The employee benefits provided by the Group to its employees include old-aged insurance scheme, medical insurance scheme, unemployment insurance scheme, labour injury insurance scheme and maternity insurance scheme (collectively under the social insurance scheme), whereby the Group is required to make monthly contributions to these schemes. The Company has no obligation in relation to the payment of retirement and other post-retirement benefits for employees save for the monthly contributions described above. Expenses incurred by the Company in connection with these retirement benefit schemes were approximately RMB5,795,000 for the six months ended 30th June, 2026.

Housing provident fund scheme

According to the relevant requirements under "The Decision Regarding the Reinforcement of Reform on Housing Systems in Cities and Towns by the State Council" (《國務院關於深化城鎮住房制度改革的決定》), "The Notice Regarding the Further Reinforcement of Reform on Housing Systems and Acceleration of Housing Facilities in Cities and Towns by the State Council" (《國務院關於進一步深化城鎮住房制度改革加快住房建設的通知》) and the "Regulations on the Administration of Housing Provident Funds" (《住房公積金管理條例》), all administrative and business units and their staff members shall make contributions to the housing provident fund for the establishment of a housing provident fund scheme. The contributions made by each staff member and their respective unit belong to the staff member. The percentage of the housing provident fund contributed by the staff members and their units shall not be less than 5% of the average monthly salaries of such staff members in the previous financial year. These contributions may vary from those made in cities with better conditions. The housing provident fund scheme is mandatory.

Future plan for material investment

As at 30th June, 2026, the Group had no plans for material investments.

Material acquisitions and disposals

As at 30th June, 2026, the Group had no material acquisitions or disposals.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th June, 2026, the interests and short positions of the Directors and chief executives of the Company in the shares, debentures or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to the requirements of the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") under Appendix C3 of the Listing Rules, to be notified to the Company and the Stock Exchange are as follows:

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

During the six months ended 30th June, 2026, the Company, its holding companies or any of its subsidiaries had not entered into any arrangement enabling the Directors or executives of the Company, including their respective associates, to acquire benefits by means of acquisition of shares in, or debt securities (including debentures) of, the Company or any other associated corporations.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

(A) Domestic Shareholders

As at 30th June, 2026, the register of substantial shareholders maintained by the Company pursuant to Section 336 of Part XV of the SFO shows that the following persons or entities (other than Directors or chief executives) had notified the Company of relevant interests and short positions in the shares or underlying shares of the Company:

Name	Capacity	Number of the domestic shares of the Company held *(Note 1)*	Approximate percentage of the total issued domestic shares of the Company	Approximate percentage of the total issued share capital of the Company *(Note 2)*
Xinjiang Tianze Water Conservancy Investment and Development Co., Ltd.	Beneficial owner	313,886,921 (L)	98.98%	60.42%

Notes:

1. The letter "L" denotes the person/entity's long position in the shares.

2. The approximate percentage of shareholding is calculated with reference to the total issued shares of 519,521,560 shares (including domestic shares and H shares).

(B) H Shareholders

Name	Capacity	Number of H shares of the Company held *(Note 1)*	Approximate percentage of the total issued H shares of the Company	Approximate percentage of the total issued share capital of the Company *(Note 2)*
Long Thrive Holdings Limited ("**Long Thrive**") *(Note 3)*	Beneficial owner	14,407,000 (L)	7.12%	2.77%
Mr. Ding Wei ("**Mr. Ding**") *(Note 4)*	Interest in controlled corporation	14,407,000 (L)	7.12%	2.77%
Ms. Wang Bing ("**Ms. Wang**") *(Note 5)*	Interest of spouse	14,407,000 (L)	7.12%	2.77%

Notes:

1. The letter "L" denotes the person/entity's long position in the shares.

2. The approximate percentage of shareholding is calculated with reference to the total issued shares of 519,521,560 shares (including domestic shares and H shares) of the Company.

3. The H shares held by Long Thrive represent approximately 7.12% of the total H shares in issue of the Company.

4. Long Thrive directly held 14,407,000 H shares. Long Thrive is wholly-owned by Mr. Ding. By virtue of the SFO, Mr. Ding is deemed to be interested in the 14,407,000 H shares held by Long Thrive.

5. Ms. Wang is the spouse of Mr. Ding. By virtue of the SFO, Ms. Wang is deemed to be interested in the 14,407,000 H shares held by Long Thrive.

Save as disclosed above, as at 30th June, 2026, the Directors and chief executives of the Company were not aware of any persons (other than the Directors and chief executives of the Company) who had an interest and short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the six months ended 30th June, 2026, the Directors were not aware of any business or interests of the Directors, the management of the Company, shareholders of the Company and their respective associates (as defined under the Listing Rules) that competes or may compete (directly or indirectly) with the business of the Group and any other conflicts of interests which any such persons have or may have with the Group.

DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30th June, 2026 (corresponding period in 2025: nil).

AUDIT COMMITTEE

The audit committee has reviewed with management the accounting principles and practices adopted by the Group, and discussed internal control and financial reporting matters, including reviewing the unaudited interim financial accounts.

CODE ON CORPORATE GOVERNANCE PRACTICES

By applying rigorous corporate governance practices, the Group believes that its accountability and transparency will be improved which further instills confidence in the shareholders of the Company and the public in the Group. Throughout the six months ended 30th June, 2026, the Group has complied with the code provisions as set out in Appendix C1 of the Listing Rules (the "**CG Code**"). No Director is aware of any information that reasonably indicates that there was any non-compliance with the code provisions of the CG Code by the Company at any time for the six months ended 30th June, 2026.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the code of conduct for securities transactions by Directors of the Company. Following specific enquiry by the Company, all Directors of the Company have confirmed that they have complied with the required standards under the Model Code for the six months ended 30th June, 2026.

PRE-EMPTIVE RIGHTS

The articles of association of the Company or the laws of China do not contain provisions regarding pre-emptive rights obliging the Company to offer new shares to its existing shareholders of the Company proportionately.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company and/or any of its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company (including the sale of treasury shares (as defined in the Listing Rules)) for the six months ended 30th June, 2026. As at the end of the reporting period, the Company or its subsidiaries held no treasury shares.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period and up to the date of this announcement.

PUBLICATION OF INTERIM RESULTS AND THE 2026 INTERIM REPORT

This announcement is available on the websites of the Company (www.tianyejieshui.cn) and the Stock Exchange (www.hkexnews.hk). The interim report of the Company for the reporting period will be published on the websites of the Company and the Stock Exchange in due course in accordance with the Listing Rules, and printed copies will be despatched to the shareholders of the Company as required.

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

Xinjiang, the PRC
28th August, 2026

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Zhou Gang (Chairman), Mr. Wang Jun, Mr. Wang Dongwei and Mr. Li Zheng, and three independent non-executive Directors, namely Ms. Gu Li, Mr. Hung Ee Tek and Mr. He Xinlin.

* *For identification purpose only*