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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)

INSIDE INFORMATION ANNOUNCEMENT

Reference is made to the announcement (the “**Announcement**”) of Xinjiang Tianye Water Saving Irrigation System Company Limited (the “**Company**”) dated 22 September 2020. Unless otherwise specified, capitalized terms used herein shall have the same as those defined in the Announcement. This announcement is made by 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(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited.

In addition to information as disclosed in the Announcement, the board of directors (the “**Board**”) of the Company wishes hereby to provide further information in respect of the Sanction.

Set out below is the relationship between the Company and Xinjiang Production and Construction Corps. Xinjiang Tianye Company Limited (“**Tianye Company**”) directly holds 38.91% equity interest in the Company, while Xinjiang Tianye (Group) Co., Ltd (“**Tianye Group**”) directly holds 21.50% equity interest in the Company. Tianye Group directly holds 53.57% equity interest in Tianye Company, whereas the State-owned Assets Supervision and Administration Commission of the XPCC Eighth Agricultural Division (the “**Eighth Division SASAC**”) directly holds 100% equity interest in Tianye Group. As mentioned in the Announcement, the Eighth Division SASAC is the administrative management authority of XPCC Eighth Agricultural Division, and the XPCC Eighth Agricultural Division is the administrative management arm of Xinjiang Production and Construction Corps.

As of 31 July 2020, the U.S. Department of the Treasury's Office of Foreign Assets Control (the "OFAC") issued the Global Magnitsky General License 2 ("General License 2"), details of which are referred to in the following website link of the U.S. Department of the Treasury (<https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions/20200731>) in relation to its latest action on the Sanction.

In connection with the scope of the Sanction, please refer to the website link of the U.S. Department of the Treasury (<https://home.treasury.gov/news/press-releases/sm1073>) in relation to its press release on the Sanction for details.

General License 2 is expected to be issued before 12:01 a.m. eastern daylight time, September 30, 2020. For details, please refer to the website link on General License 2 (https://home.treasury.gov/system/files/126/glomag_gl2_.pdf) and the website link on the related frequently asked questions (<https://home.treasury.gov/policy-issues/financial-sanctions/faqs/835>).

As mentioned in the Announcement, the Company is actively seeking legal opinions in relation to the Sanction so as to further understand the extent and impact of the Sanction, as well as to assess its potential impact on the Company.

The Company will continue to monitor the situation involving the Sanction, and an announcement will be made in due course and appropriate measures will be taken in accordance with the Inside Information Provisions and Rule 13.09(2)(a) of the Listing Rules.

Save as disclosed above, all other information contained in the Announcement remains unchanged.

Shareholders and potential investors of the Company (including but not limited to the U.S. investors) are advised to exercise extreme caution when dealing in the securities of the Company.

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

Hong Kong, 24 September 2020

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 purposes only