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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 announcements (the “**Announcements**”) of Xinjiang Tianye Water Saving Irrigation System Company Limited (the “**Company**”) dated 22 September 2020, 24 September 2020, 29 September 2020, and 6 October 2020. Unless otherwise specified, capitalized terms used herein shall have the same meanings as those defined in the Announcements. 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.

As mentioned in the Announcements, to minimize the risk of the Company being categorised as a blocked person and a sanctioned subsidiary of Xinjiang Production and Construction Corps, despite no shareholding relationship between the Eighth Division SASAC and Xinjiang Production and Construction Corps, the Company was informed by Tianye Company that Tianye Company proposed private issuance of new shares (“**Placement**”) and/or issuance of convertible bonds (“**Convertible Bond Issuance**”) in an amount not exceeding RMB2,200,000,000, which will dilute the shareholding ratio of Tianye Group in Tianye Company to less than 50%.

The Company has recently been advised by Tianye Company that Tianye Company has appointed an underwriter in relation to the proposed Placement and Convertible Bond Issuance, and has actively been identifying investors for the Placement, in which case, Tianye Group also agrees to provide guarantee over the Convertible Bond Issuance. As at the date of this announcement, the Placement or the Convertible Bond Issuance has not been completed.

The Company will continue to monitor the situation involving the Sanction, the Placement and/or the Convertible Bond Issuance, 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.

**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, 30 November 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*