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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: 00840)**

**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 (the “**SEHK**”).

**PROPOSED RESTRUCTURING**

The Company has been informed by Xinjiang Tianye (Group) Limited\* (新疆天業(集團)有限公司) (“**Tianye Group**”), its controlling shareholder, that for the purpose of leveraging Tianye Group’s strength and resources in water conservancy management, and facilitating the development of the Tianye Group into first class enterprise with sustainable development, State-owned Assets Supervision and Administration Commission of Xinjiang Production and Construction Corps 8th Division (新疆生產建設兵團第八師國有資產監督管理委員會) (the “**8th Division SASAC**”) and Tianye Group propose to conduct the following formation of Xinjiang Tianze Water Conservancy Investment and Development Co., Ltd.\* (新疆天澤水利投資發展有限公司) (the “**New Holdco**”, a newly set-up holding company) (the “**Proposed Restructuring**”):

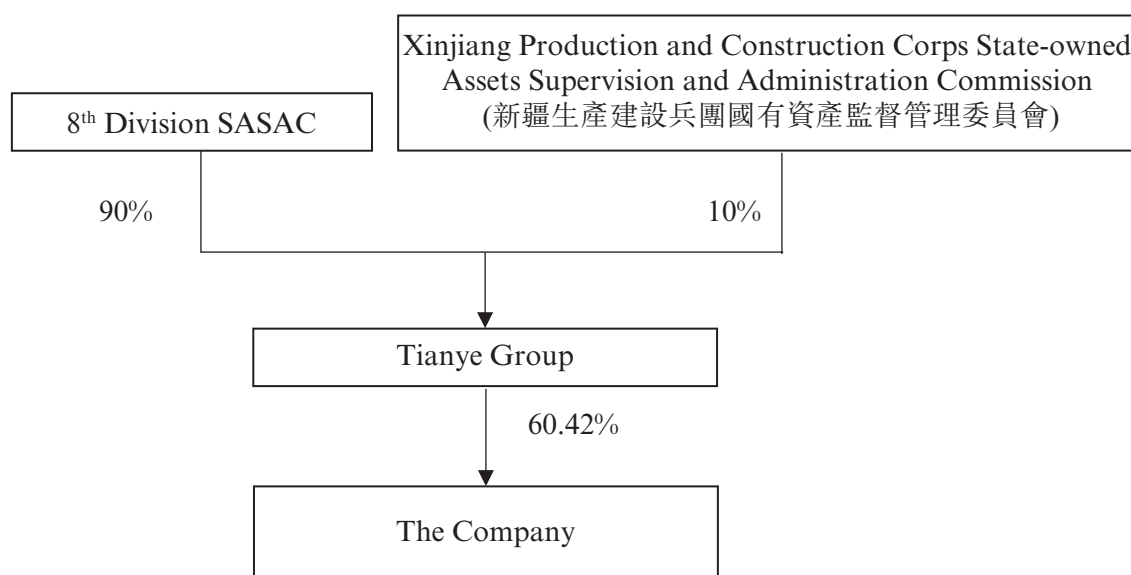
- (a) the 8th Division SASAC will transfer 37.5% of the total share capital (subscribed but unpaid share capital) (the “**Target Share Capital**”) of the New Holdco to Tianye Group at nil consideration, and after that, (ii) the Target Share Capital will be fully paid up by Tianye Group by way of contribution of all of its equity interest in the Company (i.e. approximately 60.42% of all the issued shares of the Company; and

- (b) the 8th Division SASAC will entrust the exercise of (i) its certain voting right; and (ii) its certain nomination right for directors, in the New Holdco held by it to Tianye Group (the “**Proposed Entrustment Arrangement**”), so that Tianye Group will be able to exercise an aggregate of 51% of the voting rights of the New Holdco and to control the board of directors of the New Holdco.

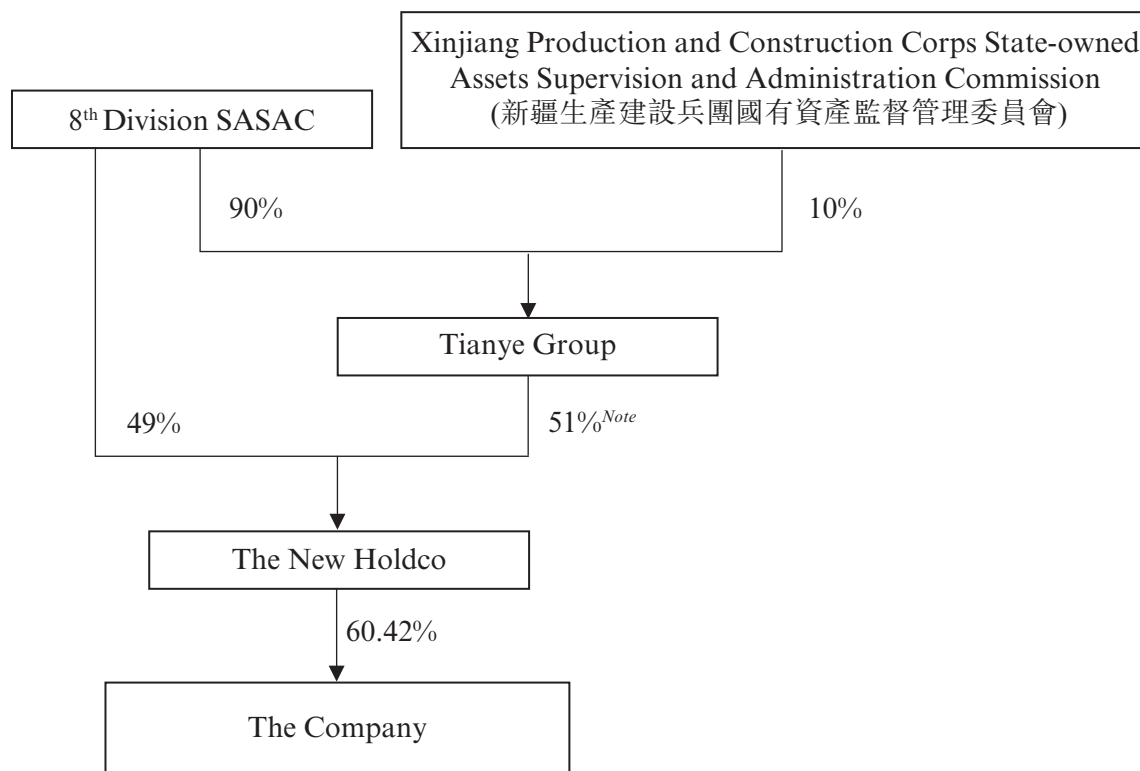
## SHAREHOLDING STRUCTURE OF THE COMPANY BEFORE AND IMMEDIATELY AFTER THE PROPOSED RESTRUCTURING

As at the date of this announcement, Tianye Group directly holds (i) approximately 60.42% of all the issued shares of the Company. All of the shares of the Company held by Tianye Group are domestic shares.

The following diagram sets out the shareholding structure of the Company as at the date of this announcement:



The following diagram sets out the shareholding structure of the Company immediately after the completion of the Proposed Restructuring:



*Note:*

Pursuant to the Proposed Entrustment Arrangement, the 8th Division SASAC will entrust the exercise of its certain voting rights in respect of equity interest in the New Holdco held by it to Tianye Group, thereby enabling Tianye Group to exercise an aggregate of 51% of the voting rights of the New Holdco.

The New Holdco will become a subsidiary of the Tianye Group and its financial statements will be consolidated into the consolidated financial statements of the Tianye Group.

The Proposed Restructuring, if materialised, would trigger an obligation on the part of Tianye Group and 8th Division SASAC to make a general offer for all the shares of the Company other than those owned or agreed to be acquired by itself or parties acting in concert with it under Rule 26.1 of the Code on Takeovers and Mergers (the “**Takeovers Code**”), unless otherwise waived by the Securities and Futures Commission (the “**SFC**”). In this regard, the Company has been informed by Tianye Group that it has applied for, and the SFC has on 13 May 2025 granted, a waiver from the obligation 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 Proposed Restructuring is still at a preliminary stage and there is no assurance that the Proposed Restructuring will materialise or eventually be consummated. As such, the Proposed Restructuring may or may not proceed. The Company will publish further announcement on the Proposed Restructuring 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\***  
**Zhou Gang**  
*Chairman*

Hong Kong, 4 June 2025

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Zhou Gang (Chairman), Mr. Han Gen 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*