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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)

MAJOR TRANSACTION — TERMINATION OF ACQUISITION OF THE ENTIRE EQUITY INTEREST OF TARGET COMPANY

Reference are made to the announcement of Xinjiang Tianye Water Saving Irrigation System Company Limited (the “Company”) dated 11 June 2019 in respect of, among other things, the acquisition of the entire equity interest of Target Company (the “Announcement”) and the announcement dated 5 August 2019 in respect of, among other things, the delay in dispatch of circular. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those define in the Announcement.

The Board hereby announces that on 28 April 2020 (after trading hours of the Stock Exchange), the Company (as the purchaser) and Modern Agriculture (as the vendor) entered into a termination deed (“Termination Deed”), pursuant to which, each of the parties thereto agreed to release and discharge each other from their respective rights and obligations as set out in the Equity Transfer Agreement, and the parties agreed to terminate the Equity Transfer Agreement with effect from the date of the Termination Deed. Each of the parties thereto released the others from all past, present and future rights and obligations under the Equity Transfer Agreement, notwithstanding any clauses of the Equity Transfer Agreement providing otherwise.

In light of the material changes in the market environment during the process of the Acquisition, the Company and Modern Agriculture finally failed to reach an agreement on the transaction. As it is difficult for the parties to come up with a specific plan in a short time to complete the Acquisition, after careful consideration, the Company decided to terminate the transaction.

Given that there was no consideration paid by the Company under the Equity Transfer Agreement and that the Company has not participated in the production and operation of the Target Company, the termination of the Acquisition will not adversely affect the performance and production and operation of the Company.

Since the Equity Transfer Agreement and the transactions contemplated thereunder have been terminated, no extraordinary general meeting will be convened and held by the Group for shareholders to consider and approve the Equity Transfer Agreement and the transactions contemplated thereunder. Therefore, no circular will be dispatched by the Company.

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

Xinjiang, the PRC, 29 April 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 purpose only*