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**Tibet Water Resources Ltd.**

**西藏水資源有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1115)**

**(1) PROPOSED RIGHTS ISSUE  
ON THE BASIS OF ONE (1) RIGHTS SHARE  
FOR EVERY THREE (3) EXISTING SHARES  
HELD ON THE RECORD DATE ON  
A NON-UNDERWRITTEN BASIS; AND  
(2) CLOSURE OF REGISTER OF MEMBERS**

**Placing Agent to the Company**



**PROPOSED RIGHTS ISSUE**

The Board proposes to raise gross proceeds of up to approximately HK\$392.62 million before expenses by way of a rights issue of up to 1,019,797,000 Rights Shares at a price of HK\$0.385 per Rights Share on the basis of one (1) Rights Share for every three (3) existing Shares held by the Qualifying Shareholders on the Record Date. Assuming that there is no change in the number of issued Shares on or before the Record Date, the net proceeds from the Rights Issue (after deducting the estimated expenses) are estimated to be up to approximately HK\$388 million.

The Rights Issue is only available to the Qualifying Shareholders and will not be available to the Prohibited Shareholders. Pursuant to the Rights Issue, the Qualifying Shareholders will be provisionally allotted one (1) Rights Share in nil-paid form for every three (3) existing Shares held on the Record Date.

The Rights Shares (when allotted, issued and fully paid) will rank *pari passu* with the then existing Shares in issue in all respects. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the Rights Shares.

**Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.**

The Company has not received any information or irrevocable undertaking from any substantial Shareholder of any intention in relation to the Rights Shares to be provisionally allotted to that Shareholder under the Rights Issue as at the date of this announcement.

#### **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Wednesday, 14 December 2022 to Tuesday, 20 December 2022 (both days inclusive) for determining the entitlements to the Rights Issue during which period no transfer of Shares will be registered.

#### **LISTING RULES IMPLICATIONS**

As the Company has not conducted any rights issue or open offer within the 12-month period prior to the date of this announcement and the Rights Issue will not increase the number of issued Shares or market capitalisation of the Company by more than 50.00%, the Rights Issue is not subject to the Shareholders' approval under the Listing Rules. The Rights Issue will be carried out in compliance with Rule 7.21(1)(b) of the Listing Rules.

## **WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES IN NIL-PAID FORM**

**The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this announcement.**

**Shareholders and potential investors of the Company should note that if the conditions of the Rights Issue are not satisfied, the Rights Issue will not proceed. Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.**

**The Shares are expected to be dealt in on an ex-rights basis from Monday, 12 December 2022. Dealings in the Rights Shares in nil-paid form are expected to take place from Friday, 23 December 2022 to Wednesday, 4 January 2023 (both days inclusive). Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.**

## **PROPOSED RIGHTS ISSUE**

The Board proposes to raise gross proceeds of up to approximately HK\$392.62 million before expenses by way of a rights issue of up to 1,019,797,000 Rights Shares at a price of HK\$0.385 per Rights Share on the basis of one (1) Rights Share for every three (3) existing Shares held by the Qualifying Shareholders on the Record Date. Assuming that there is no change in the number of issued Shares on or before the Record Date, the net proceeds from the Rights Issue (after deducting the estimated expenses) are estimated to be up to approximately HK\$388 million.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

Further details of the Rights Issue are set out below:

### **Issue statistics**

<b>Basis of the Rights Issue:</b>	One (1) Rights Share for every three (3) existing Shares held by the Qualifying Shareholders as at the close of business on the Record Date
<b>Subscription Price:</b>	HK\$0.385 per Rights Share
<b>Number of Shares in issue as at the date of this announcement:</b>	3,059,391,000 Shares
<b>Number of Rights Shares:</b>	Up to 1,019,797,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date and holders of the Convertible Bonds do not exercise their conversion rights on or before the Record Date)
<b>Gross proceeds from the Rights Issue:</b>	Up to approximately HK\$392.62 million before expenses (assuming no change in the number of Shares in issue on or before the Record Date and all Rights Shares are taken up by the Qualifying Shareholders)

As at the date of this announcement, there are outstanding Convertible Bonds in an aggregate principal amount of HK\$356,976,000, which are convertible into 482,400,000 conversion Shares at a conversion price of HK\$0.74. Assuming full conversion of the Convertible Bonds on or before the Record Date, the maximum number of new Shares that may fall to be allotted and issued under the terms and conditions of the Convertible Bonds will be 482,400,000 Shares, which will result in the issue and allotment of 160,800,000 additional Rights Shares.

Assuming no change in the number of Shares in issue on or before the Record Date and holders of the Convertible Bonds do not exercise their conversion rights on or before the Record Date, 1,019,797,000 Rights Shares to be issued pursuant to the terms of the Rights Issue represent (i) approximately 33.33% of the total number of issued Shares as at the date of this announcement; and (ii) 25.00% of the total number of issued Shares as enlarged by the allotment and issue of the Rights Shares, and have an aggregate nominal value of HK\$10,197,970.

Other than the Shares which may be allotted as a result of the conversion of the Convertible Bonds, the Company has no intentions to issue or grant any Shares, convertible securities, share options, warrants and/or options on or before the Record Date. Given the conversion price of the Convertible Bonds (i.e. HK\$0.74) is higher than the prevailing market prices of the Shares, the Board expected that no Convertible Bonds would be converted into Shares on or before the Record Date.

Save as disclosed above, the Company has no outstanding share options, warrants, options or convertible securities or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement.

### **Undertakings**

The Company has not received any information or irrevocable undertaking from any substantial Shareholder of any intention in relation to the Rights Shares to be provisionally allotted to that Shareholder under the Rights Issue as at the date of this announcement.

### **Qualifying Shareholders**

The Rights Issue is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) the Overseas Letter together with the Prospectus, for information only, to the Prohibited Shareholders.

To qualify for the Rights Issue, a Shareholder must at the close of business on the Record Date: (i) be registered on the registers of members of the Company; and (ii) not be a Prohibited Shareholder.

In order to be registered as members of the Company on the Record Date, the Shareholders must lodge any transfer of the Shares (with the relevant share certificates) for registration with the Registrar at the following address by 4:00 p.m. on Tuesday, 13 December 2022:

Union Registrars Limited  
Suites 3301-04, 33/F.  
Two Chinachem Exchange Square  
338 King's Road  
North Point, Hong Kong

### **Closure of register of members**

The register of members of the Company will be closed from Wednesday, 14 December 2022 to Tuesday, 20 December 2022 (both days inclusive) for determining the entitlements to the Rights Issue during which period no transfer of Shares will be registered.

### **Subscription Price**

The Subscription Price of HK\$0.385 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or when a transferee of the nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a discount of 12.5% to the closing price of HK\$0.44 per Share as quoted on Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 9.84% to the average closing price of HK\$0.427 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 9.68% to the theoretical ex-rights price of approximately HK\$0.43 per Share based on the closing price of HK\$0.44 per Share as quoted on the Stock Exchange on the Last Trading Day and the number of Shares as enlarged by the Rights Shares;

- (iv) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 3.13%, being the discount of the theoretical diluted price of approximately HK\$0.43 per Share to the benchmarked price of approximately HK\$0.44 per Share (as defined under Rule 7.27B of the Listing Rules, being the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the date of this announcement); and
- (v) a discount of approximately 61.88% to the unaudited consolidated net asset value of the Company of approximately HK\$1.01 per Share (based on the latest published unaudited consolidated net asset value attributable to owners of the Company of approximately RMB2,817,429,000 (equivalent to approximately HK\$3,086,240,552) as at 30 June 2022 as disclosed in the interim report of the Company for the six months ended 30 June 2022 and 3,059,391,000 Shares in issue as at the date of this announcement).

The Subscription Price was arrived at after arm's length negotiation with reference to, among other things, (i) the prevailing market price of the Shares and the financial conditions of the Group; (ii) the prevailing market conditions of the capital market in Hong Kong; and (iii) the reasons for the Rights Issue and the use of proceeds as set out in the section headed "Reasons for the Rights Issue and the Use of Proceeds" in this announcement. As the Rights Shares are offered to all Qualifying Shareholders, the Board would like to set the Subscription Price at a level that would attract the Qualifying Shareholders to participate in the Rights Issue. Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company. The Board considers that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Status of the Rights Shares**

The Rights Shares (when allotted, issued and fully paid) will rank *pari passu* in all respects with the existing Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the Rights Shares will be entitled to receive all future dividends and distributions, which may be declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares.

## **Basis of provisional allotments**

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every three (3) existing Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

Qualifying Shareholders may apply for all or any part of their respective provisional allotment by lodging a duly completed PAL(s) and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

## **Rights of PRC Southbound Trading Investors**

According to the "Stock Connect Southbound Shareholding Search" available on the Stock Exchange's website, as at 1 December 2022, ChinaClear held 158,561,000 Shares, representing approximately 5.18% of the total number of the issued Shares.

The Board has made the relevant enquiries and was advised that the PRC Southbound Trading Investors who hold Shares through ChinaClear as nominee under China Connect can participate in the Rights Issue through ChinaClear. ChinaClear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their nil-paid Rights Shares on the Stock Exchange; and/or (ii) subscribe for the Rights Shares (in full or in part) for their pro rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations. In addition, according to the PRC legal adviser of the Company, the PRC Southbound Trading Investors (or the relevant ChinaClear participants as the case may be) whose stock accounts are credited with nil-paid Rights Shares could only sell those nil-paid Rights Shares on the Stock Exchange under China Connect but could not purchase any other nil-paid Rights Shares nor transfer any nil-paid Rights Shares to other PRC Southbound Trading Investors. The PRC Southbound Trading Investors cannot sell or subscribe for Rights Shares until after the Company completes its filing with the CSRC.

**The PRC Southbound Trading Investors should seek advice from their intermediary (including broker, custodian, nominee or ChinaClear participant) and/or other professional advisers for details of the logistical arrangements as required by ChinaClear, and provide instructions for such intermediary in relation to the acceptance and/or sale of the nil-paid Rights Shares. Such instructions should be given in advance of the Latest Time for Acceptance (currently expected to be 4:00 p.m. on Monday, 9 January 2023) or last day of dealing in nil-paid Rights Shares (currently expected to be Wednesday, 4 January 2023) and otherwise in accordance with the requirements of the intermediary of the PRC Southbound Trading Investors and/or ChinaClear in order to allow sufficient time to ensure that such instructions are given effect.**

According to the PRC legal adviser of the Company, as the Prospectus Documents will not be and are not intended to be filed with or approved by the CSRC other than in accordance with the relevant requirements of China Connect, the Rights Shares in nil-paid or fully-paid forms issued to the PRC Southbound Trading Investors shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity, unless through China Connect, or the person or entity has otherwise been exempt by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations.

### **Rights of the Overseas Shareholders (if any)**

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will comply with Rule 13.36(2)(a) of the Listing Rules and make enquiries regarding the feasibility of extending the offer of the Rights Shares to the Overseas Shareholders, if any. If, based on the legal opinions to be provided by the legal advisers of the Company, the Board considers that it is necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account of either the legal restrictions under the laws of the place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s), the Rights Issue will not be extended to such Overseas Shareholders.

The Company will send the Prospectus to the Prohibited Shareholders for their information only but will not send any PAL to them.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Prohibited Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence on the Stock Exchange and before dealings in the nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. The proceeds from such sale, less expenses, of more than HK\$100 will be paid to the relevant Prohibited Shareholders on a pro-rata basis (according to their respective entitlements on the Record Date and rounded down to the nearest cent). In view of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit.

**Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Board pursuant to Rule 13.36(2)(a) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.**

## **Procedures in respect of the Untaken Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements**

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Untaken Shares and the NQS Unsold Rights Shares by offering the Untaken Shares and the NQS Unsold Rights Shares to independent placees for the benefit of the No Action Shareholders and the Prohibited Shareholders. There will be no excess application arrangements in relation to the Rights Issue. On 2 December 2022, the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of Untaken Shares and the NQS Unsold Rights Shares to independent placees on a best effort basis.

Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Placing Shares during the Placing Period to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Prohibited Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Wednesday, 18 January 2023, placees to subscribe for all (or as many as possible) of those Untaken Shares and the NQS Unsold Rights Shares. Any Placing Shares which are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders and Prohibited Shareholders as set out below on a pro-rata basis (but rounded down to the nearest cent):

- A. the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and
- B. the relevant Prohibited Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders or Prohibited Shareholders become entitled on the basis described above to an amount of HK\$100 or more, such amount will be paid to the relevant No Action Shareholder(s) and Prohibited Shareholder(s) in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit.

## Placing Agreement for Untaken Shares and the NQS Unsold Rights Shares

Details of the Placing Agreement are summarised as follows:

Date	:	2 December 2022
Issuer	:	The Company
Placing Agent	:	SBI China Capital Financial Services Limited was appointed as the exclusive placing agent of the Company to procure, on a best efforts basis, places to subscribe for the Untaken Shares and the NQS Unsold Rights Shares during the Placing Period.
		The Placing Agent confirmed that it and its ultimate beneficial owner(s) are Independent Third Parties.
Placing Period	:	the period commencing from the third Business Day after the Latest Time for Acceptance and ending at 4:00 p.m. on the seventh Business Day after the Latest Time for Acceptance
Commitment Fee	:	The Placing Agent shall be entitled to a commitment fee (the “ <b>Commitment Fee</b> ”) equal to 1.00% of the maximum potential gross proceeds raised by the Rights Issue before expenses, and payable by the Company upon the Completion.
Placing price of the Placing Shares	:	The placing price of the Placing Shares shall be not less than the Subscription Price and the final price determination will be dependent on the demand for and the market conditions of the Placing Shares during the process of placement.

- Placees : The Placing Agent shall procure that not less than six placees will take up the Placing Shares. The Placing Agent shall use its best efforts and endeavours to ensure that the placees, and whose ultimate beneficial owner(s), shall be third party(ies) independent of and not connected with and are not acting in concert (as defined under the Takeovers Code) with the Company as well as its connected persons (including but not limited to the directors, chief executive, controlling shareholders and substantial shareholders of the Company and any of its subsidiaries and any of their respective associates). The Placing Agent and the Company shall ensure that the Company will continue to comply with the public float requirements under Rule 8.08(1) of the Listing Rules immediately after the Placing.
- Ranking of the placed Placing Shares : The placed Placing Shares (when allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of completion of the Placing.
- Conditions of the Placing Agreement : The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon the following conditions being fulfilled:
- (i) the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Rights Shares;
  - (ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and

(iii) the Placing Agreement not having been terminated in accordance with the provisions thereof, including but not limited to provisions regarding the force majeure events.

Conditions to the Placing Agreement may not be waived by the Company or the Placing Agent in any event.

For the avoidance of doubt, if all the Rights Shares are fully subscribed under the Rights Issue, the Placing will not proceed.

The Company shall use its best endeavour to procure the fulfilment of the conditions to the Placing and undertakes to inform the Placing Agent promptly of any matter or circumstance which comes to the attention of it and indicating that any of such conditions being unable or fail to fulfil. If any of such conditions have not been fulfilled by the Placing Long Stop Date (as defined below) or become incapable of being fulfilled (unless extended by mutual consent of the Company and the Placing Agent), then all respective rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement and none of the parties thereto shall have any claim against any other in respect of the Placing.

Termination : If any of the following events occur at any time prior to 5:00 p.m. on the first Business Day after the last day of the Placing Period (the “**Placing Long Stop Date**”), the Placing Agent may (after such consultation with the Company and/or its advisers as the circumstances shall admit or be necessary), by giving a written notice to the Company, at any time prior to the date of completion of the Placing provided that such notice is received by the Company prior to 5:00 p.m. on the Placing Long Stop Date, terminate the Placing Agreement without liability to the other parties and, subject to clauses in the Placing Agreement which survive termination, the Placing Agreement shall thereupon cease to have effect and none of the parties to the Placing Agreement shall have any rights or claims by reason thereof save for any rights or obligations which may accrue under the Placing Agreement prior to such termination:

- (a) in the opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or
- (b) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

- (c) any material breach of any of the representations and warranties by the Company comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of completion of the Placing which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (d) any moratorium, suspension or restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances; or
- (e) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing; or
- (f) any force majeure occurrence which would be likely to prejudice materially the consummation of the Placing.

The maximum number of Shares subject to the Placing is 1,019,797,000 Placing Shares assuming nil acceptance of the Rights Shares by the Qualifying Shareholders under the Rights Issue and there is no change in the number of Shares in issue on or before the Record Date and holders of the Convertible Bonds do not exercise their conversion rights on or before the Record Date. The maximum number of Shares subject to the Placing is 1,180,597,000 Placing Shares assuming nil acceptance of the Rights Shares by the Qualifying Shareholders under the Rights Issue, holders of the Convertible Bonds fully exercise their conversion rights on or before the Record Date and there is no other change in the number of Shares in issue on or before the Record Date.

The engagement between the Company and the Placing Agent in respect of the Placing Shares (including the Commitment Fee payable) was determined after arm's length negotiation between the Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions. The Board considers that the terms of Placing Agreement in respect of the Placing Shares (including the Commitment Fee payable) are on normal commercial terms.

As explained above, the Untaken Shares and the NQS Unsold Rights Shares will be placed by the Placing Agent to Independent Third Parties on a best effort basis for the benefits of the No Action Shareholders and Prohibited Shareholders. If all or any of Untaken Shares and the NQS Unsold Rights are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders and Prohibited Shareholders. Any Untaken Shares and the NQS Unsold Rights that are not placed by the Placing Agent will not be issued by the Company. As at the date of this announcement, the Placing Agent has not identified any placee(s). In any case, any placees shall be independent among themselves and should be independent of and not acting at the direction of or having any significant relationships with any connected person of the Company.

The Board considered that the Compensatory Arrangements are fair and reasonable and provide adequate safeguard to protect the interests of the Company's minority Shareholders since the Compensatory Arrangements would provide (i) a distribution channel of the Placing Shares to the Company; (ii) an additional channel of participation in the Rights Issue for the Qualifying Shareholders and the Prohibited Shareholders; and (iii) a compensatory mechanism for the No Action Shareholders and Prohibited Shareholders.

In particular, excess application is considered as a passive arrangement to facilitate additional participation of the Qualifying Shareholders. Taking into account the low liquidity of the Shares before the Last Trading Day, the Board considers it would be more desirable for the Company to adopt a more active measure by way of the Compensatory Arrangements to mitigate the uncertainty of the fund-raising exercise.

## **No fractional entitlement**

The Company will not provisionally allot and will not accept application for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and sold by the Company in the open market if a premium (net of expenses) can be obtained. Any unsold fractions of the Rights Shares will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

## **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms will be in the board lots of 1,000 Rights Shares.

## **RIGHTS SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS**

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

## **Stamp duty and other applicable fees**

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of (i) stamp duty; (ii) the Stock Exchange trading fee; (iii) SFC transaction levy; and (iv) FRC transaction levy; and (v) any other applicable fees and charges in Hong Kong.

## **Odd lot arrangement**

In order to facilitate the trading of odd lots of the Shares arising from the Rights Issue, a designated broker will be appointed to match the purchase and sale of odd lots of the Shares at the relevant market price per Share for the period from Tuesday, 31 January 2023 to Wednesday, 15 February 2023 (both days inclusive). Holders of odd lots of Shares should note that successful matching of the sale and purchase of odd lots of Shares is not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers. Details of the odd lot arrangement will be provided in the Prospectus.

## **Share certificates and refund cheques for Rights Issue**

Subject to the fulfilment of the conditions of the Rights Issue as set out below, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on or before Monday, 30 January 2023. If the Rights Issue does not become unconditional, refund cheques, without interest, in respect of application monies received are expected to be despatched on or before Monday, 30 January 2023 by ordinary post at the respective Shareholders' own risk to the registered address of the relevant applicant, or in case of joint applicants, to the address of the first-named person. One share certificate will be issued for all the Rights Shares a Shareholder is entitled to.

## **The Rights Issue on a non-underwritten basis**

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. Any Untaken Shares or NQS Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Completion is conditional upon the fulfilment of the conditions set out in the section headed "Conditions of the Rights Issue" in this announcement. As the proposed Rights Issue is subject to conditions, it may or may not proceed.

The Cayman legal advisers of the Company have confirmed that there are no applicable statutory requirements regarding minimum subscription levels in respect of the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL may unwittingly incur an obligation to make a general offer under the Takeovers Code, unless a waiver from the Executive (as defined in the Takeovers Code) has been obtained. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Qualifying Shareholder (except for HKSCC Nominees Limited) for his/her/its entitlement under the PAL be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the following conditions:

- (1) the delivery of the Prospectus Documents to the Stock Exchange and the issue by the Stock Exchange on or before the Posting Date of a certificate authorising registration of the Prospectus Documents with the Registrar of Companies in Hong Kong;
- (2) a duly certified copy of each of the Prospectus Documents (and other required documents) having been lodged with the Registrar of Companies in Hong Kong and the Registrar of Companies in Hong Kong issuing a confirmation of registration on or before the Posting Date;
- (3) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders (and where applicable, the posting of the Prospectus (without PAL) with the Overseas Letter to the Prohibited Shareholders, if any, for information purposes only) and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Posting Date;
- (4) the grant of listing of the Rights Shares (in both nil-paid and fully-paid forms) by the Stock Exchange (either unconditionally or subject only to the allotment and despatch of the share certificates in respect thereof) and the grant of permission to deal in the nil-paid Rights Shares and the fully-paid Rights Shares by the Stock Exchange (and such permission and listing not subsequently having been withdrawn or revoked); and

- (5) all other necessary waivers, consents and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transactions contemplated thereunder having been obtained and fulfilled.

None of the above conditions precedent can be waived. If any of the conditions referred to above are not fulfilled at or before 5:00 p.m. on Thursday, 19 January 2023 (or such later date as the Company may determine), the Rights Issue will not proceed.

**As the proposed Rights Issue is subject to the above conditions, it may or may not proceed.**

### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES**

The Latest Time for Acceptance will not take place as scheduled if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning, or “extreme conditions” caused by super typhoons issued by the Hong Kong Observatory:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the section headed “Expected Timetable” may be affected. An announcement will be made by the Company in such event as soon as practicable.

## WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES IN NIL-PAID FORM

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this announcement.

Shareholders and potential investors of the Company should note that if the conditions of the Rights Issue are not satisfied, the Rights Issue will not proceed. Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

The Shares are expected to be dealt in on an ex-rights basis from Monday, 12 December 2022. Dealings in the Rights Shares in nil-paid form are expected to take place from Friday, 23 December 2022 to Wednesday, 4 January 2023 (both days inclusive). Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

## REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Group is principally engaged in the production and sale of water products and beer products in the PRC.

### Allocation of the Proceeds

The net proceeds of the Rights Issue are estimated to be up to approximately HK\$388 million after the deduction of all estimated expenses and the net Subscription Price is estimated to be approximately HK\$0.380 (assuming full acceptance of the Rights Issue and assuming no change in the number of Shares in issue on or before the Record Date and holders of the Convertible Bonds do not exercise their conversion rights on or before the Record Date).

Depending on the level of subscription of the Rights Issue (or, if the Rights Shares are not fully taken up under the Rights Issue, in aggregate with the Placing), the Company intends to apply the net proceeds in the following proportion:

	<b>Subscription level of the Rights Issue (in aggregate with the Placing, if any)</b>	
	<b>Less than 50%</b>	<b>50% or more</b>
Repayment of the external debts of the Group to be payable in 2023	85%	70%
General working capital of the Group	15%	30%

The Board considers fund-raising for additional working capital is essential although, on 21 July 2022, a total of 459,898,000 new shares of the Company at nominal value of HK\$0.01 each were successfully placed at the placing price of HK\$0.425 per placing share (the “**July Placing**”). The net proceeds from the July Placing, after deducting the placing commission and other related expenses of the Placing, amounted to approximately HK\$193,500,000, 69% of which was intended to be used for the repayment of the external debts of the Group and the remaining 31% of which was intended to be used for general working capital of the Group.

Taking into account that substantial part of the proceeds from the July Placing (approximately HK\$191.0 million out of approximately HK\$193.5 million) has already been used by the Group for repayment of loans and payables and general working capital, the Board considers it is prudent and in the interests of the Company and the Shareholders as a whole to raise additional fund for working capital and repayment of external debts of the Group, so that the Group has sufficient financial resources to meet the financial obligations when they fall due in the following 18 months from the date of this announcement.

### **Other Fund-raising Alternatives**

Apart from the Rights Issue, the Board has considered other debt/equity fund raising alternatives such as bank borrowings, placing or an open offer. The Board noted that bank borrowings will carry interest costs and may require the provision of security and creditors will rank before the Shareholders, and placings will dilute the interests of Shareholders without giving them the opportunity to take part in the exercise. As opposed to an open offer, the Rights Issue enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company.

Having considered the abovementioned alternatives, the Board considers that the Rights Issue will allow the Group to strengthen its capital structure without incurring additional debt financing cost. Furthermore, the proceeds from the Rights Issue will enhance the cash position of the Group. The Board has also considered that the Rights Issue will allow all the Qualifying Shareholders the equal opportunity to subscribe for their respective pro rata provisional entitlement of the Rights Shares and hence avoiding dilution in their shareholding interests in the Company. Therefore, the Board is of the view that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

Based on the above, the Board considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole. In addition, having considered the capital needs of the Group, the terms of the Rights Issue and the Subscription Price, the Board also considers that it is in the interests of the Company to proceed with the Rights Issue on a non-underwritten basis. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and the Prohibited Shareholder(s), if any, should note that their shareholdings will be diluted.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 3,059,391,000 Shares in issue. Set out below are the shareholding structures of the Company (i) as at the date of this announcement; and (ii) under the following two scenarios arising from different acceptance ratios of the Rights Issue and the Placing (if any) (for illustrative purpose only):

- (i) assuming full acceptance by the Qualifying Shareholders of the Rights Shares leaving no Placing Shares to be placed in the Placing (“**Scenario I**”); and
- (ii) assuming nil acceptance by the Qualifying Shareholders of the Rights Shares and successful placing of the maximum 1,019,797,000 Placing Shares (“**Scenario II**”).

	As at the date of this announcement		Scenario I		Scenario II	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
<b>Substantial Shareholders</b>						
Tianshan Industry Investment Limited	462,400,740	15.11	616,534,320	15.11	462,400,740	11.34
Tibet Water Resources Limited	437,410,960 <i>(Note 1)</i>	14.30	583,214,613 <i>(Note 2)</i>	14.30	437,410,960 <i>(Note 1)</i>	10.72
Sub-total	<u>899,811,700</u>	<u>29.41</u>	<u>1,199,748,933</u>	<u>29.41</u>	<u>899,811,700</u>	<u>22.06</u>
<b>Public Shareholders</b>						
Independent Places	—	—	—	—	1,019,797,000	25.00
Others	2,159,579,300 <i>(Note 3)</i>	70.59	2,879,439,067 <i>(Note 4)</i>	70.59	2,159,579,300 <i>(Note 3)</i>	52.94
Sub-total	<u>2,159,579,300</u>	<u>70.59</u>	<u>2,879,439,067</u>	<u>70.59</u>	<u>3,179,376,300</u>	<u>77.94</u>
Total	<u>3,059,391,000</u>	<u>100.00</u>	<u>4,079,188,000</u>	<u>100.00</u>	<u>4,079,188,000</u>	<u>100.00</u>

Notes:

1. For 200,000,000 Shares out of these 437,410,960 Shares, please refer to the Company's announcement dated 14 November 2019.
2. For 266,666,666 Shares out of these 583,214,613 Shares, 200,000,000 Shares are the Shares mentioned in Note 1 and another 66,666,666 Shares are the corresponding Rights Shares subscribed under these 200,000,000 Shares.
3. These 2,159,579,300 Shares have not taken into account the 200,000,000 Shares mentioned in Note 1.
4. These 2,879,439,067 Shares have not taken into account the 266,666,666 Shares mentioned in Note 2.

## FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activities in the past twelve months immediately prior to the date of this announcement:

<b>Date of relevant announcements</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds as at the date of this announcement</b>
24 June 2022 and 21 July 2022	Placing of new shares under general mandate	Approximately HK\$193.5 million	Approximately HK\$133.5 million for repayment of the external debts of the Group and approximately HK\$60 million for general working capital of the Group	- Approximately HK\$133.5 million for repayment of the external debts  - Approximately HK\$57.5 million for general working capital.

The unutilized net proceeds amounting to approximately HK\$2.5 million as at the date of this announcement are intended to be utilized according to the intentions previously disclosed by the Company in the said announcements. The unutilized net proceeds are intended to be fully utilized as general working capital in the next two months.

Save as disclosed above, the Company has not conducted any equity fund raising activities in the past twelve months immediately prior to the date of this announcement.

## EXPECTED TIMETABLE

The expected timetable for the Rights Issue set out below is for indicative purposes only and it has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled.

<b>Events</b>	<b>Date (Hong Kong time)</b>
Publication of announcement in relation to the Rights Issue .....	Friday, 2 December 2022
Last day of dealings in the Shares on a cum-entitlement basis relating to the Rights Issue .....	Friday, 9 December 2022
First day of dealings in Shares on an ex-entitlement basis relating to the Rights Issue....	Monday, 12 December 2022
Latest time for the Shareholders to lodge transfer documents of Shares in order to be qualified for the Rights Issue .....	4:00 p.m. on Tuesday, 13 December 2022
Closure of register of members to determine the entitlements of the Rights Issue (both dates inclusive) .....	Wednesday, 14 December 2022 to Tuesday, 20 December 2022
Record Date for the Rights Issue .....	Tuesday, 20 December 2022
Register of members of the Company re-opens....	Wednesday, 21 December 2022
Despatch of the Prospectus Documents (in case of the Prohibited Shareholders, the Prospectus only) .....	Wednesday, 21 December 2022
First day of dealings in nil-paid Rights Shares.....	9:00 a.m. on Friday, 23 December 2022
Latest time for splitting the nil-paid PAL .....	4:00 p.m. on Thursday, 29 December 2022
Last day of dealings in nil-paid Rights Shares .....	Wednesday, 4 January 2023

Latest time to lodge transfer documents of  
nil-paid Rights Shares in order to qualify for  
the payment of Net Gain ..... 4:00 p.m. on  
Monday, 9 January 2023

Latest time for acceptance of and payment for  
the Rights Shares ..... 4:00 p.m. on  
Monday, 9 January 2023

Announcement of the number of Placing Shares  
subject to the Placing ..... Wednesday, 11 January 2023

Commencement of placing of Placing Shares by  
the Placing Agent ..... Thursday, 12 January 2023

Latest time of placing of Placing Shares by the  
Placing Agent ..... 4:00 p.m. on  
Wednesday, 18 January 2023

Latest time for the Rights Issue to become  
unconditional ..... 5:00 p.m. on  
Thursday, 19 January 2023

Announcement of the results of the Rights Issue  
(including the results of the placing of the  
Placing Shares and the amount of the Net Gain  
per Placing Share under the Placing) ..... Friday, 27 January 2023

Refund cheques, if any, to be despatched ..... Monday, 30 January 2023

Certificates for fully-paid Rights Shares to be  
despatched ..... Monday, 30 January 2023

Commencement of dealings in fully-paid Rights  
Shares ..... 9:00 a.m. on  
Tuesday, 31 January 2023

Designated broker starts to stand in the market to  
provide matching services for odd lots of  
Shares ..... 9:00 a.m. on  
Tuesday, 31 January 2023

Latest time for the designated broker to provide  
matching services for odd lots of Shares ..... 4:00 p.m. on  
Wednesday, 15 February 2023

Payment of Net Gain to the No Action  
Shareholder(s) and Prohibited Shareholders (if  
any) ..... Monday, 20 February 2023

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above or in other parts of this announcement are indicative only and may be extended or varied. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate in accordance with the Listing Rules.

### **LISTING RULES IMPLICATIONS**

As the Company has not conducted any rights issue or open offer within the 12-month period prior to the date of this announcement and the Rights Issue will not increase the number of issued Shares or market capitalisation of the Company by more than 50.00%, the Rights Issue is not subject to the Shareholders' approval under the Listing Rules. The Rights Issue will be carried out in compliance with Rule 7.21(1)(b) of the Listing Rules.

### **GENERAL**

Subject to the fulfilment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents setting out details of the Rights Issue to the Qualifying Shareholders.

The Company will despatch the Prospectus to the Prohibited Shareholders for their information only but the Company will not send the PAL to the Prohibited Shareholders.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding a Saturday, Sunday or public or statutory holiday in Hong Kong and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China Connect”	Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, a securities trading and clearing platform under which PRC domestic investors may trade in the Stock Exchange via ChinaClear
“ChinaClear”	China Securities Depository and Clearing Corporation Limited
“Company”	Tibet Water Resources Ltd., a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Compensatory Arrangements”	the compensatory arrangements pursuant to Rule 7.21(1)(b) of the Listing Rules as described in the paragraph headed “Procedures in respect of the Untaken Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements” in this announcement

“Completion”	completion of the Rights Issue
“Convertible Bonds”	the 5% convertible bonds in the principal amount of HK\$379,620,000 due 2024 issued by the Company in March 2021 (with principal amount of HK\$356,976,000 remaining outstanding as at the date of this announcement)
“CSRC”	China Securities Regulatory Commission
“Director(s)”	directors of the Company
“Group”	the Company and its subsidiaries
“FRC”	the Financial Reporting Council of Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) who are not connected persons of the Company and its subsidiaries and who are independent of the Company and connected persons of the Company
“Last Trading Day”	Friday, 2 December 2022, being the last full trading day before the release of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Monday, 9 January 2023 (or such other time or date as may be determined by the Company), being the latest time for acceptance of and payment for the Rights Shares
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NQS Unsold Rights Shares”	the Rights Shares which would otherwise have been provisionally allotted to the Prohibited Shareholders in nil paid form that have not been sold by the Company

“Net Gain”	the aggregate of any premiums, being the aggregate amount paid by the placees after deducting the aggregate amount of the Subscription Price for the Placing Shares placed by the Placing Agent under the Placing Agreement
“No Action Shareholder(s)”	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s) or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed
“Overseas Letter”	a letter from the Company to the Prohibited Shareholders explaining the circumstances in which the Prohibited Shareholders are not permitted to participate in the Rights Issue
“Overseas Shareholders”	Shareholder(s) with registered address(es) (as shown on the register of members of the Company at the close of business on the Record Date) which is(are) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) for the Rights Issue
“Placing”	the offer by way of private placing of the Placing Shares on a best effort basis by the Placing Agent to the independent placee(s) during the Placing Period on the terms and conditions set out in the Placing Agreement
“Placing Agent”	SBI China Capital Financial Services Limited, a licensed corporation to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (providing asset management) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 2 December 2022 and entered into between the Company and the Placing Agent in relation to the placing of the Placing Shares
“Placing Period”	the period commencing from the third Business Day after the Latest Time for Acceptance and ending at 4:00 p.m. on the seventh Business Day after the Latest Time for Acceptance

“Placing Share(s)”	the Untaken Shares and/or the NQS Unsold Rights Shares
“Posting Date”	Wednesday, 21 December 2022 (or such other date as may be determined by the Company), being the date of despatch of Prospectus Documents to the Qualifying Shareholders or Prospectus to the Prohibited Shareholders for information only (as the case may be)
“PRC”	the People’s Republic of China
“PRC Southbound Investors”	investors from the PRC who hold Shares through ChinaClear as nominee under China Connect
“Prohibited Shareholder(s)”	those Overseas Shareholder(s) to whom the Board, after making enquires, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Rights Shares
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Documents”	collectively, the Prospectus and the PAL
“Qualifying Shareholders”	the Shareholders, other than the Prohibited Shareholders, whose names appear on the register of members of the Company as at the close of business on the Record Date
“Record Date”	Tuesday, 20 December 2022, (or such other date as may be determined by the Company), being the date for determining entitlements of Shareholders to participate in the Rights Issue
“Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, Union Registrars Limited, Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong

“Rights Issue”	proposed offer for subscription of the Rights Shares by way of rights issue at the Subscription Price to be made by the Company to the Qualifying Shareholders on the basis of one (1) Rights Share for every three (3) existing Shares in issue and held on the Record Date
“Rights Share(s)”	up to 1,019,797,000 Shares to be allotted and issued pursuant to the Rights Issue (assuming no change in the number of Shares in issue on or before the Record Date and holders of the Convertible Bonds do not exercise their conversion rights on or before the Record Date)
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.385 per Rights Share
“Takeovers Code”	The Codes on Takeovers and Mergers issued by the SFC (as may be amended from time to time)
“Untaken Share(s)”	the number of unsubscribed Rights Shares not taken up by Qualifying Shareholders under PAL(s) during the Rights Issue
“%”	per cent.

*Unless otherwise specified in this announcement, conversions of RMB into HK\$ are made in this announcement for illustration only, at the rate of RMB0.9129 to HK\$1.00. No representation is made that any amounts in RMB could have been or could be converted at that rate or at any other rates or at all.*

By Order of the Board  
**Tibet Water Resources Ltd.**  
**CHOW Wai Kit**  
*Executive Director and Company Secretary*

Hong Kong, 2 December 2022

*As of the date of this announcement, the executive Directors are Mr. YAN Qingjiang, Mr. CHOW Wai Kit and Mr. CHENG Gwan Sing, the non-executive Directors are Ms. JIANG Xiaohong, Mr. XIE Kun and Mr. WEI Zhe Ming and the independent non-executive Directors are Dr. ZHANG Chunlong (Chairman), Mr. LO Wai Hung and Ms. LIN Ting.*