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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)**

**RESULTS OF THE 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**

Reference is made to the prospectus of Tibet Water Resources Ltd. (the “**Company**”) dated 21 December 2022 (the “**Prospectus**”) and the Company’s announcement dated 11 January 2023 in relation to, among others, the results of valid acceptance of provisional allotments under the PALs (the “**Announcement**”). Unless otherwise stated, terms used herein shall have the same meanings as those defined in the Prospectus.

**RESULTS OF THE RIGHTS ISSUE**

As disclosed in the Announcement, a total of 20 valid acceptances of provisional allotments under the PALs were received for a total of 557,798,129 Rights Shares, representing approximately 54.7% of the total number of 1,019,797,000 Rights Shares being offered under the Rights Issue. There will be no fractional entitlements to the Rights Shares arising from the Rights Issue. Based on the subscription results, the Rights Issue was under-subscribed by 461,998,871 Rights Shares, representing approximately 45.3% of the total number of the Rights Shares available for subscription under the Rights Issue.

## THE COMPENSATORY ARRANGEMENTS AND THE PLACING

As disclosed in the Announcement, based on the results of acceptances and applications of the Rights Issue, a total of 461,998,871 Untaken Shares and nil NQS Unsold Rights Shares (the “**Placing Shares**”) were subject to the Placing by the Placing Agent on a best effort basis under the Compensatory Arrangements. The Placing commenced on Thursday, 12 January 2023 and ended at 4:00 p.m. on Wednesday, 18 January 2023.

The Board is pleased to announce that as at 4:00 p.m. on Wednesday, 18 January 2023, being the latest time of the Placing, a total of 461,998,871 Placing Shares (representing 100% of the total number of Placing Shares) have been successfully placed by the Placing Agent to not less than six placees pursuant to the terms of the Placing Agreement at the placing price of HK\$0.385 per Placing Share, representing nil premium over the Subscription Price. Accordingly, the amount of the Net Gain per Untaken Share under the Placing is nil and no Net Gain was realised and to be received by any No Action Shareholders on Monday, 20 February 2023.

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, and based on the information provided by the Placing Agent, each of the placees under the Placing is a third party independent of, and not connected with and is 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), and that none of the placees had become a substantial shareholder (as defined under the Listing Rules) of the Company as a result of and upon completion of the Placing and the Rights Issue.

## THE RIGHTS ISSUE AND THE PLACING BECOMING UNCONDITIONAL

All conditions to the Rights Issue and the Placing were also fulfilled. Accordingly, the Rights Issue and the Placing became unconditional at 5:00 p.m. on Thursday, 19 January 2023.

The net proceeds from the Placing received by the Company, after deducting all related costs, fees, expenses and commission, were approximately HK\$173.7 million, representing a net issue price of approximately HK\$0.376 per Placing Share. The aggregate net proceeds raised from the Rights Issue (including the Placing), after deducting all related costs, fees, expenses and commission, were approximately HK\$388 million.

Upon completion of the Rights Issue and the Placing, an aggregate of 1,019,797,000 Rights Shares (representing 100% of the total number of 1,019,797,000 Rights Shares available for subscription under the Rights Issue) will be allotted and issued, out of which (i) 557,798,129 Rights Shares will be allotted and issued under valid acceptances of PALs; and (ii) 461,998,871 Rights Shares will be allotted and issued to places under the Placing.

## EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Based on the information available to the Company and to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company immediately before and after completion of the Rights Issue are as follows:

	<b>Immediately before the Rights Issue</b>		<b>Immediately after completion of the Rights Issue</b>	
	<i>Number of Approximate Shares</i>	<i>%</i>	<i>Number of Approximate Shares</i>	<i>%</i>
<b>Substantial Shareholders</b>				
Tianshan Industry Investment Limited	462,400,740	15.11	462,400,740	11.34
Tibet Water Resources Limited	437,410,960	14.30	437,410,960	10.72
	<u>(Note 1)</u>	<u>                    </u>	<u>(Note 1)</u>	<u>                    </u>
<i>Sub-total</i>	899,811,700	29.41	899,811,700	22.06

	<b>Immediately before the Rights Issue</b>		<b>Immediately after completion of the Rights Issue</b>	
	<i>Number of Approximate Shares</i>	<i>%</i>	<i>Number of Approximate Shares</i>	<i>%</i>
<b>Public Shareholders</b>				
Independent Placees	—	—	461,998,871	11.33
Others	2,159,579,300	70.59	2,717,377,429	66.61
	<i>(Note 2)</i>		<i>(Note 3)</i>	
<i>Sub-total</i>	<u>2,159,579,300</u>	<u>70.59</u>	<u>3,179,376,300</u>	<u>77.94</u>
<b>Total</b>	<u>3,059,391,000</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 Shares, please refer to the Company's announcement dated 14 November 2019.
2. These 2,159,579,300 Shares have not taken into account the 200,000,000 Shares mentioned in Note 1.
3. These 2,717,377,429 Shares have not taken into account the 200,000,000 Shares mentioned in Note 1.

## **INTENDED USE OF THE NET PROCEEDS FROM THE RIGHTS ISSUE**

Since 50% or more of the total number of Rights Shares available for subscription under the Rights Issue (in aggregate with the Placing) were subscribed for, the Company will apply 70% of the net proceeds from the Rights Issue (representing approximately HK\$271.6 million) for the repayment of the external debts of the Group to be payable in 2023, and the remaining net proceeds of approximately HK\$116.4 million will be applied for the general working capital of the Group as stated in the Prospectus.

## **DESPATCH OF SHARE CERTIFICATES FOR FULLY-PAID RIGHTS SHARES**

The share certificates in respect of the valid acceptance of Rights Shares under the PALs and the Placing Shares successfully placed to the placees under the Placing are expected to be despatched to those entitled thereto by ordinary post to their respective registered address, at their own risk, on Monday, 30 January 2023. Given the Rights Issue has become unconditional, no monies received in respect of the relevant PALs will be refunded, and no refund cheque will be posted, to any accepting or applying Shareholders.

## COMMENCEMENT OF DEALINGS OF THE RIGHTS SHARES IN FULLY-PAID FORM

The Stock Exchange has granted the approval for the listing of, and the permission to deal in, the Rights Shares. Dealings in the Rights Shares in their fully-paid form, including those Placing Shares successfully placed to the placees under the Placing, are expected to commence on the Stock Exchange at 9:00 a.m. on Tuesday, 31 January 2023.

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

Hong Kong, 27 January 2023

*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 Zheming and the independent non-executive Directors are Dr. ZHANG Chunlong (Chairman), Mr. LO Wai Hung and Ms. LIN Ting.*