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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)

DISCLOSEABLE TRANSACTIONS RENEWAL OF LOANS

Renewal of Loans

The Lenders, being wholly-owned subsidiaries of the Company, renewed the Loans to the Borrowers on 31 December 2021.

Implications under the Listing Rules

As the highest applicable percentage ratio in respect of the renewal of the Loans to each Borrower is 5% or more but less than 25%, the renewal of the Loans to each Borrower constitutes discloseable transactions of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Renewal of Loans

The particulars of the Loans (being the renewal of the amounts advanced to the respective Borrowers prior to 31 December 2021 and remaining outstanding as at 31 December 2021) are summarized as follows:

Amounts

1. Loans to Borrower A: RMB144,878,000
2. Loans to Borrower B: RMB171,450,000
3. Loans to Borrower C: RMB167,035,000
4. Loans to Borrower D: RMB141,274,000

Interest rate, term and security

All the Loans bear an interest rate of 5% per annum, are repayable within one year from 31 December 2021 and are unsecured.

Credit Risk Assessment Procedures

The Group had conducted credit risk assessment before renewing the Loans in accordance with its customary procedures in assessing the provision and renewal of loans. In particular, the Group had carried out the following measures:

- (i) examining the background of the Borrowers, including but not limited to their business development, financial strength and repayment ability (including recent settlement record in which there were no incidents of default);
- (ii) maintaining regular contact with the Borrowers and paying regular attention to their latest business development and the developments of different sectors of the relevant industries, in which no material irregularities had been found;
- (iii) conducting litigation and bankruptcy searches against the Borrowers, in which no material irregularities had been found; and
- (iv) considering the relatively short-term nature of the Loans.

After assessing the credit risks involved in the renewal of the Loans, the Board considered that such credit risks were manageable to the Group.

Information of the Borrowers

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Borrowers and their ultimate beneficial owners is a third party independent of the Company and its connected persons.

The principal business activities of Borrower A are the wholesale of pre-packaged food products and the development and sale of packaged drinking water products.

The principal business activities of Borrower B are the promotion of new beverage products and technology development for drinking water products (including but not limited to flavoured/energy drinks and soda water).

The principal business activities of Borrower C are the wholesale of packaged drinking water products. It is also involved in the promotion and development of infant/baby food and beverage products.

The principal business activities of Borrower D are the development of and investment in a variety of beverage businesses (including but not limited to beer, wine, water, coffee and tea).

Reasons for and Benefits of the Renewal of Loans

The Group is engaged mainly in production and sales of water products and beer products in the PRC.

As disclosed in the interim and annual reports of the Company, the Group continues to be committed to the development of Tibet's water industry and allocated resources to the long-term strategic positioning in Tibet's water industry.

It is the long-term strategy of the Group to promote the development and consolidation of the water resources and beer industries with the staunch support of the local government and regional industrial associations in Tibet. In particular, in its efforts to facilitate the strategic layout of key resources and the ecosystem, the Group has been providing loans and other support to its strategic partners. This also places the Group in an advantageous position should further strategic cooperation opportunities arise in future. The renewal of the Loans is in line with such business strategy arrangement of the Company.

In view of the above, the Directors are of the view that the renewal of the Loans are on normal commercial terms arrived at after arm's length negotiation and the terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Implications under the Listing Rules

As the highest applicable percentage ratio in respect of the renewal of the Loans to each Borrower is 5% or more but less than 25%, the renewal of the Loans to each Borrower constitutes discloseable transactions of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Definitions

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors;
“Borrower A”	Tibet Ruiyufeng Enterprise Marketing & Planning Co., Ltd.* (西藏睿譽豐企業策劃營銷有限公司), a company established in the PRC which is ultimately beneficially owned by Wang Bin (王斌), who is a businessperson;
“Borrower B”	Tibet Zangdi Glacier Mineral Water Co., Ltd.* (西藏藏地冰川礦泉水有限公司), a company established in the PRC which is ultimately beneficially owned by Tian Jing (田靜), who is a businessperson;
“Borrower C”	Tibet Gaodefeng Beverage Development Co., Ltd.* (西藏高得分飲品發展有限公司), a company established in the PRC which is ultimately beneficially owned by Jiang Peng (姜鵬), who is a businessperson;
“Borrower D”	Tibet Highland Barley Beer Co., Ltd.* (西藏青稞啤酒有限公司), a company established in the PRC which is ultimately beneficially owned by Wang Xianwu (王先伍), who is a businessperson;
“Borrowers”	means Borrower A, Borrower B, Borrower C and Borrower D;
“Company”	Tibet Water Resources Ltd., a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

“Lenders”	the respective lenders of the Loans, which are wholly-owned subsidiaries of the Company;
“Loans”	the loans renewed by the Lenders on 31 December 2021 as disclosed in this announcement;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	the shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Tibet”	Tibet Autonomous Region of the PRC;
“%”	per cent; and
“*”	for identification purpose only.

By order of the Board of
Tibet Water Resources Ltd.
CHOW Wai Kit
Company Secretary

Hong Kong, 31 December 2021

As of the date of this announcement, the executive Director is Mr. YAN Qingjiang, the non-executive Director is Ms. JIANG Xiaohong and the independent non-executive Directors are Mr. TANG Zeping, Mr. DAI Yang and Mr. LO Wai Hung.