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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)

PROFIT WARNING

This announcement is made by Tibet Water Resources Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the requirements of Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 which have not been reviewed by the Company’s auditors and information currently available to the management of the Company, it is expected that the revenue of the Group and profit attributable to owners of the Company for the six months ended 30 June 2020 will decrease by approximately 45% and approximately 65% respectively, as compared to the corresponding period in 2019.

Such decreases were primarily attributable to the following:

- (1) the adverse impact of the outbreak of the COVID-19 pandemic since early 2020 including social distancing and other containment measures caused the temporary suspension of operations of some key distributors, customers and channels such as cinema, airlines, restaurants, etc. The sales volume of the water segment decreased by approximately 40% and the sales volume of the beer segment decreased by approximately 11%;

- (2) certain customers' financial position had been affected due to the above-mentioned economic environment in the first half of 2020, which resulted in the Company recognising an increase in impairment losses on financial assets;
- (3) the Company recorded a slight loss from investments accounted for using equity method as compared with a share of profit for the corresponding period in 2019; and
- (4) the increase in net finance income partly offset the decrease in profit attributable to owners of the Company for the six months ended 30 June 2020.

The Company has taken proactive measures to mitigate the operational risks and maintain normal production and operations. However, the management of the Company believes that in the near to medium term, the threat of repetitive waves of the COVID-19 pandemic will continue to adversely impact on the increase in consumer expenditure and cause operational difficulties throughout 2020.

The Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2020 (the “**Interim Results**”). The information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020, which have not been reviewed by the auditors and the audit committee of the Company, and information currently available to the management of the Company. The Interim Results may be different from the information disclosed herein. Shareholders and potential investors are advised to read carefully the announcement of the Interim Results, which is expected to be published before the end of August 2020 in compliance with the requirements under the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Tibet Water Resources Ltd.
Kevin Cheng WEI

Chairman and Independent Non-Executive Director

Hong Kong, 11 August 2020

As of the date of this announcement, the executive Directors are Mr. YUE Zhiqiang and Mr. YAN Qingjiang, the non-executive Director is Ms. JIANG Xiaohong and the independent non-executive Directors are Mr. Kevin Cheng WEI (Chairman), Mr. HUNG Ka Hai Clement, Mr. TANG Zeping and Mr. DAI Yang.