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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 TRANSACTION PROVISION OF GUARANTEE

Provision of Guarantee

On 12 November 2021, the Company entered into a corporate guarantee in favour of the Bank to provide guarantee for the amount of RMB160 million as security for the bank loan made available by the Bank to Fudi Packaging.

On 16 November 2021, the corporate guarantee was confirmed and accepted by the Bank and the relevant bank loan was drawn by Fudi Packaging.

Implications under the Listing Rules

As the highest applicable percentage ratio in respect of the provision of the guarantee both on a standalone and on an aggregated basis is more than 5% but less than 25%, the provision of the guarantee constitutes a discloseable transaction 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.

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The guarantee is a guarantee with joint and several liabilities and the scope of the guarantee includes the principal amount of the bank loan of RMB160 million and interest, compound interest, penalty interest, liquidated damages, damages and fees and expenses for realising the creditor's rights (including without limitation litigation costs or arbitration costs, security fees, execution fees, legal fees, travel expenses and other related expenses) under the relevant loan agreement.

The guarantee limit validity period shall be from 26 October 2021 to 25 October 2022. The debts guaranteed must occur within the guarantee limit validity period, but the Company shall be jointly and severally liable whether or not the maturity date of the relevant debt exceeds the expiry date of the guarantee limit validity period. The duration of the guarantee in respect of each principal debt shall be three years from the maturity date of the relevant principal debt.

Apart from the corporate guarantee provided by the Company, the bank loan made available by the Bank to Fudi Packaging is also secured by (i) a corporate guarantee provided by Lhasa Economic and Technological Development Zone Financing Guarantee Co., Ltd.* (拉薩經濟技術開發區融資擔保有限公司) for the amount of RMB60 million; (ii) a pledge of 4 sets of production equipment of Fudi Packaging; and (iii) personal guarantees provided by the legal representatives and ultimate beneficial owner of Fudi Packaging.

Information of Fudi Packaging

Fudi Packaging is an associated company of the Company and is owned as to 25% by the Group. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the other ultimate beneficial owner of Fudi Packaging is a third party independent of the Company and its connected persons. The principal business activities of Fudi Packaging are the manufacturing and sale of bottle preforms and caps and it is the only bottle preforms and caps supplier in Tibet which is critical to the development and expansion of the Group's water business in the post-epidemic era.

Information of the Bank

The Bank is a local branch of a PRC commercial bank principally engaged in the provision of a range of banking services and related financial services. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Bank and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Reasons for and Benefits of the Provision of Guarantee

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

The Group's long-term strategy is to promote the development and consolidations of water resources industry and beer industry segments by leveraging the strong support and guidance by the Tibet government and related Tibet regional industrial associations and to facilitate the strategic layout of key resources in the entire ecosystem which is critical for the Group to become these industries' leader.

In view of the above and the principal business activities of Fudi Packaging are the manufacturing and sale of bottle preforms and caps and it is the only bottle preforms and caps supplier in Tibet which is critical to the development and expansion of the Group's water business in the post-epidemic era, the Directors are of the view that the provision of the guarantee is on normal commercial terms 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 provision of the guarantee both on a standalone and on an aggregate basis (when aggregated with the guarantee provided by Tibet Glacier Water on 12 June 2020 for the bank loans made available by China Construction Bank Tibet branch to Fudi Packaging for the amount of RMB120 million as disclosed in the announcement of the Company dated 7 May 2021) is 5% or more but less than 25%, the provision of the guarantee constitutes a discloseable transaction 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:

“Bank”	Industrial Bank Co., Ltd. (Lhasa branch);
“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 Stock Exchange;
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules;

“Director(s)”	the director(s) of the Company;
“Fudi Packaging”	Tibet Fudi Natural Beverage Packaging Ltd.* (西藏福地天然飲品包裝有限責任公司), a company established in the PRC and an associated company of the Company which is beneficially owned as to 65% by Tibet Fudi Natural Beverage Industry Development Co., Ltd.* (西藏福地天然飲品產業發展有限責任公司) (which is ultimately beneficially owned by Yang Lei (楊蕾)) and 25% by Tibet Glacier Water;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	the shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Tibet Glacier Water”	Tibet Glacier Mineral Water Co., Ltd.* (西藏冰川礦泉水有限公司), an indirect wholly-owned subsidiary of the Company;
“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, 17 November 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.