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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)

GRANT OF SHARE OPTIONS

This announcement is made by Tibet Water Resources Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that on 14 April 2025 (the “**Date of Grant**”), the Company granted share options (the “**Share Options**”) to directors and employees (collectively, the “**Employee Participants**”) and distributors (the “**Distributors**”) of the Group (collectively, the “**Grantees**”) to subscribe for up to a total of 407,918,800 ordinary shares of HK\$0.01 each in the capital of the Company (the “**Shares**”) under the share option scheme adopted by the Company on 30 June 2023 (the “**Share Option Scheme**”), subject to acceptances by the Grantees.

Details of the Share Options granted are set out below:—

Date of Grant: 14 April 2025

Number of Shares subject to the Share Options: a maximum of 407,918,800 Shares, subject to acceptances of the Share Options by the Grantees

Exercise price of the Share Options granted:	HK\$0.31 per Share, which represents the highest of: <ul style="list-style-type: none"> (i) the closing price of HK\$0.31 per Share as stated in the daily quotation sheet issued by the Stock Exchange on 14 April 2025, being the Date of Grant; (ii) the average closing price of HK\$0.30 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five trading days immediately preceding the Date of Grant; and (iii) the nominal value of the Share, being HK\$0.01.
Closing price of the Shares on the Date of Grant:	HK\$0.31 per Share
Performance targets:	<i>Employee Participants (excluding Grantees who are independent non-executive Directors)</i>

The vesting of the Share Options granted to the Employee Participants (excluding Grantees who are independent non-executive Directors) is subject to the satisfaction of certain performance targets as outlined below (the “**Employee Participant Performance Targets**”).

In respect of each Employee Participant (other than a Grantee who is also an independent non-executive Director), the vesting of:

- (i) 50% of his/her Share Option (“**Batch 1 Share Option**”) is subject to the Employee Participant Performance Targets in respect of the six months ending 30 June 2025 (the “**First Performance Target Period**”) being satisfied; and
- (ii) the remaining 50% of his/her Share Option (“**Batch 2 Share Option**”) is subject to the Employee Participant Performance Targets in respect of the year ending 31 December 2025 (the “**Second Performance Target Period**”) being satisfied.

The Employee Participant Performance Targets of an Employee Participant for the relevant performance target period will be satisfied if the results of the following performance evaluations are satisfactory as determined by the remuneration committee of the Company (the “**Remuneration Committee**”) on the recommendation of the senior management:

Group level performance evaluation: The Remuneration Committee, on the recommendation of the senior management, will assess the overall business performance of the Group and/or the related business units during the relevant performance target period, including in particular key performance indicators (such as revenue and profit).

Individual level performance evaluation: The Remuneration Committee, on the recommendation of the senior management, will comprehensively evaluate the performance and contribution of each of the Employee Participants during the relevant performance target period through conducting performance review based on their unique roles and responsibilities in the relevant departments and/or business units. The performance review criteria may include without limitation professional ethics, work efficiency, innovation ability, working attitude, team spirit, whether he/she has completed his/her regular duties and/or assigned tasks, the quality, efficiency, progress or level of completeness, and timeliness for completing the projects or tasks assigned to him/her, etc.).

In case of partial satisfaction of the Employee Participant Performance Targets of (in respect of Batch 1 Share Option) the First Performance Target Period or (in respect of Batch 2 Share Option) the Second Performance Target Period, the Remuneration Committee may, on the recommendation of the senior management, determine in its absolute discretion whether the relevant batch of Share Option shall vest in proportion to the Employee Participant Performance Targets of the relevant performance target period actually achieved (or such other proportion, which shall not exceed the proportion of the Employee Participant Performance Targets actually achieved, as may be determined by the Remuneration Committee in its sole discretion on the recommendation of the senior management), and the unvested portion of Batch 1 Share Option and Batch 2 Share Option shall lapse on the Batch 1 Vesting Date (as defined below) and the Batch 2 Vesting Date (as defined below) respectively.

Grantees who are independent non-executive Directors

The Share Options granted to independent non-executive Directors are not subject to any performance targets. Under Recommended Best Practice E.1.9 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, issuers generally should not grant equity-based remuneration (e.g. share options) with performance related elements to independent non-executive directors as this may lead to bias in their decision-making and compromise their objectivity and independence. The Share Options granted to independent non-executive Directors are to recognize their continuous contributions for objective and independent insights to the Board and the Board's committees for enhancing the sustainability of the Company's business development. Accordingly, the Remuneration Committee considers that performance targets are not necessary for Grantees who are independent non-executive Directors and the grants to them align with the purpose of the Share Option Scheme.

Distributors

The vesting of the Share Options granted to the Distributors is subject to their satisfaction of certain performance targets as stipulated in the offer letters (the “**Distributor Performance Target**”).

In respect of each Distributor, the vesting of its Share Option is conditional upon the Distributor’s achievement of certain target sales of the products of the Group (in terms of revenue realized and recognized by the Group from the Group’s sales of its products to the Distributor and/or its affiliated companies) during a period of 12 months from the Date of Grant (the “**Distributor Performance Target Period**”).

In case of partial satisfaction of the Distributor Performance Target, the Remuneration Committee may, on the recommendation of the senior management, determine in its absolute whether the Share Option shall vest in proportion to the Distributor Performance Target actually achieved (or such other proportion, which shall not exceed the proportion of the Distributor Performance Target actually achieved, as may be determined by the Remuneration Committee in its sole discretion on the recommendation of the senior management), and the unvested portion of the Share Option shall lapse on the Distributor Vesting Date (as defined below).

Exercise period and vesting period of the Share Options:

Employee Participants (excluding Grantees who are independent non-executive Directors)

Within 30 days after (a) the date of publication of the interim results announcement of the Company for the six months ended 30 June 2025 and (b) the date of publication of the annual results announcement of the Company for the year ending 31 December 2025, the Remuneration Committee shall determine, on the recommendation of the senior management, whether each Employee Participant satisfies his/her Employee Participant Performance Targets in respect of the First Performance Target Period and Second Performance Target Period respectively.

Subject to the satisfaction of the relevant Employee Participant Performance Targets, Batch 1 Share Option and Batch 2 Share Option (or any portion thereof, as the case may be) to be vested (if any) shall vest on the date on which the Remuneration Committee determines that the Employee Participant Performance Targets in respect of the First Performance Target Period are satisfied (the “**Batch 1 Vesting Date**”) and the date on which the Remuneration Committee determines that the Employee Participant Performance Targets in respect of the Second Performance Target Period are satisfied (the “**Batch 2 Vesting Date**”) respectively, and become exercisable forthwith, in whole or in part, up to and including 29 June 2033.

The vesting of each of Batch 1 Share Option and Batch 2 Share Option (or any portion thereof, as the case may be) is subject to the satisfaction of Employee Participant Performance Targets, which are performance-based vesting conditions. The grant of Share Options to the Employee Participants with a shorter vesting period than 12 months under such circumstances is specifically permitted by the Share Option Scheme.

The Remuneration Committee considers that a shorter vesting period for Employee Participants is appropriate, having taken into account the demonstrated commitments and contributions of the Employee Participants to the overall operations, development and growth of the Group over their tenure, the length of employment of the relevant Directors, their industry experience and having considered that it is appropriate to reward exceptional performers with shorter vesting period and to motivate exceptional performers based on performance metrics.

Grantees who are independent non-executive Directors

Their Share Options shall vest 12 months after the Date of Grant and become exercisable forthwith, in whole or in part, up to and including 29 June 2033.

Distributors

The Remuneration Committee shall determine and verify, on the recommendation of the senior management, each Distributor's satisfaction of the Distributor Performance Target within the 45 days after the expiry of the Distributor Performance Target Period. The Share Options (or any portion thereof, as the case may be) to be vested (if any) shall vest on the date of the completion of such determination (the "**Distributor Vesting Date**"), and become exercisable forthwith, in whole or in part, up to and including the last trading day of the 3-year period after the Distributor Vesting Date.

Clawback mechanism:

The Share Options are subject to the clawback mechanism as set out in the Share Option Scheme, which provides for the lapse of the Share Options under various circumstances (including but not limited to the Grantee ceasing to be an eligible participant by reason of the termination of the employment, directorship, appointment or engagement of the Grantee on the ground that he/she/it has been guilty of serious misconduct, or on any other ground on which an employer would be entitled to terminate his/her/its employment at common law or pursuant to any applicable laws or under the relevant service contract, letter of appointment or other contract or agreement). For details, please refer to Appendix III (Summary of the Principal Terms of the 2023 Share Option Scheme) to the circular of the Company dated 30 May 2023.

Financial assistance:

There is no arrangement for the Group to provide any financial assistance to the Grantees to facilitate the purchase of Shares under the Share Option Scheme.

Among the Share Options granted, Share Options to subscribe for up to a total of 203,959,400 Shares were granted to the Employee Participants, details of which are as follows:

Name of Grantee	Position	Number of Shares subject to Share Options
Directors		
Mr. Chow Wai Kit	Executive Director	27,000,000
Mr. Cheng Gwan Sing	Executive Director	27,000,000
Mr. Yue Zhiqiang	Executive Director	27,000,000
Ms. Jiang Xiaohong	Non-Executive Director	27,000,000
Mr. Xie Kun	Non-Executive Director	3,000,000
Mr. Wei Zheming	Non-Executive Director	3,000,000
Dr. Zhang Chunlong	Independent Non-Executive Director, Chairman of the Board	3,000,000
Mr. Lo Wai Hung	Independent Non-Executive Director	3,000,000
Ms. Lin Ting	Independent Non-Executive Director	3,000,000
Sub-total:		<u>123,000,000</u>
Employees		
Mr. Wang Dong	Co-Chief Executive Officer	27,000,000
Mr. Du Hui	Co-Chief Executive Officer	27,000,000
Other Employees of the Group		<u>26,959,400</u>
Sub-total:		<u>80,959,400</u>
Total:		<u><u>203,959,400</u></u>

Among the Share Options granted, Share Options to subscribe for up to a total of 203,959,400 Shares were granted to the Distributors, details of which are as follows:

Name of Grantee	Ultimate Beneficial Owners	Number of Shares subject to Share Options
Distributor		
Russell Breweries (Hong Kong) Company Limited	Wu Huadong, Ma Dongbing	46,000,000
Tibet Life Water Holding Company Limited	Hu Huan	46,000,000
China Prosper Holding Group Co., Limited	Zhou Weihuan	30,000,000
Smoothly Good Investment Development Limited	Liu Dong	20,000,000
Long Vehicle Capital Ltd.	Zhang Xiongfeng	18,000,000
Sofia Jade Limited	Chui Fung Han	10,000,000
Pentart Industrial Limited	Pan Lihui, Ma Hiu Ngai	10,000,000
Diamond Full Limited	Cheng Zirui	10,000,000
Gold Chain Seven Limited	Catherine Han	10,000,000
Other distributors of the Group		<u>3,959,400</u>
Total:		<u><u>203,959,400</u></u>

All of the Distributors are distributors of the Group's products.

Save as disclosed above, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, none of the Grantees is (i) a Director, chief executive or substantial shareholder of the Company, nor an associate (as defined in the Listing Rules) of any of them; (ii) a participant with share options granted and to be granted exceeding the 1% individual limit under Rule 17.03D of the Listing Rules; or (iii) a related entity participant or a service provider (as defined under the Listing Rules) of the Company with share options granted and to be granted in any 12-month period exceeding 0.1% of the Shares in issue.

Pursuant to Rule 17.04(1) of the Listing Rules, the grant of the Share Options to each of the aforesaid Directors has been approved by the independent non-executive Directors (excluding the independent non-executive Director who is the Grantee). Each of the Directors who is also a Grantee has abstained from voting on the resolution approving the grant of the Share Options of which he/she is the Grantee.

Following the grant of the Share Options, the scheme mandate limit and service provider sublimit of the Share Option Scheme have been fully utilized.

REASONS FOR THE GRANT OF SHARE OPTIONS

The purpose of the Share Option Scheme is to enable the Company to grant share options to eligible participants as incentives or rewards for their contribution to the growth of the Group and to provide the Group with a more flexible means to attract, retain, reward, remunerate, compensate and/or provide benefits to the eligible participants.

The Board considers that the grant of Share Options to the Employee Participants is a means to reward them for their past contribution to the success of the Group and will (i) provide them with financial incentives to make contribution to the future business operations and long-term development of the Group; and (ii) provide them an opportunity to have a personal stake in the Group, thus aligning their interests with those of the Group.

As disclosed in the Company's announcement of final results for the year ended 31 December 2024, the domestic packaged drinking water market and the Group's beer business were in keen competition in 2024, and the Group will develop distributor network throughout the country and continuously enhancing product exposure and brand awareness, with the aim to attract more consumers to pay attention to and purchase our products.

In this regard, the Distributors are existing and new distributors of the Group's products, with sales channels targeting specific customer profiles. In determining the grant of Share Options to the Distributors, the Board has considered factors such as (i) their background, business networks, market connections and sales channels; (ii) the degree of cooperation and scale of cooperation with the Group; (iii) the length of business relationship with the Group; (iv) their contribution provided or expected to be provided to the Group in connection with its business development and/or operations; and (v) the Distributor Performance Target imposed. The grant of Share Options to the Distributors with the Distributor Performance Target would be able to incentivise the Distributors to continue to provide their valuable contributions to Group's water and beer businesses, motivate them to strengthen their long-term

service commitment to the Group, and align the Distributors' interests with those of the Group. As such, the Board is of the view the grant of Share Options to the Distributors aligns with the purpose of the Share Option Scheme.

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

Hong Kong, 14 April 2025

As of the date of this announcement, the executive Directors are Mr. CHOW Wai Kit, Mr. CHENG Gwan Sing and Mr. YUE Zhiqiang, 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.