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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)

**PLACING OF
CONVERTIBLE BONDS
UNDER GENERAL MANDATE**

Placing Agent



軟庫中華 SBI China

PLACING OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

On 17 September 2025 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company agreed to issue and the Placing Agent agreed to procure, on a best effort basis, no less than six (6) Placees to subscribe for the Bonds in the aggregate principal amount of up to HK\$297,000,000.

Assuming the Bonds are fully placed and the full conversion of the Bonds at the initial Conversion Price of HK\$0.55, the Bonds will be convertible into 540,000,000 Shares, representing approximately 11.49% of the existing issued share capital of the Company and approximately 10.30% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

The Conversion Shares will be issued and allotted by the Company pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 30 June 2025 to allot, issue and otherwise deal with up to 939,989,115 Shares, representing 20% of the total number of Shares then in issue. As of the date of this announcement, no Shares have been issued under such general mandate. Such general mandate is sufficient for the issue and allotment of the Conversion Shares. Accordingly, the issue and allotment of the Conversion Shares is not subject to the approval of the Shareholders.

No application will be made for the listing of the Bonds. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

As the Conditions Precedent may or may not be satisfied, Shareholders and prospective investors are advised to exercise caution when dealing with the Shares.

PLACING OF 5% CONVERTIBLE BONDS UNDER GENERAL MANDATE

On 17 September 2025 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company agreed to issue and the Placing Agent agreed to procure, on a best effort basis, no less than six (6) Placees to subscribe for the Bonds in the aggregate principal amount of up to HK\$297,000,000 at the Placing Price.

PLACING AGREEMENT

Date: 17 September 2025

Parties:

- (i) the Company; and
- (ii) the Placing Agent

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees

The Placing Agent agrees, as agent of the Company, to procure not less than six (6) Placees (being institutional, corporate or independent individual investors) on a best effort basis to subscribe for the Bonds, which shall be offered in the principal amount of HK\$100,000 or integral multiples thereof. The choice of the Placees shall be determined by the Placing Agent at its sole discretion subject to the requirements of the Listing Rules and any objection the Stock Exchange may have to any particular person or company being a Placee provided that the Placing Agent shall use its best endeavours to:

- (i) ensure that Placees and their respective ultimate beneficial owners are third parties independent of, not connected with and not acting in concert with the Company or its connected persons (including but not limited to the directors, chief executives, controlling shareholders and substantial shareholders of the Company and its subsidiaries and their respective associates); and
- (ii) ensure that none of the Placees will, upon conversion of the Bonds subscribed by it, become a substantial shareholder of the Company.

Placing Period

The placing period shall commence from the date of the Placing Agreement to the date falling on the fifteen Business Day thereafter (or such other date as may be agreed between the Parties in writing) (both dates inclusive).

Conditions Precedent

Completion is conditional upon (i) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Conversion Shares; and (ii) the Placing Agreement not having been terminated by the Placing Agent pursuant to its terms.

The Company and the Placing Agent shall use their respective best endeavours to procure the fulfillment of the Conditions Precedent. In the event that any of the Conditions Precedent is not fulfilled by 17 October 2025 (or such other date as may be agreed by the Company and the Placing Agent in writing), the Placing will lapse and all rights and obligations of the parties in relation to the Placing shall cease and neither of the parties shall have any claim against the other in respect of the Placing save for any antecedent breach and/or any rights or obligations which may have accrued prior to such termination.

Completion

Subject to the fulfillment of the Conditions Precedent, Completion shall take place on the Completion Date.

Termination

The Placing Agent shall be entitled by giving written notice to the Company prior to 6:00 p.m. on the day immediately preceding the Completion Date to terminate the Placing Agreement if there develops, occurs or comes into force at any time prior to 6:00 p.m. on the day immediately preceding the Completion Date any local, regional, national or international event or change (whether or not permanent or forming part of a series of events or changes occurring or continuing, on and/or after the date hereof) of a political, military, economic or other nature which will in the reasonable opinion of the Placing Agent have a material adverse effect on the Placing. If such written notice is given, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement, save for any antecedent breach or any rights or obligations which may have accrued prior to such termination.

Placing Commission

Subject to Completion, the Company shall pay to the Placing Agent a placing commission, in Hong Kong dollars, of 0.5% of the aggregate principal amount of the Bonds actually placed by the Placing Agent. The Company shall also pay all reasonable out-of-pocket expenses properly incurred by the Placing Agent in connection with the Placing (other than fees, commissions, costs and expenses of the sub-agents appointed by the Placing Agent and its own legal and other professional advisors) as may be approved by the Company in writing in advance. Assuming the Bonds are fully placed, the maximum placing commission shall be HK\$1,485,000.

The placing commission was negotiated on arm's length basis between the Company and the Placing Agent under normal commercial terms and was determined with reference to, among other things, the prevailing market conditions and commission rate charged by other placing agents.

PRINCIPAL TERMS OF THE BONDS

Maturity Date

5 October 2026

Redemption at Maturity

Unless previously redeemed, converted or purchased and cancelled, the Company shall on the Maturity Date redeem all the Bonds then outstanding at the principal amount of the Bonds together with the accrued interest on such Bonds for the period from (and including) the Issue Date to (but excluding) the Maturity Date.

Early Redemption at the Option of the Company

The Company shall have the right to redeem all or part of the Bonds held by any Holder at any time and from time to time prior to the Maturity Date at their Early Redemption Amount. Such redemption right of the Company may be exercised by the Company giving no less than three (3) Business Days' prior notice to the relevant Holder in writing.

Redemption for Taxation Reasons

The Bonds may be redeemed at the option of the Company in whole, but not some only, at any time, upon giving not less than 30 days' nor more than 60 days' notice to the Holders, at the principal amount of the Bonds together with any interest accrued but unpaid to the date specified in the tax redemption notice for redemption, if: (a) the Company has or will become obliged to pay additional tax amounts as a result of any change in, or amendment to, the laws or regulations of Hong Kong or the Cayman Islands or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; and (b) such obligation cannot be avoided by the Company taking reasonable measures available to it.

Events of Default

Upon the occurrence of any event of default, (i) a Holder shall have the right to require the Company to redeem some or all of the Bonds held by it by delivering a redemption notice to the Company and the Company shall redeem such Bonds no later than 30 Business Days after receipt of such redemption notice at the Early Redemption Amount; and (ii) each Holder shall be entitled to exercise any or all of

its rights, remedies, powers or discretions under the Bond Documents. Certain events specified in the Bonds Instrument in relation to the following are events of default for this purpose:

- (a) failure of the Company to make payment under the Bond Documents;
- (b) failure of the Company to deliver Conversion Shares;
- (c) other defaults of the Company under the Bond Documents;
- (d) cross default of the Group involving aggregate amount of relevant indebtedness, guarantees and indemnities of not less than HK\$100 million;
- (e) enforcement proceedings against all or a substantial part of the property, assets or revenues of the Company which has a material adverse effect on the business or financial condition of the Company;
- (f) enforcement of security against the Company which has a material adverse effect on the business or financial condition of the Company;
- (g) winding up, dissolution, judicial management or administration of the Company or cessation of business of the Company ;
- (h) insolvency of the Company;
- (i) nationalization of the assets of the Company;
- (j) failure to obtain necessary authorization or consents or to take any action to ensure enforceability of the Bonds;
- (k) illegality in the Company's performance under the Bonds or for the Company to conduct its business; and
- (l) amendment to constitutional documents of the Company or the documents constituting the Bonds which adversely affects the Holders' rights as a class.

Upon the occurrence of an event of default, the majority Holders may give written notice to the Company declaring that the outstanding amounts in respect of all the Bonds are immediately due and repayable, in which case the Company shall redeem all outstanding Bonds no later than 30 Business Days at the Early Redemption Amount.

Interest

The Bonds bear interest on their outstanding principal amount from and including the Issue Date at a rate of 5% per annum, payable in one lump sum on the Maturity Date or upon conversion in accordance with the terms and conditions of the Bonds.

Default Interest

If the Company fails to pay any sum in respect of the Bonds when the same becomes due and payable, in addition to the interest above (which shall continue to accrue), default interest shall accrue on the overdue sum at the rate of 1% per annum, from the due date up to the date payment is received by the relevant Holder.

Conversion Period

Subject to the Cash Settlement Option (as defined below), each Holder has the right to convert all or any of its Bonds for Conversion Shares at any time during the period commencing from the Issue Date and expiring on the close of business on the earlier of: (i) the date which falls five Business Days prior to the Maturity Date; or (ii) if the Bonds shall have been called for redemption prior to the Maturity Date, the close of business on the date which falls five Business Days prior to the date fixed for redemption thereof.

Cash Settlement Option

The conversion right attaching to any Bonds is subject to the Company's option to make cash payment to the relevant Holder in lieu of the issue of Conversion Shares (the "**Cash Settlement Option**") exercisable by the Company by giving a notice in writing to the Holder within two Business Days after the date of the surrender of the certificate in respect of such Bonds and delivery of the conversion notice. The Company shall be entitled to exercise the Cash Settlement Option only in respect of the Shares that the Company cannot issue pursuant to the limitation of the general mandate to issue Shares granted by the Shareholders. In the exercise of the Cash Settlement Option, the amount of cash to be paid by the Company to the Holder shall be arrived at by multiplying (a) the number of Conversion Shares otherwise deliverable upon the exercise of the conversion right in respect of the Bonds, and in respect of which the Company has exercised the Cash Settlement Option; and (b) the closing price of the Shares on the last Trading Day preceding the date of the surrender of the certificate in respect of such Bonds and delivery of the conversion notice.

Transferability

The Bonds are transferable at any time to any person, provided that the prior approval of the Stock Exchange may be required for any transfer to any transferee which is a connected person of the Company.

Ranking

The Bonds (when issued) will constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and will at all times rank *pari passu* and rateably without preference among themselves, and with all other present and future unconditional and unsubordinated obligations of the Company (other than those preferred by applicable law).

Voting

The Holders will not be entitled to attend or vote at any general meetings of the Company by reason only of being the holders of the Bonds.

Listing

No application will be made for the listing of the Bonds. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

CONVERSION SHARES AND CONVERSION PRICE

Conversion Shares

The number of Conversion Shares to be issued on a conversion of the Bonds shall be determined by dividing the principal amount of the Bonds to be converted by the Conversion Price in effect on the conversion date.

Assuming the Bonds are fully placed and the full conversion of the Bonds at the initial Conversion Price of HK\$0.55, the Bonds will be convertible into 540,000,000 Shares, representing approximately 11.49% of the existing issued share capital of the Company and approximately 10.30% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares, with a total nominal value of HK\$5,400,000 based on the par value of HK\$0.01 per Share.

Conversion Price

The Bonds will be convertible into Shares at the initial Conversion Price of HK\$0.55 per Share but will be subject to adjustment in the manner provided in the Bond Documents.

The initial Conversion Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the Conversion Price is fair and reasonable based on the current market conditions and is in the interests of the Company and the Shareholders as a whole.

The initial Conversion Price of HK\$0.55 per Conversion Share represents:

- (a) a premium of approximately 1.85% over the closing price of the Shares of HK\$0.54 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 5.77% over the average closing price of the Shares of HK\$0.52 per Share for the last 5 consecutive Trading Days immediately prior to the Last Trading Day; and
- (c) a premium of approximately 4.76% over the average closing price of the Shares of HK\$0.525 per Share for the last 10 consecutive Trading Days immediately prior to the Last Trading Day.

Adjustments to the Conversion Price

The Conversion Price shall from time to time be subject to adjustment upon the consolidation, subdivision or reclassification of Shares.

Ranking of Conversion Shares

Conversion Shares will rank *pari passu* in all respects with the Shares then in issue on the relevant date of registration of holders of such Shares on the register of members of the Company.

GENERAL MANDATE

The Conversion Shares will be issued and allotted by the Company pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 30 June 2025 to allot, issue and otherwise deal with up to 939,989,115 Shares, representing 20% of the total number of Shares then in issue. As of the date of this announcement, no Shares have been issued under such general mandate. Assuming full conversion of the Bonds at the initial Conversion Price of HK\$0.55, the Bonds will be convertible into 540,000,000 Shares. Such general mandate is sufficient for the issue and allotment of the Conversion Shares. Accordingly, the issue and allotment of the Conversion Shares is not subject to the approval of the Shareholders.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table, which is based on the best of the Directors' knowledge, information and belief, summarizes the effects on the shareholding structure of the Company as a result of the Placing:

	As at the date of this announcement		Assuming full conversion of the Bonds at the initial Conversion Price		Assuming full conversion of the Bonds and the Existing Bonds at their respective initial conversion price	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Tianshan Industry Investment Limited	462,400,740	9.84%	462,400,740	8.82%	462,400,740	7.68%
Tibet Water Resources Limited ^(Note 1)	437,410,960	9.31%	437,410,960	8.35%	437,410,960	7.27%
Harvest International Premium Value (Alternative Investments) Fund SPC on behalf of Harvest Water Resources Investment SP	300,000,000	6.38%	300,000,000	5.73%	300,000,000	4.98%
The Bonds						
Conversion Shares to be issued upon full conversion of the Bonds	—	—	540,000,000	10.30%	540,000,000	8.97%
The Existing Bonds						
Harvest Global Capital Investments Limited (a holder of Existing Bonds A)	150,500,000 ^(Note 2)	3.20%	150,500,000 ^(Note 2)	2.87%	229,287,878 ^(Note 3)	3.81%
Shares to be issued upon full conversion of Existing Bonds A (other than those held by Harvest Global Capital Investments Limited)	—	—	—	—	300,000,000	4.98%
Shares to be issued upon full conversion of Existing Bonds B	—	—	—	—	400,000,000	6.65%
Other Shareholders	3,350,088,420	71.27%	3,350,088,420	63.93%	3,350,088,420	55.66%
Total	4,700,400,120	100%	5,240,400,120	100%	6,019,187,998	100%

Notes:

- (1) For 200,000,000 Shares out of these 437,410,960 Shares, please refer to the Company's announcement dated 14 November 2019.
- (2) Harvest Global Capital Investments Limited holds 150,500,000 Shares as the investment manager for and on behalf of different managed accounts.
- (3) Harvest Global Capital Investments Limited holds, as the investment manager for and on behalf of one of its managed accounts, HK\$26,000,000 of the principal amount of Existing Bonds A, which is convertible into 78,787,878 Shares upon full conversion at the initial conversion price (after disregarding fractional shares).

REASONS FOR THE PLACING AND USE OF NET PROCEEDS

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

The Company seeks to capitalize on the current market environment for convertible bond issues to raise capital for refinancing the Existing Bonds which will mature in the fourth quarter of 2025 and for the Group's general working capital. The Directors are of the view that the terms of the Placing (including the placing commission) and the Bonds (including the Conversion Price) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Assuming that the Bonds are fully placed, the maximum gross proceeds and net proceeds (after deducting the placing commission and other expenses of the Placing) from the Placing would be HK\$297,000,000 and approximately HK\$295,000,000, respectively. The net proceeds from the Placing are intended to be applied as to 50% (approximately HK\$147,500,000) for refinancing the Existing Bonds and as to 50% (HK\$147,500,000) for the general working capital of the Group.

The Board has considered other alternative fund-raising methods such as bank loan, rights issue or open offer. The Board considered that bank loan may incur security pledging on the Group's assets and may be subject to lengthy due diligence and negotiations with the banks with reference to the Group's financial position and the then financial market condition and it may be relatively uncertain and time-consuming. On the other hand, rights issue or open offer will involve the issue of prospectus with other application and administrative procedures (such as arrangements for nil-paid rights shares) which may lead to relatively longer time and additional administrative cost to complete as compared to the issue of convertible bonds.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Set out below are the fund-raising activities of the Company involving the issue of its equity securities within the past twelve months immediately prior to the date of this announcement:

Date of announcements	Fundraising activity	Net proceeds raised (approximately)	Intended use of net proceeds	Actual use of net proceeds
12 December 2024, 20 December 2024, 21 January 2025	Issue of Existing Bonds A	HK\$164,400,000	50% for repayment of the borrowings of the Group and 50% for the general working capital of the Group	Fully utilized as intended
13 February 2025, 18 March 2025	Issue of Existing Bonds B	No cash proceeds	—	—

As the Conditions Precedent may or may not be satisfied, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms and expressions shall have the following meanings when used herein.

“acting in concert”	has the meaning ascribed to it under the Takeovers Codes
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bonds”	the 5% convertible bonds in the principal amount of up to HK\$297,000,000 to be placed under the Placing Agreement
“Bond Documents”	the Bonds Instrument, the certificates for the Bonds and the terms and conditions attached thereto and other document designated as such by the Company and the majority Holders

“Bonds Instrument”	the bond instrument that creates and constitutes the Bonds
“Business Day”	a day, other than a Saturday, Sunday or public holiday, on which banks are open for general business in (unless otherwise stated) Hong Kong (other than a day on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” or “extreme conditions” as announced by the Hong Kong Government is hoisted or remains hoisted in Hong Kong at any time between 9:00 am and 5:00 pm)
“chief executive”	has the meaning ascribed to it under the Listing Rules
“Company”	Tibet Water Resources Ltd. (西藏水資源有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“Completion Date”	the fifth Business Day after the Conditions Precedent are satisfied (or such other date as may be agreed between the Company and the Placing Agent in writing)
“Conditions Precedent”	the conditions precedent to Completion as set out in the section headed “Conditions Precedent” of this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Price”	HK\$0.55 per Share, subject to adjustment
“Conversion Shares”	the Shares to be allotted and issued by the Company upon conversion of the Bonds
“Director(s)”	director(s) of the Company

“Early Redemption Amount”	100% of the principal amount of the Bonds to be redeemed, together with any accrued but unpaid interest
“Existing Bonds”	Existing Bonds A and Existing Bonds B
“Existing Bonds A”	the 8% convertible bonds in the aggregate principal amount of HK\$165,000,000 issued by the Company in January 2025 with initial conversion price of HK\$0.33 and an outstanding principal amount of HK\$125,000,000 as at the date of this announcement
“Existing Bonds B”	the 8% convertible bonds in the principal amount of HK\$138,000,000 issued by the Company in March 2025 with initial conversion price of HK\$0.345 and an outstanding principal amount of HK\$138,000,000 as at the date of this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Holder(s)”	holder(s) of the Bonds
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	third parties who are not connected persons of the Company and its subsidiaries and who are independent of the Company and connected persons of the Company
“Issue Date”	the date on which the Bonds were issued
“Last Trading Day”	17 September 2025, being the last day on which the Shares were traded on the Stock Exchange pending the release of this announcement
“Listing Committee”	has the meaning ascribed to it under the Listing Rules

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	5 October 2026
“Placees”	institutional, corporate or independent individual investors procured by the Placing Agent or its agents to subscribe for the Bonds pursuant to the Placing Agreement
“Placing”	the placing of the Bonds pursuant to the terms of the Placing Agreement
“Placing Agent”	SBI China Capital Financial Services Limited, a licensed corporation to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 9 (providing asset management) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 17 September 2025 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	in respect of each Bond, the face value of the Bond
“PRC”	the People’s Republic of China, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Securities Act”	the United States Securities Act of 1933, as amended from time to time
“SFC”	The Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules

“Takeovers Code”	The Codes on Takeovers and Mergers issued by the Securities and Futures Commission (as may be amended from time to time)
“Trading Day”	a day on which the Stock Exchange is open for business

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

Hong Kong, 17 September 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, Mr. WEI Zheming and Mr. CHEN Di (Chairman), and the independent non-executive Directors are Dr. ZHANG Chunlong, Mr. LO Wai Hung and Ms. LIN Ting.