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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)

**ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

FINANCIAL HIGHLIGHTS

	Year ended 31 December		Change %
	2022 (RMB'000)	2021 (RMB'000)	
Revenue	<u>311,947</u>	<u>456,128</u>	↓ 31.6%
Operating (loss)/profit	<u>(83,984)</u>	<u>37,366</u>	N/A
Adjusted EBITDA*	<u>(34,672)</u>	<u>109,330</u>	N/A
(Loss)/profit for the year attributable to owners of the Company	<u>(102,466)</u>	<u>46,954</u>	N/A
(Loss)/earnings per share - Basic and diluted (RMB cents)	<u>(3.69)</u>	(restated) <u>1.84</u>	N/A
Gross profit margin	<u>29.1%</u>	<u>41.9%</u>	↓ 12.8% point
		As at 31 December	
		2022	2021
		(RMB'000)	(RMB'000)
Total assets		<u>4,140,133</u>	<u>4,148,946</u>
Equity attributable to owners of the Company		<u>2,859,460</u>	<u>2,831,432</u>

* Adjusted EBITDA is not an accounting measure under International Financial Reporting Standards (“IFRSs”) which should be read in conjunction with Note 4(b).

FINAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Tibet Water Resources Ltd. (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2022, together with comparative figures prepared under IFRSs.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2022

	Notes	2022 RMB'000	2021 RMB'000
Revenue	5	311,947	456,128
Cost of sales		<u>(221,063)</u>	<u>(265,175)</u>
Gross profit		90,884	190,953
Selling and distribution costs		(29,765)	(53,476)
Administrative expenses		(74,947)	(72,366)
Allowance for expected credit loss (“ECL”) on financial assets		(88,617)	(54,236)
Other gains, net	6	<u>18,461</u>	<u>26,491</u>
Operating (loss)/profit		(83,984)	37,366
Finance (cost)/income, net	7	(2,439)	20,499
Share of result on investments accounted for using the equity method	12	<u>(10,694)</u>	<u>8</u>
(Loss)/profit before income tax		(97,117)	57,873
Income tax expense	8	<u>(5,349)</u>	<u>(10,919)</u>
(Loss)/profit for the year	9	<u>(102,466)</u>	<u>46,954</u>
(Loss)/profit for the year attributable to owners of the Company		<u>(102,466)</u>	<u>46,954</u>
(Loss)/earnings per share attributable to owners of the Company			(restated)
– basic and diluted (RMB cents)	10	<u>(3.69)</u>	<u>1.84</u>

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Notes	2022 RMB'000	2021 RMB'000
(Loss)/profit for the year	9	<u>(102,466)</u>	<u>46,954</u>
Other comprehensive (loss)/income:			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation from functional currency to presentation currency		(36,512)	9,211
Fair value change on financial assets at fair value through other comprehensive income (“FVTOCI”)		<u>—</u>	<u>16,216</u>
Other comprehensive (loss)/income for the year, net of tax		<u>(36,512)</u>	<u>25,427</u>
Total comprehensive (loss)/income for the year		<u>(138,978)</u>	<u>72,381</u>
Total comprehensive (loss)/income attributable to owners of the Company		<u>(138,978)</u>	<u>72,381</u>

The above consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	<i>Notes</i>	2022	2021
		<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Right-of-use assets		27,126	27,077
Property, plant and equipment (“PP&E”)		372,543	422,544
Intangible assets		27,890	31,120
Goodwill		721,139	721,139
Investments accounted for using the equity method	12	1,443,916	1,416,403
Deferred tax assets		4,570	5,000
Prepayments		8,057	8,130
		<hr/>	<hr/>
Total non-current assets		2,605,241	2,631,413
		<hr/>	<hr/>
Current assets			
Inventories		106,538	90,591
Trade receivables	13	190,499	254,657
Prepayments		199,480	129,580
Other financial assets at amortised cost		980,228	986,887
Financial assets at fair value through profit or loss (“FVPL”)		—	2,000
Cash and cash equivalents		58,147	53,818
		<hr/>	<hr/>
Total current assets		1,534,892	1,517,533
		<hr/>	<hr/>
Current liabilities			
Trade and notes payables	14	246,918	277,923
Deferred revenue		2,374	2,374
Contract liabilities		34,784	54,955
Tax payable		36,258	32,382
Accruals and other payables		180,532	150,889
Bank borrowings		452,000	410,000
Lease liabilities		730	—
		<hr/>	<hr/>
Total current liabilities		953,596	928,523
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2022

	<i>Notes</i>	2022	2021
		<i>RMB'000</i>	<i>RMB'000</i>
Net current assets		581,296	589,010
Total assets less current liabilities		3,186,537	3,220,423
Non-current liabilities			
Bank borrowings		—	75,000
Other payables		—	16,000
Deferred revenue		11,394	13,768
Deferred tax liabilities		6,929	8,539
Lease liabilities		58	—
Convertible bonds – liability component	15	308,696	275,684
Total non-current liabilities		327,077	388,991
Net assets		2,859,460	2,831,432
Capital and reserves			
Share capital	16	25,580	21,618
Reserves		2,833,880	2,809,814
Total equity attributable to owners of the Company		2,859,460	2,831,432

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 8 November 2010. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Group is engaged in production and sales of water products and beer products in the People's Republic of China ("PRC") and provision of lending services to third parties in Hong Kong with relevant license.

The Company's shares have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 30 June 2011.

The consolidated financial statements are presented in Reminbi ("RMB"), which is different from the Company's functional currency Hong Kong Dollar ("HKD"). The Directors adopted RMB as presentation currency as the operational entities are located in the PRC.

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standard Board (the "IASB") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2022 for the preparation of the consolidated financial statements:

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendment to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRSs	Annual Improvements to IFRSs 2018-2020

The application of the amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (CONTINUED)

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback ³
Amendments to IAS 1	Classification of Liabilities as Current or Non-current ³
Amendments to IAS 1	Non-current Liabilities with Covenants ³
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to IAS 8	Definition of Accounting Estimates ¹
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹

¹ Effective for annual periods beginning on or after 1 January 2023.

² Effective for annual periods beginning on or after a date to be determined.

³ Effective for annual periods beginning on or after 1 January 2024.

The Directors anticipate that the application of all new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRSs (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) issued by IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for the financial assets at FVTPL and the financial assets at FVTOCI, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share based payment transactions that are within the scope of IFRSs 2 Share-based Payment, leasing transactions that are within the scope of IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of preparation of consolidated financial statements (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

4. SEGMENT INFORMATION

Management has determined the operating segments based on the reports regularly reviewed by the executive Directors, being the chief operating decision maker (“CODM”), that are used to make strategic decisions.

(a) Description of segments and principal activities

(i) *Water business segment*

The principal activities of the Group are manufacturing and selling a range of water products through wholesales in the PRC, selling raw materials and consumables to associates and third parties, and leasing production lines to associates.

(ii) *Beer business segment*

The Group manufactures and sells a range of beer products mainly in the PRC through wholesales.

(b) Segment information disclosures

Sales between segments are based on the agreed terms between both segments. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated statement of profit or loss.

The amounts provided to the CODM with respect of total assets and total liabilities are measured in a manner consistent with that of the consolidated financial statements.

4. SEGMENT INFORMATION (CONTINUED)

(b) Segment information disclosures (continued)

The segment information provided to the CODM for the reportable segments for the year ended 31 December 2022 is as follows:

	Water business segment <i>RMB'000</i>	Beer business segment <i>RMB'000</i>	Corporate and others <i>RMB'000</i>	Total <i>RMB'000</i>
Total segment revenue	65,505	246,442	—	311,947
Cost of sales	(58,186)	(162,877)	—	(221,063)
Gross profit	<u>7,319</u>	<u>83,565</u>	<u>—</u>	<u>90,884</u>
Share of result on investments accounted for using the equity method	(10,194)	—	(500)	(10,694)
Allowance for of allowance for ECL on financial assets	(87,173)	(1,260)	(184)	(88,617)
Adjusted EBITDA*	(102,947)	93,037	(24,762)	(34,672)
Finance income	21,925	12,942	335	35,202
Finance costs	(6,071)	(3,171)	(28,399)	(37,641)
Depreciation and amortisation	(24,221)	(35,112)	(673)	(60,006)
(Loss)/profit before tax	(111,314)	67,696	(53,499)	(97,117)
Income tax (expense)/credit	(430)	(6,105)	1,186	(5,349)
(Loss)/profit for the year	<u>(111,744)</u>	<u>61,591</u>	<u>(52,313)</u>	<u>(102,466)</u>
		Water business segment <i>RMB'000</i>	Beer business segment <i>RMB'000</i>	Total <i>RMB'000</i>
Segment total assets		4,178,048	2,428,238	6,606,286
– Investments accounted for using the equity method		1,443,916	—	1,443,916
Unallocated				
Deferred tax assets				4,570
Assets of corporate and others				28,982
Inter-segment elimination				(2,499,705)
Total assets				<u>4,140,133</u>
Segment total liabilities		1,516,615	351,649	1,868,264
Unallocated				
Deferred tax liabilities				6,929
Liabilities of corporate and others				369,637
Inter-segment elimination				(964,157)
Total liabilities				<u>1,280,673</u>

4. SEGMENT INFORMATION (CONTINUED)

(b) Segment information disclosures (continued)

The segment information provided to the CODM for the reportable segments for the year ended 31 December 2021 is as follows:

	Water business segment <i>RMB'000</i>	Beer business segment <i>RMB'000</i>	Corporate and others <i>RMB'000</i>	Total <i>RMB'000</i>
Total segment revenue	147,571	308,557	—	456,128
Cost of sales	(86,280)	(178,895)	—	(265,175)
Gross profit	61,291	129,662	—	190,953
Share of result on investments accounted for using the equity method	473	—	(465)	8
(Allowance for)/reversal of allowance for ECL on financial assets	(44,454)	(9,790)	8	(54,236)
Adjusted EBITDA*	(12,883)	142,420	(20,207)	109,330
Finance income	33,662	22,396	96	56,154
Finance costs	(409)	(13,661)	(21,585)	(35,655)
Depreciation and amortisation	(26,483)	(45,310)	(163)	(71,956)
Profit/(loss) before tax	(6,113)	105,845	(41,859)	57,873
Income tax (expense)/credit	(1,497)	(10,241)	819	(10,919)
Profit/(loss) for the year	(7,610)	95,604	(41,040)	46,954

* Adjusted EBITDA is a key financial measure regularly monitored by CODM in managing the Group's performance. Adjusted EBITDA is calculated by excluding the following effects from the profit/(loss) for the year: (i) finance (cost)/income, net; (ii) depreciation and amortisation; and (iii) income tax (expense)/credit.

Adjusted EBITDA is not an accounting measure under IFRSs and should not be considered as an alternative to the profit/(loss) for the year as a measure of operational performance. Adjusted EBITDA does not have a standard calculation method and the Group's definition of adjusted EBITDA may not be comparable to that of other companies.

4. SEGMENT INFORMATION (CONTINUED)

(b) Segment information disclosures (continued)

	Water business segment <i>RMB'000</i>	Beer business segment <i>RMB'000</i>	Total <i>RMB'000</i>
Segment total assets	4,260,928	2,415,426	6,676,354
– Investments accounted for using the equity method	1,416,403	—	1,416,403
Unallocated			
Financial assets at FVTPL			2,000
Deferred tax assets			5,000
Assets of corporate and others			6,446
Inter-segment elimination			(2,540,854)
Total assets			<u>4,148,946</u>
Segment total liabilities	1,593,782	399,806	1,993,588
Unallocated			
Deferred tax liabilities			8,539
Liabilities of corporate and others			305,827
Inter-segment elimination			(990,440)
Total liabilities			<u>1,317,514</u>

Entity-Wide information

Breakdown of total revenue by category is shown in Note 5.

Revenue from external customers of the Group were all derived in the PRC for the years ended 31 December 2022 and 2021.

Non-current assets other than financial instruments and deferred tax assets are all located in the PRC as at 31 December 2022 and 2021.

(c) Information about major customers

Revenue from customers over 10% of the Group's total revenue is as follows:

	Year ended 31 December	
	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Customer A	83,843	143,117
Customer B	75,903	71,097

During the year ended 31 December 2022, sales of approximately RMB18,942,000 (2021: RMB41,012,000) and RMB1,315,000 (2021: nil) are derived from associates in the water business segment and beer business segment respectively.

5. REVENUE

Revenue from external customers is mainly derived from the sales of water products and beer products. The Group also sells raw materials and consumables to associates and third parties and leases production lines to associates. Breakdown of the revenue is as follows:

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Revenue from contracts with customers:		
<i>Recognised at a point in time</i>		
Sales of water products	58,761	140,821
Sales of beer products	245,982	307,949
Sales of raw materials and consumables	460	609
	<u>305,203</u>	<u>449,379</u>
Revenue from other source:		
Rental income	6,744	6,749
	<u>6,744</u>	<u>6,749</u>
Total	<u>311,947</u>	<u>456,128</u>

6. OTHER GAINS, NET

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Other gains/(losses)		
Government grants		
– Tax refund (note (a))	—	3,357
– Amortisation of deferred income	2,374	2,374
– Other government grant (note (b))	16,951	21,592
Gain on disposal of financial assets at FVTPL (note (c))	—	9,189
Fair value changes on financial assets at FVTPL (note (d))	(2,000)	(9,517)
Write-down of inventories	(675)	(612)
Gain on disposal of investments accounted for using the equity methods	1,780	—
Loss on deregistration of investments accounted for using the equity method	(43)	—
Others	74	108
	<u>18,461</u>	<u>26,491</u>

6. OTHER GAINS, NET (CONTINUED)

notes:

- (a) The Group is eligible to receive subsidy income from the local government in relation to the domestic subsidiaries' fiscal contribution to the local economic development as a major tax payer and employer in Tibet. No tax refund was recognised for the year ended 31 December 2022 (2021: RMB3,357,000).
- (b) Other government grant represents various form of subsidies granted to the Group by the local government authorities in the PRC for compensation of expenses incurred by the Group. These grants are generally made for business support and awarded to enterprises on a discretionary basis. There are no unfulfilled conditions or contingencies relating to these grants.
- (c) The Group purchased financial products issued by a financial institution in the PRC. These financial products will mature within one year with variable return rates indexed to the performance of the underlying assets. As at 31 December 2021, the Group disposed of these investments amounting to approximately RMB180,811,000, which resulted in a gain amounting to approximately RMB9,189,000.
- (d) As at 31 December 2022, the unlisted equity investment held by the Group was nil (2021: RMB2,000,000, which were measured financial assets at FVTPL). The unrealised fair value losses of RMB2,000,000 (2021: RMB9,517,000) were recognised for the year.

7. FINANCE (COST)/INCOME, NET

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Foreign exchange loss net	—	(1,066)
Interest costs on bank borrowings	(9,618)	(13,661)
Interest costs on convertible bonds (Note 15)	(22,504)	(16,591)
Interest costs on borrowings from third parties	(5,475)	(4,270)
Interest costs on lease liabilities	(44)	(3)
Other finance costs	—	(64)
	<hr/>	<hr/>
Finance cost	(37,641)	(35,655)
Finance income – interest income	35,202	56,154
	<hr/>	<hr/>
Finance (cost)/income, net	<u>(2,439)</u>	<u>20,499</u>

8. INCOME TAX EXPENSE

The amount of income tax expense charged to the consolidated statement of profit or loss represents:

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
PRC Enterprise Income Tax:		
– Current tax	6,729	14,624
– Over-provision in prior year	—	(645)
	<u>6,729</u>	<u>13,979</u>
Deferred tax	(1,380)	(3,060)
	<u>5,349</u>	<u>10,919</u>

9. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging/(crediting):

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Auditor's remuneration		
– Audit services	1,973	1,707
– Non-audit services	172	166
Raw materials and consumables used	140,585	192,833
Amortisation of intangible assets	3,230	13,165
Depreciation of PP&E	55,525	57,926
Depreciation of right-of-use assets	1,251	865
Short-term lease expenses	1,710	2,367
Employee benefit expenses	63,505	63,682
Advertising and marketing expenditure	2,520	4,784
City construction tax and education surcharge	1,090	1,964
Electricity and other utility expenses	9,368	7,422
Legal and other consulting services fee	11,127	9,866
Transportation costs	29,721	42,988
Allowance for ECL on financial assets:		
– Trade receivables	86,643	31,488
– Other financial assets at amortised cost	1,974	22,748
Loss on disposal of PP&E	—	24

10. (LOSS)/EARNINGS PER SHARE

(a) Basic earnings per share

As at 31 December 2022 and 2021, basic (loss)/earnings per share is based on the following data:

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
(Loss)/profit attributable to owners of the Company	<u>(102,466)</u>	<u>46,954</u>

	Year ended 31 December	
	2022	2021
		(restated)
Weighted average number of ordinary shares in issue (thousands)	<u>2,774,762</u>	<u>2,546,798</u>

Note:

The weighted average number of ordinary shares for the purpose of calculating basic (loss)/earning per share for the year ended 31 December 2022 has been adjusted retrospectively for the effects of the placing of shares and rights issue of shares completed on 21 July 2022 and 30 January 2023 respectively. The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the year ended 31 December 2021 has been adjusted retrospectively for the effects of the rights issue of shares completed on 30 January 2023.

(b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share for years ended 31 December 2022 and 2021 were the same as basic (loss)/earnings per share as the outstanding convertible bonds had anti-dilutive effect on the basic earnings per share.

11. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company for the year ended 31 December 2022, nor has any dividend been proposed since the end of the reporting period (2021: nil).

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Balance at 1 January	1,416,403	650,697
Additions (note)	54,000	765,698
Share of results	(10,694)	8
Declaration of dividend	(490)	—
Deregistration of investment accounted for using the equity method	(1,083)	—
Disposal of investment accounted for using the equity method	(14,220)	—
	<u>1,443,916</u>	<u>1,416,403</u>
Balance at 31 December	<u>1,443,916</u>	<u>1,416,403</u>

note:

In December 2022, the Group's acquired 18% equity interests in Tibet Life Water Marketing Co., Ltd. (“**Tibet Life Water Marketing**”), a company incorporated in the PRC with other limited liability, at a consideration of RMB54,000,000. Taking into consideration of the acquisition, a goodwill of approximately RMB45,342,000 has been identified in the investment in Tibet Life Water Marketing.

13. TRADE RECEIVABLES

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables due from third parties	284,598	345,380
Less: allowance for ECL	(94,099)	(90,723)
	<u>190,499</u>	<u>254,657</u>

As at 31 December 2022 and 2021, the Group's trade receivables due from third parties were all denominated in RMB. The credit period is generally 90 to 180 days. The aging analysis of trade receivables based on invoice dates is as follows:

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Within 6 months	53,607	97,392
Over 6 months but within 1 year	15,498	20,578
Over 1 year but within 2 years	94,717	78,878
Over 2 years	120,776	148,532
	<u>284,598</u>	<u>345,380</u>

14. TRADE AND NOTES PAYABLES

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	68,338	77,923
Notes payables	178,580	200,000
	<u>246,918</u>	<u>277,923</u>

As at 31 December 2022 and 2021, the aging analysis of trade payables based on invoice dates is as follows:

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	41,407	45,211
Over 3 months but within 6 months	4,539	8,218
Over 6 months but within 1 year	4,957	960
Over 1 year but within 2 years	4,102	11,572
Over 2 years	13,333	11,962
	<u>68,338</u>	<u>77,923</u>

As at 31 December 2022 and 2021, the Group's trade payables were all denominated in RMB and were not interest bearing.

The credit period on trade payables is generally within 90 days.

As at 31 December 2022, the bank acceptance notes amounting to approximately RMB178,580,000 (2021: RMB200,000,000) were guaranteed by bank deposits of approximately RMB18,581,000 (2021: RMB40,000,000).

According to the agreement of bank acceptance notes, maturity dates of notes payables are based on the following schedule: RMB100,000,000 on 25 February 2023, RMB11,110,000 on 10 March 2023, RMB800,000 on 21 June 2023 and RMB66,670,000 on 17 October 2023 (2021: RMB125,000,000 and RMB75,000,000 on 2 March 2022 and 24 November 2022), respectively. The amount of approximately RMB111,110,000 (2021: RMB125,000,000) was repaid subsequent to the end of the reporting period.

15. CONVERTIBLE BONDS - LIABILITY COMPONENT

The Company issued 5% convertible bonds with principal amount of HK\$379,620,000 (equivalent to RMB317,702,000) (the “Convertible Bonds”) at a total consideration of HK\$379,620,000 (equivalent to RMB317,702,000) in March 2021. The Convertible Bonds are denominated in Hong Kong dollars, unsecured and with interest calculated semi-annually. The bonds entitle the holders to convert them into ordinary shares of the Company at any time between the date of issue of the bonds and the maturity date in March 2024 at a conversion price of HK\$0.74 per share (subject to anti-dilutive adjustments). The bonds can be early redeemed upon certain events at the option of the bondholders or the issuer. If the bonds have not been converted or redeemed, they will be redeemed in March 2024 at par value plus accrued interest.

At initial recognition, the fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is presented in equity heading “other reserve”. The early redemption option is considered as closely related to the host debt. The effective interest rate of the liability component is 7.69%.

During the year ended 31 December 2021, the Convertible Bonds with the principle amount of HK\$22,644,000 (equivalent to RMB19,026,000) was converted into 30,600,000 new shares of the Company at a conversion price of HK\$0.74 per share.

The fair value of the liability component of the Convertible Bonds at 31 December 2022 amounted to RMB342,379,000 (2021: RMB341,213,000), which is calculated using cash flows discounted at the rate of 10.51% (2021: 8.23%) and is within level 3 of the fair value hierarchy.

The Convertible Bonds issued in 2021 have been split into the liability and equity components as follows:

	<i>RMB'000</i>
Nominal value of the Convertible Bonds issued in 2021	317,702
Equity component	<u>(22,848)</u>
Liability component at the issuance date	294,854
Interest expenses	16,591
Interest paid/payable	(11,530)
Conversion of the Convertible Bonds	(17,621)
Exchange alignment	<u>(6,610)</u>
Liability component at 31 December 2021	275,684
Interest expenses	22,504
Interest paid/payable	(15,313)
Exchange alignment	<u>25,821</u>
Liability component at 31 December 2022	<u><u>308,696</u></u>

16. SHARE CAPITAL

	Number of ordinary shares (<i>thousands</i>)	Nominal value of ordinary shares <i>HKD'000</i>	Equivalent nominal value of ordinary shares <i>RMB'000</i>
Ordinary shares of HK\$0.01 each, issued and fully paid			
Balance as at 1 January 2021	2,568,893	25,689	21,363
Share issued upon conversion of Convertible Bonds	30,600	306	255
	<hr/>	<hr/>	<hr/>
Balance as at 31 December 2021	2,599,493	25,995	21,618
Share issued upon placing of new shares (Note)	459,898	4,599	3,962
	<hr/>	<hr/>	<hr/>
Balance as at 31 December 2022	<u>3,059,391</u>	<u>30,594</u>	<u>25,580</u>

Note:

On 21 July 2022, a total of 459,898,000 placing shares were successfully placed to not less than six placees at the placing price of HK\$0.425 per placing share. Further details were set out in the Company's announcement dated 21 July 2022.

17. EVENTS AFTER THE REPORTING PERIOD

The Company's rights issue of up to 1,019,797,000 rights shares (the "**Rights Share(s)**") at the subscription price of HK\$0.385 per Rights Share on the basis of one (1) Rights Share for every three (3) existing Shares held by the qualifying shareholders (the "**Rights Issue**") was completed on 30 January 2023, and an aggregate of 1,019,797,000 new shares had been allotted and issued by the Company. As at 30 March 2023, the Company's number of issued ordinary shares was 4,079,188,000.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2022, the Group continued to be committed to the development of Tibet's water resources industry and beer industry, strived to enhance customer experience and optimized channel construction so that Tibet's unique and quality products could reach more consumers and potential consumers.

In 2022, the third year of the ongoing spread of the COVID-19 pandemic, the more infectious Omicron virus swept through Mainland China, with the COVID-19 pandemic showing a trend of spread and frequent outbreaks, and the Group's business in key market channels such as airlines, hotels, cinemas, restaurants and entertainment venues continued to face challenges. In particular, since the outbreak of the pandemic in Tibet in August, Lhasa had begun to implement static management and the production and supply of the Group's packaged drinking water and beer products were suspended, which dealt a heavy blow to the Group's sales business. Although the Group gradually resumed the supply of products through closed-loop production in late November, the damage caused by the pandemic to the Group's production and operations was irreparable and the Group's businesses in both the packaged drinking water and beer segments failed to achieve the expected growth targets.

In 2022, the scale of the Group's bank financing in Tibet continued to remain stable. In the face of the sudden impact of the pandemic, the Group also actively utilized and leveraged the advantages of its overseas financing platform as a listed company and successfully completed two equity financings in 2022 and early 2023, providing strong support to stabilize the Group's business operations and effectively alleviating the financial pressure brought about by the impact of the pandemic and gained time and space for the Group's post-pandemic development planning. The shareholders of the Company have demonstrated their recognition of and confidence in the Group's future development through their active participation in financing activities and their actual investment. After three years of severe testing by the pandemic, the management of the Group has always believed that, with the return to the products as the cornerstone, the enhancement of customer experience as the goal, the deep cultivation of brand value as the guide, and the maximization of return for shareholders as the core, the Group will be able to gather momentum and plan for the future. With the release of the "New Ten Rules" in December and the adjustment of the pandemic prevention and control policy, the Group will be able to usher in new development opportunities.

FINANCIAL REVIEW

REVENUE ANALYSIS

In 2022, due to the reasons mentioned in the “Business Review” section above, the total revenue of the Group amounted to RMB312 million, representing a decrease of 31.6% in comparison with 2021.

The revenue generated from our water business segment was RMB66 million, representing a decrease of 55.6% in comparison with 2021. As mentioned above, due to the impact of the COVID-19 pandemic on the important sales channels of the water business segment, the sales of water products have declined significantly, and gross profit has also dropped due to smaller scale of sales.

For the beer business segment, the year over year change is as follow:

	2022	2021	% change
Volume (hectoliter)	364,717	422,217	↓ 13.6%
Revenue (RMB'000)	246,442	308,557	↓ 20.1%
Adjusted EBITDA* (RMB'000)	93,037	142,420	↓ 34.7%

* Adjusted EBITDA is not an accounting measure under IFRSs which should be read in conjunction with Note 4(b).

In 2022, the overall gross profit margin of the Group was 29.1%, which decreased by 12.8 percentage points when compared to 2021. The gross profit margin of the water business segment was 11.2%, which decreased by 30.3 percentage points when compared to 2021. The gross profit margin of the beer business segment was 33.9% in 2022, which decreased by 8.1 percentage points when compared to 2021. The decrease in the overall gross profit margin was mainly due to a higher fixed cost allocated based on a smaller sales volume, as well as a decrease in the average selling price.

SELLING AND DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES

In 2022, the selling and distribution costs decreased by 44.3% to RMB30 million from RMB53 million in 2021, mainly due to the decrease in water sales volumes, leading to lower transportation costs and promotion fees. The overall decrease was also due to less amortisation expense of intangible assets as a result of certain acquisition related intangible assets for the beer segment having been fully amortised. The administrative expenses increased by 3.6% from RMB72 million in 2021 to RMB75 million in 2022, mainly due to the increase in headquarters related expenses.

ALLOWANCE FOR ECL ON FINANCIAL ASSETS

Allowance for ECL on financial assets mainly included the allowance for ECL on trade receivables and other financial assets at amortised cost. The allowance for ECL on trade receivables was RMB87 million in 2022 (2021: RMB31 million). The increase was due to the slowdown in the collection of receivables from customers that have been more affected by the COVID-19. The allowance for ECL on other financial assets at amortised cost was RMB2 million in 2022 (2021: RMB23 million).

OTHER GAINS, NET

In 2022, other gains, net was RMB18 million, which decreased by RMB8 million compared to last year. The decrease was mainly due to a decrease of RMB8 million in government grants.

FINANCE INCOME, NET

In 2022, the Group incurred finance costs of approximately RMB38 million and gained finance income of RMB35 million. Compared with 2021, the finance costs increased by RMB2 million. It was mainly because the Company started to recognise the interest expense of the Convertible Bonds in March 2021, while in 2022, interest expense for twelve months was recognised, resulting in an increase of RMB6 million compared to 2021, offset by the decrease in interest cost on bank borrowings and interest cost on loan from third parties of RMB4 million. Finance income decreased by RMB21 million, mainly due to the accrual at a higher annual interest rate on other receivables from loan to third parties in 2021.

SHARE OF RESULT ON INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

In 2022, the share of loss on investments accounted for using the equity method was RMB11 million (share of profit in 2021: RMB8,000). The increase in share of loss was mainly due to the combined share of loss of associated companies, whose losses all increased due to lower sales volumes for the similar reasons above for our water business segment.

INCOME TAX EXPENSE

In 2022, the income tax expense was RMB5 million which decreased by RMB6 million when compared to RMB11 million in 2021. This was mainly due to the decrease in profit.

LOSS/PROFIT FOR THE YEAR

For the reasons mentioned above, in 2022, the loss for the year was RMB102 million compared to net profit of RMB47 million in 2021.

OTHER FINANCIAL POSITIONS

As at 31 December 2022, investments accounted for using the equity method of the Group amounted to RMB1,444 million compared to RMB1,416 million as at 31 December 2021. The increase was mainly due to further expand the sales channels of the Group's water business, the Group further acquired 18% equity interests in Tibet Life Water Marketing, at a consideration of RMB54 million in December 2022. Prior to the acquisition, the Group already held 20% equity interests in Tibet Life Water Marketing. Upon completion of the acquisition, the Group held 38% equity interests in Tibet Life Water Marketing, this was offset mainly by a share of loss on investment accounted for using the equity method of RMB11 million.

As at 31 December 2022, inventories of the Group amounted to RMB107 million compared to RMB91 million as at 31 December 2021. The increase was mainly attributable to an increase in raw materials inventories.

As at 31 December 2022, net trade receivables of the Group amounted to RMB190 million compared to RMB255 million as at 31 December 2021. The decrease was mainly due to the increase in allowance for ECL of trade receivables. The Group maintained regular contact with our major debtors through meetings and telephone conversations and paid regular attention to public information about our major debtors to understand the status of their operations, their continuing business needs and the ways in which the Group can improve its services. As at 31 December 2022, allowance for ECL on trade receivables was RMB94 million.

As at 31 December 2022, prepayments (current portion) of the Group amounted to RMB199 million compared to RMB130 million as at 31 December 2021. The increase was mainly due to the increase in prepayment for plant upgrade projects and purchasing raw materials.

As at 31 December 2022, other financial assets at amortised cost, net of allowance for ECL of the Group amounted to RMB980 million compared to RMB987 million as at 31 December 2021. As at 31 December 2022, other financial assets at amortised cost mainly included the amounts due from third parties amounting to RMB942 million and other receivables amounting to RMB67 million. As at 31 December 2022, allowance for ECL on other financial assets at amortised cost amounted to RMB29 million.

As at 31 December 2022, contract liabilities of the Group amounted to RMB35 million compared to RMB55 million as at 31 December 2021. The decrease was mainly due to the decrease in advances received from customers of the sales of water and beer products.

As at 31 December 2022, accruals and other payables of the Group amounted to RMB181 million compared to RMB167 million as at 31 December 2021. As at 31 December 2022, accruals and other payables mainly included salary payables and welfare payables amounting to RMB24 million, payables for value added tax and other taxes of RMB19 million, amounts received from a third party amounting to RMB73 million and other payables amounting to RMB65 million.

As at 31 December 2022, the bank borrowings of the Group decreased by RMB33 million when compared to 2021, which was mainly because of the net repayment of principal of bank borrowings in 2022.

As at 31 December 2022, the liability component of the Convertible Bonds issued by the Company amounted to RMB309 million, compared to RMB276 million as at 31 December 2021. In March 2021, the Company issued the Convertible Bonds with principal amount of approximately HK\$380 million (equivalent to RMB318 million) bearing interest at the rate of 5.0% per annum. Further details of the Convertible Bonds are set out in Note 15 to the consolidated financial statements of this announcement.

EMPLOYEES

As at 31 December 2022, the total number of employees of the Group was 347 compared to 349 as at 31 December 2021. Relevant staff cost of the Group was RMB64 million in 2022 and 2021.

The Group's remuneration policies are formulated according to the duty, experience, ability and performance of individual employees and are reviewed annually. In addition to basic salary, employees are entitled to other benefits including social insurance contribution, employee provident fund schemes and discretionary incentive. Other fringe benefits, training, and share options, if applicable, are also considered by the Group to solicit/retain loyal employees with the aim of forming a professional and united staff and management team that can bring the Group to higher levels of achievements.

The Group adopted a share award scheme in 2017. Up to 31 December 2022, no share has been granted by the Group to any parties under the share award scheme.

The share option scheme adopted by the Company on 7 September 2012 expired on 7 September 2022. No share option was granted, exercised, lapsed, cancelled or outstanding under the share option scheme during 2022.

GEARING RATIO

The gearing ratio is calculated as borrowings (including bank borrowings, liability component of convertible bonds and borrowings from third parties) divided by total capital. The total capital is calculated as “equity” as shown in the consolidated statement of financial position plus borrowings (including bank borrowings, liability component of convertible bonds and borrowings from third parties). As at 31 December 2022 and 31 December 2021, the gearing ratios of the Group were 21.12% and 21.29%, respectively.

MERGER AND ACQUISITION

In 2022, the Group acquired 18% equity interests in Tibet Life Water Marketing, a company incorporated in the PRC with other limited liability, at a consideration of RMB54 million. Prior to the acquisition, the Group already held 20% equity interests in Tibet Life Water Marketing. Upon completion of the acquisition, the Group held 38% equity interests in Tibet Life Water Marketing.

SIGNIFICANT INVESTMENTS

In 2022, the Group acquired PP&E of RMB6 million (2021: RMB6 million). Regarding the future development and outlook of the Group, please refer to the section headed “Outlook” in this “Management Discussion and Analysis” section.

CAPITAL COMMITMENTS

As at 31 December 2022, the Group had committed to purchasing PP&E of approximately RMB5 million (31 December 2021: RMB45 million), and no equity investment (31 December 2021: RMB16 million). The funding sources related to these commitments are expected to be disbursed from the Group’s own capital.

CHARGES (OR PLEDGES)

As at 31 December 2022, (i) a bank loan with a remaining balance of RMB100 million and bank acceptance note of RMB60 million of the Group were secured by the pledge of 35% of equity interest in Tibet Tiandi Green Beverage Development Co., Ltd. and 7% of equity interest in Tibet Highland Natural Water Limited (“**Highland Natural Water**”); (ii) a bank loan with a remaining balance of RMB98 million of the Group was secured by the pledge of 15% of Highland Natural Water’s equity interests and by land use rights of a third party of the Group; (iii) a bank loan with a remaining balance of RMB82 million of the Group was secured by land use rights of a third party of the Group; (iv) a bank loan with a remaining balance of RMB100 million of the Group was secured by the pledge of 20% of equity interest in Tibet Shannan Yalaxiangbu Industrial Ltd.; and (v) a bank loan with a remaining balance of RMB72 million of the Group was secured by the Group’s factory plant with net book value of RMB53 million and land use rights with net book value of RMB25 million.

As at 31 December 2022, the bank acceptance notes amounting to RMB179 million were guaranteed by bank deposits of RMB19 million.

CONTINGENT LIABILITIES

The Group provided financial guarantee net amounted to RMB265 million to an associate as at 31 December 2022. As at 31 December 2022, the guarantee was provided for bank borrowings obtained by the associate in the net amount of RMB135 million and for bank acceptance note in the net amount of RMB130 million. The period of the guarantee for net amount of RMB160 million is from 13 October 2022 to 13 October 2023. The period of the remaining guarantee amounting to RMB105 million is from 15 July 2021 to 15 July 2024.

FOREIGN EXCHANGE RISK

The Group adopts a conservative approach to cash management and risk control. The Group mainly operates in the PRC with most of its business transactions denominated in RMB. However, the Group is exposed to foreign exchange risk arising from its cash exchange transactions, which are primarily denominated in HKD. To mitigate the impact of exchange rate fluctuations, the Group continually assesses and monitors its exposure to foreign exchange risk. During 2022, management of the Group did not consider it necessary to enter into any hedging transactions in order to reduce the exposure to foreign exchange risk because the exposure, after netting off the assets and liabilities subject to foreign exchange risk, was not significant.

PRODUCTION CAPACITY

In 2022, the annual water production capacity and annual beer production capacity are approximately 300,000 tonnes and 2,000,000 hectoliter respectively, same as in 2021. The Group will assess its production capacity periodically and consider increasing production capacity to meet the demands of future development.

USE OF NET PROCEEDS OF PLACING OF NEW SHARES

On 21 July 2022, the Company completed the placing of new shares under general mandate. A total of 459,898,000 placing shares have been successfully placed to not less than six places at the placing price of HK\$0.425 per placing share with net proceeds of approximately HK\$194 million for repayment of the external debts of the Group and for general working capital of the Group. Further details were set out in the announcements of the Company dated 24 June 2022 and 21 July 2022 respectively. As at 31 December 2022, the net proceeds from the placing of new shares had been fully utilised.

FINAL DIVIDEND

No dividend has been declared by the Company in respect of 2022 (2021: nil).

OUTLOOK

Water Business Segment

The Group will adhere to the “5100” high-end mineral water brand as the core, increase its investment in and construction of the “5100” brand, leverage on the advantages of the “5100” brand, seize the golden opportunities of the rebound of the tourism and entertainment industries and the rebound of consumer demand after the pandemic both at home and abroad, concentrate its advantageous resources, deepen and strengthen cooperation with domestic and international hotel brands, airlines and cinemas, optimize the supply chain, jointly provide consumers with quality products and services, and continue to enhance the image and influence of the “5100” brand.

While steadily improving the performance of our e-commerce channels, the Group will continue to actively seek and establish more strategic partnerships in the community and household consumer sectors to strengthen the construction of the private sector channels, so that consumers can enjoy our products and services more conveniently and quickly and Good Tibetan Water can reach more consumers.

The Group will continue to invest resources to consolidate and strengthen its strategic position in the Tibetan water industry, join hands with Sinopec and PetroChina, leverage on the brand influence and strong sales network of EASY JOY (易捷) and uSmile Convenience Store (昆侖好客便利店), and increase its investment in the development of sales channels and marketing campaigns to jointly enhance the market influence of “Good Tibetan Water”.

Beer Business Segment

The Group will leverage on the geographical and cultural advantages of local brands in Tibetan areas to focus on and strengthen the sales and promotion of beer products in Tibet. While doing a solid job of selling in the major cities in the Tibetan region, we will also go deeper into the Tibetan region to establish sales sites and consolidate and enhance the market share of the Group’s beer products in Tibet.

As the impact of the COVID-19 pandemic subsides, the Group will invest significant resources to seize the opportunity of the resumption of tourism growth in Tibet, combine Tibetan specialty culture and product experience, and make active use of social media and internet resources to enable more consumers to experience Tibetan specialty products while understanding Tibetan culture. The Group will also step up its efforts in the research and development of Tibetan specialty beer products related to and beyond barley beer to actively adapt to the new consumer trends and demands in the beer market. While sharing the advantageous channel resources of the water segment, the Group will also boost the development and construction of channels around Tibet and join hands with water segment products to bring consumers a quality experience of Tibetan specialty products.

EVENTS AFTER THE REPORTING PERIOD

Please refer to Note 17 to the consolidated financial statements of this announcement for the events after the reporting period.

EXTERNAL AUDITOR

HLB Hodgson Impey Cheng Limited (“**HLB**”) has been re-appointed as the auditor of the Company with effect from the conclusion of the annual general meeting of the Company (“**AGM**”) held on 30 June 2022 and to hold office until the conclusion of the next AGM. The consolidated financial statements for the year ended 31 December 2022 were audited by HLB, who will retire at the conclusion of the forthcoming 2023 AGM and, being eligible, will offer itself for re-appointment as external auditor of the Company.

SCOPE OF WORK OF EXTERNAL AUDITOR

The financial figures in respect of this announcement of the Group's results for the year ended 31 December 2022 have been agreed by the Group's auditor, HLB, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2022. The work performed by HLB in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing and consequently no assurance has been expressed by HLB on the preliminary results announcement.

CORPORATE GOVERNANCE PRACTICES

For the year 2022, the Company has complied with the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules, save for following deviations.

Under Code Provision C.1.6 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. TANG Zeping, a then independent non-executive Director, did not attend the extraordinary general meeting of the Company held on 25 May 2022 and the annual general meeting of the Company held on 30 June 2022 in light of his retirement as mentioned in the announcements of the Company dated 23 June 2022 and 24 June 2022 respectively. Mr. DAI Yang, a then independent non-executive Director, did not attend the annual general meeting of the Company held on 30 June 2022 in light of his retirement. Ms. JIANG Xiaohong, a non-executive Director, was unable to attend the annual general meeting held on 30 June 2022 as she was obliged to be away for the Group's other matters.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules. Specific enquiry has been made to all the Directors and each of the Directors has confirmed that each of them has complied with the Model Code for the year ended 31 December 2022. Specific employees who are likely to be in possession of inside information of the Group have been requested to comply with the provisions of the Model Code. No incident of non-compliance has been noted by the Company.

AUDIT COMMITTEE

The audit committee is mainly responsible for monitoring the integrity of the Company's financial statements, overseeing the audit process and performing other duties and responsibilities as assigned by the Board. The audit committee has reviewed the annual results of the Group for the year ended 31 December 2022.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year ended 31 December 2022, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

ACKNOWLEDGEMENT

The Board would like to express its sincere appreciation for the devotion and hard work of the management team and all the staff members, as well as the support from the shareholders, business partners and loyal customers.

By order of the Board
Tibet Water Resources Ltd.
Dr. ZHANG Chunlong

Chairman and Independent Non-Executive Director

Hong Kong, 30 March 2023

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