



1HFY2015 Results Presentation

CHINA EVERBRIGHT WATER LIMITED

中国光大水务有限公司



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光大水务
Everbright Water

Agenda

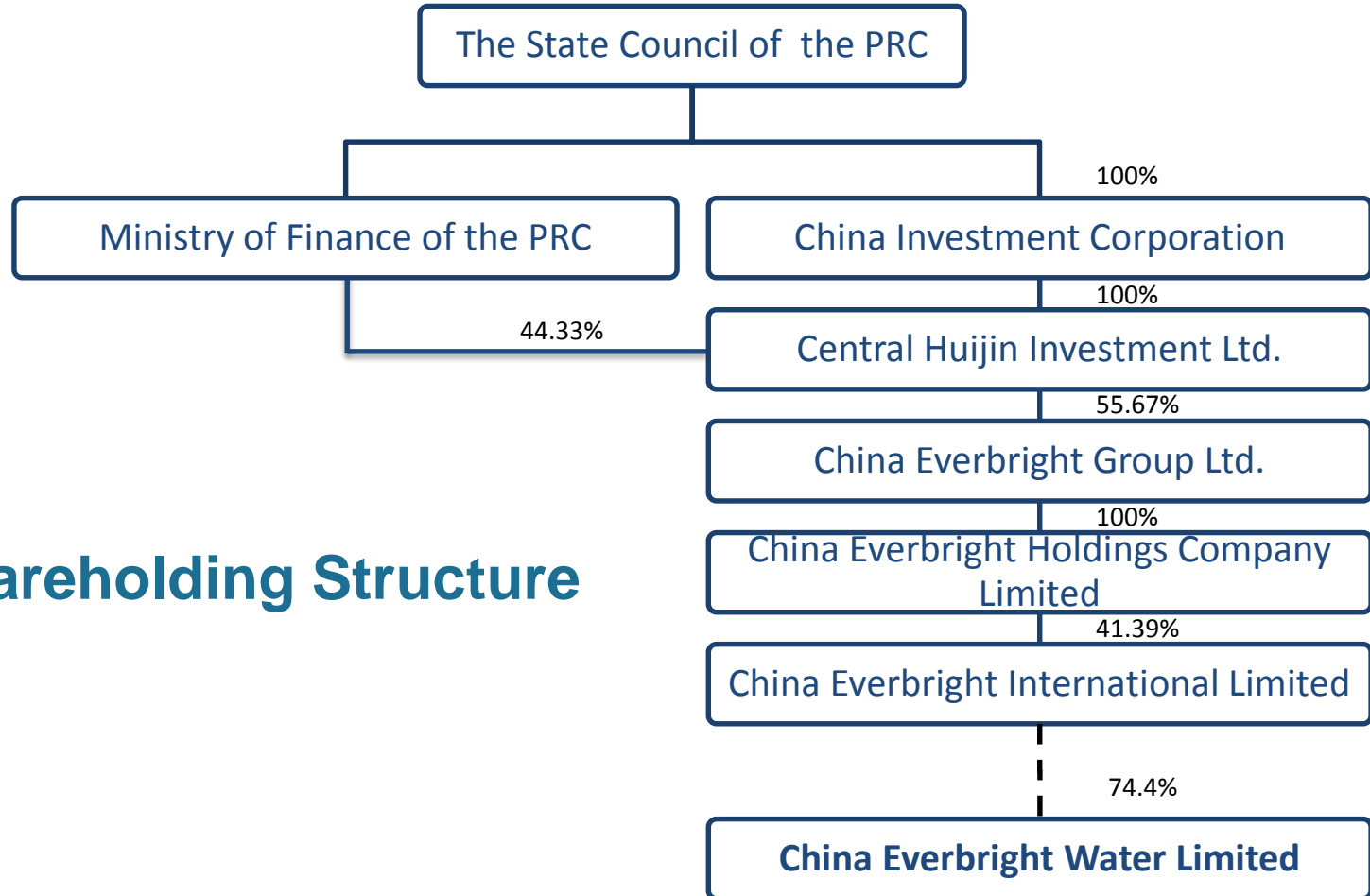
- **Company Introduction**
- **Financial Highlights**
- **Business Review**
- **Industry Outlook**
- **Appendix – Project Summary**



Company Introduction



- In December 2014, China Everbright International Limited (HKSE: 00257) successfully spun off and injected its environmental water business into Singapore Mainboard-listed HanKore Environment Tech Group Limited (“HanKore Environment”) (SGX: U9E) via a reverse takeover and HanKore Environment was officially renamed as China Everbright Water Limited (“Everbright Water” or the “Company”).
- Everbright Water and its subsidiaries (collectively the “Group”) is principally engaged in the environmental water business, which includes waste water treatment, reusable water, waste water heat pump, sludge treatment, research and development of environmental water technologies, engineering and construction and etc. The Group’s geographical footprint spans across North and Central China, including Beijing, Jiangsu, Shandong, Shaanxi and Henan.
- As of 30 June 2015, the Group’s designed daily waste water treatment capacity is over 3.4 million m³.



Shareholding Structure

Competitive Advantages

- 1) **Backed by China Everbright Group – One of the largest SOEs in the PRC**
- 2) **Sole platform for China Everbright Group’s water treatment business**
- 3) **Strong track record and financial strength**
- 4) **Well-positioned to pursue growth opportunities – both organic and M&A**
- 5) **Supported by an experienced and highly successful management team**

Financial Highlights



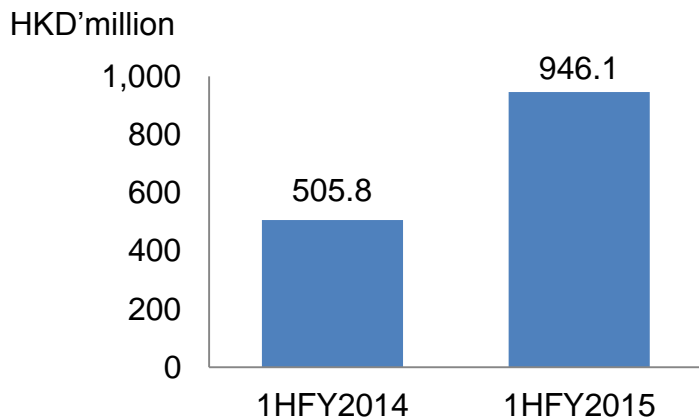
HKD'Million	1HFY2015	1HFY2014	Change (%)
Revenue	946.1	505.8	87
Gross Profit	443.2	309.1	43
Gross Profit Margin	46.8%	61.1%	(14.3) ppt
Net Profit Attributable to Shareholders	211.3	166.0	27
Earnings Per Share*(HKD)	0.083	0.086	(3.5)
Gearing Ratio (Total Liabilities / Total Assets)	32%	36%	(4.0) ppt

ppt: percentage point

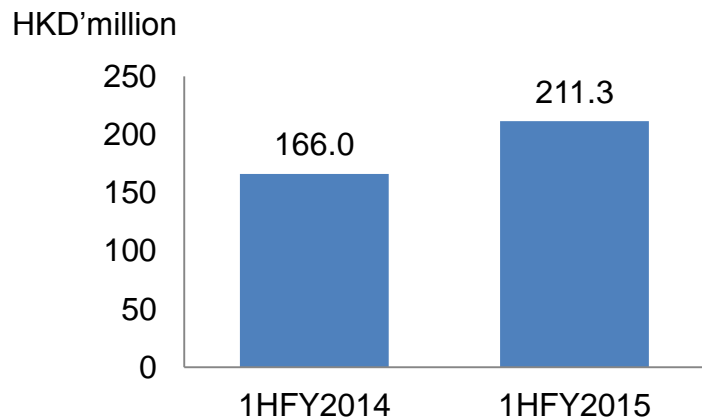
*Calculated based on the weighted average number of 2,533,959,270 ordinary shares and 1,940,269,305 ordinary shares for 1HFY2015 and 1HFY2014, respectively

Financial Highlights

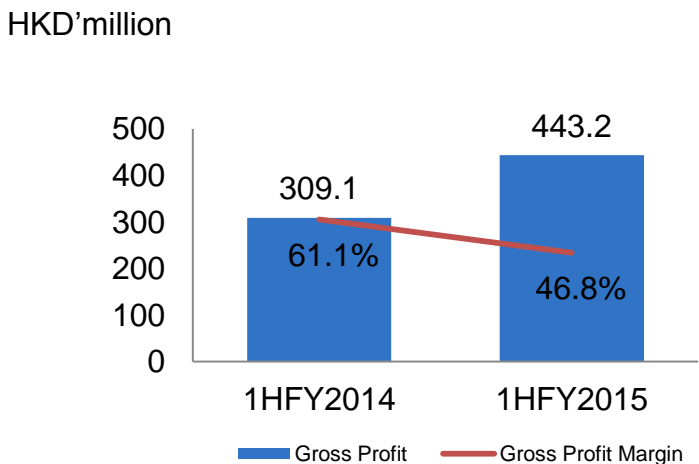
Revenue



Net Profit Attributable to Shareholders



Gross Profit & Gross Profit Margin



- Increase in construction revenue led to higher revenue
- Constructive activities have a lower profit margin as compared to operation activities in general
- Revenue from construction mainly due to expansion and upgrading of several waste water projects in 2QFY2015

Business Review



Recent Milestones

- Jul 2015** – Secures long-term loan of USD140 million from IFC; to be mainly utilised as capital expenditure working capital
- May 2015** – Secured Ju County Chengbei Waste Water Treatment Project on a TOT (Transfer-Operate-Transfer) basis for approximately RMB103 million.
- Apr 2015** – Completed construction of Binzhou Boxing Waste Water Treatment Project Phase II
- Feb 2015** – Completed construction of Sanmenxia Industry Cluster Area Waste Water Treatment Project Phase I
- Jan 2015** – Completed construction of Yangzhou Jiangdu Waste Water Treatment Project Phase II
- Raise S\$113.4 million via share placements with IFC & RRJ

Increase in Water Tariffs

Projects	Change in water tariff (%)
Jinan Waste Water Treatment Project (Plant 1 & Plant 2)	↑5.8%
Xianyang Waste Water Treatment Project Phase 1	↑39.0%
Jiangyin Waste Water Treatment Project	↑5.7%

Projects Under Construction

Projects	Capacity (m ³)	Expected completion date
Nanjing Pukou Waste Water Treatment Project Phase II and upgrade	40,000	2H2015
Suzhou Wuzhong Chengnan Waste Water Treatment Project Phase II and upgrade	75,000	2H2015
Zibo Reusable Water Project Phase II	4,800	2H2015



Development Strategy

- Strengthen our market competitiveness and proactively seek out sound acquisition targets
- Improve operating efficiency and lower operating cost
- Sharpen our technological advantages
- Lower financing cost

Geographic Coverage



Waste Water Treatment

- Shandong
- Beijing
- Jiangsu
- Shaanxi
- Henan

Reusable Water Projects

- Shandong
- Jiangsu

Waste Water Source Heat Pump Projects

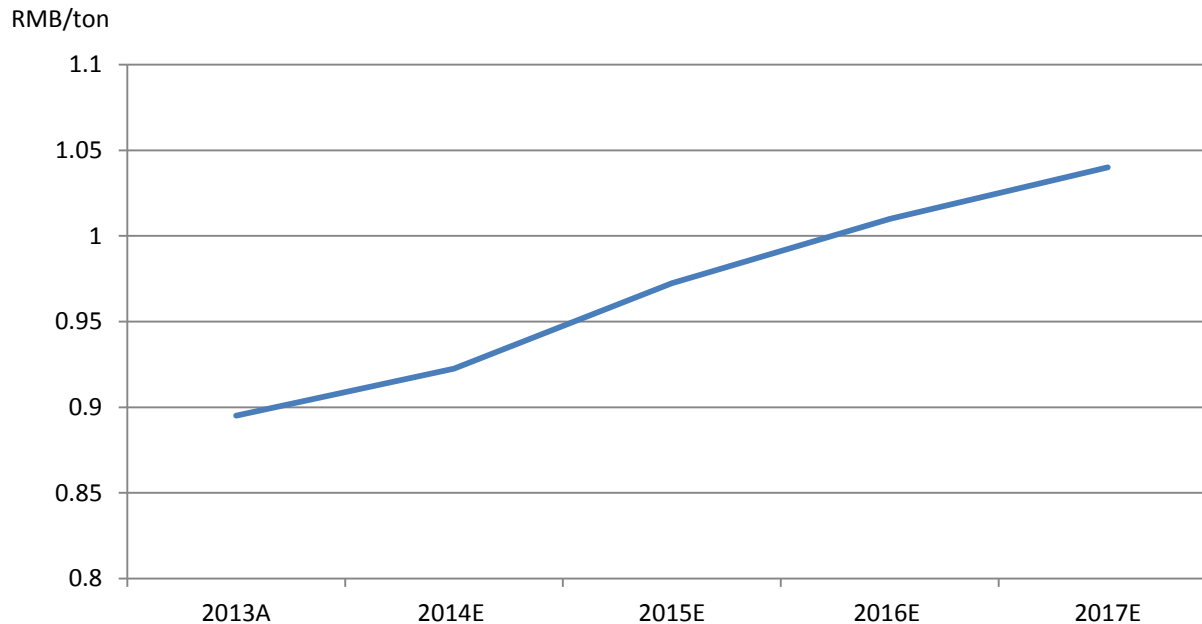
- Shandong

Industry Outlook



Steadily Increasing Water Price and Visible Revenue from Water Charges

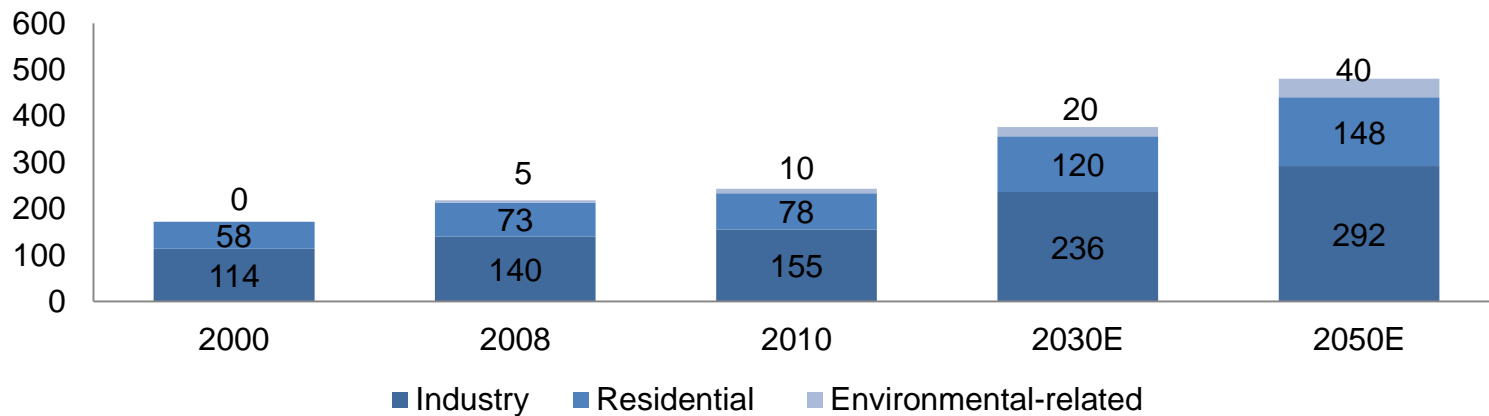
Expected Increase of Waste Water Tariffs* in China



*Source: Credit Suisse estimates on average company data

Long-Term Growth Momentum in Our Industry

(billion cubic meter)



Highly fragmented industry more prone for consolidation

- Municipal WWT is fragmented with Top Ten players accounting to 25% of market share
- 50% of assets are still owned by local municipals

Favorable Government Policies for the Water Treatment Industry

Government's policy	Status
The Water Pollution Prevention & Control Plan (“水十条”)	<ul style="list-style-type: none"> • Introduced more stringent regulations and set new targets for water supply, waste water treatment and sludge treatment • Local governments to accelerate the reform of water-pricing mechanisms and all cities must adopt a tiered pricing system by 2015
Opinions on the Implementation of the Third-Party Control of Environmental Pollution	<ul style="list-style-type: none"> • Government to develop innovative ways of financing & related credit services • Promote market mechanisms to support third party environmental services
Public-Private Partnership Model	<ul style="list-style-type: none"> • Aims to provide better quality public services through a wide range of social capital and using the expertise of private enterprises

It is generally expected that investment in the PRC water sector will increase significantly

Appendix



Waste Water Treatment Operating Projects

Project	Type of Investment	Date of Operation	Daily Average Waste Water Treatment Capacity (m ³)
Qingdao Waste Water Treatment (WWT) Project (Haibohe & Maidao Plants) <i>Shandong Province</i>	BOT/TOT	January 2005	300,000
Zibo WWT Project (Southern & Northern Plants) <i>Shandong Province</i>	TOT	November 2005	250,000 (Upgrading completed in May 2008)
Jinan WWT Project (Plant 1 & Plant 2) <i>Shandong Province</i>	TOT	November 2006	500,000
Zibo High-tech Zone WWT Project <i>Shandong Province</i>	BOT	September 2007	100,000

Waste Water Treatment Operating Projects

Project	Type of Investment	Date of Operation	Daily Average Waste Water Treatment Capacity (m ³)
Jiangyin WWT Project (Acquisition and Upgrade) <i>Jiangsu Province</i>	TOT	January 2008	190,000
Binzhou Boxing WWT Project <i>Shandong Province</i>	TOT/BOT	Phase I – April 2008 Upgrading work – December 2008 Phase II – June 2009 Phase II expansion and upgrading work: April 2015	80,000
Jinan Licheng WWT Project (Plant 3) Phase I <i>Shandong Province</i>	BOT	October 2009	100,000
Zibo Zhoucun WWT Project <i>Shandong Province</i>	BOT	November 2009	40,000
Jinan Xike WWT Project (Plant 4) <i>Shandong Province</i>	BOT	June 2010	30,000

Waste Water Treatment Operating Projects

Project	Type of Investment	Date of Operation	Daily Average Waste Water Treatment Capacity (m ³)
Ling County WWT Project (Plant 1) <i>Shandong Province</i>	TOT	June 2010	30,000
Ling County WWT Project (Plant 2) <i>Shandong Province</i>	BOT	June 2010	30,000
Dezhou Nanyunhe WWT Project Phase I <i>Shandong Province</i>	BOT	September 2013	75,000
Jinan Licheng WWT Project (Plant 3) Phase II <i>Shandong Province</i>	Same as Jinan Licheng WWT (Plant 3) Phase I	November 2013	100,000
Zhangqiu WWT Project <i>Shandong Province</i>	BOT	May 2014	30,000
Ling County WWT Project (Plant 1) Upgrading <i>Shandong Province</i>	N/A	May 2014	N/A

Waste Water Treatment Operating Projects

Project	Type of Investment	Date of Operation	Daily Average Waste Water Treatment Capacity (m ³)
Lianyungang Dapu WWT Project <i>Jiangsu Province</i>	TOT	December 2001	100,000
Kunshan Development Zone WWT Project Phase I <i>Jiangsu Province</i>	BOT	June 2006	25,000
Xianyang WWT Project Phase I <i>Shaanxi Province</i>	BOT	October 2006	100,000
Yangzhou Jiangdu Development Zone WWT Project Phase I <i>Jiangsu Province</i>	BOT	May 2008	12,500
Kunshan Development Zone WWT Project Phase II <i>Jiangsu Province</i>	BOT	September 2008	25,000
Daxing Tiantanghe WWT Project Phase I <i>Beijing</i>	BOT	December 2008	40,000

Waste Water Treatment Operating Projects

Project	Type of Investment	Date of Operation	Daily Average Waste Water Treatment Capacity (m ³)
Suzhou Wuzhong Chengnan WWT Project Phase I <i>Jiangsu Province</i>	BOT	January 2009	75,000
Lianyungang Xugou WWT Project Phase I <i>Jiangsu Province</i>	BOT	December 2009	40,000
Nanjing Pukou WWT Project Phase I <i>Jiangsu Province</i>	BOT	January 2010	40,000
Nanjing Liuhe WWT Project Phase I <i>Jiangsu Province</i>	BOT	June 2011	20,000
Binzhou Development Zone WWT Project Phase I <i>Shandong Province</i>	BOT	January 2012	40,000
Nanjing Liuhe WWT Project Phase II <i>Jiangsu Province</i>	BOT	September 2013	20,000

Waste Water Treatment Operating Projects

Project	Type of Investment	Date of Operation	Daily Average Waste Water Treatment Capacity (m ³)
Xianyang WWT Project Phase II <i>Shaanxi Province</i>	BOT	December 2014	100,000
Yangzhou Jiangdu Development Zone WWT Project Phase II and upgrade <i>Jiangsu Province</i>	BOT	January 2015	12,500
Sanmenxia Industry Cluster Area WWT Project Phase I <i>Henan Province</i>	BOT	February 2015	30,000

Reusable Water *Operating Projects*

Project	Type of Investment	Date of Operation	Daily Average Waste Water Treatment Capacity (m ³)
Zibo Reusable Water Project Phase I <i>Shandong Province</i>	BOO	September 2011	4,800
Jinan Licheng Reusable Water Project <i>Shandong Province</i>	BOO	September 2011	42,000
Jiangyin Reusable Water Project <i>Jiangsu Province</i>	BOO	January 2013	10,000

Waste Water Source Heat Pump *Operating Projects*

Project	Type of Investment	Date of Operation	Daily Average Waste Water Treatment Capacity (m ³)
Zibo Waste Water Source Heat Pump Project Phase I <i>Shandong Province</i>	BOO	December 2011	N/A
Zibo Ceramic Technology Development Park Heat Pump Project <i>Shandong Province</i>	BOO	November 2013	N/A

Projects Under Construction

Project	Type of Investment	Date of Operation	Daily Average Waste Water Treatment Capacity (m ³)
Nanjing Pukou WWT Project Phase II and upgrade <i>Jiangsu Province</i>	BOT	2H2015 (expected)	40,000
Suzhou Wuzhong Chengnan WWT Project Phase II and upgrade <i>Jiangsu Province</i>	BOT	2H2015 (expected)	75,000
Zibo Reusable Water Project Phase II <i>Shandong Province</i>	Same as Zibo Reusable Water Project Phase I	2H2015 (expected)	4,800

Transferred Projects

Project	Type of Investment	Date of Operation	Daily Average Waste Water Treatment Capacity (m ³)
Xinyi WWT Project Phase I <i>Jiangsu Province</i>	BT	October 2010	10,000
Xinyi Surface Water Project <i>Jiangsu Province</i>	BT	January 2013	100,000

2015 Newly Signed Projects

Project	Type of Investment	Date of Operation	Daily Average Waste Water Treatment Capacity (m ³)
Ju County WWT Project <i>Shandong Province</i>	TOT	2H 2015	40,000

Thank you!

