



2015 Annual General Meeting

25 April 2016

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

- Financial Highlights
- Business Review
- Development Strategy
- AGM Resolutions



Financial Highlights



Financial Highlights

HKD ('000)	FY2015	FY2014	Increase/ Decrease
Revenue	1,815,150	1,050,755	73%
Gross Profit	824,224	596,471	38%
Net Profit for the Financial Year	423,668	313,998	35%
Net Profit Attributable to Owners of the Company	406,242	292,796	39%
Earnings Per Share (HKD)	0.16	0.15	6%
Dividend per ordinary share (SGD)	0.0035	Nil	n.m.

	2015/12/31	2014/12/31
Gearing Ratio (Total Liabilities/Total Assets)	48%	35%

Business Review



- 2015 is the first full fiscal year of Everbright Water following the reverse takeover of HanKore Environment Tech Group (“HanKore”) and listed on the SGX, which also marks the first year of a new round of growth of the Group.
- Achieved outstanding performance through refining corporate governance, improving internal integration, proactively involving in market expansion, enhancing technology strengths and strengthening market competitiveness.

1. Strengthening the Integration of Acquired Assets, Positive Impact of M&A is Gradually Shown

- Reverse takeover of HanKore completed at the end of 2014 while Dalian Dongda Water Co., Ltd. (“Dalian Dongda”) was acquired in November 2015. Through resources restructuring as well as business consolidation and optimisation, the Company realised integration of corporate culture and achieved the consolidation effect of “1+1>2”.
- The positive impacts of the integration of HanKore have been shown at the end of FY2015. Significantly reversed from a net loss in 2014 to a net profit of more than HKD100 million in 2015.

2. Remarkable Achievements in Market Expansion

- Acquisition of Dalian Dongda, which has a total of 17 waste water treatment projects, representing an additional contracted waste water treatment capacity of 1,125,000 m³/day and operating treatment capacity of 945,000 m³/day.
- Secured 5 WWT Projects, namely Ju County WWT Project, Ji'nan WWT Project (Plant 1) Expansion Project, Ji'nan Xike WWT Project (Plant 4) Phase II, Beijing Daxing Tiantanghe WWT Project Upgrading and Expansion, which in aggregate contribute an additional designed daily waste water treatment capacity of 200,000 m³.
- Won the tender of Nanjing Pukou Reusable Water Project, which contributes an additional designed daily reusable water supply capacity of 40,000 m³. Phase I of the Project, whose service concession agreement has been executed, has a designed daily reusable water supply capacity of 20,000 m³.
- New projects contribute an additional designed daily water treatment capacity of 1,345,000 m³ in FY2015. As of December 2015, the Company's total daily designed water treatment capacity was approximately 4,600,000 m³. New water projects with designed treatment capacity of 365,000 m³/day were obtained in the first quarter of 2016. Currently, the Company's total daily designed water treatment capacity is approximately 5,000,000 m³.

3. Adequate Funds for Development

- Abundant cash, healthy financial position, reasonable gearing with gearing ratio of 48%.
- The Group entered into subscription agreements on 19 January 2015 with International Finance Corporation (“IFC”) and Dalvey Asset Holdings Ltd, which is a wholly-owned subsidiary of RRJ Capital Master Fund II, L.P. which was in turn established by RRJ Capital. Arising from the Subscriptions, the Company raised gross proceeds of about SGD113,449,500 via the allotment and issuance of 120,690,957 new shares. Shareholders structure is therefore further improved.
- Actively expanding financial channels through negotiating with policy banks and commercial banks, the Group secured a long-term loan of USD140 million from IFC in 2015.
- Adequate funds for new round of development.

4. Projects under Construction are Progressing Steadily

Completed projects:

- Yangzhou Jiangdu Development Zone WWT Project Phase II and Upgrading
- Sanmenxia Industry Cluster Area WWT Project Phase I
- Boxing WWT Project Phase II Expansion and Upgrading
- Zibo Reusable Water Project Phase II
- Nanjing Pukou WWT Project completed construction and entered trial-run (Commenced commercial operation in January 2016)

Projects under construction:

- Suzhou Wuzhong Chengnan WWT Project Phase II and Upgrading
- Ji'nan WWT Project (Plant 1) Expansion
- Beijing Daxing Tiantanghe WWT Project Upgrading and Expansion Project
- Dalian Liangjiadian WWT Project Phase I

5. Continuous Improvement on Operations and Management

Actual WWT volume reached 899 million m³ in FY2015; utilisation rate reached 87%; many projects have confirmed a tariff hike

Projects	Change in tariff	Reasons for increasing the tariff
Boxing WWT Project	17.3%	The tariff hike became effective after the upgrading and expansion works have been completed.
Jiangyin WWT Project	5.3%	The tariff adjustment was initiated based on BOT agreement
Ji'nan WWT Project (Plant 1 & 2)	5.7%	The tariff adjustment was initiated based on BOT agreement
Yangzhou Jiangdu Development Zone WWT Project	16.9%	The tariff hike became effective after the upgrading and expansion works have been completed.
Nanjing Liuhe WWT Project	57.1%	The tariff hike became effective after the upgrading and expansion works have been completed.
Xianyang WWT Project Phase I	52.7%	The tariff hike became effective after the upgrading and expansion works have been completed.

5. Continuous Improvement on Operations and Management

Projects	Change in tariff	Reasons for increasing the tariff
Binzhou Development Zone WWT Project Phase I	3.8%	The tariff adjustment was initiated based on BOT agreement
Ji'nan Licheng Reusable Water Project	12.3%	The tariff adjustment was initiated based on the Directory of Value-added Tax ("VAT")
Zibo Reusable Water Project	17%	The tariff adjustment was initiated based on the Directory of Value-added Tax ("VAT")
Jiangyin Reusable Water Project	10%	The tariff adjustment was initiated based on the Directory of Value-added Tax ("VAT")

Geographic Coverage



Waste Water Treatment Projects

- Beijing
- Shandong
- Jiangsu
- Shaanxi
- Henan
- Liaoning
- Inner Mongolia

Reusable Water Projects

- Shandong
- Jiangsu

Waste Water Source Heat Pump Projects

- Shandong

Share Buyback

- There were share buybacks made by the Group on 14 January, 15 January and 18 January 2016

Date	Number of shares	Price (S\$)	Total consideration paid (S\$)	Outstanding shares
14 January 2016	2,700,000	0.485024	1,312,636.69	2,605,314,262
15 January 2016	2,900,400	0.496261	1,442,740.74	2,602,413,862
18 January 2016	2,193,000	0.492826	1,083,087.97	2,600,220,862
Total	7,793,400	0.492528	3,838,465.40	

Development Strategy



- Increase our market share and influence through new projects and organic growth
- Strengthen the integration of M&A to achieve simultaneous growth of scale and benefits
- Solidify our position in our main business sector, enhance our business chains and expand into integrated environmental water business (construction of sponge cities and integrated watershed management etc.)
- Increase operating efficiency and reduce operating cost through improvement of technical and management skills
- Set up “Environmental Water Technology Research Centre” to strengthen technical capabilities and enhance the Group’s overall competitiveness
- Strengthen our financing capabilities and explore new financing modes such as development funds for water industry to promote the growth of our business
- Strengthen human resources development strategy and endeavour to attract international talents to form a strong team

AGM Resolutions



- **Resolution 1:** To receive and consider the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2015 and the Auditors' Report thereon
- **Resolution 2:** To declare a final tax exempt 1-Tier dividend of S\$0.0035 for the financial year ended 31 December 2015 as recommended by the Directors
- **Resolution 3:** To approve the payment of Directors' fees of S\$207,500 for the financial year ended 31 December 2015. (2014 : S\$200,000/-)
- **Resolution 4:** To re-elect the following Directors retiring pursuant to the Company's Bye-Laws, and who, being eligible, will offer themselves for re-election:-
 - (a) Mr. Chen Tao
 - (b) Mr. Zhai Haitao
 - (c) Mr. Lim Yu Neng Paul
 - (d) Ms. Cheng Fong Yee

- **Resolution 5:** To re-appoint Messrs KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration
- **Resolution 6:** Authority to allot and issue shares
- **Resolution 7:** Authority to allot and issue Shares under the China Everbright Water Limited Scrip Dividend Scheme
- **Resolution 8:** Authority to grant options and issue Shares under the China Everbright Water Limited Employee Share Option Scheme
- **Resolution 9:** Renewal of the share buy-back mandate

Thank you!

