



FY2015 Results Presentation

CHINA EVERBRIGHT WATER LIMITED

中国光大水务有限公司

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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 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 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 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 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 per day and operating treatment capacity of 945,000 m³ per day.
- Secured 4 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 Project, 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 WWT capacity of 1,345,000 m³. The Group's daily designed WWT capacity reaches 4,600,000 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 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 on 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 Management Capability

Total WWT capacity of 309 million m³, 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 Management Capability

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

Shares buyback

- There were shares buyback by the Group on 14 January, 15 January and 18 January 2016

Date	Number of shares	Price (\$)	Total consideration paid (\$)	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

Appendix - Project Summary



Waste Water Treatment Operating Projects

Project	Type of Investment	Date of Operation	Daily Waste Water Treatment Capacity (m ³)
Qingdao Waste Water Treatment (WWT) Project (Haibohe & Maidao Plants) <i>Shandong Province</i>	BOT/TOT	January 2005	220,000
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 Waste Water Treatment Capacity (m ³)
Jiangyin WWT Project (Chengxi, Binjiang & Shizhuang Plants) (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 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 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 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 Pukou WWT Project Phase II and upgrade <i>Jiangsu Province</i>	BOT	January 2016	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

Waste Water Treatment Operating Projects

Project	Type of Investment	Date of Operation	Daily Waste Water Treatment Capacity (m ³)
Nanjing Liuhe WWT Project Phase II <i>Jiangsu Province</i>	BOT	September 2013	20,000
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
Ju County WWT Project <i>Shandong Province</i>	TOT	July 2015 (Transfer date)	40,000

Waste Water Treatment Operating Projects

Project	Type of Investment	Date of operation	Daily Waste Water Treatment Capacity (m ³)
Dalian Quanshui WWT Project <i>Liaoning Province</i>	BOT	June 2007	35,000
Dalian Malanhe WWT Project Phase II <i>Liaoning Province</i>	BOT	December 2009	80,000
Dalian Chunliuhe WWT Project Phase II <i>Liaoning Province</i>	BOT	April 2009	120,000
Dalian Siergou WWT Project <i>Liaoning Province</i>	TOT	July 2013	100,000
Lvshun Bailanzi WWT Project Phase I <i>Liaoning Province</i>	TOT	October 2003	30,000
Lvshun Bailanzi WWT Project Phase II <i>Liaoning Province</i>	BOT	July 2008	30,000
Lvshun Sanjianpu WWT Project <i>Liaoning Province</i>	BOT	July 2012	10,000
Pulandian WWT Project Phase I <i>Liaoning Province</i>	BOT	November 2007	20,000

Waste Water Treatment Operating Projects

Project	Type of Investment	Date of operation	Daily Waste Water Treatment Capacity (m ³)
Zhuanghe WWT Project Phase I <i>Liaoning Province</i>	BOT	July 2009	30,000
Panjin 1 st WWT Project <i>Liaoning Province</i>	TOT	June 2004	100,000
Panjin 1 st WWT Project (upgrading) <i>Liaoning Province</i>	TOT	May 2015	100,000
Anshan West 2 nd WWT Project <i>Liaoning Province</i>	TOT	June 2006	100,000
Shenyang Hunnan New District WWT Project <i>Liaoning Province</i>	TOT	July 2010	40,000
Dandong WWT Project <i>Liaoning Province</i>	BOT	December 2010	100,000
Inner Mongolia Tongliao Development Zone WWT Project	TOT	January 2009	50,000

Reusable Water Operating Projects

Project	Type of Investment	Date of Operation	Daily Water Supply 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
Zibo Reusable Water Project Phase II <i>Shandong Province</i>	Same as Zibo Reusable Water Project Phase I	September 2015	4,800

Waste Water Source Heat Pump Operating Projects

Project	Type of Investment	Date of Operation	Daily 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 Waste Water Treatment Capacity (m ³)
Suzhou Wuzhong Chengnan WWT Project Phase II and upgrade <i>Jiangsu Province</i>	BOT	1H2016	75,000
Jinan WWT Project (Plant 1) Expansion <i>Shandong Province</i>	BOT	1H2016	50,000
Dalian Liangjiadian WWT Project Phase 1 <i>Liaoning Province</i>	BOT	2016	20,000
Daxing Tiantanghe WWT Project Phase II and upgrade <i>Beijing</i>	BOT	2H2016	40,000

Transferred Projects

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

Projects in Preparation – Waste Water Treatments Projects

Project	Type of Investment	Daily Waste Water Treatment Capacity (m ³)
Dalian Liangjiadian WWT Project Phase I <i>Liaoning Province</i>	BOT	100,000
Pulandian WWT Project <i>Liaoning Province</i>	BOT	60,000 (Among which 20,000 tons/ day starting construction soon)

Total designed waste water treatment capacity of Dalian Liangjiadian WWT Project Phase I contract will reach 120,000 m³ per day

Projects in Preparation – Waste Water Projects/Reusable Water Projects

Projects	Type of Investment	Daily Waste Water Treatment Capacity (m ³)
Dezhou Nanyunhe WWT Project Phase II <i>Shandong Province</i>	BOT	75,000
Kunshan Development Zone WWT Project Phase III <i>Jiangsu Province</i>	BOT	50,000
Lianyungang Xugou WWT Project Phase II <i>Jiangsu Province</i>	BOT	40,000
Yangzhou Jiangdu Development Zone WWT Project Phase III <i>Jiangsu Province</i>	BOT	25,000
Sanmenxia Industry Cluster Area WWT Project Phase II <i>Henan Province</i>	BOT	120,000

Projects in Preparation – Waste Water Projects/Reusable Water Projects

Projects	Type of Investment	Daily Waste Water Treatment Capacity (m ³)
Binzhou Development Zone Reusable Water Project <i>Shandong Province</i>	BOT	30,000
Sanmenxia Industry Cluster Area Reusable Water Project <i>Henan Province</i>	BOT	100,000
Xianyang Reusable Water Project <i>Shaanxi Province</i>	BOT	170,000
Nanjing Pukou Reusable Project Phase I <i>Jiangsu Province</i>	BOT	20,000
Jinan Xike WWT Project (Plant 4) Phase II <i>Shandong Province</i>	BOT	70,000

Thank you!

