



# 2014 Annual Results Presentation

CHINA EVERBRIGHT WATER LIMITED

中国光大水务有限公司



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Everbright Water

# Agenda

- **Financial Highlights**
- **Business Review**
- **Outlook**
- **Q & A**
- **Appendix – Project Summary**



# Financial Highlights



## Financial Highlights

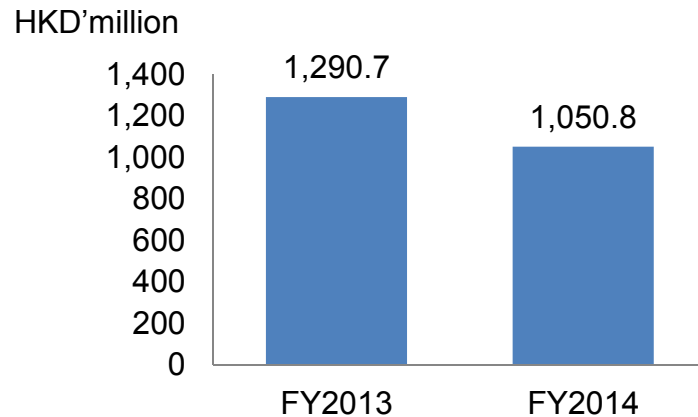
HKD'Million	FY2014	FY2013	Change (%)
Revenue	1,050.8	1,290.7	(19)
Gross Profit	596.5	529.3	13
Gross Profit Margin (%)	56.7	41.0	15.7 pp
Net Profit Attributable to Shareholders of the Company	292.8	266.5	10
Earnings Per Share*(HKD)	0.15	0.14	7
Gearing Ratio (Net Debt / Equity)	0.18	0.35	(49)

pp: percentage point

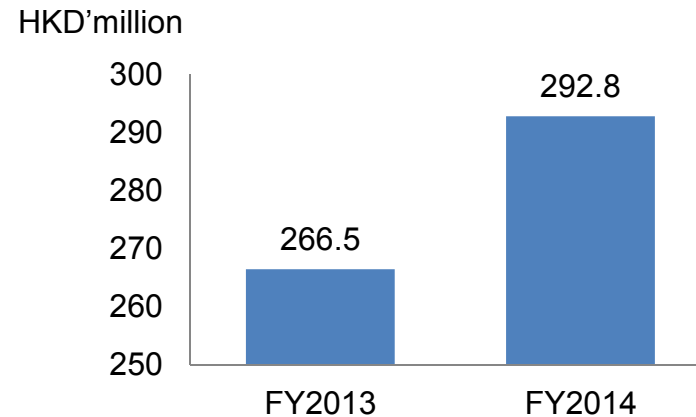
\*Calculated based on the weighted average number of 1,985,851,000 ordinary shares and 1,940,269,305 ordinary shares for FY2014 and FY2013, respectively

# Financial Highlights

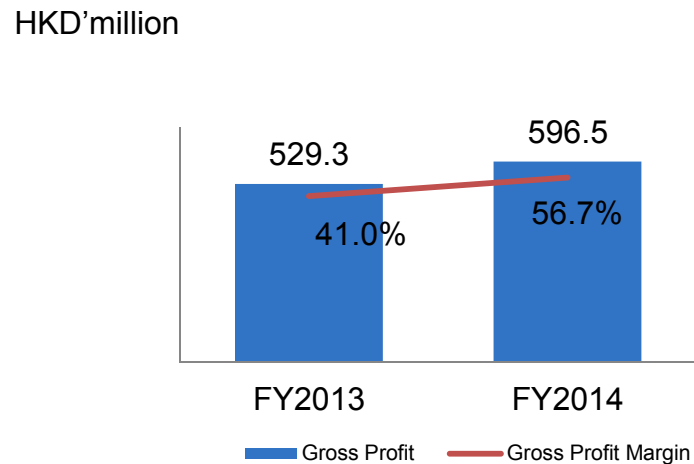
## Revenue



## Net Profit Attributable to Shareholders



## Gross Profit & Gross Profit Margin



- Lower recognition of construction services revenue from service concession arrangement led to lower revenue

- The Group's financial statement for FY2014 only captured less than a month of HanKore's contribution as the RTO of HanKore was completed on 12 December 2014. The post-acquisition financial effects will be fully reflected in FY2015



# Business Review



## Recent Milestones

- **12 December 2014** - The Group completed the RTO of HanKore, as well as the listing of Everbright Water on the Singapore Exchange, were all clear indications that the Group had embarked on a new starting point in its history, which make the Group becomes one of the largest environmental water treatment companies in China.
- **19 January 2015** - The Group has entered into subscription agreements with International Finance Corporation (“IFC”) and Dalvey Asset Holding Ltd. (“DAH”), a wholly-owned subsidiary of RRJ Capital (“RRJ”) to raise S\$113.4 million via the allotment and issuance of 120.7 million new shares at S\$0.94 per share. The subscription for the new shares demonstrates the high recognition on its intrinsic investment value and confidence on its strong growth momentum and development perspective from the investment community.



## Development Strategy

- Improve operating efficiency, complete the capacity expansion and upgrading of existing plants
- Proactive quest to seek out sound acquisition targets
- Sharpen our technological advantages and strengthen our market competitiveness
- Lower financing cost

## Projects Overview

Type	No. of Projects	Designed Capacity
Waste-water treatment project	32	3,400,000 tonnes/day
Reusable water project	4	62,000 tonnes/day
Waste-water source heat pump project	1	covers 312,000 square meters
Completed Build-Transfer project	2	110,000 tonnes/day
Pipeline network	56km	-
Pump station	10	-

## Geographic Coverage



### Waste Water Treatment

- Shandong
- Beijing
- Jiangsu
- Shaanxi
- Henan

### Reusable Water Projects

- Shandong
- Jiangsu

### Waste Water Source Heat Pump Projects

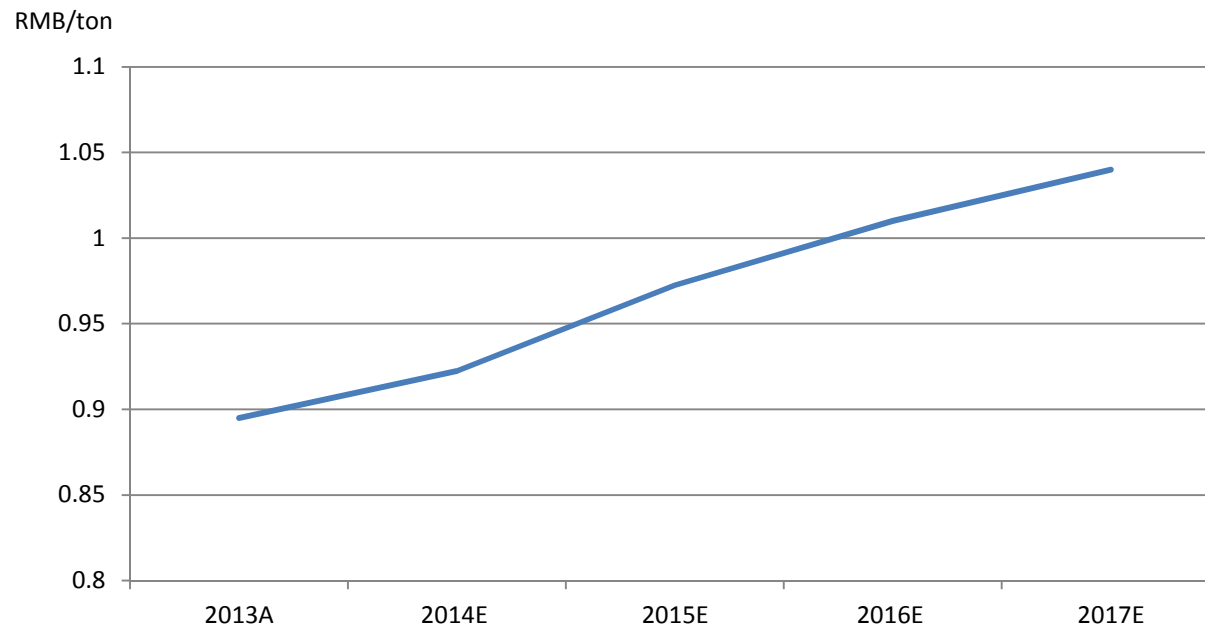
- Shandong

# Outlook



## Steadily Increasing Water Price and Visible Revenue from Water Charges

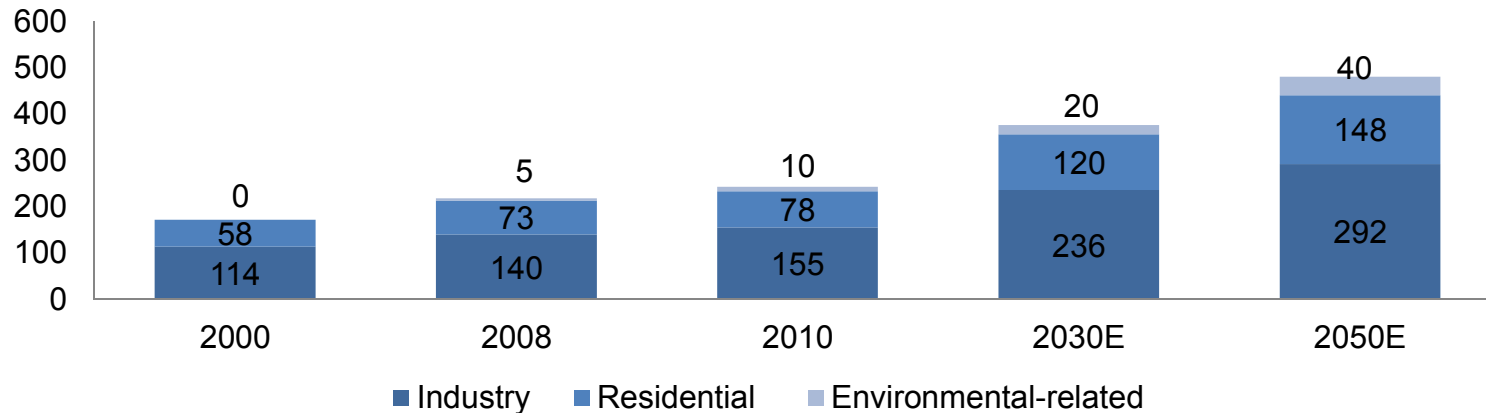
### Expected Increase of Waste Water Tariffs\* in China



\*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

## More Investment expected for Water Treatment Industry

Government's policy	Planned Investment	Status
Action Plan on the Prevention of Water Pollution (“水十条”)	RMB2 trillion	Already approved by the executive meeting of State Council & to be unveiled soon
12 <sup>th</sup> Five-Year Plan	RMB430 billion	For the 12 <sup>th</sup> Five-Year Plan for 2011-2015, half of the planned investment are still untapped and need to expedite

## Government Policy Package in Support of Sewage Treatment Industry

Release date	Policy	Key Points
May 2014	Several Opinions on Further promoting the Healthy Development of the Capital Market	Several propositions in specific relations to China's environmental sector: <ul style="list-style-type: none"> <li>· Encourage merger and acquisition activities to improve industry concentration</li> <li>· Actively develop the bond market to expand financial channels for the environmental industry</li> </ul>
Mar 2014	2014 Central Budget	Total investment scale related to the water sector has reached RMB28.15 billion with a planned total amount of 307 water treatment projects across all regions in China
Mar 2012	12th Five-Year Plan for production of clean industry	Define specific sewage reduction targets and main technical/upgrading projects for achieving the targets. Increase wastewater treatment ratio from 77.5% to 85.0%
Feb 2012	Water function zoning of important rivers and lakes in China	Classify water resources into four categories—protection, reserve, development and buffer. The development areas are subdivided into seven classes, including drinking water source areas and industrial water areas.
Jan 2012	Opinions Concerning Implementation of The Most Strict Water Resource Management System	Define main targets and measures to solve water shortage, low water resource utilisation efficiency and water quality pollution.
Dec 2011	12th Five-Year Plan for Environmental Protection	Increase 42 million tons of sewage treatment capacity on a daily basis, with national production capacity utilization rate >80%, and urban utilization rate >=85%



# Q&A



## Waste Water Treatment

No.	Project – Shandong Province	Type of Investment	Date of operation	Daily waste water treatment capacity (m <sup>3</sup> )
1	Qingdao Waste Water Treatment Project (Haibohe Plants)	TOT	January 2005	220,000
2	Qingdao Waste Water Treatment Project (Maidao Plants)	TOT	July 2007	
3	Zibo Waste Water Treatment Project (Southern Plant & Northern Plant)	TOT	November 2005	250,000
4	Zibo Waste Water Treatment Project (Southern Plant & Northern Plant upgrading)	BOT	May 2008	
5	Zibo High-tech Zone Waste Water Treatment Project	BOT	September 2007	100,000
6	Zibo Zhoucun Waste Water Treatment Project	BOT	November 2009	40,000

## Waste Water Treatment

No.	Project – Shandong Province	Type of Investment	Date of operation	Daily waste water treatment capacity (m <sup>3</sup> )
7	Binzhou Boxing Waste Water Treatment Project Phase I	TOT	April 2008	30,000
8	Binzhou Boxing Waste Water Treatment Project upgrading & Phase II	BOT	Upgrading: December 2008 Phase II: June 2009	30,000
	Binzhou Boxing Waste Water Treatment Project expansion	BOT	Under construction	20,000
9	Jinan Waste Water Treatment Project (Plant 1 & Plant 2)	TOT	November 2006	420,000
10	Jinan Waste Water Treatment Project (Plant 1 & Plant 2) expansion & upgrading	BOT	May 2009	80,000
11	Jinan Licheng Waste Water Treatment Project (Plant 3) Phase I	BOT	October 2009	100,000
12	Jinan Xike Waste Water Treatment Project (Plant 4)	BOT	June 2010	30,000

## Waste Water Treatment

No.	Project – Shandong Province	Type of Investment	Date of operation	Daily waste water treatment capacity (m <sup>3</sup> )
13	Dezhou Ling County Waste Water Treatment Project (Plant 2)	BOT	June 2010	30,000
14	Dezhou Ling County Waste Water Treatment Project (Plant 1)	TOT	June 2010	30,000
15	Dezhou Ling County Waste Water Treatment Project (Plant 1) upgrading:		November 2013	
16	Dezhou Nanyunhe Waste Water Treatment Project Phase I	BOT	September 2013	75,000
17	Jinan Licheng Waste Water Treatment Project (Plant 3) Phase II	BOT	November 2013	100,000
18	Zhangqiu Waste Water Treatment Project	BOT	May 2014	30,000
19	Binzhou Development Zone Waste Water Treatment Project Phase I	BOT	January 2012	40,000
	Binzhou Development Zone Waste Water Treatment Project (Reusable water)	BOT	In preparation	30,000

## Waste Water Treatment

No.	Project – Jiangsu Province	Type of Investment	Date of operation	Daily waste water treatment capacity (m <sup>3</sup> )
20	Kunshan Development Zone Waste Water Treatment Project Phase I	BOT	January 2007	25,000
	Kunshan Gangdong Waste Water Treatment Project Phase II	BOT	September 2008	25,000
	Kunshan Gangdong Waste Water Treatment Project Phase III	BOT	In preparation	50,000
21	Yangzhou Jiangdu Development Zone Waste Water Treatment Project Phase I	BOT	September 2007	12,500
	Yangzhou Jiangdu Development Zone Waste Water Treatment Project Phase II	BOT	Under construction	12,500
	Yangzhou Jiangdu Development Zone Waste Water Treatment Project Phase III	BOT	In preparation	25,000
22	Lianyungang Dapu Waste Water Treatment Project	TOT	January 2006	100,000
23	Lianyungang Xugou Waste Water Treatment Project Phase I	BOT	January 2006	40,000
	Lianyungang Xugou Waste Water Treatment Project Phase II	BOT	In preparation	40,000

## Waste Water Treatment

No.	Project – Jiangsu Province	Type of Investment	Date of operation	Daily waste water treatment capacity (m <sup>3</sup> )
24	Nanjing Pukou Waste Water Treatment Project Phase I	BOT	April 2006	40,000
	Nanjing Pukou Waste Water Treatment Project Phase II	BOT	Under construction	40,000
25	Suzhou Wuzhong Chengnan Waste Water Treatment Project Phase I*	BOT	July 2006	75,000
	Suzhou Wuzhong Chengnan Waste Water Treatment Project Phase II	BOT	Under construction	75,000
26	Nanjing Liuhe Waste Water Treatment Project Phase I	BOT	December 2006	20,000
	Nanjing Liuhe Waste Water Treatment Project Phase II	BOT	Under construction	20,000
27	Jiangyin Waste Water Treatment Project	TOT	January 2008	190,000
28	Jiangyin Waste Water Treatment Project upgrading	BOT	January 2009	

\*Including: 56km main pipe networks and 10 pump stations

## Waste Water Treatment

No.	Project –Beijing	Type of Investment	Date of operation	Daily waste water treatment capacity (m <sup>3</sup> )
29	Daxing Tiantanghe Waste Water Treatment Project Phase I	BOT	August 2010	40,000
	Daxing Tiantanghe Waste Water Treatment Project Phase II	BOT	In preparation	40,000

No.	Project –Shaanxi	Type of Investment	Date of operation	Daily waste water treatment capacity (m <sup>3</sup> )
30	Xianyang Waste Water Treatment Project Phase I	BOT	March 2003	100,000
31	Xianyang Waste Water Treatment Project Phase II	BOT	April 2013	100,000
	Xianyang Waste Water Treatment Project (Reusable water)	BOT	In preparation	170,000

## Waste Water Treatment

No.	Project –Henan	Type of Investment	Date of operation	Daily waste water treatment capacity (m <sup>3</sup> )
32	Sanmenxia Industry Cluster Area Wastewater Treatment Project Phase I	BOT	May 2011	30,000
	Sanmenxia Industry Cluster Area Wastewater Treatment Project Phase II	BOT	In preparation	120,000
	Sanmenxia Industry Cluster Area Wastewater Treatment Project Phase (Reusable water)	BOT	In preparation	100,000
	Sanmenxia Industry Cluster Area Wastewater Treatment Project Phase (Water supply)	BOT	In preparation	200,000



## Reusable Water Projects

No.	Project – Shandong Province	Type of Investment	Date of operation	Daily reusable water supply capacity (m <sup>3</sup> )
1	Zibo Reusable Water Project Phase I	BOO	September 2011	4,800
2	Jinan Licheng Reusable Water Project	BOO	September 2011	42,000
3	Zibo Reusable Water Project Phase II	BOO	In preparation	4,800

No.	Project – Jiangsu Province	Type of Investment	Date of operation	Daily reusable water supply capacity (m <sup>3</sup> )
4	Jiangyin Reusable Water Project Phase I	BOO	January 2013	10,000

### Waste Water Source Heat Pump Projects

No.	Project – Shandong Province	Type of investment	Date of operation
1	Zibo Heat Pump Project Phase I	BOO	December 2011
2	Zibo Ceramic Technology Development Park Heat Pump Project	BOO	November 2013

**Thank you!**

