



# 2014 Annual General Meeting

28 April 2015

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**
- **Outlook**



# Financial Highlights

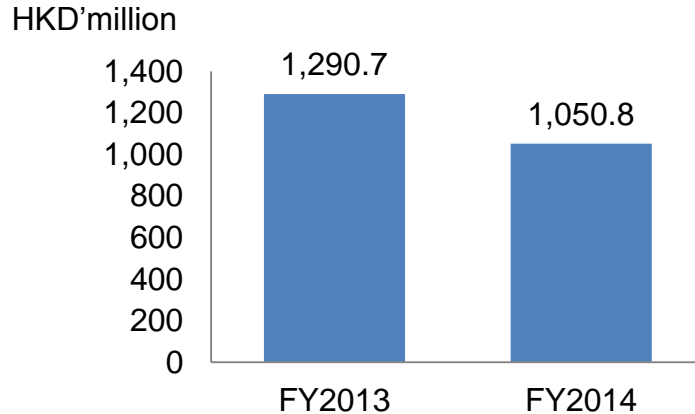


HKD'Million	FY2014	FY2013	Change (%)
Revenue	1,050.8	1,290.7	(19)
Gross Profit	596.5	529.3	13
Gross Profit Margin (%)	56.7	41.0	15.7 pp
Net Profit Attributable to Shareholders	292.8	266.5	10
Earnings Per Share*(HKD)	0.15	0.14	7
Gearing Ratio (Net Debt / Equity)	0.18	0.35	(49)

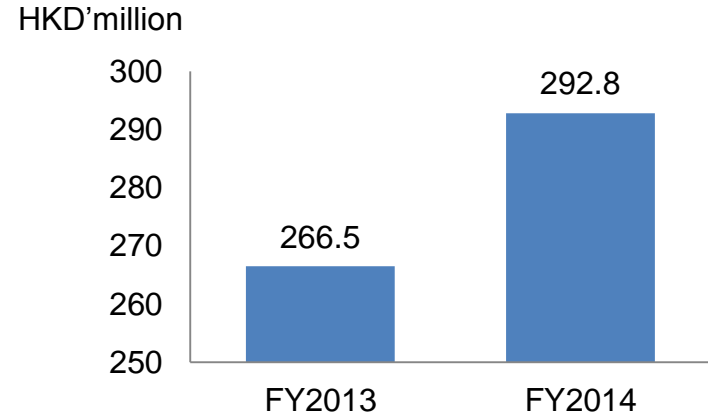
pp: percentage point

\*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

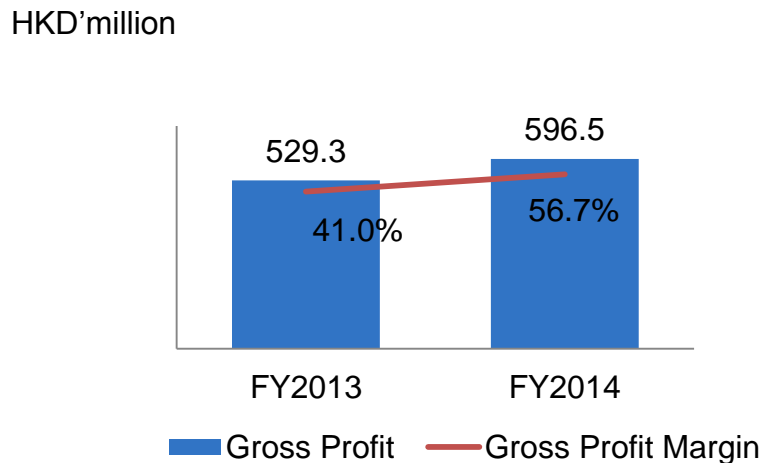
## Revenue



## 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.
- **21 April 2015** - The Group has allotted and issued (i) 49,696,276 Subscription Shares to IFC and (ii) 70,994,681 Subscription Shares to DAH, each, at an issue price of S\$0.94 per Subscription Share. Following the completion of the Subscriptions, the issued and paid-up share capital of the Company has increased to 2,607,952,232 Shares.



## 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	2	covers 312,000 square meters
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

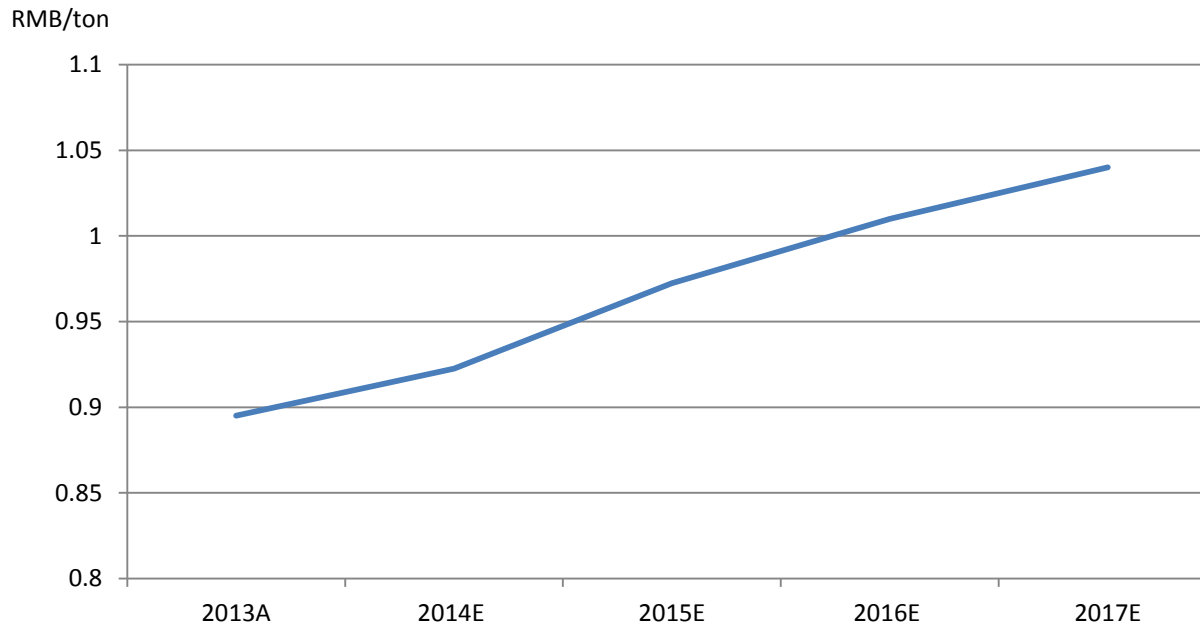
- Shandong

# Outlook



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

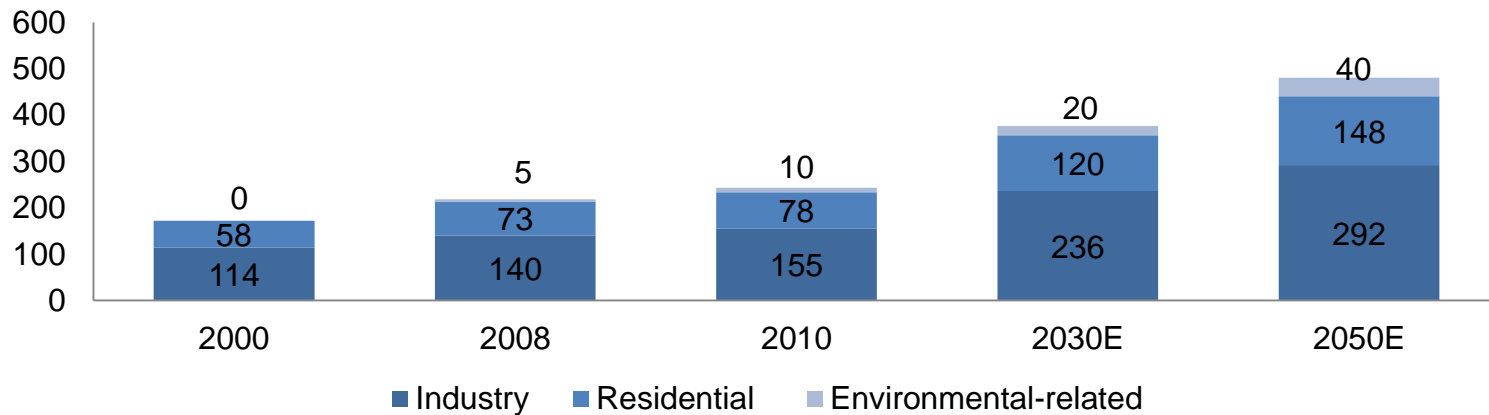
### Expected Increase of Waste Water Tariffs\* in China



\*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	Notes
Action Plan on the Prevention of Water Pollution (“水十条”)	RMB2 trillion	<p>State Council released the Action Plan on 16 April 2015. It introduced more stringent regulations for the following sectors and specified targets for the water industry:</p> <ul style="list-style-type: none"> <li>• Industrial wastewater treatment</li> <li>• Municipal wastewater treatment</li> <li>• Pollution prevention and treatment from agricultural activities</li> </ul>
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
April 2015	Action Plan on the Prevention of Water Pollution	It introduced more stringent regulations for the following sectors and specified targets for the water industry: <ul style="list-style-type: none"> <li>· Industrial wastewater treatment</li> <li>· Municipal wastewater treatment</li> <li>· Pollution prevention and treatment from agricultural activities</li> </ul>
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%



**Thank you!**

