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Company	Aqua Resources Fund Limited
TIDM	H2O
Headline	Follow-on investment in Ranhill Water Technologies
Released	14:23 12-Jan-2011
Number	3583Z14

RNS Number : 3583Z
Aqua Resources Fund Limited
12 January 2011

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AQUA ANNOUNCES FOLLOW-ON INVESTMENT IN RANHILL WATER TECHNOLOGIES (CAYMAN) LIMITED

12 January 2011: Aqua Resources Fund Limited ("**Aqua**"), the Authorised Closed-ended investment scheme managed by FourWinds Capital Management ("**FWCM**") and established to invest in global water opportunities, announces today that its wholly owned subsidiary, Aqua Resources Asia Holdings Limited, a Cayman registered holding company, has agreed to invest a further US\$2,325,000 via a subscription for new shares to be issued by Ranhill Water Technologies (Cayman) Limited ("**RWT**").

RWT is the international joint venture established in March 2009 by Aqua and the Ranhill Group ("RG" or the "Ranhill Group", meaning Ranhill Berhad and its affiliates) to invest in water and wastewater operations in the People's Republic of China and Thailand. At that time, Aqua invested US\$12,555,000 for a 45% interest in RWT. The additional investment announced today will be made in two equal instalments of US\$1,162,500. The first instalment was made on 11 January 2011, while the second instalment will be invested on or about 15 February 2011.

Following this investment, both the Ranhill Group and Aqua will increase their

shareholding marginally as a result of subscribing for their respective share entitlement as existing shareholders and for additional shares in respect of the entitlement of RWT's minority shareholders, which has not been taken up by those minority shareholders. Aqua will increase its shareholding interest in RWT to 45.2% from 45%, while the Ranhill Group will increase its shareholding interest in RWT to 52.1% from 51.8% after investing US \$2,675,000.

RWT will utilize the proceeds of these additional subscriptions to undertake investments in:

1- Ranhill (Yinkou) Wastewater Treatment Co. Ltd., a 30 million litres per day ("MLD") 30-year Build Own Transfer ("BOT") wastewater and reclaimed water treatment project in Yingkou City, Liaoning Province, China. This is an industrialised city serving the economic development of the northeastern region. This part of China experiences severe shortages of fresh water supplies, impacting potential economic growth, making this a critical project to government and commerce.

2- Ranhill (Xia Lan) Waste Water Treatment Co. Ltd., a 50MLD Phase 2 expansion industrial wastewater project in the Jiangxi Province, China. Following this further investment by RWT, the plant is expected to reach a total capacity of 75 MLD and continues to operate under the existing 29 year BOT wastewater contract.

As part of the transaction announced today, Aqua has also committed to invest a further US\$2,250,000 in RWT, subject to the Ranhill Group subscribing alongside Aqua to maintain its current shareholding ratio at 52.1%. Aqua's commitment is valid for a period of 12 months post-closing of the additional subscriptions announced today. The purpose of this additional commitment is to finance the next stage of RWT's growth and fund specific projects in the pipeline which are targeted for the calendar years of 2011 and 2012. RWT's audited FY2010 revenues were approximately US\$22.5 million, a 68% increase to the last fiscal year's revenues; EBITDA and net profits were respectively approximately US\$6 million and US\$4.9 million.

Hasan Askari, Chairman of Aqua's Board of Directors, said "The Board is delighted to announce the follow on investment in RWT which represents a core portfolio holding for Aqua. The partnership with Ranhill Group has provided a number of valuable synergies for the Company thanks to RWT's leading position in the water industry. Aqua continues to be well positioned to capture the strong growth opportunities in these markets.

Aqua has, to date, invested 88% and committed 90% of the cash available for

investments. The remaining cash is held conservatively and represents a healthy reserve for operations. On this basis, the Board considers that Aqua is now fully invested in a well-diversified portfolio of water investments covering technology providers such as In-Pipe Technology Inc., Waterleau Group N.V. and Bluewater International as well as developers/operators such as RWT and China Hydroelectric. Furthermore, the geographic span of these investments provides a well-balanced and diversified geographical exposure."

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About Aqua

Aqua is a Guernsey-domiciled Authorised Closed-ended investment scheme pursuant to section 8 of the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended and rule 6.02 of the Authorised closed-ended Investment Schemes Rules 2008.

Aqua's ordinary shares were admitted to listing on the Official List of the UK Listing Authority and to trading on the main market for listed securities of the London Stock Exchange plc on 24 July 2008.

Aqua's investment objective is to provide long term capital appreciation through exposure to a diversified portfolio of water-related investments. Aqua will invest principally in businesses that are involved in i) water treatment and recycling (i.e. wastewater and recycling, water treatment and purification), ii) water infrastructure (i.e. water distribution) or iii) water application and

conversion (water-to-energy and desalination) with the objective of capturing the growth opportunities emerging from the attractive long-term dynamics driving the water industry.

About Aqua's investment in RWT

In November 2008, Aqua announced that it had agreed to invest a cash consideration of US\$12,555,000 for a 45% interest in RWT. The transaction closed in March 2009. Ranhill Utilities Sdn. Bhd. ("**RUSB**"), the Ranhill Group's wholly-owned water utility subsidiary, contributed its existing business of Ranhill Water Technologies Sdn. Bhd. and operations in the People's Republic of China and Thailand to RWT for a 51.8% interest in RWT, while the officers of RUSB (either directly or via their respective investment entities) hold the balance of 3.2% equity interest in RWT. RWT is the exclusive Ranhill Group vehicle for the purpose of undertaking water and wastewater projects in the People's Republic of China and Thailand with the following business objectives:

- 1- to own and manage all existing water and wastewater projects in the People's Republic of China and Thailand; and
- 2- to undertake all new water investments, engineering and operations in the People's Republic of China and Thailand.

About Ranhill Utilities Sdn. Bhd.

RUSB, a wholly-subsiary of Ranhill Group, is one of Malaysia's leading water engineering, construction and asset ownership businesses and the only company in Malaysia to have total source-to-tap and wastewater treatment capabilities and services. Locally, its wholly owned subsidiary company SAJ Holdings Sdn. Bhd. ("**SAJH**") continues to undertake a 30-year potable water supply concession, expiring in 2029 for the state of Johor. As at 30 June 2008, the registered customer base in Johor stood at 874,127 customers. SAJH currently operates at 1,700 MLD capacity and it is expected the capacity will be doubled by 2029 in order to meet the increased demand. Among RUSB's other subsidiaries, Ranhill Water Technologies Sdn. Bhd. is a provider of water and wastewater treatment technologies with offices in Malaysia, Thailand and China and, Ranhill Water Services Sdn. Bhd. offers operational and management services to meet the needs of today's water providers.

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