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[Go to market news section](#)



Company [Aqua Resources Fund Limited](#)
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Aqua Resources Fund Limited - Interim Management Statement

Aqua Resources Fund Limited ("Aqua", the "Company" or the "Fund"), the closed-ended investment company managed by FourWinds Capital Management ("FWCM") and established to invest in global water opportunities, today issues its Interim Management Statement for the period from 30 June 2009 to 30 September 2009 (the "Period").

Financial Position and Performance

	30 June 2009 (EUR)	30 September 2009 (EUR)	% change
NAV per Ordinary Share	0.9371	0.9421	+0.5%
Closing middle market price	0.6550	0.7700	+17.56%

Material Events in the Period

FWCM researched, sourced and evaluated a series of possible transactions for the Company, which resulted in the Company entering

into two further transactions during the Period (to add to its existing two investments).

Aqua announced its third portfolio investment in August 2009 when its wholly owned subsidiary, Aqua Resources (In-Pipe) Holdings Limited ("ARIPH"), agreed to invest up to US\$5 million in exchange for approximately 24 percent of the fully diluted share capital of In-Pipe Technology Company, LLC ("In-Pipe"), a limited liability company registered in the State of Illinois, USA. In-Pipe provides engineered biological solutions for the pre-treatment of wastewater at strategic locations throughout the sewer collection system and at the wastewater treatment plant. The transaction will be completed in two tranches. In the first tranche, completed on 6 August 2009, ARIPH invested US\$3 million (€2.09 million) in exchange for approximately 16 percent of the fully diluted share capital of In-Pipe. In the second tranche of the transaction, expected to occur on or before 6 August 2010, ARIPH has the right to acquire a further 8 percent of the fully diluted share capital of In-Pipe for an amount of US\$2 million (€1.39 million), subject to the satisfaction of certain performance related conditions by In-Pipe.

The Company closed its fourth transaction in September 2009, when it announced that it had subscribed for further shares in the capital of Bluewater Bio International ("BBI"), one of its existing portfolio companies incorporated in the Cayman Islands and involved in the design and marketing of an advanced biological solution for the treatment of wastewater named HYBACS. Pursuant to a capital raise, BBI issued 12,903,226 new ordinary shares of which Aqua subscribed for 9,677,419 shares at a price of 15.5 pence per share, for a total consideration of approximately £1.5 million. In April 2009, Aqua announced it had acquired approximately 15 percent of the fully diluted share capital of BBI. This further investment increased Aqua's stake in BBI to approximately 17 percent. Since Aqua's original investment in April 2009, BBI has successfully installed two demonstration plants: one at a major Sewage Treatment Plant ("STP") in Birmingham and the other at the Avila STP near Madrid. At the Birmingham plant, the wastewater being treated by HYBACS is mostly domestic municipal with some effluent from an industrial park containing a blend of light industries. At Avila, the wastewater being treated by HYBACS is domestic municipal, containing a large proportion of abattoir wastewater. In both instances, BBI's preliminary results indicate that the demonstration plants are performing very well.

Material Events since 30 September 2009

Aqua announced its latest investment on 23 October 2009 when its wholly owned subsidiary, Aqua Resources Asia Holdings Limited, entered into an agreement to subscribe for Series C

Convertible Preferred Shares in China Hydroelectric Corporation ("CHC") which is a privately held consolidator and operator of small hydropower plants in the People's Republic of China, for a total cash consideration of US\$20 million (the "Initial Subscription"), and to subscribe for further shares in the event of an initial public offering ("IPO") of CHC for an additional cash consideration of US\$10 million ("IPO Subscription"). Completion of the Initial Subscription took place on 28 October 2009. Completion of the IPO Subscription is conditional upon, among other things, an IPO occurring prior to 30 June 2010.

Investment Update

As at 31 October 2009, the Company held investments in a total of four companies and had committed to invest approximately 59 percent of its total portfolio. The balance is invested conservatively in cash, with no gearing.

The additional investments set out above follow Aqua's two previous investments completed this year: (i) in BBI (completion announced on 20 April 2009) and (ii) in Ranhill Water Technologies (Cayman) Ltd ("RWT Cayman"), the international joint venture with the Ranhill Group (completion announced on 26 March 2009). These latest investments fit well with Aqua's strategy as they not only add or reinforce an attractive set of technologies focusing on pre-treatment solutions for wastewater, but also expand Aqua's portfolio diversification into water-to-energy which provides an excellent growth opportunity for Aqua.

FWCM is actively pursuing further attractive investment opportunities in the water sector, particularly with key global sector players. FWCM continues to focus on building partnerships with blue chip water companies, to reinforce the Company's credibility as a key private capital provider in the water sector in 2009.

Hasan Askari, Chairman of the Board commented: "Aqua has invested approximately 48 percent of its total portfolio, and we are very pleased with the quality of these investments. We continue to believe that FWCM's strategy of focussing on partnerships with blue chip water companies will reinforce the Company's credibility as a key private capital provider in the water sector, and look forward to announcing further transactions in the coming months".

Administration update

On 25 August 2009 the Company announced that there was a change in the entity to which its administrator, HSBC Securities Services (Guernsey) Limited (the "Administrator"), delegates the provision of administration services to the Company.

Earlier this year, HSBC Securities Services (Isle of Man) Limited, to whom the Administrator had previously delegated the provision of administration services to the Company, informed the Company that it intended substantially to transfer its operations. In consequence, with effect from 24 August 2009, the Administrator has delegated the provision to the Company of all administrative functions, except those of a corporate secretarial nature, to HSBC Securities Services (Ireland) Limited, which is also an affiliate of the Administrator.

Further enquiries

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Important Information

This Interim Management Statement has been produced solely to provide additional information to shareholders of the Company to meet the relevant requirements of the U.K. Listing Authority's Disclosure and Transparency Rules. It should not be relied upon by any other party for any other purpose. The information in this statement has not been audited.

The information related to the Company included in this statement is provided for information purposes only and does not constitute an invitation or offer to subscribe for or purchase shares in the Company. This material is not intended to provide a sufficient basis on which to make an investment decision. All investments are subject to risk. An

investment in the Company should be regarded as long term in nature and is suitable only for sophisticated investors, investment professionals, high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts, in each case, who can bear the economic risk of a substantial or entire loss of their investment. Prospective investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decisions.

The Company 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.

www.aquaresourcesfund.com

Fundamentals

Listing date: 24th July 2008
Ordinary shares outstanding: 72,464,340
Latest adjusted NAV (30 September 2009): EUR 0.9421
Number of investments/countries/continents: 4 / 4 / 3
Total invested: EUR 32.33 million (47.9% of portfolio)
Total Committed: EUR 40.35 million (59% of portfolio)

Investment Objective

The Company's investment objective is to provide long term capital appreciation through exposure to a diversified portfolio of water-related investments.

The Company will invest principally in businesses that are involved in i) Water Treatment and Recycling (i.e. waste-water 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 tailwinds driving the water industry.

End.

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