

press release

## **SUEZ environnement and its partners, NWS Holdings and Chongqing Water Assets, signed an agreement to launch Derun Environment, a leading environmental group in China**

July 1st. 2015,

Under the witness of Chinese Prime Minister Li Ke Qiang and French Prime Minister Manuel Valls, SUEZ environnement and New World Services (NWS)<sup>1</sup> signed through their 50/50 joint venture Suyu<sup>2</sup> an agreement with Chongqing Water Asset<sup>3</sup> to jointly create Derun Environment<sup>4</sup>, a leading group in Water and Waste activities in China.

Under the agreement, Chongqing Water Assets will bring to Derun Environment 36.60% shares in Chongqing Water Group<sup>5</sup> and 67% shares in Chongqing Sanfeng<sup>6</sup> which operates waste-to-energy projects and provides related equipments and services. SUEZ environnement and NWS will contribute to Derun Environment 13.44% shares they jointly own in Chongqing Water Group and a cash consideration. Upon completion of the agreement, Chongqing Water Assets will own 74.9% of Derun Environment and SUEZ environnement and NWS 25.1%.

Consequently, Derun Environment will own 50.1% shareholdings of Chongqing Water Group, the market capitalisation being CNY51.6bn<sup>7</sup> as of 30 June 2015, and 67% shareholdings of Chongqing Sanfeng. Derun Environment will become an investment platform to tap into China's growing environmental-related businesses. With the shareholding parties' strong support in terms of technology, management and financing, it has the ambition to further develop its strong positions as a national leading player in both water and waste industry.

Mr. Jean-Louis Chaussade, CEO of SUEZ environnement, said: "SUEZ environnement has been successfully developing its activities in the area of Chongqing with its partners for the last 13 years. We have built and highly value our strong and long lasting relationship with Chongqing Water Assets, which led

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<sup>1</sup> NWS Holdings Limited, a listed company at Hong Kong Stock Exchange

<sup>2</sup> Chongqing Suyu Business Development Company Limited

<sup>3</sup> Chongqing Water Assets Management Co., Ltd.

<sup>4</sup> Chongqing Derun Environment Co., Ltd.

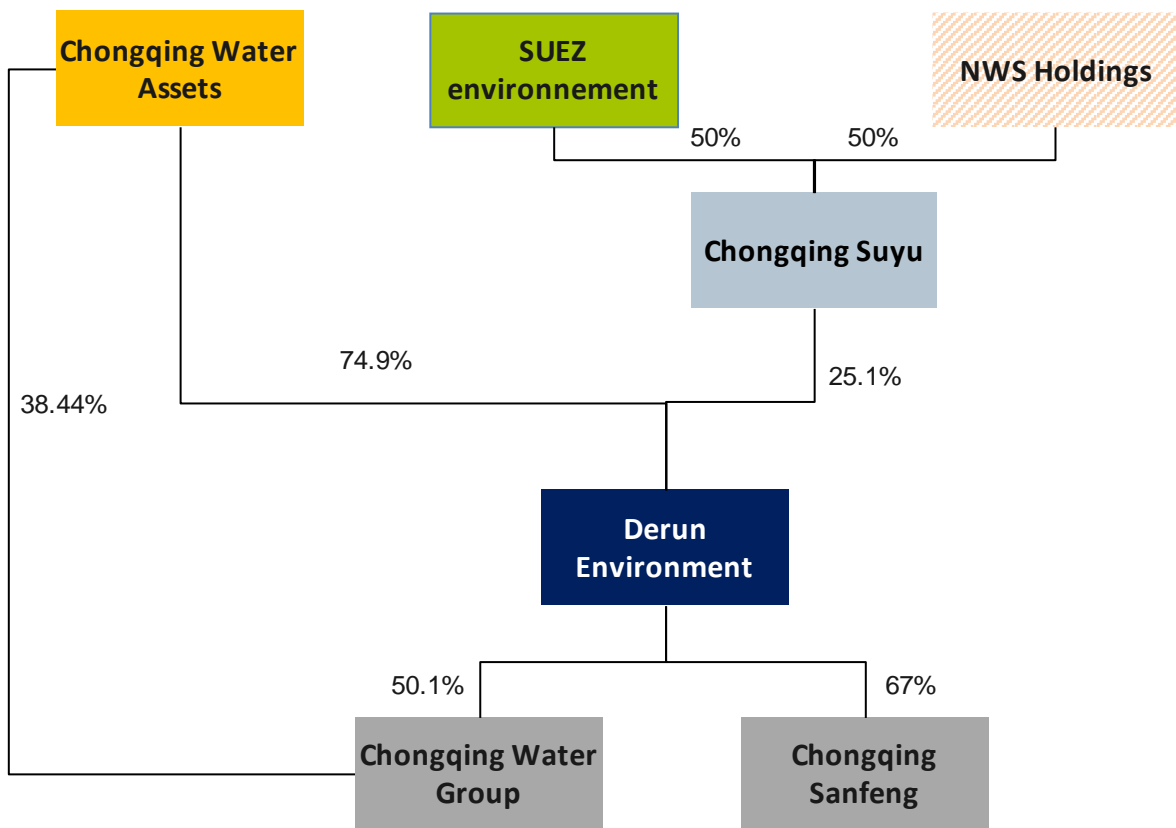
<sup>5</sup> Chongqing Water Group Co., Ltd., a listed company at Shanghai Stock Exchange

<sup>6</sup> Chongqing Sanfeng Environment Industry Group Co., Ltd.

<sup>7</sup> €7.5bn at share price and exchange rate as of 30 June 2015

notably to significant improvements of the water network of the area. All of us definitely want to speed up the development of our activities and extend our role, establishing a leading platform for all environmental matters; we are totally convinced that near-term business opportunities will keep on emerging thanks to stricter regulatory framework imposed by the Chinese Government. With the set-up and ambitious development plan of Derun Environment, SUEZ environnement, will be the foreign leader in environmental services in China.”

Appendix – Structure of the transaction



The agreement remains subject to a number of condition precedents to be cleared in the coming months.

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**SUEZ environnement**

*We are at the dawn of the resource revolution. In a world facing high demographic growth, runaway urbanisation and the shortage of natural resources, securing, optimising and renewing resources is essential to our future.*

*SUEZ environnement (Paris: SEV, Brussels: SEVB) supplies drinking water to 92 million people, delivers wastewater treatment services to 65 million, collects waste produced by almost 50 million, recovers 14 million tons of waste each year and produces 5,138 GWh of local and renewable energy. With 80,990 employees, SUEZ environnement, which is*



present on all five continents, is a key player in the sustainable management of resources. SUEZ environnement generated total revenues of €14.3 billion in 2014.

**NWS Holdings Limited**

*NWS Holdings Limited (“NWS Holdings”, Hong Kong stock code: 659), the infrastructure and service flagship of New World Development Company Limited (Hong Kong stock code: 17), operates businesses in Hong Kong, Mainland China and Macau. Its Infrastructure portfolio includes Roads, Energy, Water and Ports & Logistics projects. Its Services portfolio comprises Facilities Management (the management of Hong Kong Convention and Exhibition Centre and Free Duty), Construction & Transport (construction, bus and ferry services) and Strategic Investments.*

**Chongqing Water Assets Management Co., Ltd.**

*Chongqing Water Assets Management Co., Ltd. is the fully state-owned enterprise funded by Chongqing State-owned Assets Administration Committee. The company’s investment scope includes: water resources protection and construction, drinking water production and distribution, wastewater collection and treatment, solid waste incineration and power generation, hazardous waste treatment, kitchen and medical waste treatment and reuse, “urban mine” development and application, land remediation, air management, river renovation.*

*Up to now, the company’s assets reach 82 billion RMB. It has 13,000 employees, 10 fully-owned subsidiaries, 3 controlled and 6 participated subsidiaries, as well as 151 third-tier companies and below. The company’s credit level is AAA Class.*

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