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KANGDA INTERNATIONAL ENVIRONMENTAL COMPANY LIMITED

康達國際環保有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 6136)

VOLUNTARY ANNOUNCEMENT

This is a voluntary announcement made by Kangda International Environmental Company Limited (the “**Company**”).

Chongqing Kangda Environmental Protection Industry (Group) Co., Ltd.* (重慶康達環保產業(集團)有限公司, “**Chongqing Kangda**”), an indirectly wholly-owned subsidiary of the Company, issued the Super & Short-term Commercial Papers in the People’s Republic of China (“**PRC**”) on 3 September 2018. The documents relating to the issuance have been published on the website of Shanghai Clearing House at <http://www.shclearing.com/>.

According to the relevant rules and regulations in the PRC, during the lives of the Super & Short-term Commercial Paper, Chongqing Kangda is required to publish its quarterly management accounts each year. As the first quarter financial information of Chongqing Kangda for 2019 is available only in Chinese, the Company wishes to provide the following unaudited consolidated balance sheet as at 31 March 2019 and the unaudited consolidated income statement for the three months ended 31 March 2019 which are prepared by Chongqing Kangda. The Chinese version of such information which is published on the website of Shanghai Clearing House shall prevail. The English translation set out in this announcement is for reference only.

The board of directors of the Company (the “**Board**”) wishes to remind investors that the financial information contained herein is prepared based on the Chinese Accounting Standards for Business Enterprises and the unaudited management accounts. Such information has not been reviewed or audited by the auditors of Chongqing Kangda and the Company.

The financial information contained herein is the information of the subsidiary of the substantial Company. The investors are cautioned not to unduly rely on such information and are advised to exercise caution when dealing in the shares of the Company.

CONSOLIDATED BALANCE SHEET

31 March 2019

Prepared by: Chongqing Kangda Environmental
Protection Industry (Group) Co., Ltd.*

Unit: RMB Yuan

Items	Balance at the end of the period	Balance at the beginning of the period
Current assets:		
Monetary capital	726,985,422.80	1,139,798,631.44
Bills receivable and accounts receivable	1,420,768,282.81	1,281,345,998.72
Prepayments	156,580,705.44	91,008,197.86
Other receivables	1,356,177,454.73	1,289,315,286.65
Inventories	13,839,794.73	13,659,538.09
Contract assets	288,847,227.01	217,621,967.96
Non-current assets due within one year	1,361,806,711.59	1,349,786,128.85
Other current assets	226,878,581.39	154,430,922.59
Total current assets	5,551,884,180.50	5,536,966,672.16
Non-current assets:		
Long-term receivable	6,235,812,524.31	6,105,599,642.70
Long-term equity investment	305,820,176.26	330,901,473.76
Other investments in equity instruments	489,000,000.00	489,000,000.00
Investment properties	10,353,638.81	10,529,203.10
Fixed assets	116,289,783.00	118,613,724.16
Construction in progress	17,107,155.38	17,105,542.43
Intangible assets	352,685,935.08	245,540,698.91
Goodwill	60,218,767.11	60,218,767.11
Long-term unamortised expenses	79,487,918.13	83,024,702.66
Deferred income tax assets	120,345,167.32	107,282,304.96
Other non-current assets	3,279,925,096.62	3,410,622,441.44
Total non-current assets	11,067,046,162.02	10,978,438,501.23
Total assets	16,618,930,342.52	16,515,405,173.39

Legal representative:

LI Zhong

Person-in-charge of
accounting:

ZHOU Wei

The head of the accounting
department:

DUAN, Jerry Linnan

CONSOLIDATED INCOME STATEMENT

31 March 2019

Prepared by: Chongqing Kangda Environmental
Protection Industry (Group) Co., Ltd.*

Unit: RMB Yuan

Items	Amount for the current period	Amount for the previous period
I. Operating income	581,562,637.55	474,761,047.38
Less: Operating cost	335,418,098.65	246,831,160.92
Taxes and surcharges	8,704,677.11	9,110,717.08
Sales expense	2,761,649.03	2,954,771.58
Management expense	60,775,567.35	78,044,646.07
Research and development expense	—	1,138,557.91
Finance expense	133,362,847.25	98,299,563.63
Including: Interest expense	133,068,642.99	103,693,700.06
Interest income	6,070,060.26	6,251,788.75
Impairment loss on assets	—	—
Credit impairment loss	—	—
Add: Other income	22,840,397.71	24,495,636.91
Gains from investment (loss indicated by “-”)	10,157,302.43	1,107,050.25
Including: Gains from investment in associates and joint ventures	-1,636,415.06	1,077,417.70
Gains from changes in fair value (loss indicated by “-”)	—	—
Gains from disposal of assets (loss indicated by “-”)	—	—
II. Operating profit (loss indicated by “-”)	73,537,498.30	63,984,317.35
Add: Non-operating income	120,081.10	96,444.41
Less: Non-operating expenses	311,236.29	378,509.91
III. Total profit (total loss indicated by “-”)	73,346,343.11	63,702,251.85
Less: Income tax expense	25,127,897.34	10,972,396.18
IV. Net profit (net loss indicated by “-”)	48,218,445.77	52,729,855.67
1. Net profit from continuing operations	48,218,445.77	52,729,855.67
2. Net profit from discontinued operations	—	—
V. Other comprehensive income, net of tax	—	—
(I) Other comprehensive income that cannot be reclassified subsequently into profit or loss	—	—
1. Net changes arising from the re-measurement of defined benefit plans	—	—
2. Other comprehensive income that cannot be transferred to profit or loss under equity method	—	—
3. Changes in fair value of other equity instrument investments	—	—
4. Others	—	—

CONSOLIDATED INCOME STATEMENT (Continued)

31 March 2019

Prepared by: Chongqing Kangda Environmental
Protection Industry (Group) Co., Ltd.*

Unit: RMB Yuan

Items	Amount for the current period	Amount for the previous period
(II) Other comprehensive income to be reclassified subsequently to profit or loss	—	—
1. Other comprehensive income that can be transferred to profit or loss under equity method	—	—
2. Changes in fair value of other debt investments	—	—
3. Others	—	—
Other comprehensive income attributable to minority interest, net of tax	—	—
VI. Total comprehensive income	48,218,445.77	52,729,855.67
VII. Earnings per share:	—	—
(I) Basic earnings per share	—	—
(II) Diluted earnings per share	—	—

Legal representative:
LI Zhong

Person-in-charge of
accounting:
ZHOU Wei

The head of the accounting
department:
DUAN, Jerry Linnan

By order of the Board
Kangda International Environmental Company Limited
ZHAO Juanxian (alias, ZHAO Junxian)
Chairman

Hong Kong, 30 April 2019

As at the date of this announcement, the board of directors comprises 7 directors, namely Mr. ZHAO Juanxian (alias, ZHAO Junxian), Mr. LI Zhong, Ms. LIU Yu Jie and Mr. DUAN, Jerry Linnan as executive directors; and Mr. CHAU Kam Wing, Mr. CHANG Qing and Mr. PENG Yongzhen as independent non-executive directors.

* For identification purposes only