

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 Paper in the People’s Republic of China (“**PRC**”) on 14 September 2017, 19 December 2017 and 19 April 2018 respectively, and issued Short-term Commercial Paper in PRC on 10 August 2017. 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 and Short-term Commercial Paper, Chongqing Kangda is required to publish its quarterly management accounts each year. As the first quarter financial information in 2018 of Chongqing Kangda is available only in Chinese, the Company wishes to provide the following unaudited consolidated balance sheet statement as at 31 March 2018 and the unaudited consolidated income statement for the three months ended 31 March 2018 prepared by Chongqing Kangda. The Chinese version of such information which is published at 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 2018

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

Unit: RMB Yuan

Items	Note	Balance at the end of the period	Balance at the beginning of the period
Current Assets:			
Monetary capital		1,030,721,938.43	1,826,049,952.31
Clearing provision			
Funds for lending			
Financial assets at fair value with its changes through profit or loss for the period			
Derivative financial assets			
Bills receivable		200,000.00	350,000.00
Accounts receivable		1,241,293,697.98	1,192,323,293.56
Prepayments		101,847,491.90	79,313,013.25
Premium receivable			
Reinsurance accounts receivable			
Provision for reinsurance contract receivable			
Interests receivable			
Dividends receivable			
Other receivables		1,099,553,247.18	884,690,249.10
Financial assets purchased with agreement to re-sell			
Inventories		30,765,945.73	10,298,505.85
Assets classified as held-for-sale			
Non-current assets due within one year		2,052,176,385.29	1,370,199,766.73
Other current assets		80,240,244.81	65,677,825.99
Total current assets		5,636,798,951.32	5,428,902,606.79
Non-current assets:			
Issued loans and advances			
Available-for-sale financial assets		621,000,000.00	621,000,000.00
Held-to-maturity investments			
Long-term receivable		7,344,171,824.68	7,330,050,290.18
Long-term equity investment		424,867,162.43	321,557,716.73
Investment properties		11,055,895.97	11,231,460.27
Fixed assets		123,164,894.83	118,920,300.95
Construction in progress		15,951,378.27	24,954,419.33
Construction materials			
Disposal of fixed assets			
Productive biological assets			
Oil and gas assets			
Intangible assets		404,844,106.84	389,378,996.80
Development expenditure			
Goodwill		60,218,767.11	60,218,767.11
Long-term deferred expenses		46,836,635.65	54,979,208.68
Deferred income tax assets		103,152,104.69	90,511,414.31
Other non-current assets		382,950,000.00	378,950,000.00
Total non-current assets		9,538,212,770.47	9,401,752,574.36
Total assets		15,175,011,721.79	14,830,655,181.15

Legal representative:

ZHAO Juanxian
(alias, ZHAO Junxian)

Person-in-charge of
accounting:
LI Zhaoliang

The head of the accounting
department:
ZHANG Weizhong

CONSOLIDATED BALANCE SHEET (Continued)

31 March 2018

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

Unit: RMB Yuan

Items	Note	Balance at the end of the period	Balance at the beginning of the period
Current liabilities:			
Short-term borrowings		2,089,750,000.00	2,128,000,000.00
Borrowings from central bank			
Absorbed deposits and interbank deposits			
Borrowings			
Financial liabilities at fair value with its changes through profit or loss for the period			
Derivative financial liabilities			
Bills payable		252,507,401.30	192,319,230.55
Accounts payable		966,524,703.39	1,082,993,227.83
Receipts in advance		65,432,521.97	66,340,827.34
Financial assets sold for repurchase			
Handling fees and commission payable			
Salary payable to employees		5,560,814.71	4,879,216.07
Tax payable		16,743,385.52	46,240,840.63
Interests payable		59,452,477.98	33,095,419.19
Dividends payable		3,170,292.80	3,170,292.80
Other payables		535,801,130.60	403,885,778.88
Reinsurance accounts payable			
Provision for insurance contract			
Funds arising from acting trading of securities			
Funds arising from acting underwriting of securities			
Liabilities classified as held-for sale			
Non-current liabilities due within one year		1,615,148,616.42	1,653,700,743.75
Other current liabilities			
Total current liabilities		5,610,091,344.69	5,614,625,577.04
Non-current liabilities:			
Long-term borrowings		3,722,368,926.05	3,433,702,444.01
Bonds payable		949,367,042.00	948,840,943.79
Including: Preference shares			
Perpetual bonds			
Long-term payable		2,798,286.04	2,798,286.04
Long-term salary payable to employees			
Special payable			
Estimated liabilities			
Deferred income		31,404,166.67	34,766,666.67
Deferred income tax liabilities		577,428,379.31	568,597,542.24
Other non-current liabilities			
Total non-current liabilities		5,283,366,800.07	4,988,705,882.75
Total liabilities		10,893,458,144.76	10,603,331,459.79

CONSOLIDATED BALANCE SHEET (Continued)

31 March 2018

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

Unit: RMB Yuan

Items	Note	Balance at the end of the period	Balance at the beginning of the period
Owners' equity:			
Paid-up capital (Share capital)		1,730,000,000.00	1,730,000,000.00
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserves		9,929,940.38	9,929,940.38
Less: Treasury shares			
Other consolidated income		99,450,000.00	99,450,000.00
Special reserves			
Surplus reserves		15,427,197.11	15,427,197.11
Provision for general risk			
Unallocated profit		2,219,999,801.17	2,168,969,233.90
Total equity attributable to the owners of the parent company		4,074,806,938.66	4,023,776,371.39
Minority interests		206,746,638.37	203,547,349.97
Total owners' equity		4,281,553,577.03	4,227,323,721.36
Total liabilities and owners' equity		15,175,011,721.79	14,830,655,181.15
Legal representative:	Person-in-charge of accounting:	The head of the accounting department:	
ZHAO Juanxian (alias, ZHAO Junxian)	LI Zhaoliang	ZHANG Weizhong	

CONSOLIDATED INCOME STATEMENT

31 March 2018

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

Unit: RMB Yuan

Items	Note	Amount for the period	Amount for the previous period
I. Total operating income		474,761,047.38	324,417,381.87
Including: Revenue from operations		474,761,047.38	324,417,381.87
Interest income			
Premium earned			
Handling fees and commission income			
II. Total operating cost		436,379,417.19	293,270,766.94
Including: Operating cost		246,831,160.92	164,387,916.28
Interest expenditure			
Handling fees and commission expense			
Cash surrender amount			
Net expenses of claim settlement			
Net provision for insurance contracts			
Policyholder dividend expenses			
Reinsurance expenses			
Taxes and surcharges		9,110,717.08	6,392,021.53
Sales expense		2,954,771.58	1,886,922.56
Management expense		79,183,203.98	56,039,399.13
Finance expense		98,299,563.63	64,564,507.44
Impairments loss of assets			
Add: Gains from changes in fair value (loss indicated by “-”)			
Gains from investment (loss indicated by “-”)		1,107,050.25	6,281,196.76
Including: Gains from investment in associated companies and joint ventures		1,077,417.70	5,682,341.15
Exchange gains (loss indicated by “-”)			
Other income		24,495,636.91	20,709,163.50
III. Operating profit (loss indicated by “-”)		63,984,317.35	58,136,975.19
Add: Non-operating income		96,444.41	846,372.65
Including: Revenue from disposal of non-current assets			
Less: Non-operating expenses		378,509.91	71,669.26
Including: Loss from disposal of non-current assets			
IV. Total profit (total loss indicated by “-”)		63,702,251.85	58,911,678.58
Less: Income tax expense		10,972,396.18	13,072,486.05
V. Net profit (net loss indicated by “-”)		52,729,855.67	45,839,192.53
Net profit attributable to the owners of the parent company		51,030,567.27	45,342,944.13
Profit or loss of minority interest		1,699,288.40	496,248.41
VI. Other comprehensive income, net of tax			
Other comprehensive income attributable to the owners of the parent company, net of tax			
(I) Other comprehensive income that will not be reclassified subsequently into profit or loss			
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans			
2. Share of other comprehensive income that will not be reclassified subsequently into profit or loss by investees under the equity method			
3. Others			

CONSOLIDATED INCOME STATEMENT (Continued)

31 March 2018

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

Unit: RMB Yuan

Items	Note	Amount for the period	Amount for the previous period
(II) Other comprehensive income that will be reclassified subsequently into profit or loss			
1. Share of other comprehensive income that will be reclassified subsequently into profit or loss by investees under the equity method			
2. Profit or loss from changes in fair value of available-for-sale financial assets			
3. Profit or loss from held-to-maturity investment reclassified as available-for-sale financial assets			
4. Effective portion of profit or loss from cash flows hedges			
5. Exchange differences arising from translation of foreign currency financial statements			
6. Others			
Other comprehensive income attributable to minority interest, net of tax			
VII. Total comprehensive income		52,729,855.67	45,839,192.53
Total comprehensive income attributable to the owners of the parent company		51,030,567.27	45,342,944.13
Total comprehensive income attributable to minority interest		1,699,288.40	496,248.41
VIII. Earnings per share:			
(I) Basic earnings per share (RMB per share)			
(II) Diluted earnings per share (RMB per share)			

Legal representative:	Person-in-charge of	The head of the accounting
ZHAO Juanxian	accounting:	department:
(alias, ZHAO Junxian)	LI Zhaoliang	ZHANG Weizhong

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

Hong Kong, 28 April 2018

As at the date of this announcement, the Board comprises 9 directors, namely Mr. ZHAO Juanxian (alias, ZHAO Junxian), Mr. ZHANG Weizhong, Ms. LIU Zhiwei, Mr. GU Weiping, Mr. WANG Litong and Mr. WANG Tianci as executive directors; and Mr. TSUI Yiu Wa Alec, Mr. PENG Yongzhen and Mr. CHANG Qing as independent non-executive directors.

* For identification purposes only