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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)

BUSINESS UPDATE

OPERATION DATA FOR WASTEWATER PROJECTS OF THE COMPANY

This announcement is made by Kangda International Environmental Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to keep the shareholders and potential investors of the Company informed of the latest development of the Group.

Operation data of treatment capacity per day for wastewater projects of the Company as at 31 January 2018 is as follows:

| | As at 31 January 2018 | As at 31 December 2017 | | As at 31 January 2017 | |
|------------------------------------|-----------------------------|-----------------------------|------|-----------------------------|-------|
| | <i>(million tonnes)</i> | <i>(million tonnes)</i> | % | <i>(million tonnes)</i> | % |
| Contracts executed | 4.149 | 4.149 | — | 3.569 | +16.3 |
| Operation projects | 3.024 | 3.024 | — | 2.399 | +26.1 |
| Projects under construction | 0.765 | 0.795 | -3.8 | 0.495 | +54.5 |
| Projects to be operated | 0.360 | 0.330 | +9.1 | 0.675 | -46.7 |

As at 31 January 2018, the Company’s treatment capacity for (i) executed concession agreements was approximately 4.149 million tonnes per day, representing a growth of approximately 16.3% on a year-on-year basis; (ii) projects under operation was approximately 3.024 million tonnes per day, representing a growth of approximately 26.1% on a year-on-year basis; (iii) projects under construction was approximately 0.765 million tonnes per day, representing a decrease of approximately 3.8% on a month-on-month basis and a growth of approximately 54.5% on a year-on-year basis; and (iv) projects to be operated was approximately 0.360 million tonnes per day, representing a growth of approximately 9.1% on a month-on-month basis and a decrease of approximately 46.7% on a year-on-year basis.

Statistics for PPP projects and water environmental EPC projects of the Company as at 31 January 2018 are as follows:

| Project name | Total investment amount (RMB million) | Contract time for the project | Commencement time | Note |
|--|---------------------------------------|-------------------------------|-------------------|--|
| Water Supply and Drainage PPP Project in the urban area of Rushan City, Shangdong Province | 481 | 18 August 2016 | August 2016 | |
| Henan Province Hebi City Shancheng District Tang River Basin Water Environmental Treatment Project | 2,100 | 19 September 2016 | September 2016 | |
| Guangdong Province Yunan County Entire County Domestic Wastewater Treatment Bundle PPP Project | 502 | 28 October 2016 | November 2016 | |
| Guangdong Province Jiaoling Entire County Domestic Wastewater Treatment Facilities Bundle PPP Project | 187 | 1 June 2017 | 15 June 2017 | Successfully passed the competitive negotiation process and entered into public notice period on 19 May 2017 |
| Three Sub-projects of the Ecological Environment Protection and Comprehensive Treatment (Phase I) PPP Project in Fu River Basin in Fuzhou City, Jiangxi Province | 1,300 | 24 July 2017 | | |
| Guangdong Province Zhongshan City Dongsheng Town Wastewater Treatment Plant and Network Integration PPP Project | 376 | 23 August 2017 | | |
| Guangdong Province Huizhou City Maan Town Domestic Wastewater Treatment Plant Phases I and II PPP Project | 808 | 8 September 2017 | | |
| Hainan Province Dongfang City Wastewater Treatment Plant Reconstruction and Expansion Project | 176 | 20 September 2017 | | |

Note: Projects are subject to the execution of contract, excluding the projects which have won the preliminary bidding or entered into the public notice period.

The board of directors of the Company wishes to remind investors that the above operation data are unaudited and are based on internal information of the Group. The shareholders and potential investors of the Company are cautioned not to unduly rely on such operation data and to exercise caution in dealing in the securities of the Company.

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

Hong Kong, 2 February 2018

As at the date of this announcement, the board of directors of the Company 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.