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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 May 2017 is as follows:

| | As at 31 May 2017 | As at 30 April 2017 | | As at 31 May 2016 | |
|------------------------------------|----------------------------------|--------------------------------|----------|------------------------------|----------|
| | <i>(million tonnes)</i> | <i>(million tonnes)</i> | <i>%</i> | <i>(million tonnes)</i> | <i>%</i> |
| Contracts executed | 3.969 | 3.719 | +6.7 | 2.879 | +37.9 |
| Operation projects | 2.559 | 2.509 | +2.0 | 2.259 | +13.3 |
| Projects under construction | 0.775 | 0.645 | +20.2 | 0.390 | +98.7 |
| Projects to be operated | 0.635 | 0.565 | +12.4 | 0.230 | +176.1 |

As at 31 May 2017, the Company’s treatment capacity for (i) executed concession agreements was approximately 3.969 million tonnes per day, representing a growth of approximately 6.7% on a month-on-month basis and representing a growth of approximately 37.9% on a year-on-year basis; (ii) projects under operation was approximately 2.559 million tonnes per day, representing a growth of approximately 2.0% on a month-on-month basis and representing a growth of approximately 13.3% on a year-on-year basis; (iii) projects under construction was 0.775 million tonnes per day, representing a growth of approximately 20.2% on a month-on-month basis and representing a growth of approximately 98.7% on a year-on-year basis; and (iv) projects to be operated was approximately 0.635 million tonnes per day, representing a growth of approximately 12.4% on a month-on-month basis and representing a growth of approximately 176.1% on a year-on-year basis.

Statistics for PPP projects and water environmental EPC projects of the Company as at 31 May 2017 are as follows:

| Project name | Total investment amount | Contract time for the project | Commencement time | Note |
|--|-------------------------|--|-------------------|--|
| | <i>(RMB million)</i> | | | |
| 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 | |
| Ecological Environment Protection and Comprehensive Treatment (Phase 1) PPP Project in Fu River Basin in Fuzhou City, Jiangxi Province | 4,810 | 28 November 2016 (i.e. estimated transaction date for the consortium) | | Shareholding for the consortium is subject to future confirmation |
| 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 |

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. Shareholders and investors are cautioned not to unduly rely on such operation data and 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, 5 June 2017

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.