

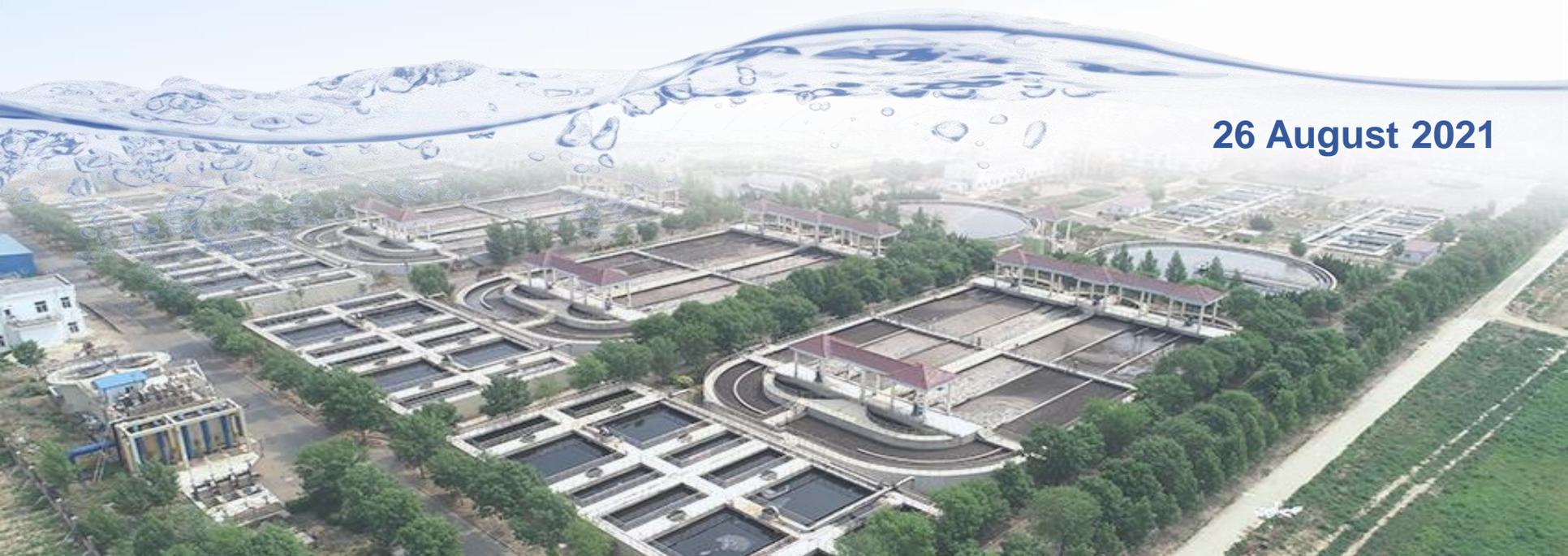


康達國際環保有限公司
Kangda International Environmental Company Limited

(于开曼群岛注册成立的有限公司 股份代号: 6136.HK)

2021 Interim Results Announcement

26 August 2021



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Strategies**





1

Business Review

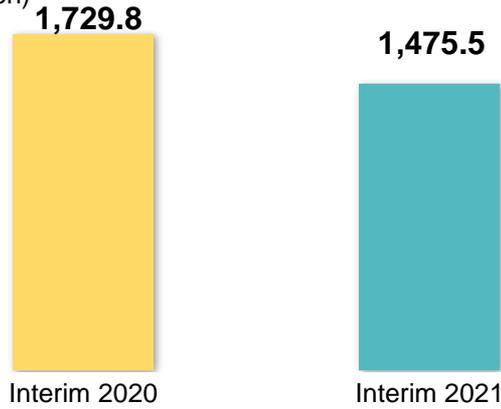


Interim Results Highlights



Revenue

(RMB million)

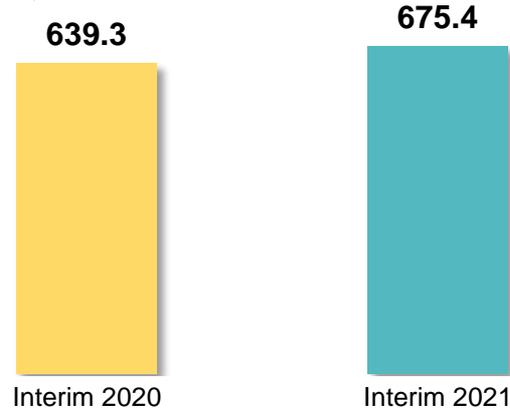


-14.7%



Gross profit

(RMB million)

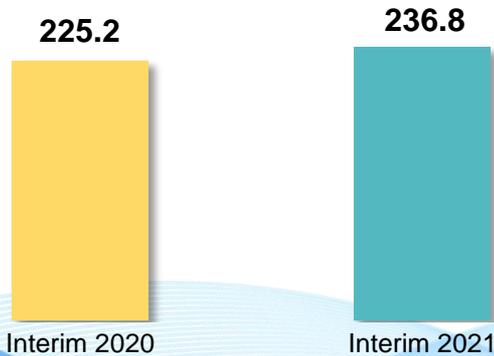


5.6%



Net Profit (attributable to parent)

(RMB million)

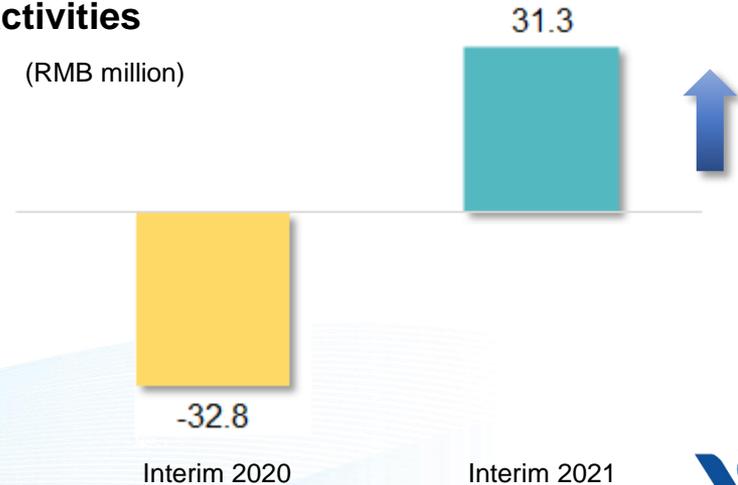


5.2%



Net cash flows from operating activities

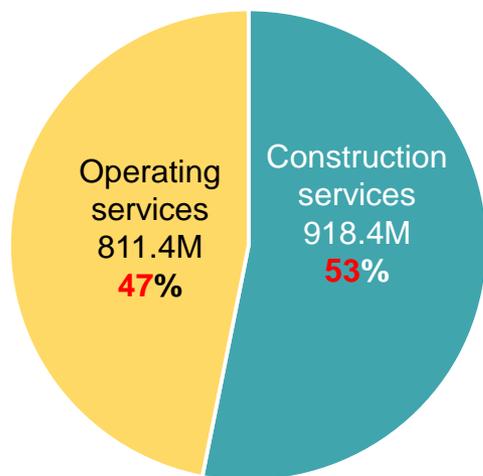
(RMB million)



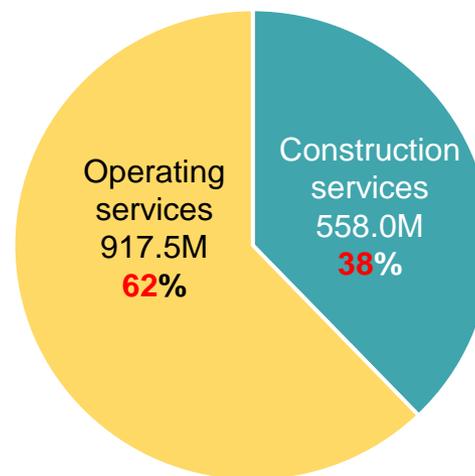
Construction Projects Completed Successfully, Operating Services Revenue Increased Continuously



(RMB million)	Interim 2020	Interim 2021	Change %
Total Revenue	1,729.8	1,475.5	-15%
- Construction services	918.4	558.0	-39%
- Operating services	811.4	917.5	13%



Interim 2020



Interim 2021

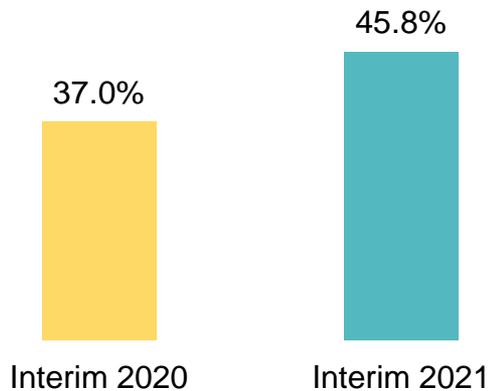
Proportion of revenue from operating services higher than industry average.



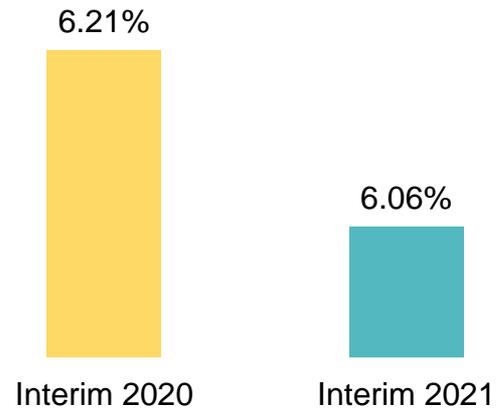
Strict Control on Operating Costs, Enhancing Profitability



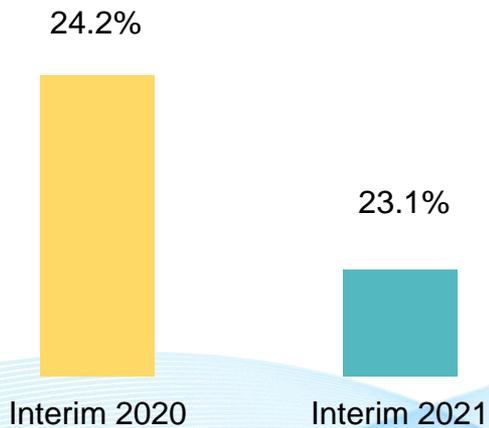
Gross profit margin



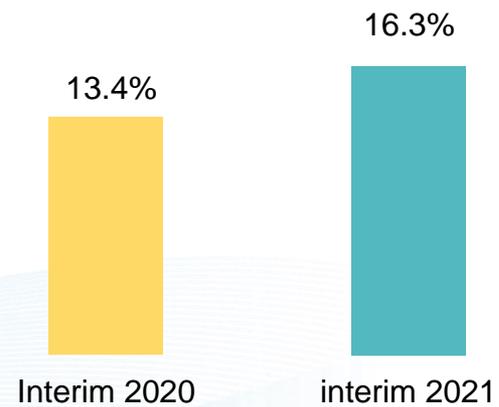
Average interest rate



Effective tax rate



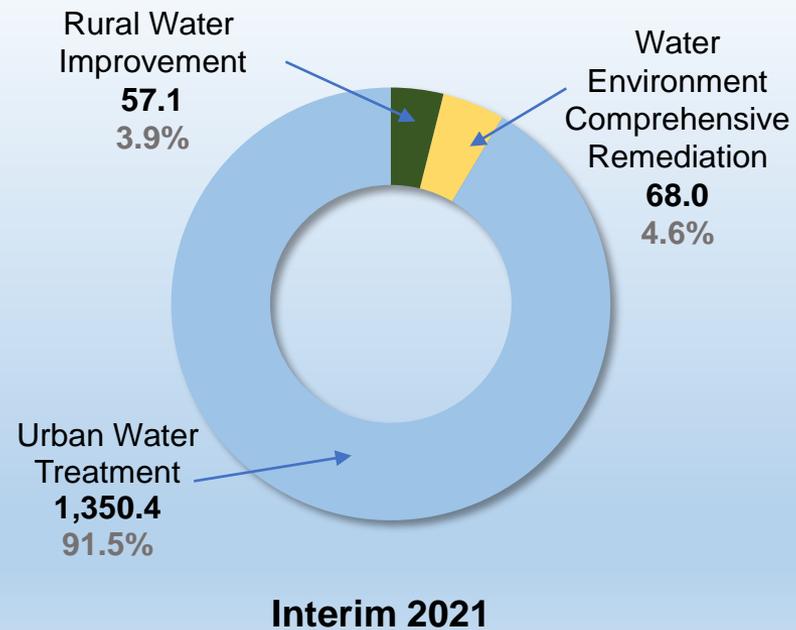
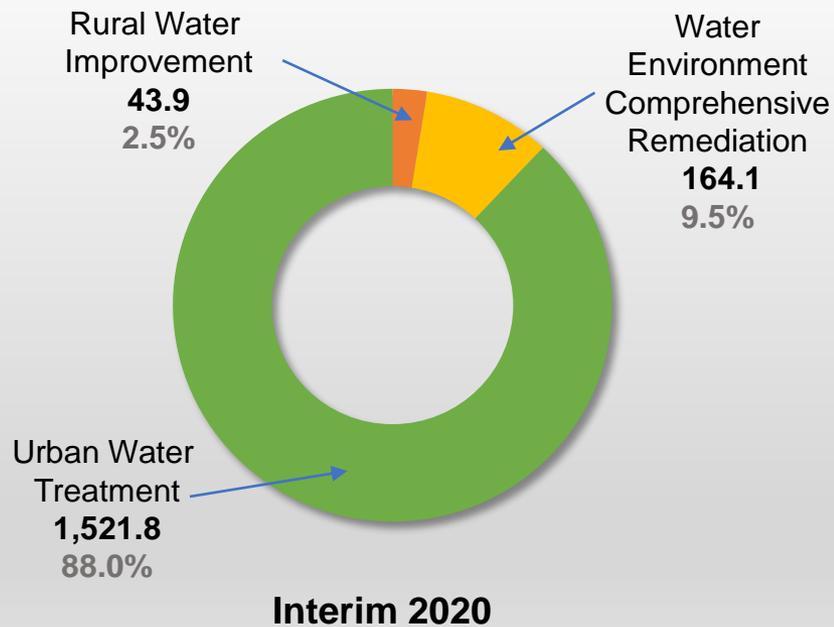
Net profit margin



Focus on Developing Urban Water Treatment Operation



(RMB million)

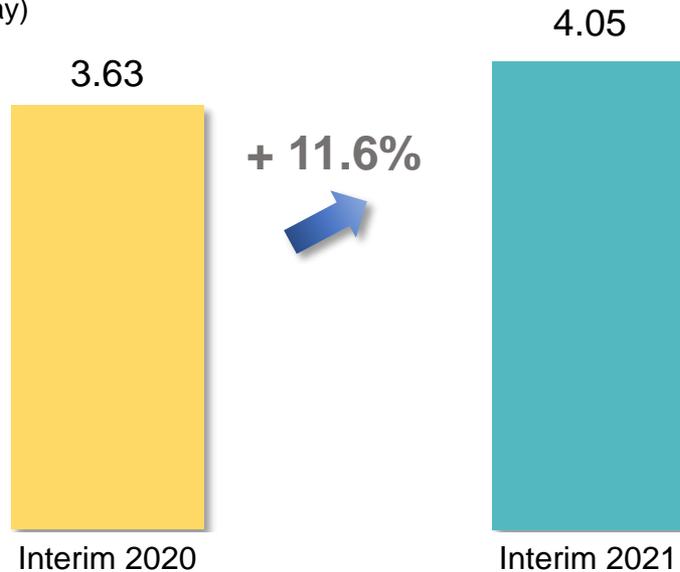


Wastewater Treatment Capacity Grow Steadily



Operating treatment capacity

(million tons/day)



Projects commenced operation during 1H 2021

- Jiaxiang second wastewater treatment plant expansion
- Taiyuan City Fendong wastewater treatment plant

(aggregate daily treatment capacity : 215,000 tons)

Actual processing volume for the period exceeded **600 million tons.**



Number of Urban Water Treatment Projects



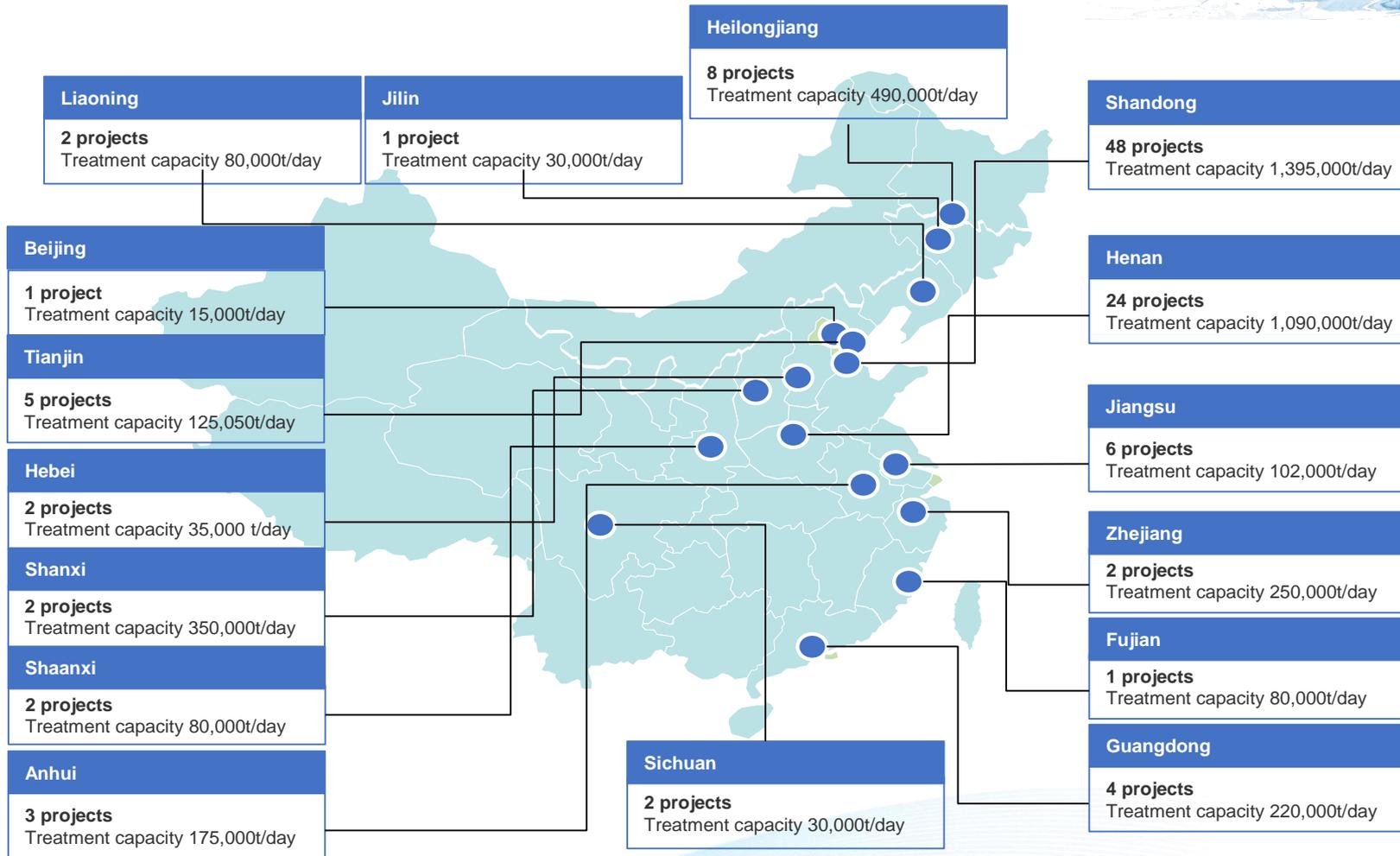
As at 30 June 2021

(Number of projects)	Wastewater Treatment	Water Distribution	Reclaimed Water	Sludge Treatment	Total
In operation	95	-	2	3	100
Not yet commence operation/ Not yet transferred	11	2	-	-	13
Total	106	2	2	3	113

Total treatment capacity: **4.55** million tons/day



High-quality Asset Portfolio and Concession-based business Model Bring Sustainable Operating Cash Flow



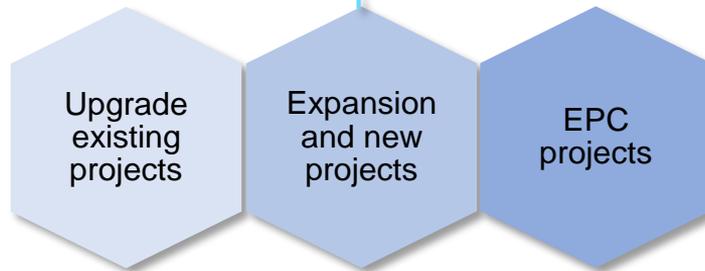
113 projects on hand , 102 wholly-owned subsidiaries and 11 controlled project companies beneficial to management sharing.



Explore Organic Growth Opportunities, Steadily Increase Treatment Capacity



9 projects under construction/expansion
Total designed capacity: 355,000t/day



27 projects planned for upgrade
Total designed capacity: 789,500t/day

EPC projects worth approximately
RMB1.59 billion under construction

Operating income will be greatly increased after upgrading, expansion and new projects are completed and commence operation.





2

Financial Performance



Financial Review – Profitability Breaks Record



(RMB million)	Interim 2017	Interim 2018	Interim 2019	Interim 2020	Interim 2021
Revenue	1,067.6	1,607.5	1,412.6	1,729.8	1,475.5
Gross profit	422.3	557.9	595.3	639.3	675.4
Net profit	183.3	185.5	188.9	232.4	240.0
EBITDA	391.6	504.4	564.7	630.1	632.8

Management optimization significantly increased profits and strengthened core competitiveness.

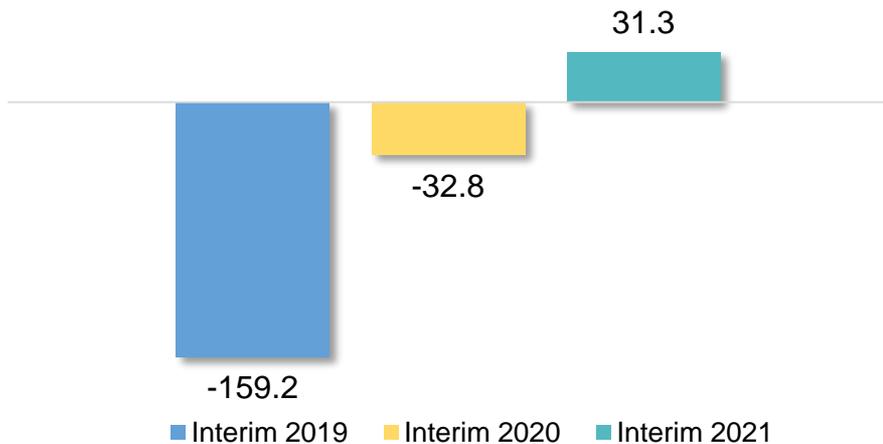


Financial Review



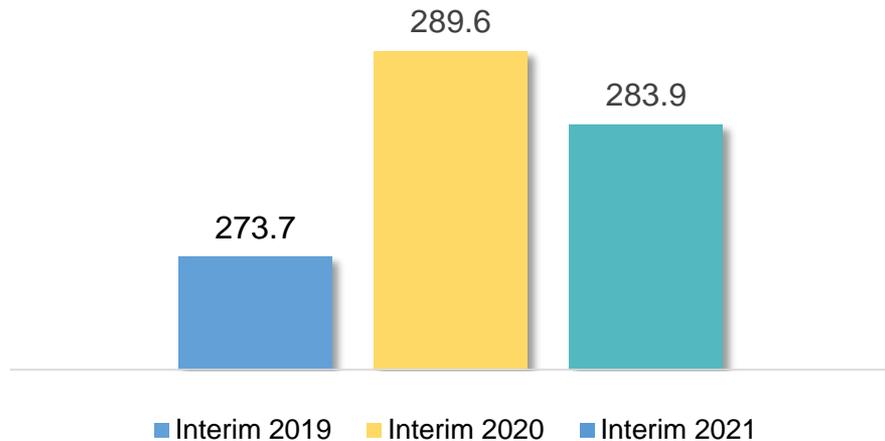
Cash flow from operating activities

(RMB million)



Finance cost

(RMB million)



Current ratio



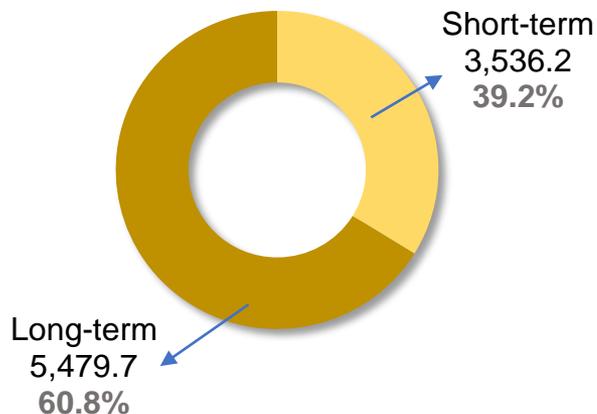
Improved Debt Structure Eased Financial Pressure



(RMB million)

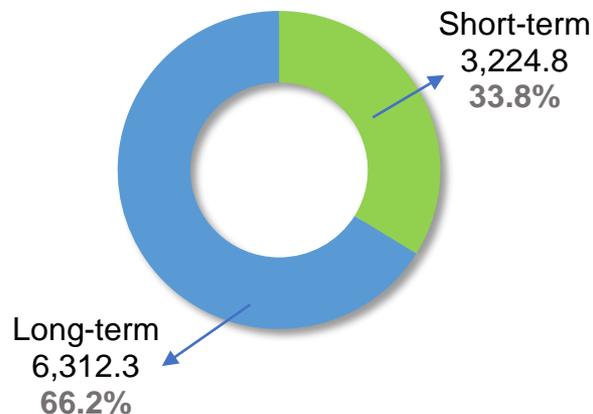
Interest-bearing debts

Interim 2019



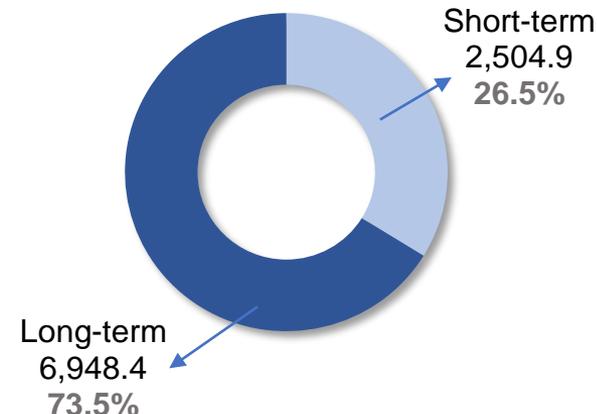
Total: RMB9,015.9 million

Interim 2020



Total: RMB9,537.1 million

Interim 2021



Total: RMB9,453.3 million

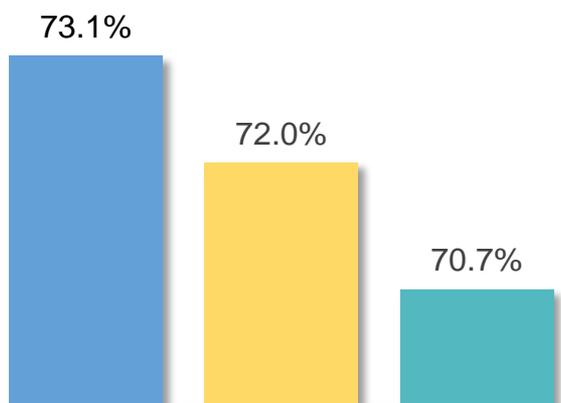
Approaching more reasonable long-term and short-term debt ratio.



Continuing Improvement on Balance Sheet

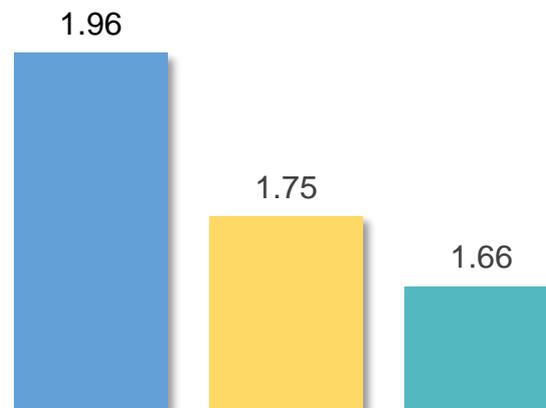


Debt asset ratio



■ Interim 2019 ■ Interim 2020 ■ Interim 2021

Net debt to equity ratio



■ Interim 2019 ■ Interim 2020 ■ Interim 2021





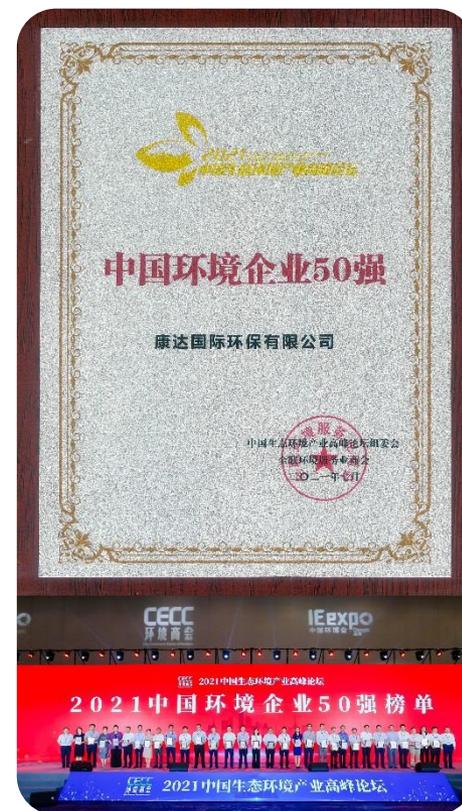
3

Key Events





- Placed in “Top 50 Environmental Enterprise of China” again, ranked 36 (by revenue), 9 places higher than last year. Highly ranked among water oriented private-owned enterprises
- Obtained RMB1 billion “Green Bond” quota, access to “green financing” opportunities





4

Development Strategies



Development Strategies



Operation oriented

Optimize financing



Cost management

Extend value chain



Disclaimer



This presentation may include certain forward-looking statements. The actual results or development of Kangda International Environmental Company Limited may differ materially from those indicated by these forward-looking statements as a result of various factors and uncertainties, including but not limited to tariff fluctuations, actual demand, exchange rate fluctuations, market shares, competition, environmental risks, changes in legal, financial and regulatory frameworks, international economic and financial market conditions, political risks, and other risks and factors beyond its control. In addition, these forward-looking statements are as of today and Kangda International Environmental Company Limited undertakes no obligation to update them. Statistical and other information relating to the PRC and the water treatment and related industries contained in this presentation have been compiled from various publicly available official or unofficial sources generally believed to be reliable. However, the quality of such source materials cannot be guaranteed. Moreover, statistics derived from multiple sources may not be prepared on a comparable basis. Neither Kangda International Environmental Company Limited nor any of its directors has verified the accuracy of the information contained in such sources. They therefore make no representation as to the accuracy of this information. Accordingly, the industry information and statistics contained in this presentation may not be accurate and should not be unduly relied upon.





Thank you

