

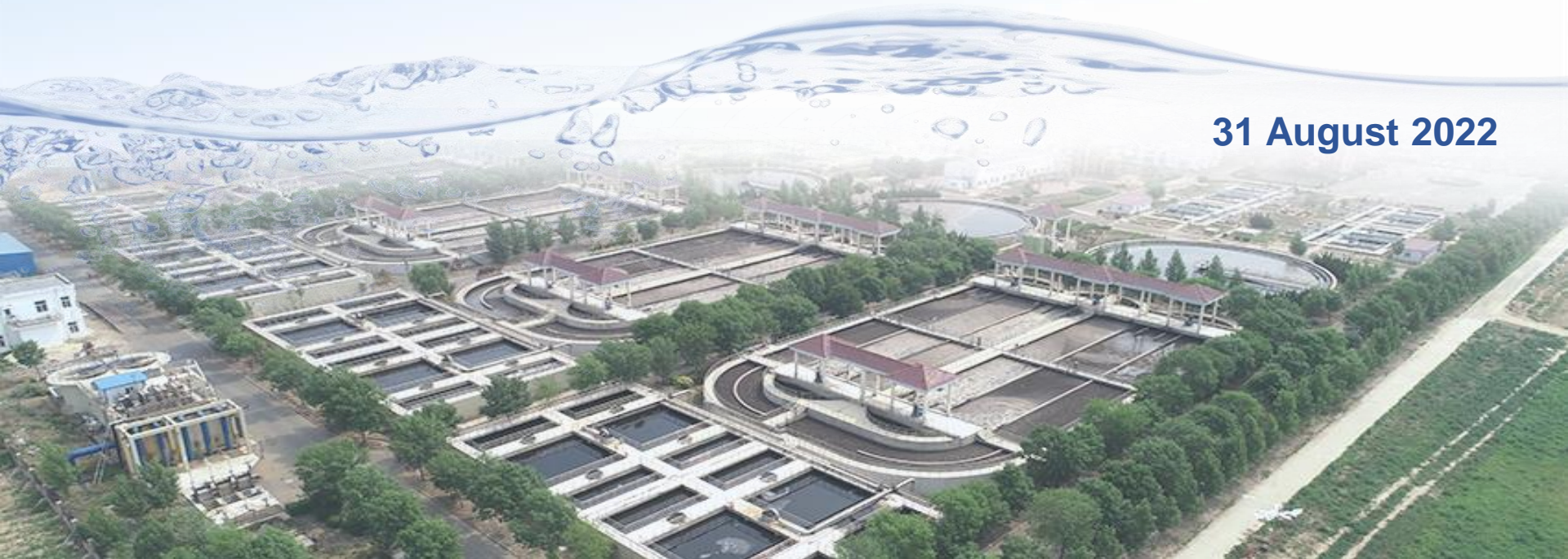


康達國際環保有限公司
Kangda International Environmental Company Limited

(于开曼群岛注册成立的有限公司 股份代号: 6136.HK)

2021 Interim Results Announcement

31 August 2022



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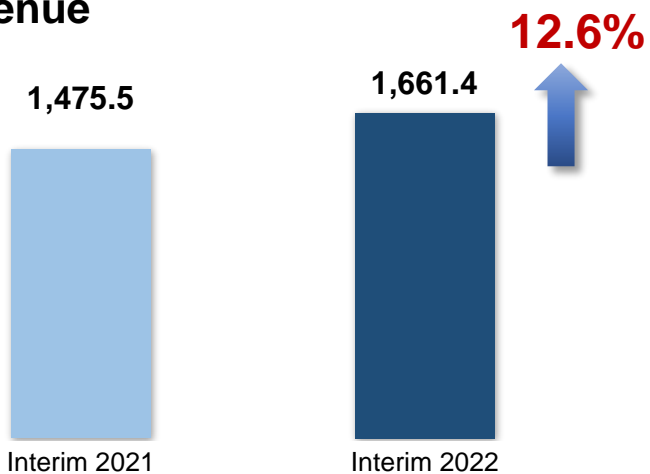
Business Review



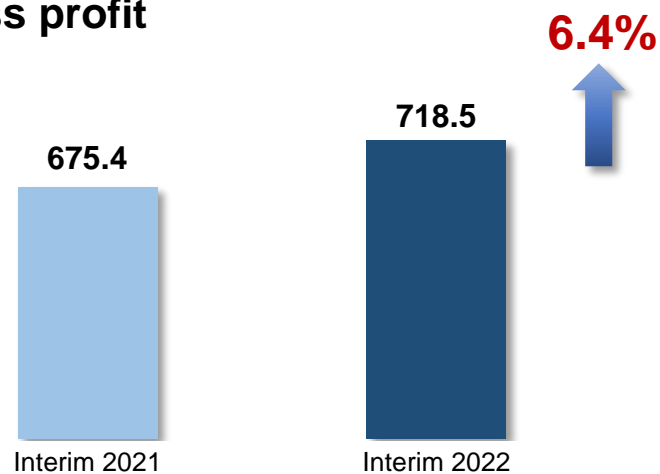
Interim Results Highlights



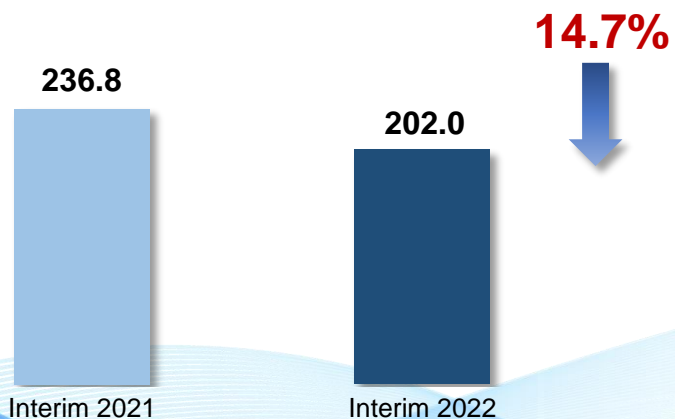
Revenue



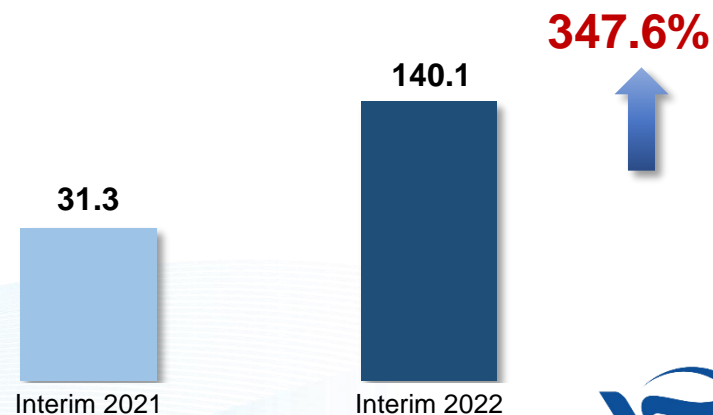
Gross profit



Net Profit (attributable to parent)



Net cash flows from operating activities



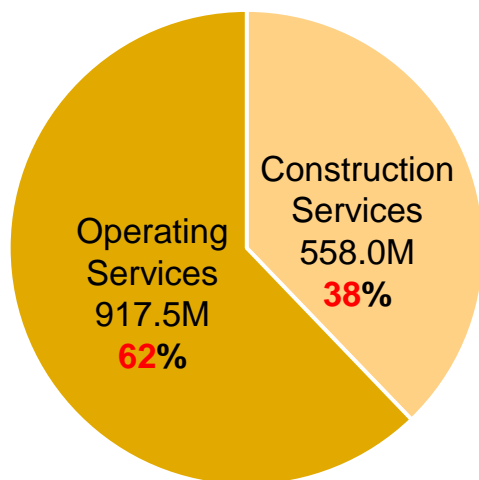
Currency unit: RMB million



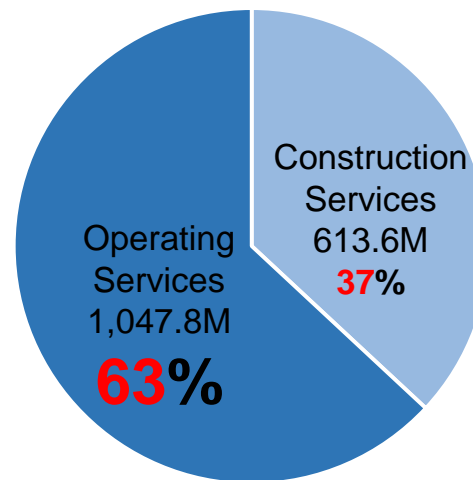
Business Steadily Grows, Operating Revenue Continuously Increases



| (RMB million) | Interim 2021 | Interim 2022 | Change % |
|-------------------------|--------------|--------------|----------|
| Total Revenue | 1,475.5 | 1,661.4 | +12.6% |
| - Construction services | 558.0 | 613.6 | +10.0% |
| - Operating services | 917.5 | 1,047.8 | +14.2% |



Interim 2021



Interim 2022

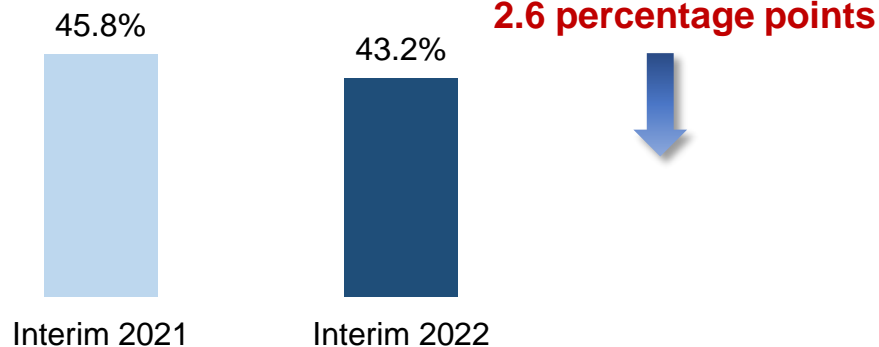
Proportion of revenue from operating services higher than industry average.



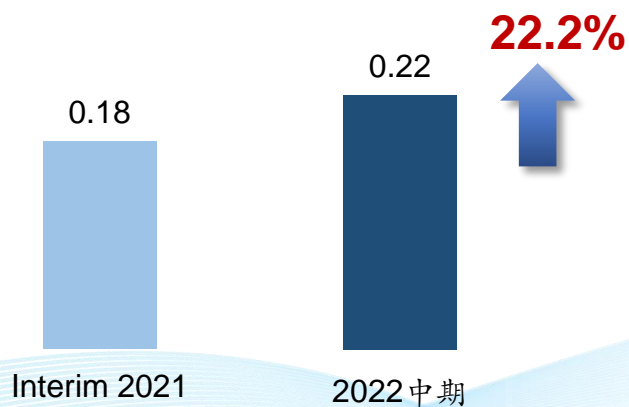
Increases in Direct Operating Costs Pull Down Gross Margin



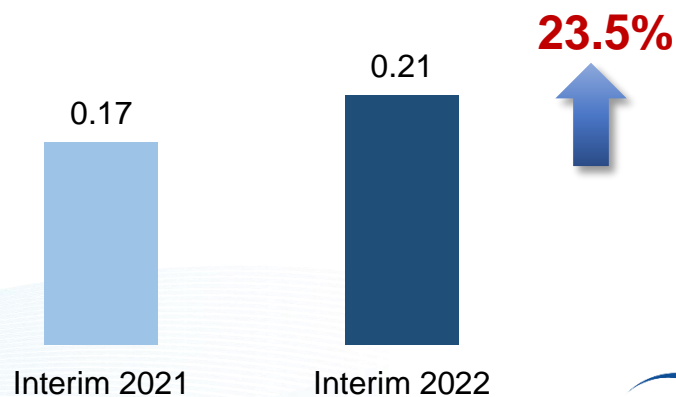
Gross profit margin



Average treatment cost per ton (electricity) (RMB/ton)



Average treatment cost per ton (chemicals) (RMB/ton)



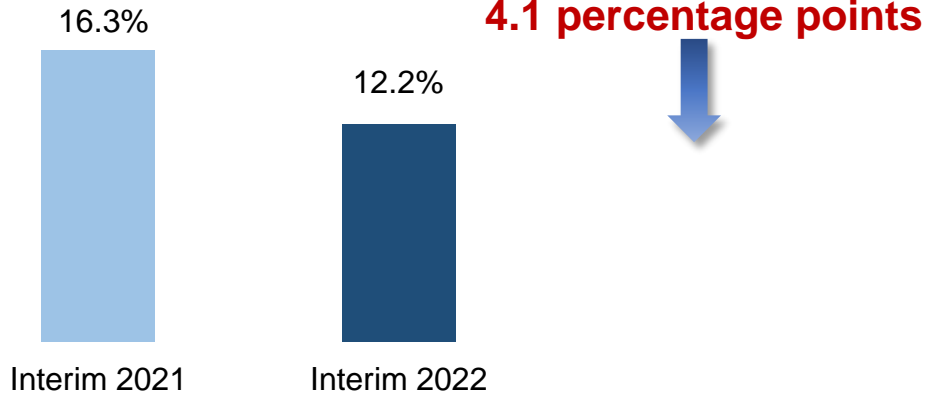
Proactively initiate price adjustment mechanism



Reduction in One-off Subsidies and Rising Expenses Affect Net Margin

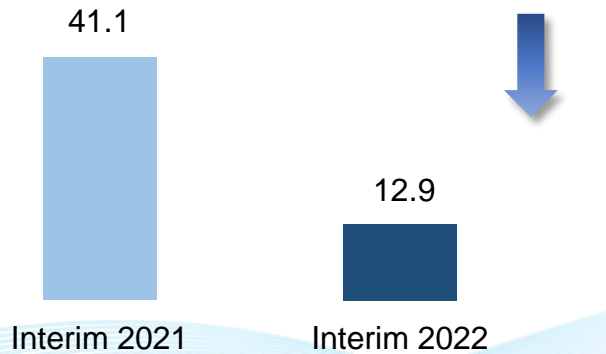


Net profit margin

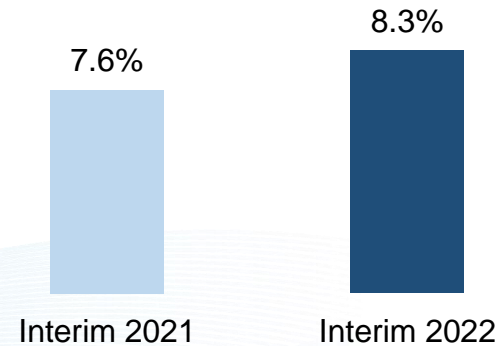


Subsidies

(RMB million)



Administrative expenses to revenue ratio



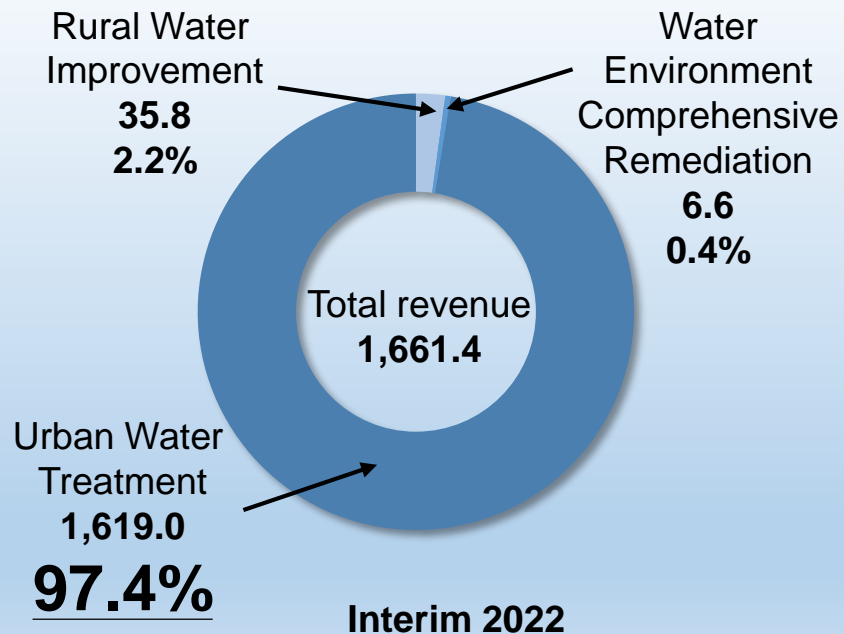
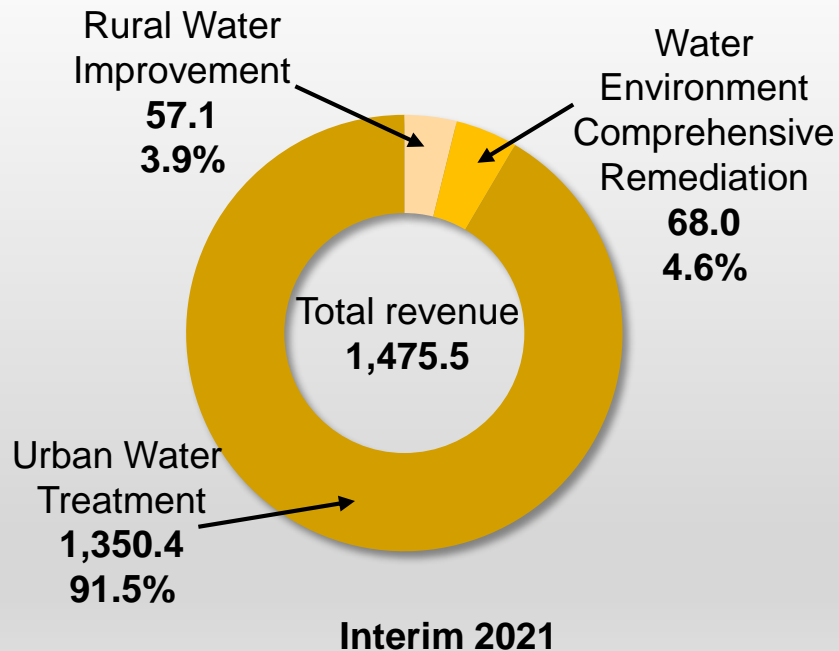
Further broadening revenue source and tightening cost control to achieve higher profit



Focus on Strengthening Urban Water Treatment Operation



(RMB million)



Further focusing on core business

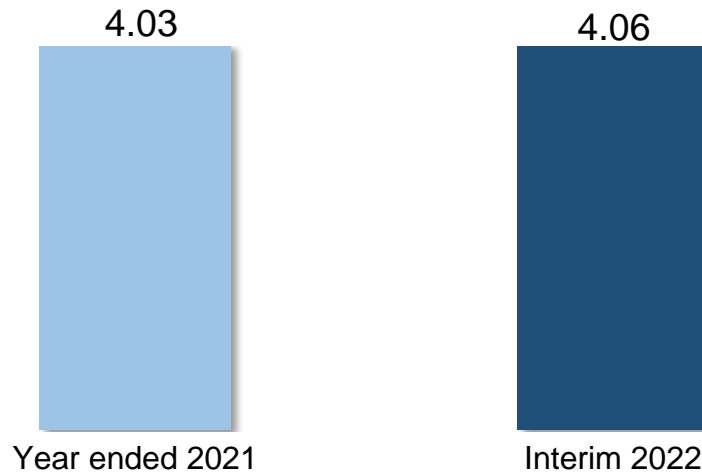


Water Treatment Capacity Grows Steadily



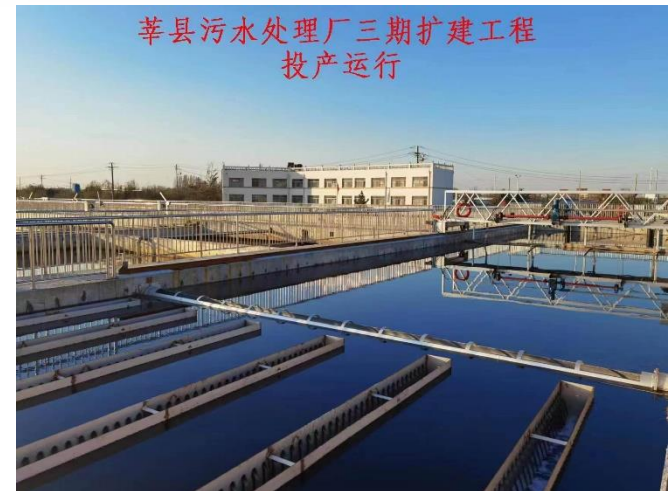
Operating treatment capacity

(million ton/day)



Project completed during first half 2022

- Shandong Shen County 3rd Phase expansion



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



Number of Urban Water Treatment projects



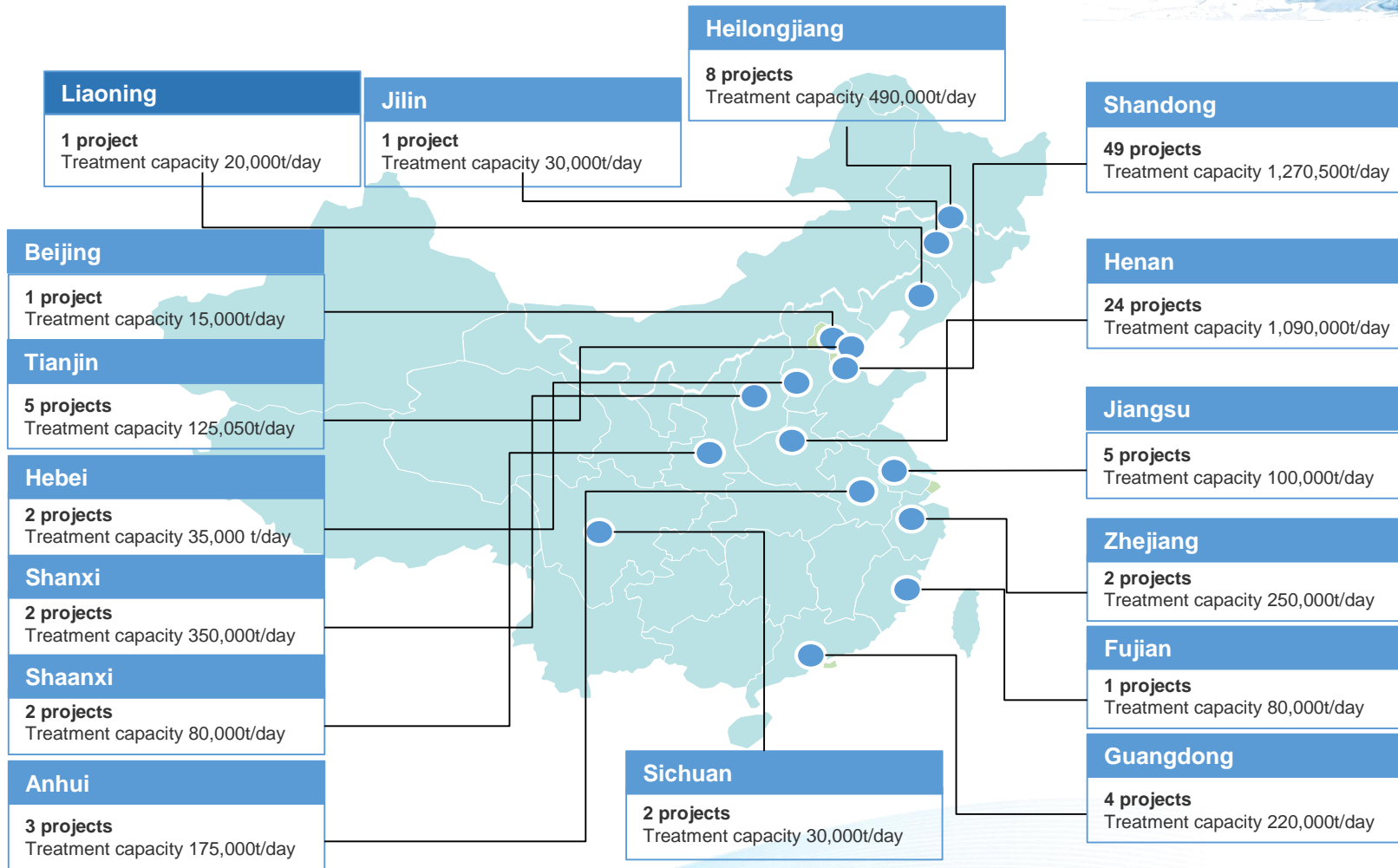
As at 30 June 2022

| (Number of projects) | Wastewater Treatment | Water Distribution | Reclaimed Water | Sludge Treatment | Total |
|--|----------------------|--------------------|-----------------|------------------|-------|
| In operation | 96 | - | 2 | 3 | 101 |
| Not yet commence operation/ Not yet transferred | 10 | 1 | - | - | 11 |
| Total | 106 | 1 | 2 | 3 | 112 |

Total treatment capacity: **4.36** million tons/day



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



112 projects on hand , 104 wholly-owned subsidiaries and 8 controlled project companies beneficial to management sharing.

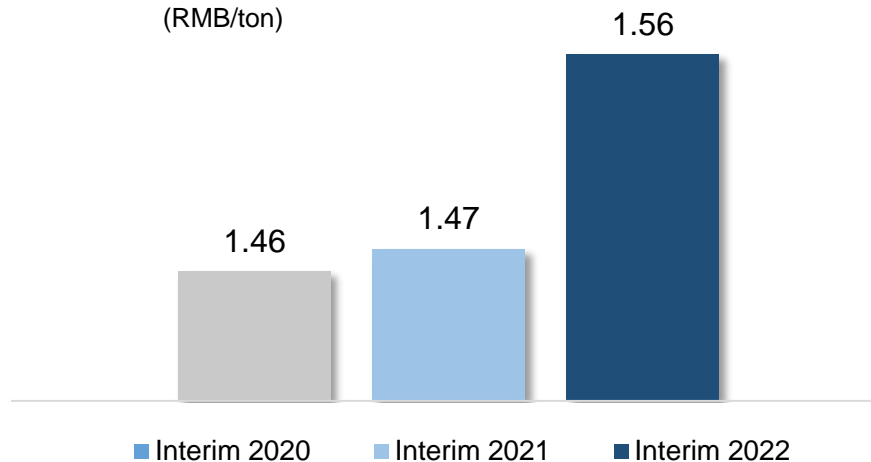


Strive for Reasonable Tariff Adjustment to Improve Profitability



Average treatment tariff

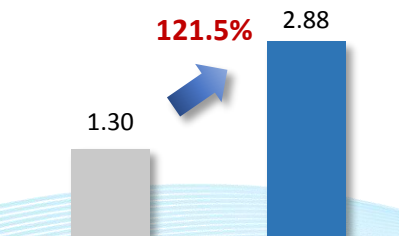
(RMB/ton)



Tariff adjustment during the period

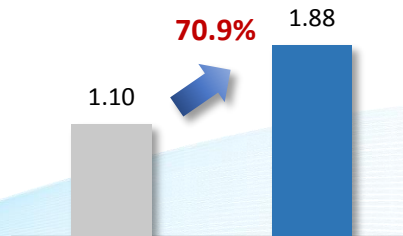
Shandong Weifang Plant

(RMB/ton)



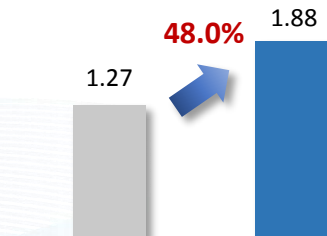
Shandong Yucheng Plant

(RMB/ton)



Shandong Yucheng 2nd Phase

(RMB/ton)



Original Tariff Adjusted Tariff



Construction Investment in Order Steadily Build Up Capacity



Upgrading Existing Projects

- 21 Projects
- Total designed capacity : 569,5000 tons/day

Expansion and New Projects

- 8 Projects
- Total designed capacity : 180,500 tons/day

Operating income will be increased continuously after construction projects are completed and operation commenced.





2

Financial Performance



Financial Review –

Counter adverse business environment, maintain relatively high profitability



| (RMB million) | Interim 2018 | Interim 2019 | Interim 2020 | Interim 2021 | Interim 2022 |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Revenue | 1,607.5 | 1,412.6 | 1,729.8 | 1,475.5 | 1,661.4 |
| Gross profit | 557.9 | 595.3 | 639.3 | 675.4 | 718.5 |
| Gross profit margin | 34.7% | 42.1% | 37.0% | 45.8% | 43.2% |
| Net profit (attributable to parent) | 183.7 | 183.6 | 225.2 | 236.8 | 202.0 |
| Net profit margin | 11.5% | 13.4% | 13.4% | 16.3% | 12.2% |

Gross profit breaks record high

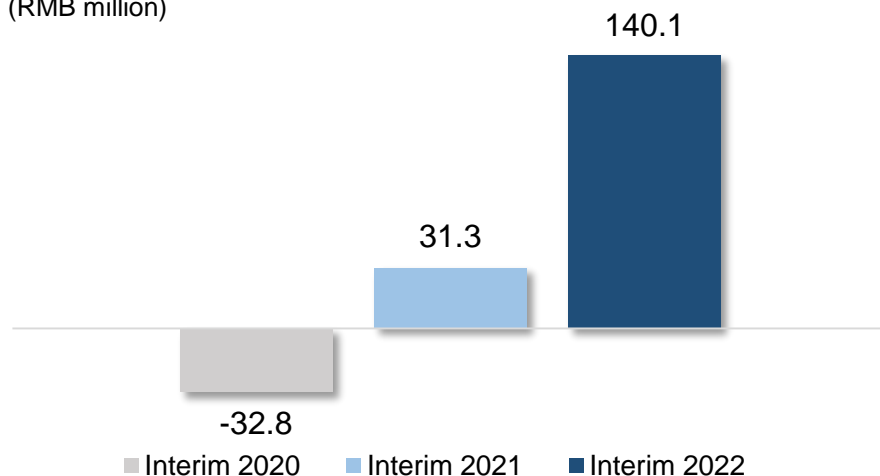


Financial Review – Improve liquidity, closely monitor finance cost



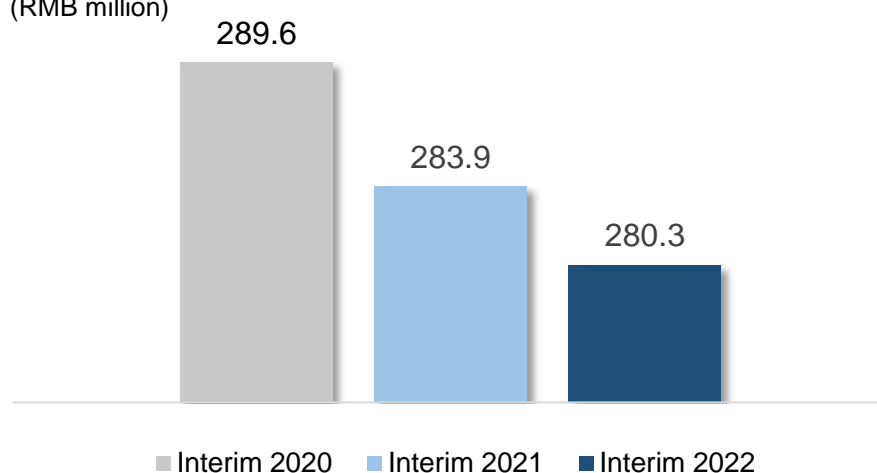
Cash flow from operating activities

(RMB million)

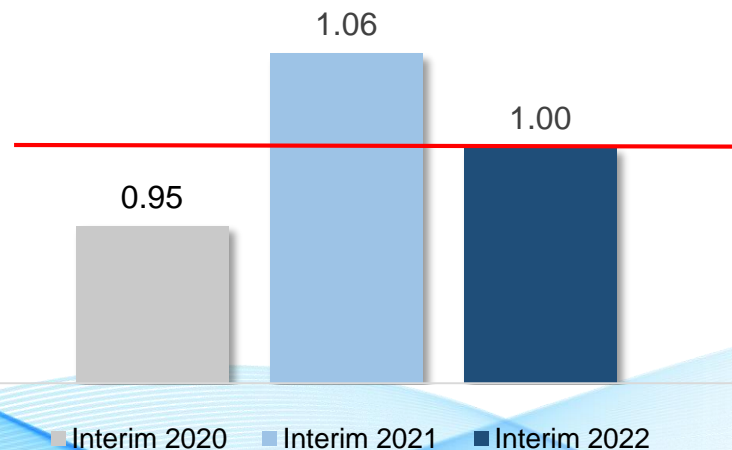


Finance cost

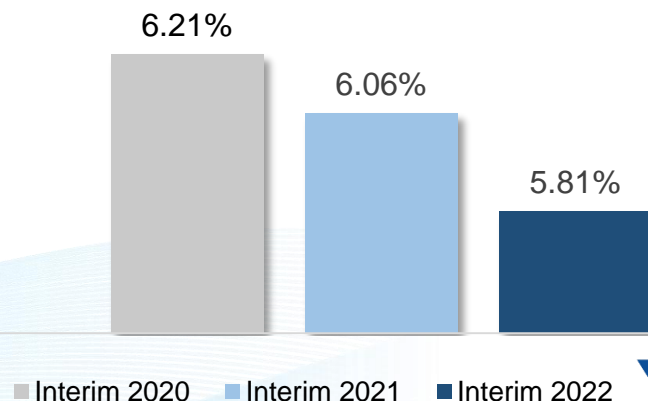
(RMB million)



Current ratio



Average interest rate

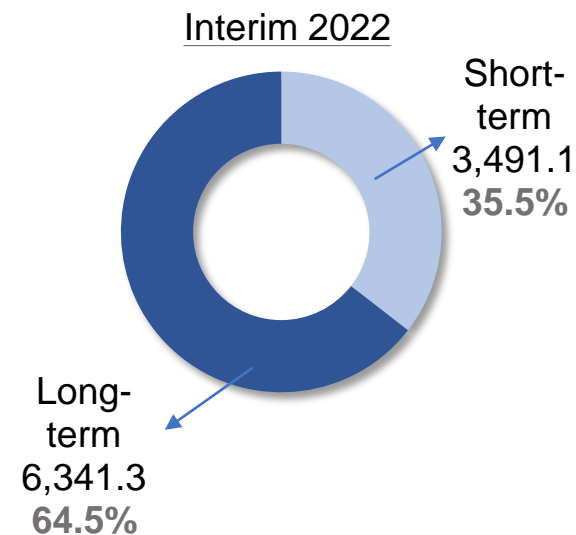
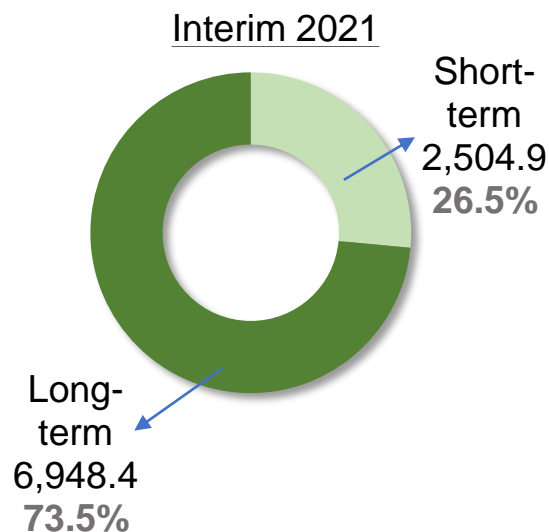
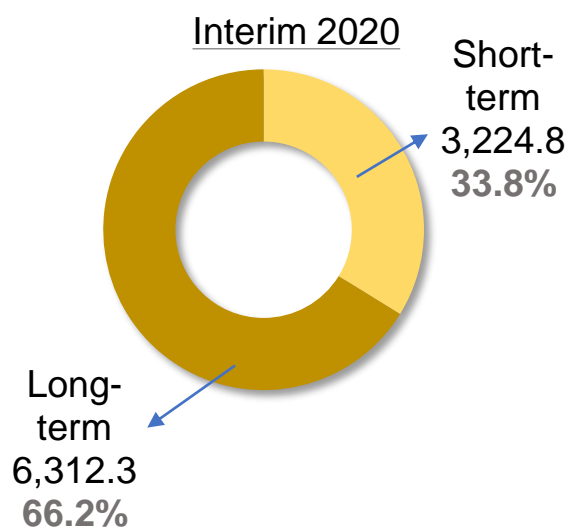


Overcome Fund Raising Difficulties, Balancing Debt Structure



Interest-bearing debts

(RMB million)

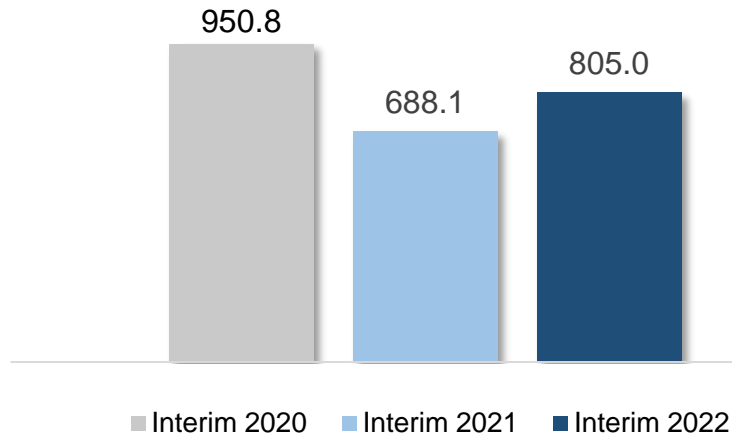


Balance Sheet Performance



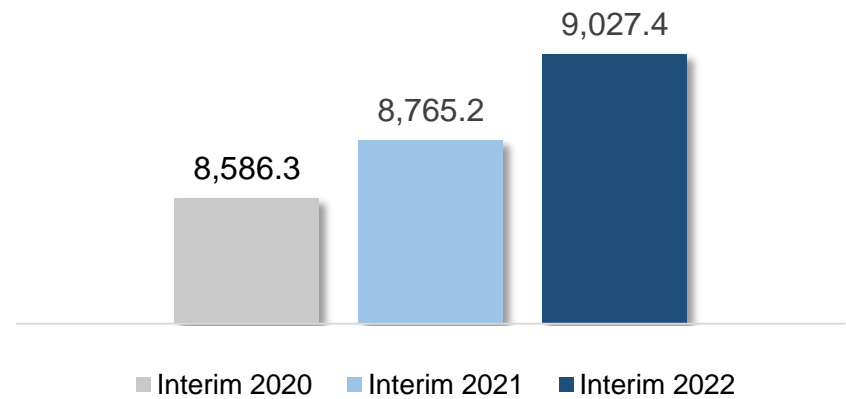
Cash and cash equivalents and pledged deposits

(RMB million)



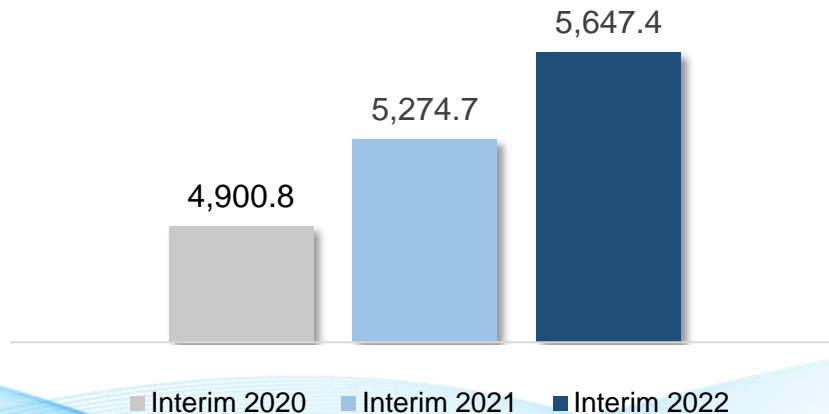
Net debt

(RMB million)



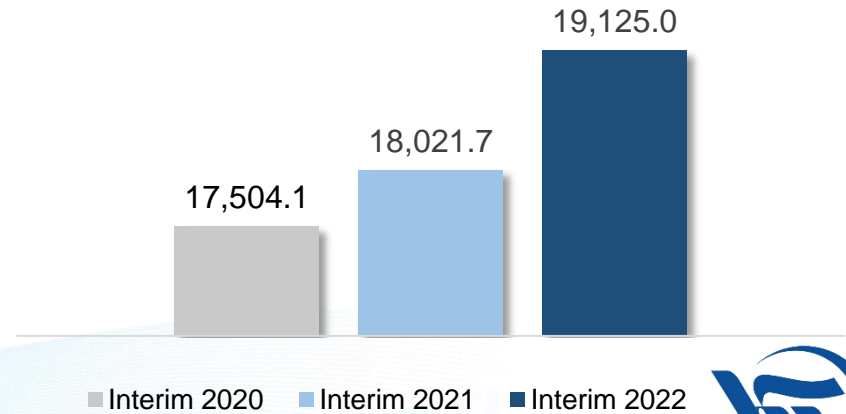
Total equity

(RMB million)



Total assets

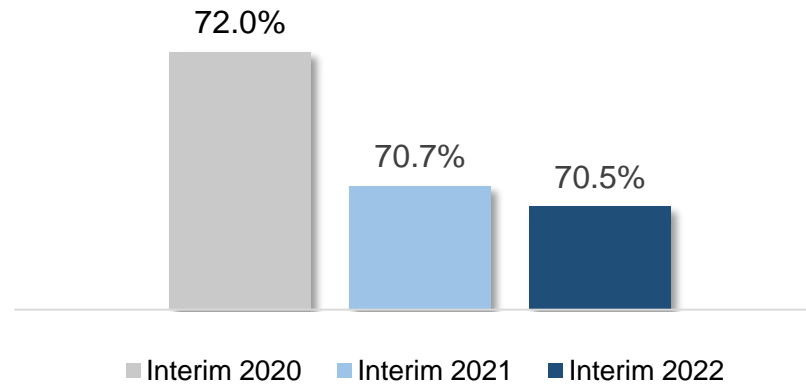
(RMB million)



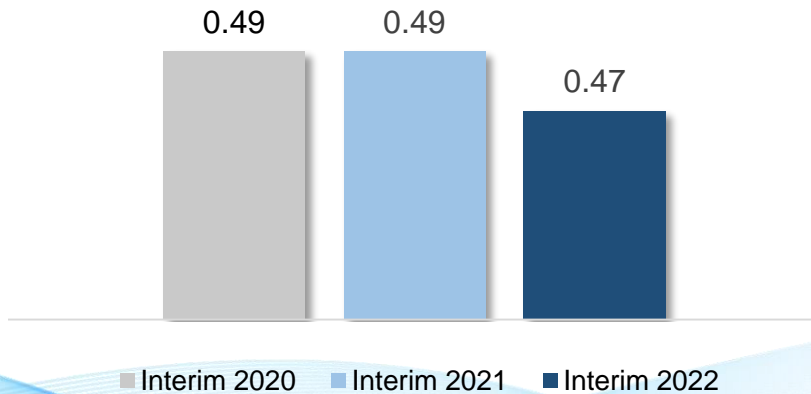
Continuing improvements on financial ratio



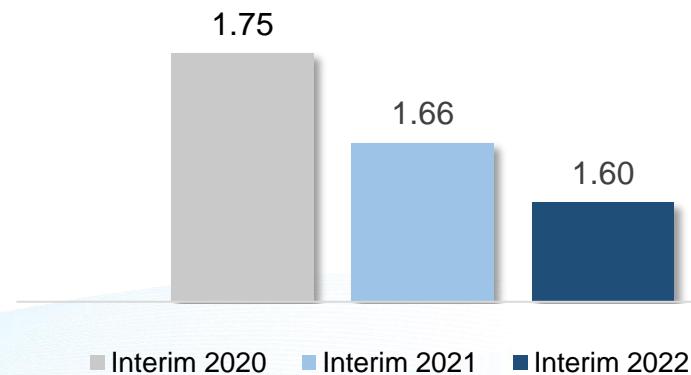
Total liabilities to total assets



Net debt to asset ratio



Net debt to equity ratio





3

Key Events





- **Speed up of VAT refund process, obtained actual VAT refund of RMB 94.96 million during the period (2021 full year: RMB47.51 million)**
- **Obtained the Group's first USD16 million HKQAA "Green Certified" project finance in Hong Kong**
- **Reduce in subsidy income : total tax and non-tax subsidies dropped by 68.6% comparing with the corresponding period last year, to RMB12.91 million**
- **Premier Li Keqiang announced economy stabilizing policies in national teleconference on 25 May, will start to be implemented in June.**
- **Preparation of REITs application when suitable opportunity arise, taking into account the market condition and the Group's financial position**
- **People's Bank of China reduced 1-year Loan Prime Rate (LPR) from 3.70% to 3.65%, and 5-year LPR from 4.45% to 4.3%, favourable to reducing finance cost**





4

Development Strategies



Development Strategies



Disclaimer



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Thank You



问答环节

Q&A Session



THANK YOU