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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)

INSIDE INFORMATION

DISPOSAL OF SHARES BY CONTROLLING SHAREHOLDER

This announcement is made by Kangda International Environmental Company Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Company was notified by Kangda Holdings Company Limited (“**Kangda Holdings**”), the controlling shareholder (as defined under the Listing Rules) of the Company, which is wholly-owned by Mr. Zhao Sizhen, who is the son of Mr. Zhao Juanxian, the chairman of the board of directors and an executive director of the Company, that on 3 April 2019 (after trading hours of the Stock Exchange), Kangda Holdings, as vendor, entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”), with, among others, Sharp Profit Investments Limited (“**Sharp Profit**”) as purchaser. Pursuant to the Sale and Purchase Agreement, Kangda Holdings agreed to sell and Sharp Profit agreed to purchase 600,000,000 shares of the Company at a consideration of HK\$1,200,000,000 (the “**Disposal**”). Sharp Profit is a wholly-owned subsidiary of China Water Affairs Group Limited, whose shares are listed on the Stock Exchange (stock code: 855). To the best of the knowledge, information and belief of the directors of the Company, having made all reasonable enquiry, prior to the completion of the Disposal, each of Sharp Profit and its ultimate beneficial owners is an independent third party from the Company and its connected persons.

The Company was further informed by Kangda Holdings that the Disposal will be completed on 4 April 2019. Immediately before the completion of the Disposal, Kangda Holdings holds a total of 1,143,828,004 shares of the Company, representing approximately 56.28% of the issued share capital of the Company as of the date of this announcement. Immediately after the completion of the Disposal, Kangda Holdings will hold a total of 543,828,004 shares of the Company, representing approximately 26.76% of the issued share capital of the

Company as of the date of this announcement and Sharp Profit will hold a total of 600,000,000 shares of the Company, representing approximately 29.52% of the issued share capital of the Company as of the date of this announcement.

Shareholders and potential investors are advised to exercise caution when 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, 3 April 2019

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.