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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)

DISCLOSEABLE TRANSACTIONS DISPOSAL OF EQUITY INTEREST IN THE TARGET COMPANIES

THE DISPOSALS

The Board is pleased to announce that on 25 July 2018, the Vendors, indirectly wholly-owned subsidiaries of the Company, and the Purchaser entered into the Equity Transfer Agreements, pursuant to which the entire equity interest in the Target Companies held by the relevant Vendors shall be transferred to the Purchase at an aggregated consideration of approximately RMB225,906,501 and an aggregated liabilities of the Target Companies of not more than RMB212,367,800 shall be assumed by the Purchaser. Upon completion of the Disposals, the Target Companies will cease to be subsidiaries of the Company.

LISTING RULES IMPLICATION

Pursuant to Rule 14.22 of the Listing Rules, the transactions under the Equity Transfer Agreements are required to be aggregated since the Purchaser is the same. As the highest of the applicable percentage ratios, calculated with reference to Rule 14.07 of the Listing Rules in respect of the Disposals, is greater than 5% but less than 25%, on an aggregated basis, the transactions contemplated under the Equity Transfer Agreements constitute disclosable transactions for the Company and are subject to reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

On 25 July 2018, the Vendors and the Purchaser entered into the Equity Transfer Agreements, pursuant to which the entire equity interest in the Target Companies held by the relevant Vendors shall be transferred to the Purchase at an aggregated consideration of RMB225,906,501 and an aggregated liabilities of the Target Companies of not more than RMB212,367,800 shall be assumed by the Purchaser. Upon completion of the Disposals, the Target Companies will cease to be subsidiaries of the Company.

EQUITY TRANSFER AGREEMENTS

Ningguo Chengjian Equity Transfer Agreement

The principal terms of the Ningguo Chengjian Equity Transfer Agreement are summarized below:

Date: 25 July 2018

Parties:

- (1) The Vendor: Beijing Changsheng Siyuan Environmental Protection Technology Co., Ltd.* (北京長盛思源環保科技有限公司); and
- (2) The Purchaser: Jingfeng Environmental Protection Co., Ltd.* (金風環保有限公司).

Subject Matter

Pursuant to the Ningguo Chengjian Equity Transfer Agreement, Beijing Changsheng has agreed to sell and the Purchaser has agreed to purchase 100% equity interest in Ningguo Chengjian which is directly held by Beijing Changsheng as of the date of this announcement. Upon completion of the Disposals, Ningguo Chengjian will cease to be a subsidiary of the Company.

Consideration and Payment

The consideration under the Ningguo Chengjian Equity Transfer Agreement is RMB55,053,800, which as determined after arm's length negotiation between Beijing Changsheng and the Purchaser with reference to the actual investment cost of the Group. The Purchaser shall be responsible for the outstanding debts of Ningguo Chengjian as of 30 June 2018 as set out in its audit report which shall be not more than RMB26,946,200. Beijing Changsheng shall be entitled to all account receivable, other receivables and balance of cash as of 30 June 2018 as set out in the audit report of Ningguo Chengjian.

Pursuant to the Ningguo Chengjian Equity Transfer Agreement, the consideration shall be paid by the Purchaser in the following manner:

- (i) 90% of the consideration (i.e. RMB49,548,400) and the debts payable to Beijing Changsheng and its related parties as of 30 June 2018 as set out in the financial statements shall be paid within five (5) business days after the fulfilment of the following conditions precedent:
 - (a) the execution of the Ningguo Chengjian Equity Transfer Agreement;
 - (b) Beijing Changsheng has obtained internal approval for the equity transfer contemplated under the Ningguo Chengjian Equity Transfer Agreement; and
 - (c) the Purchaser has completed the procedures of approval or authorization required by PRC laws, regulations and its articles of association.

- (ii) 5% of the consideration, i.e. RMB2,752,700, shall be paid within five (5) business days after the fulfilment of the following conditions precedent:
 - (a) the professional parties designated by the Purchaser have issued due diligence report and audit report for the transaction contemplated under the Ningguo Chengjian Equity Transfer Agreement;
 - (b) the local governmental authority has approved the equity transfer contemplated under the Ningguo Chengjian Equity Transfer Agreement;
 - (c) Beijing Changsheng and the Purchaser have completed the filings regarding the ownership transfer, including the change of commercial and industrial registration and the change of the legal representative and senior management of Ningguo Chengjian;
 - (d) Beijing Changsheng and the Purchaser have completed the financial handover, including handover of all the accounts, financial statements, vouchers, invoices, online bank key and seals of Ningguo Chengjian; and
 - (e) Beijing Changsheng and the Purchaser have completed the assets handover and signed the assets handover confirmation letter.
- (iii) 5% of the consideration, i.e. RMB2,752,700, shall be paid upon fulfilment of the following conditions precedent:
 - (a) Ningguo Chengjian has been in steady operation and received wastewater treatment fee for one (1) month in full;
 - (b) Ningguo Chengjian's facilities are in normal operation in three (3) months after the equity transfer; and
 - (c) the undisclosed or omitted penalty of Ningguo Chengjian or default event (if any) before change of ownership has been deducted.

Transitional Arrangement

During the Transitional Period, Beijing Changsheng shall manage Ningguo Chengjian and its assets prudently and shall immediately notify the Purchaser of any major adverse effect of Ningguo Chengjian. In addition, Beijing Changsheng and Ningguo Chengjian shall not enter into, change, amend or terminate any contracts or transactions in relation to Ningguo Chengjian, shall not create any liability or obligation on Ningguo Chengjian other than those created in the ordinary course of business, shall not transfer or waive any rights or otherwise dispose of the assets of Ningguo Chengjian. The profits and losses of Ningguo Chengjian during the Transitional Period shall be borne by the Purchaser.

Anhui Chengjian Equity Transfer Agreement

The principal terms of the Anhui Chengjian Equity Transfer Agreement are summarized below:

Date: 25 July 2018

Parties:

- (1) The Vendor: Beijing Changsheng Siyuan Environmental Protection Technology Co., Ltd.* (北京長盛思源環保科技有限公司); and
- (2) The Purchaser: Jingfeng Environmental Protection Co., Ltd.* (金風環保有限公司).

Subject Matter

Pursuant to the Anhui Chengjian Equity Transfer Agreement, Beijing Changsheng has agreed to sell and the Purchaser has agreed to purchase 100% equity interest in Anhui Chengjian which is directly held by Beijing Changsheng as of the date of this announcement. Upon completion of the Disposals, Anhui Chengjian will cease to be a subsidiary of the Company.

Consideration and Payment

The consideration under the Anhui Chengjian Equity Transfer Agreement is RMB1, which as determined after arm's length negotiation between Beijing Changsheng and the Purchaser with reference to the actual investment cost of the Group as well as the outstanding debts of Anhui Chengjian of not more than RMB20,000,000 as of 30 June 2018 as set out in its audit report which shall be borne by the Purchaser. Beijing Changsheng shall be entitled to all account receivable, other receivables and balance of cash as of 30 June 2018 as set out in the audit report of Anhui Chengjian.

Pursuant to the Anhui Chengjian Equity Transfer Agreement, the consideration (i.e. RMB1) and the debts payable to Beijing Changsheng and its related parties as of 30 June 2018 as set out in the financial statements (i.e. RMB14,472,700) shall be paid by the Purchaser within five (5) business days after the fulfilment of the following conditions precedent:

- (a) the execution of the Anhui Chengjian Equity Transfer Agreement;
- (b) Beijing Changsheng has obtained internal approval for the equity transfer contemplated under the Anhui Chengjian Equity Transfer Agreement; and
- (c) the Purchaser has completed the procedures of approval or authorization required by PRC laws, regulations and its articles of association.

Transitional Arrangement

During the Transitional Period, Beijing Changsheng shall manage Anhui Chengjian and its assets prudently and shall immediately notify the Purchaser of any major adverse effect of Anhui Chengjian. In addition, Beijing Changsheng and Anhui Chengjian shall not enter into, change, amend or terminate any contracts or transactions in relation to Anhui Chengjian,

shall not create any liability or obligation on Anhui Chengjian other than those created in the ordinary course of business, shall not transfer or waive any rights or otherwise dispose of the assets of Anhui Chengjian. The profits and losses of Anhui Chengjian during the Transitional Period shall be borne by the Purchaser.

Yanggu Guohuan Equity Transfer Agreement

The principal terms of the Yanggu Guohuan Equity Transfer Agreement are summarized below:

Date: 25 July 2018

Parties:

- (1) The Vendor: Chongqing Kangda Environmental Protection Industry (Group) Co., Ltd.* (重慶康達環保產業(集團)有限公司); and
- (2) The Purchaser: Jingfeng Environmental Protection Co., Ltd.* (金風環保有限公司).

Subject Matter

Pursuant to the Yanggu Guohuan Equity Transfer Agreement, Chongqing Kangda has agreed to sell and the Purchaser has agreed to purchase 99% equity interest in Yanggu Guohuan which is directly held by Chongqing Kangda as of the date of this announcement. Upon completion of the Disposals, Yanggu Guohuan will cease to be a subsidiary of the Company.

Consideration and Payment

The consideration under the Yanggu Guohuan Equity Transfer Agreement is RMB95,312,100, which as determined after arm's length negotiation between Chongqing Kangda and the Purchaser with reference to the actual investment cost of the Group. The Purchaser shall be responsible for the outstanding debts of Yanggu Guohuan as of 30 June 2018 as set out in its audit report which shall be not more than RMB141,725,200. Chongqing Kangda shall be entitled to all account receivable, other receivables and balance of cash as of 30 June 2018 as set out in the audit report of Yanggu Guohuan.

Pursuant to the Yanggu Guohuan Equity Transfer Agreement, the consideration shall be paid by the Purchaser in the following manner:

- (i) 90% of the consideration (i.e. RMB85,780,900) and the debts payable to Chongqing Kangda and its related parties as of 30 June 2018 as set out in the financial statements shall be paid within five (5) business days after the fulfilment of the following conditions precedent:
 - (a) the execution of the Yanggu Guohuan Equity Transfer Agreement;
 - (b) Chongqing Kangda has obtained internal approval for and the other shareholder of Yanggu Guohuan has agreed or has not interfered the equity transfer contemplated under the Yanggu Guohuan Equity Transfer Agreement; and

- (c) the Purchaser has completed the procedures of approval or authorization required by PRC laws, regulations and its articles of association.
- (ii) 5% of the consideration, i.e. RMB4,765,600, shall be paid within five (5) business days after the fulfilment of the following conditions precedent:
 - (a) the professional parties designated by the Purchaser have issued due diligence report and audit report for the transaction contemplated under the Yanggu Guohuan Equity Transfer Agreement;
 - (b) the local governmental authority has approved the equity transfer contemplated under the Yanggu Guohuan Equity Transfer Agreement;
 - (c) Chongqing Kangda and the Purchaser have completed the filings regarding the ownership transfer, including the change of commercial and industrial registration and the change of the legal representative and senior management of Yanggu Guohuan;
 - (d) Chongqing Kangda and the Purchaser have completed the financial handover, including handover of all the accounts, financial statements, vouchers, invoices, online bank key and seals of Yanggu Guohuan; and
 - (e) Chongqing Kangda and the Purchaser have completed the assets handover and signed the assets handover confirmation letter.
- (iii) 5% of the consideration, i.e. RMB4,765,600, shall be paid upon fulfilment of the following conditions precedent:
 - (a) Yanggu Guohuan has been in steady operation and received wastewater treatment fee for one (1) month in full according to the water price after the class “V” upgrade is confirmed by the government;
 - (b) Yanggu Guohuan’s facilities are in normal operation within three (3) months after the equity transfer; and
 - (c) the undisclosed or omitted penalty of Yanggu Guohuan or default event (if any) before change of ownership has been deducted.

Transitional Arrangement

During the Transitional Period, Chongqing Kangda shall manage Yanggu Guohuan and its assets prudently and shall immediately notify the Purchaser of any major adverse effect of Yanggu Guohuan. In addition, Chongqing Kangda and Yanggu Guohuan shall not enter into, change, amend or terminate any contracts or transactions in relation Yanggu Guohuan, shall not create any liability or obligation on Yanggu Guohuan other than those created in the ordinary course of business, shall not transfer or waive any rights or otherwise dispose of the assets of Yanggu Guohuan. The profits and losses of Yanggu Guohuan during the Transitional Period shall be borne by the Purchaser.

Liaocheng Guohuan Equity Transfer Agreement

The principal terms of the Liaocheng Guohuan Equity Transfer Agreement are summarized below:

Date: 25 July 2018

Parties:

- (1) The Vendor: Chongqing Kangda Environmental Protection Industry (Group) Co., Ltd.* (重慶康達環保產業(集團)有限公司); and
- (2) The Purchaser: Jingfeng Environmental Protection Co., Ltd.* (金風環保有限公司).

Subject Matter

Pursuant to the Liaocheng Guohuan Equity Transfer Agreement, Chongqing Kangda has agreed to sell and the Purchaser has agreed to purchase 99% equity interest in Liaocheng Guohuan which is directly held by Chongqing Kangda as of the date of this announcement. Upon completion of the Disposals, Liaocheng Guohuan will cease to be a subsidiary of the Company.

Consideration and Payment

The consideration under the Liaocheng Guohuan Equity Transfer Agreement is RMB75,540,600, which as determined after arm's length negotiation between Chongqing Kangda and the Purchaser with reference to actual investment cost of the Group. The Purchaser shall be responsible for the outstanding debts of Liaocheng Guohuan as of 30 June 2018 as set out in its audit report which shall be not more than approximately RMB23,696,400. Chongqing Kangda shall be entitled to all account receivable, other receivables and balance of cash as of 30 June 2018 as set out in the audit report of Liaocheng Guohuan.

Pursuant to the Liaocheng Guohuan Equity Transfer Agreement, the consideration shall be paid by the Purchaser in the following manner:

- (i) 90% of the consideration (i.e. RMB67,986,600) and the debts payable to Chongqing Kangda and its related parties as of 30 June 2018 as set out in the financial statements shall be paid within five (5) business days after the fulfilment of the following conditions precedent:
 - (a) the execution of the Liaocheng Guohuan Equity Transfer Agreement;
 - (b) Chongqing Kangda has obtained internal approval for and the other shareholder of Liaocheng Guohuan has agreed or has not interfered the equity transfer contemplated under the Liaocheng Guohuan Equity Transfer Agreement; and
 - (c) the Purchaser has completed the procedures of approval or authorization required by PRC laws, regulations and its articles of association.

- (ii) 5% of the consideration, i.e. RMB377,700, shall be paid within five (5) business days after the fulfilment of the following conditions precedent:
- (a) the professional parties designated by the Purchaser have issued due diligence report and audit report for the transaction contemplated under the Liaocheng Guohuan Equity Transfer Agreement;
 - (b) the local governmental authority has approved the equity transfer contemplated under the Liaocheng Guohuan Equity Transfer Agreement;
 - (c) Chongqing Kangda and the Purchaser have completed the filings regarding the ownership transfer, including the change of commercial and industrial registration and the change of the legal representative and senior management of Liaocheng Guohuan;
 - (d) Chongqing Kangda and the Purchaser have completed the financial handover, including handover of all the accounts, financial statements, vouchers, invoices, online bank key and seals of Liaocheng Guohuan; and
 - (e) Chongqing Kangda and the Purchaser have completed the assets handover and signed the assets handover confirmation letter.
- (iii) 5% of the consideration, i.e. RMB377,700, shall be paid upon fulfilment of the following conditions precedent:
- (a) Liaocheng Guohuan has been in steady operation and received wastewater treatment fee for one (1) month in full according to the water price after the class “V” upgrade is confirmed by the government;
 - (b) Liaocheng Guohuan’s facilities are in normal operation within three (3) months after the equity transfer; and
 - (c) the undisclosed or omitted penalty of Liaocheng Guohuan or default event (if any) before change of ownership has been deducted.

Transitional Arrangement

During the Transitional Period, Chongqing Kangda shall manage Liaocheng Guohuan and its assets prudently and shall immediately notify the Purchaser of any major adverse effect of Liaocheng Guohuan. In addition, Chongqing Kangda and Liaocheng Guohuan shall not enter into, change, amend or terminate any contracts or transactions in relation Liaocheng Guohuan, shall not create any liability or obligation on Liaocheng Guohuan other than those created in the ordinary course of business, shall not transfer or waive any rights or otherwise dispose of the assets of Liaocheng Guohuan. The profits and losses of Liaocheng Guohuan during the Transitional Period shall be borne by the Purchaser.

INFORMATION OF THE TARGET COMPANIES

The Target Companies mainly engage in investment, construction and operation of wastewater treatment projects in the PRC. Details of the sewage treatment plants owned by each of the Target Companies are set out as follows:

Name of the Target Companies	Location	Name of the Wastewater Treatment Plants	Project Model	Daily Design Treatment Capacity (tonnes)	Remaining Concession Period (years)
Ningguo Chengjian	Ningguo City, Anhui Province	Ningguo City Sewage Treatment Plant* (寧國市污水處理廠)	BOT	40,000	22
Anhui Chengjian	Chaohu City, Anhui Province	Chaohu Economic Development Zone Huashan Sewage Treatment Plant* (巢湖經濟開發區花山污水處理廠)	BOT	10,000	22
Yanggu Guohuan	Yanggu County, Liaocheng City, Shandong Province	Yanggu County Sewage Treatment Plant* (陽谷縣污水處理廠)	Phase I: TOT; Phase II: BOT	Phase I: 40,000; Phase II: 40,000	Phase I: 24; Phase II: 29
Liaocheng Guohuan	Liaocheng City, Shandong Province	Liaocheng Municipal Southern Sewage Treatment Plant* (聊城市城南污水處理廠)	BOT	30,000	24

According to the management accounts of the Target Companies, the total assets and total net assets of the Target Companies as of 30 June 2018 are set out as follows:

	Total assets (RMB'000)	Total net assets (RMB'000)
Ningguo Chengjian	47,424	42,969
Anhui Chengjian	16,948	(3,478)
Yanggu Guohuan	228,848	103,478
Liaocheng Guohuan	<u>89,053</u>	<u>76,645</u>
Total	<u>382,273</u>	<u>219,614</u>

According to the audit reports of the Target Companies, the net profits before and after taxation of the Target Companies for the two years ended 31 December 2016 and 2017 are set out as follows:

	For the year ended 31 December		2017	
	2016	2016	2017	2017
	Net profits before tax (RMB'000)	Net profits after tax (RMB'000)	Net profits before tax (RMB'000)	Net profits after tax (RMB'000)
Ningguo Chengjian	4,653	3,651	4,311	3,352
Anhui Chengjian	(145)	(170)	831	774
Yanggu Guohuan	4,723	3,462	7,791	6,406
Liaocheng Guohuan	<u>767</u>	<u>551</u>	<u>7,984</u>	<u>6,986</u>
Total	<u>9,998</u>	<u>7,494</u>	<u>20,917</u>	<u>17,518</u>

INFORMATION ON THE GROUP AND THE PARTIES TO THE EQUITY TRANSFER AGREEMENTS

The Vendors

Beijing Changsheng is a limited liability company established in the PRC on 10 June 2008, an indirectly wholly-owned subsidiary of the Company and mainly engages in technology development, technology transfer and technology services of environmental protection products.

Chongqing Kangda is a limited liability company established in the PRC on 19 July 1996, an indirectly wholly-owned subsidiary of the Company and mainly engages in investment and operation of wastewater treatment facilities in the PRC.

The Purchaser

The Purchaser is a limited liability company established in the PRC on 11 August 2015, and mainly engages in the treatment services of water pollution, air pollution, solid waste and geological disaster.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owners is a third party independent of the Company and its connected persons.

The Group

The Group is mainly engaged in investing in and operating wastewater treatment facilities in the PRC.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENTS

The Directors undertake strategic reviews of the Group's assets from time to time with a view to maximising returns to the shareholders of the Company. The Directors consider that the Disposals would optimize the Group's asset portfolio, help the Company obtain enough cash to pay off the debts and reduce the debt ratio. The Directors are of the view that the Disposals, if completed, will make a positive contribution to the cash flow and financial position of the Group.

Accordingly, the Directors (including the independent non-executive Directors) consider that the terms of the Equity Transfer Agreements are fair and reasonable, on normal commercial terms and in the interest of the Company and the shareholders of the Company as a whole.

FINANCIAL EFFECTS OF THE DISPOSALS AND USE OF PROCEEDS

Upon the completion of the Disposals, it is expected that the Group will recognize an investment gain (before taxation) of approximately RMB4,460,000 (approximately HK\$5,156,000) from the Disposals, which is calculated based on the total consideration and all account receivable, other receivables and balance of cash of the respective Target Companies that is entitled by the Group less the net assets of the Target Companies as at 30 June 2018.

Shareholders and potential investors of the Company should note that the above figures are for illustrative purpose only. The actual investment gain from the Disposals is subject to the completion of the audit on the consolidated financial statement of the Group.

The proceeds from the Disposals will be used by the Group primarily to pay off the Group's outstanding debts.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, the transactions under the Equity Transfer Agreements are required to be aggregated since the Purchaser is the same. As the highest of the applicable percentage ratios, calculated with reference to Rule 14.07 of the Listing Rules in respect of the Disposals, is greater than 5% but less than 25%, on an aggregated basis, the transactions contemplated under the Equity Transfer Agreements constitute disclosable transactions for the Company and are subject to reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

“Anhui Chengjian”	Anhui Province Chengjian Huashan Sewage Treatment Co., Ltd.* (安徽省城建花山污水處理有限公司), a limited liability company incorporated on 22 October 2008 in the PRC and a subsidiary of the Company as of the date of this announcement
“Anhui Chengjian Equity Transfer Agreement”	the equity transfer agreement entered into between the Vendor and the Purchaser in relation to the equity transfer of Anhui Chengjian on 25 July 2018
“Beijing Changsheng”	Beijing Changsheng Siyuan Environmental Protection Technology Co., Ltd.* (北京長盛思源環保科技有限公司), a limited liability company established in the PRC on 10 June 2008, an indirectly wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Company”	Kangda International Environmental Company Limited (康達國際環保有限公司), a company incorporated in Cayman Islands with limited liability whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited
“Chongqing Kangda”	Chongqing Kangda Environmental Protection Industry (Group) Co., Ltd.* (重慶康達環保產業(集團)有限公司), a limited liability company established in the PRC on 19 July 1996, an indirectly wholly-owned subsidiary of the Company
“Disposals”	the disposals of the equity interests in Target Companies by the Vendor in accordance with the terms and conditions of the Equity Transfer Agreements
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreements”	Ningguo Chengjian Equity Transfer Agreement, Anhui Chengjian Equity Transfer Agreement, Yanggu Guohuan Equity Transfer Agreement and Liaocheng Guohuan Equity Transfer Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency for the time being of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Liaocheng Guohuan”	Liaocheng Municipal Guohuan Sewage Treatment Co., Ltd.* (聊城市國環污水處理有限公司), a limited liability company incorporated on 19 April 2012 in the PRC and a subsidiary of the Company as of the date of this announcement
“Liaocheng Guohuan Equity Transfer Agreement”	the equity transfer agreement entered into between the Vendor and the Purchaser in relation to the equity transfer of Liaocheng Guohuan on 25 July 2018
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Ningguo Chengjian”	Ningguo Chengjian Sewage Treatment Co., Ltd.* (寧國市城建污水處理有限公司), a limited liability company incorporated on 30 May 2008 in the PRC and a subsidiary of the Company as of the date of this announcement
“Ningguo Chengjian Equity Transfer Agreement”	the equity transfer agreement entered into between the Vendor and the Purchaser in relation to the equity transfer of Ningguo Chengjian on 25 July 2018
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Purchaser”	Jingfeng Environmental Protection Co., Ltd.* (金風環保有限公司), a limited liability company established in the PRC on 11 August 2015 and an independent third party to the Company
“RMB”	Renminbi, the lawful currency of China
“Target Companies”	Ningguo Chengjian, Anhui Chengjian, Yanggu Guohuan and Liaocheng Guohuan
“Transitional Period”	the transitional period commencing from 30 June 2018 and ending on the ownership transfer completion date of the equity interest in the respective Target Companies
“Vendors”	Beijing Changsheng and Chongqing Kangda
“Yanggu Guohuan”	Yanggu County Guohuan Sewage Treatment Co., Ltd.* (陽谷縣國環污水處理有限公司), a limited liability company incorporated on 17 July 2012 in the PRC and a subsidiary of the Company as of the date of this announcement

“Yanggu Guohuan Equity
Transfer Agreement”

the equity transfer agreement entered into between the
Vendor and the Purchaser in relation to the equity transfer
of Yanggu Guohuan on 25 July 2018

“%”

percentage

By order of the Board

Kangda International Environmental Company Limited
ZHAO Juanxian (alias, ZHAO Junxian)
Chairman

Hong Kong, 25 July 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.

* *For identification purposes only*