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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

SUCCESSFUL COMPETITIVE NEGOTIATION AND ENTERING INTO PUBLIC NOTICE PERIOD OF THE JIAOLING ENTIRE COUNTY DOMESTIC WASTEWATER TREATMENT FACILITIES BUNDLE PPP PROJECT

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.

The board of directors (the “**Board**”) of the Company is pleased to announce that on 19 May 2017, a public notice was published on the official website of Procurement Website of Guangdong Provincial Government* (廣東省政府採購網) (the “**Notice**”). According to the Notice, Chongqing Kangda Environmental Protection Industry (Group) Co., Ltd.* (重慶康達環保產業(集團)有限公司) (“**Kangda Group**”), an indirectly wholly-owned subsidiary of the Company, jointly with the other independent third party investor, has successfully passed the competitive negotiation process in relation to the entire county domestic wastewater treatment facilities bundle PPP project in Jiaoling County, Meizhou City, Guangdong Province, the People’s Republic of China. It is estimated that such PPP project (composed of 6 sub-projects), with a project model of design-build-finance-operate-transfer, will have an operation period of 22 years commencing from the date when the PPP project contract becomes effective (construction to be completed by the end of December 2018), subject to any definitive project contract to be entered into. For further details of such PPP project, please refer to the official website of Procurement Website of Guangdong Provincial Government* (廣東省政府採購網): <http://www.gdgpo.gov.cn/show/id/40288ba95c1bbadc015c1e3779b60936.html?from=singlemessage&isappinstalled=0>.

Subject to a five-day public notice period commencing from the date of the Notice, Kangda Group, the independent third party investor and the relevant government authorities, or their designated entity, will enter into a definitive project contract.

* For identification purposes only

The Board wishes to state that no forecast or prediction of the profits of the Group has been made with respect to the above mentioned project. As the Company has not entered into the definitive project contract with relevant parties, the shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Kangda International Environmental Company Limited
ZHAO Juanxian (alias, ZHAO Junxian)
Chairman

Hong Kong, 19 May 2017

As at the date of this announcement, the Board comprises 8 directors, namely Mr. ZHAO Juanxian (alias, ZHAO Junxian), Mr. ZHANG Weizhong, Ms. LIU Zhiwei, Mr. GU Weiping and Mr. WANG Litong as executive directors; and Mr. TSUI Yiu Wa Alec, Mr. PENG Yongzhen and Mr. CHANG Qing as independent non-executive directors.