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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
TERMINATION OF ACQUISITION OF SHARES BY CONTROLLING
SHAREHOLDER**

This announcement is published pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

Reference is made to the announcement of Kangda International Environmental Company Limited (the “**Company**”) dated 17 July 2015 in relation to the proposed acquisition by Kangda Holdings, a controlling shareholder (as defined under the Listing Rules) of the Company, from Baring V, a substantial shareholder (as defined under the Listing Rules) of the Company, of the Sale Shares pursuant to the terms and conditions of the Sale and Purchase Agreement (the “**Announcement**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcement.

The Board has been notified by Kangda Holdings that the First Completion, with respect to the sale and purchase of 20,000,000 Shares, took place on 8 September 2015, but that the Second Completion has not taken place as at the date of this announcement.

The Board has been further notified by Kangda Holdings that, given the volatile market conditions and other recent developments in the Hong Kong capital market, on 28 December 2015 (after trading hours), it entered into a termination and release agreement (the “**Termination Agreement**”) with Baring V to terminate the Sale and Purchase Agreement. Pursuant to the Termination Agreement, all unperformed

obligations and duties under the Sale and Purchase Agreement shall be forthwith terminated and none of Kangda Holdings and Baring V shall have any claims against each other as a result of such termination. Following the execution of the Termination Agreement, Kangda Holdings and Baring V are no longer obliged to complete the Second Completion, and the non-disposal undertaking of Baring V as disclosed in the Announcement is concurrently terminated.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By order of the Board
**KANGDA INTERNATIONAL
ENVIRONMENTAL COMPANY LIMITED**
ZHAO Juanxian (alias, ZHAO Junxian)
Chairman

Hong Kong, 29 December 2015

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 and Mr. WANG Litong as executive Directors; Mr. ZHUANG Ping as a non-executive Director; and Mr. TSUI Yiu Wa Alec, Mr. YUAN Shaoli and Mr. PENG Yongzhen as independent non-executive Directors.