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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 ECOLOGICAL ENVIRONMENTAL PROTECTION AND COMPREHENSIVE TREATMENT (PHASE I) PPP PROJECT IN FU RIVER BASIN

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 28 November 2016, a public notice was published on the official website of Procurement Website of Jiangxi Provincial Government* (江西省政府採購網) (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**”), a wholly-owned subsidiary of the Company, jointly with other four independent third party investors, has successfully passed the competitive negotiation process in relation to the ecological environment protection and comprehensive treatment (Phase I) PPP project in Fu River basin in Fuzhou City, Jiangxi Province, the PRC. It is estimated that such PPP project (composed of 33 sub-projects), with a total government investment budget of approximately RMB4.8 billion, has a general cooperation period of 20 years (including 2 years of construction period and 18 years of operation period). For further details of the scope of such PPP project, please refer to the official website of Procurement Website of Jiangxi Provincial Government* (江西省政府採購網): <http://ggzy.jiangxi.gov.cn/jxzbw/InfoDetail/?InfoID=79c4e4b5-c39f-4b35-aded-6c792e137178&CategoryNum=017002001>.

Subject to a five-day public notice period commencing from the date of the Notice and the letter of acceptance to be issued to Kangda Group, Kangda Group, other independent third party investors and the relevant government authority or its designated entity will enter into a definitive project contract, which will stipulate, among other things, the investment proportion, rights and obligations of each contractual parties.

The Board wishes to state that Kangda Group has not received the letter of acceptance, the transaction may or may not proceed accordingly. Shareholders and potential investors are advised to exercise caution in 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, 29 November 2016

As at the date of this announcement, the Board comprises nine 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. PENG Yongzhen and Mr. CHANG Qing as independent non-executive directors.

** for identification purposes only*