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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 AWARD OF PROJECT CONTRACT

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 7 September 2016, 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, has been informed by Hebi City Shancheng District Water Conservancy Bureau* (鶴壁市山城區水利局) that Kangda Group has successfully passed the competitive negotiation process and has been awarded the project contract in relation to the water environment treatment project in Tang River basin in Shancheng District, Hebi City, Henan Province, the PRC. It is estimated that such project, with a total government procurement budget of RMB2.1 billion, has a construction period of approximately six years (comprising three stages with two-year construction period for each stage). Subject to the definitive project contract to be entered into between Kangda Group and/or its subsidiary and the relevant government authority or its designated entity, if Kangda Group is to be responsible for the operation and maintenance of such project, Kangda Group is expected to be entitled to obtain a operation and maintenance fee of approximately RMB 12.6 million per year. Further details of the definitive project contract will be announced by the Company in due course and in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board wishes to state that no forecast or prediction of the profits of the Group has been made with respect to the award of such project contract. 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, 7 September 2016

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

** for identification purposes only.*