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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
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**”).

Sale and Purchase Agreement

The board of directors (the “**Board**”) of Kangda International Environmental Company Limited (the “**Company**”) has been notified by Kangda Holdings Company Limited (“**Kangda Holdings**”), a controlling shareholder (as defined under the Listing Rules) of the Company, that on 17 July 2015 (after trading hours), it entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) with Baring Private Equity Asia V Holding (5) Limited (“**Baring V**”), a substantial shareholder (as defined under the Listing Rules) of the Company, pursuant to which Kangda Holdings has agreed to purchase, and Baring V has agreed to sell, an aggregate of 60,000,000 shares (the “**Sale Shares**”) of HK\$0.01 each of the Company (the “**Shares**”) at the aggregate consideration of HK\$231,000,000 (equivalent to HK\$3.85 per Sale Share) (the “**Proposed Acquisition**”). Pursuant to the Sale and Purchase Agreement, and subject to certain exceptions, Baring V has undertaken not to dispose of any other Shares held by it on the open market of the Stock Exchange of Hong Kong Limited after the completion of the Proposed Acquisition for a period of 12 months following the First Completion (defined below).

Completion

Completion of the Proposed Acquisition is expected to take place in two stages, with the sale and purchase of 20,000,000 Shares expected to take place on or around 30 July 2015 (the “**First Completion**”), and the sale and purchase of the remaining 40,000,000 Shares expected to take place on or around 17 September 2015 (the “**Second Completion**”).

Sale Shares

The Sale Shares represent approximately 2.90% of the entire issued share capital of the Company as at the date of this announcement.

The respective shareholdings of Kangda Holdings, Baring V and other shareholders in the Company (i) as at the date of this announcement and immediately prior to the First Completion; (ii) immediately upon the First Completion (and assuming there are no changes to the issued share capital of the Company); and (iii) immediately upon the Second Completion (and assuming there are no changes to the issued share capital of the Company) are as follows:

Shareholders	Number of Shares held as at the date of this announcement and immediately prior to the First Completion	% of total issued Shares	Number of Shares held upon First Completion	% of total issued Shares	Number of Shares held upon Second Completion	% of total issued Shares
Kangda Holdings ⁽¹⁾	1,094,922,004	52.96%	1,114,922,004	53.93%	1,154,922,004	55.86%
Baring V	364,129,996	17.61%	344,129,996	16.64%	304,129,996	14.71%
Other shareholders	608,463,000	29.43%	608,463,000	29.43%	608,463,000	29.43%
Total	2,067,515,000	100%	2,067,515,000	100%	2,067,515,000	100%

Notes:

- (1) Kangda Holdings is wholly-owned and controlled by Mr. Zhao Sizhen and he is therefore deemed to be interested in the Shares held by Kangda Holdings by virtue of the SFO. Mr. Zhao Juanxian (alias, Zhao Junxian), an executive director of the Company and chairman of the Board is deemed to be interested in Mr. Zhao Sizhen’s interests in the Company under the SFO by virtue of his acting in concert with Mr. Zhao Sizhen.

Shareholders of the Company and potential investors 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, 17 July 2015

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 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.