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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Kangda International Environmental Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

**PROPOSALS FOR**

**GENERAL MANDATES TO ISSUE NEW SHARES  
AND REPURCHASE SHARES OF THE COMPANY**

**AND**

**RE-ELECTION OF THE RETIRING DIRECTORS OF THE COMPANY**

**AND**

**NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of Kangda International Environmental Company Limited to be held at the meeting room of the Company on 6th Floor, Office Building of the Company at No. 72, Avenue of Stars, Innovative & High-Tech Park, North New Zone, Chongqing, the PRC at 10:00 a.m. on Thursday, 4 June 2015 is set out on pages 13 to 17 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)).

Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting at the meeting or any adjournment thereof if they so wish.

30 April 2015

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Annual General Meeting”	the annual general meeting of the Company to be held at the meeting room of the Company on 6th Floor, Office Building of the Company at No. 72, Avenue of Stars, Innovative & High-Tech Park, North New Zone, Chongqing, the PRC at 10:00 a.m. on Thursday, 4 June 2015 or any adjournment thereof, the notice of which is set out on pages 13 to 17 of this circular
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Cayman Company Law”	the Company Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Company”	Kangda International Environmental Company Limited (康達國際環保有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to the effect that the total number of Shares which may be allotted and issued under the General Mandate may be increased by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate
“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to exercise the power of the Company to allot, issue and deal with new Shares not exceeding 20 per cent of the number of issued Shares as at the date of the passing of the relevant resolution granting the General Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	24 April 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

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## DEFINITIONS

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“Listing Date”	4 July 2014, the date on which dealings in the Shares commenced on the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10 per cent of the number of issued Shares as at the date of passing of the relevant resolution granting the Repurchase Mandate
“RMB”	Renminbi, the lawful currency of the PRC
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong
“%”	per cent

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. ZHAO Juanxian (alias, ZHAO Junxian), *Chairman*  
Mr. ZHANG Weizhong, *Chief Executive Officer*  
Ms. LIU Zhiwei  
Mr. GU Weiping  
Mr. WANG Litong

*Registered Office:*

Cricket Square  
Hutchins Drive  
P. O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Non-executive Director:*

Mr. ZHUANG Ping

*Principal Place of Business in  
Hong Kong:*

Room 3205  
32/F, Alexandra House  
18 Chater Road  
Central, Hong Kong

*Independent Non-executive Directors:*

Mr. TSUI Yiu Wa Alec  
Mr. YUAN Shaoli  
Mr. PENG Yongzhen

30 April 2015

*To the Shareholders,*

Dear Sir or Madam,

**PROPOSALS FOR**  
**GENERAL MANDATES TO ISSUE NEW SHARES**  
**AND REPURCHASE SHARES OF THE COMPANY**  
**AND**  
**RE-ELECTION OF THE RETIRING DIRECTORS OF THE COMPANY**  
**AND**  
**NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide the Shareholders with the notice of Annual General Meeting and the following proposals to be put forward at the Annual General Meeting: (i) the grant to the Directors of the General Mandate, the Repurchase Mandate and the Extension Mandate, and (ii) the re-election of the retiring Directors.

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## LETTER FROM THE BOARD

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### GENERAL MANDATE

In order to ensure greater flexibility and give discretion to the Directors in the event that it becomes desirable for the Company to issue new Shares, approval is to be sought from the Shareholders, pursuant to the Listing Rules, for the General Mandate to issue new Shares. An ordinary resolution no. 4(A) will be proposed at the Annual General Meeting to grant to the Directors the General Mandate to exercise the powers of the Company to allot, issue and deal with new Shares up to 20 per cent of the number of issued Shares as at the date of the passing of the resolution in relation to the General Mandate. As at the Latest Practicable Date, the issued share capital of the Company comprised of 2,067,515,000 Shares. Subject to the passing of the above ordinary resolution and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company will be allowed to issue a maximum of 413,503,000 new Shares.

In addition, subject to a separate approval of the ordinary resolution no. 4(C), the number of Shares purchased by the Company under ordinary resolution no. 4(B), if approved by the Shareholders at the Annual General Meeting, will also be added to extend the 20 per cent limit of the General Mandate as mentioned in the ordinary resolution no. 4(A) provided that such additional amount shall not exceed 10 per cent of the number of issued Shares as at the date of the passing of the General Mandate, the Repurchase Mandate and the Extension Mandate.

### REPURCHASE MANDATE

In addition, an ordinary resolution no. 4(B) will be proposed at the Annual General Meeting to approve the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10 per cent of the number of issued Shares as at the date of the passing of the resolution in relation to the Repurchase Mandate.

An explanatory statement required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

### RE-ELECTION OF RETIRING DIRECTORS

In accordance with the Articles of Association, Mr. ZHAO Juanxian, Ms. LIU Zhiwei and Mr. TSUI Yiu Wa Alec will retire by rotation at the Annual General Meeting and, being eligible, have offered themselves for re-election as Directors at the Annual General Meeting.

Details of the above named Directors who are subject to re-election at the Annual General Meeting are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.

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## LETTER FROM THE BOARD

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### CLOSURE OF REGISTER OF MEMBERS

The transfer books and register of members of the Company will be closed from Tuesday, 2 June 2015 to Thursday, 4 June 2015, both days inclusive, during which period no transfer of Shares can be registered. In order to be qualified for attending and voting at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shop 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 1 June 2015.

### NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 13 to 17 of this circular is the notice of Annual General Meeting at which, inter alia, ordinary resolutions will be proposed to the Shareholders to consider and approve i) the grant to the Directors of the General Mandate, the Repurchase Mandate and the Extension Mandate; and ii) the re-election of the retiring Directors.

### FORM OF PROXY

A form of proxy for use at the Annual General Meeting is enclosed. Such form of proxy is also published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Whether or not you intend to be present at the Annual General Meeting, you are requested to complete the form of proxy and return it to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the holding of the Annual General Meeting or any adjournment thereof.

Completion and delivery of the form of proxy will not preclude Shareholders from attending and voting at the Annual General Meeting or any adjournment thereof if they so wish.

### VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules and Article 66 of the Articles of Association, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of the Annual General Meeting will be taken by way of poll.

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors consider that the proposed resolutions to be proposed at the Annual General Meeting are in the interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

### GENERAL INFORMATION

In the event of any inconsistencies as between the English version and the Chinese translation of this circular, the English version shall prevail.

Yours faithfully

By order of the Board

**Kangda International Environmental Company Limited**

**ZHAO Juanxian (alias, ZHAO Junxian)**

*Chairman*



*The following are the particulars of the retiring Directors (as required by the Listing Rules) proposed to be re-elected at the Annual General Meeting.*

As at the Latest Practicable Date, each of the following Directors, save as disclosed herein, did not have any interest in Shares or underlying Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed herein, none of the following Directors holds any position with the Company or any other member of the Group, nor has any directorships in other listed public companies in the last three years. In addition, save as disclosed herein, none of the following Directors has any relationship with any other directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed herein, there is no other matter in relation to the following Directors that needs to be brought to the attention of the Shareholders and there is no other information relating to the following Directors which is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

**(1) Mr. ZHAO Juanxian (alias, Zhao Junxian)**

**Mr. Zhao Juanxian (alias, Zhao Junxian) (趙雋賢)**, aged 62, is the founder of our Group. He is our executive Director, and the chairman of the Board of our Company, responsible for strategic development and planning, overall operational management, market development and major decision making. He was appointed as a Director on 22 August 2011. He has acted as a director and the chief executive officer of Chongqing Kangda Environmental Protection Industry (Group) Co., Ltd.\* (重慶康達環保產業(集團)有限公司 (“Chongqing Kangda”)) since the beginning of the establishment of Chongqing Kangda and ceased to be the chief executive officer of Chongqing Kangda from September 2012. He has also served as a director of Jilin Kangda Environmental Protection Co., Ltd.\* (吉林康達環保有限公司) and Hebi Kangda Water Co., Ltd.\* (鶴壁康達水務有限公司) since September 2011 and February 2012, respectively. He graduated from the political administration at elementary level\* (黨政幹部基礎科專業) from Sichuan University\* (四川大學) located in Chengdu City, Sichuan Province, and Sichuan Higher Vocational and Examination Committee\* (四川省高等中專教育自學考試指導委員會) in June 1988, and attended a one-month education programme of Sichuan foreign-related business from Shenzhen University\* (深圳大學) located in Shenzhen City, Guangdong Province, in July 1988. Mr. Zhao Juanxian has about 25 years of experience in the environmental protection and wastewater treatment industry and was awarded for several times for his valuable contribution to the development of environmental protection and his expertise in environmental protection technology by relevant environmental protection industry associations from 2004 to 2009. Mr. Zhao Juanxian was granted the title of Outstanding Environmental Technology Entrepreneurs by the Chinese Society for Environmental Sciences\* (中國環境科學學會) in September 2004. He received the China Environmental Protection Industry Development Award granted by the China Association of Environmental Protection Industry\* (中國環境保護產業協會) in January 2005. He was also granted the title of Outstanding Individual of Environmental Protection by the People’s Government of Chongqing Municipal\* (重慶市人民政府) in July 2006 and Outstanding Entrepreneur of China Environmental Protection Industry by China Association of Environmental Protection Industry\* (中國環境保護產業協會) in October 2009.

\* For identification purpose only

Mr. Zhao Juanxian served as the vice president of the 3rd and 4th Session of Chongqing Municipal Environmental Protection Industry Association\* (重慶市環境保護產業協會第三屆及第四屆理事會) in 2005 and 2012, respectively, and the vice president of the 3rd and 4th Session of China Association of Environmental Protection Industry\* (中國環境保護產業協會第三屆及第四屆理事會) in 2005 and 2009, respectively. In January 2015, he served as the vice chairman of the board of directors of China State-owned Industry Innovation Alliance and the vice chairman of the board of directors of Hong Kong-Mainland International Investment Society, respectively.

Mr. Zhao has served as the chairman of the board of directors and the general manager of Chongqing Kangte Environmental Protection Industry Holdings Co., Ltd.\* (重慶康特環保產業控股有限公司) since November 1994.

By virtue of Mr. Zhao Juanxian acting in concert with his son Mr. Zhao Sizhen, under the Securities and Futures Ordinance, Mr. Zhao Juanxian is deemed to be interested in Mr. Zhao Sizhen's interests in our Company. As far as the Directors are aware, as at the Latest Practicable Date, Mr. Zhao Sizhen was deemed to be interested in 1,095,822,004 Shares, representing approximately 53% of the issued share capital of the Company, of which 1,094,922,004 Shares, representing approximately 52.96% of the issued share capital of the Company, were held by Kangda Holdings Company Limited.

Mr. Zhao Juanxian has entered into a service contract with the Company for an initial fixed term of three years commencing from the Listing Date and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term.

For the year 2015, Mr. Zhao Juanxian is entitled to receive an annual salary of approximately RMB2,094,000 and he is also entitled to a discretionary bonus, provided that the aggregate amount of the bonuses payable to all our executive Directors in respect of any financial year of our Company may not exceed 5% of audited consolidated or combined net profit of (after taxation and minority interests and payment of such bonuses but excluding extraordinary and exceptional items) in respect financial year.

**(2) Ms. LIU Zhiwei**

**Ms. Liu Zhiwei** (劉志偉), aged 50, is our executive Director and was appointed as a Director on 15 May 2012. She joined our Group in 1996 and has served various positions, including chief accountant, chief officer of asset management department, deputy chief financial officer, audit director, executive director and vice president, and is currently responsible for the investor relationship and risk control matters of our Group. Ms. Liu has approximately 20 years of experience in the field of accounting. She obtained the qualification of senior accountant in the PRC granted by the People's Government of Chongqing Municipal\* (重慶市人民政府) in November 2000.

As far as the Directors are aware, as at the Latest Practicable Date, Ms. Liu held 5,500,000 share options granted by the Company, entitling her to subscribe for 5,500,000 Shares, representing approximately 0.27% of the issued share capital of the Company. Save as disclosed above, Ms. Liu was not interested or deemed to be interested in any shares or underlying shares of the Company pursuant to Part XV of the Securities and Futures Ordinance.

\* For identification purpose only

Ms. Zhao Liu Zhiwei has entered into a service contract with the Company for an initial fixed term of three years commencing from the Listing Date and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term.

For the year 2015, Ms. Liu Zhiwei is entitled to receive an annual salary of approximately RMB794,000 and she is also entitled to a discretionary bonus, provided that the aggregate amount of the bonuses payable to all our executive Directors in respect of any financial year of our Company may not exceed 5% of audited consolidated or combined net profit (after taxation and minority interests and payment of such bonuses but excluding extraordinary and exceptional items) in respect financial year.

**(3) Mr. TSUI Yiu Wa Alec**

**Mr. Tsui Yiu Wa Alec (徐耀華)**, aged 65, is an independent non-executive Director. He joined our Group on 30 October 2013 when he was appointed as an independent non-executive Director. Mr. Tsui graduated from the University of Tennessee located in Knoxville, Tennessee, the US, with a bachelor degree in science in industrial engineering in June 1975 and a master degree in engineering in June 1976 and completed the programme for senior managers in government at the John F. Kennedy School of Government at Harvard University located in Cambridge, Massachusetts, the US, in August 1993. Mr. Tsui has over 20 years of experience in finance and administration, corporate and strategic planning, information technology and human resources management.

Mr. Tsui Yiu Wa Alec served various positions, including the chief executive of the Stock Exchange from February 1997 to July 2000, the chief operating officer of Hong Kong Exchanges and Clearing Limited (香港交易及結算所有限公司) from March 2000 to July 2000 and the chairman of Hong Kong Securities Institute (香港證券專業學會) from December 2001 to December 2004. Mr. Tsui has been the chairman of the board of directors of WAG Worldsec Corporate Finance Limited (香港華高和昇財務顧問有限公司), a private company which provides professional consulting services and financial solutions to corporations, since February 2006, mainly responsible for overall strategic direction and operational management.

Mr. Tsui is an independent non-executive director of the Industrial and Commercial Bank of China (Asia) Limited. He is also an independent non-executive director of a number of listed companies in Hong Kong, namely, COSCO International Holdings Limited, China Power International Development Limited, Melco Crown Entertainment Limited, Pacific Online Limited, China Oilfield Services Limited and Summit Ascent Holdings Limited as well as independent non-executive director of certain companies listed overseas including ATA INC (listed on National Association of Securities Deal Automated Quotation (NASDAQ) in the US) and Melco Crown (Philippines) Resorts Corporation (listed in the Republic of Philippines).

Mr. Tsui Yiu Wa Alec has entered into a service contract with the Company for an initial fixed term of one year commencing from 1 November 2013 and will continue hereafter until terminated by not less than one month's notice in writing served by either party on the other, which notice shall not expire until after the fixed term. For the year 2015, Mr. Tsui Yiu Wa Alec is entitled to receive an annual salary of approximately RMB286,000.

*The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the Repurchase Mandate.*

## **SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,067,515,000 Shares of nominal value of HK\$0.01 each. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date up to the date of the Annual General Meeting, the Company will be allowed to repurchase a maximum of 206,751,500 Shares which represent 10 per cent of the number of issued Shares during the period ending on the earliest of i) the conclusion of the next annual general meeting of the Company; or ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Cayman Company Law or the Articles of Association; or iii) the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting prior to the next annual general meeting of the Company.

## **REASONS AND FUNDING OF REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

Repurchases of Shares will be financed out of funds legally available for the purpose and in accordance with the Articles of Association, the Cayman Company Law and the Listing Rules. The Cayman Company Law provides that the amount of capital repaid in connection with a share repurchase may be paid out of the profits of the Company or the proceeds of a fresh issue of Shares made for the purposes of the repurchase or out of capital subject to and in accordance with the Cayman Company Law. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Shares are repurchased in the manner provided for in the Cayman Company Law.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that if the Repurchase Mandate was to be exercised in full at the current prevailing market value, it may not have a material adverse impact on the working capital and/or the gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at 31 December 2014, being the date to which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**GENERAL**

To the best of their knowledge, having made all reasonable enquiries, none of the Directors or any of their close associates, as defined in the Listing Rules, currently intends to sell any Shares to the Company or its subsidiaries, in the event that the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and the Articles of Association.

No core connected person has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. The Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the proposed Repurchase Mandate.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Kangda Holdings Company Limited and Mr. Zhao Sizhen directly held 1,094,922,004 and 900,000 Shares, representing an aggregate of approximately 52.96 per cent and 0.04 per cent interests in the issued share capital of the Company, respectively. Kangda Holdings Company Limited is wholly-owned and controlled by Mr. Zhao Sizhen, son of Mr. Zhao Juanxian (alias, Zhao Junxian), the chairman of the Board and an executive Director. By virtue of Mr. Zhao Juanxian (alias, Zhao Junxian) acting in concert with Mr. Zhao Sizhen, under the Securities and Futures Ordinance, Mr. Zhao Juanxian (alias, Zhao Junxian) is deemed to be interested in Mr. Zhao Sizhen's interests in the Company. In the event that the Directors should exercise in full the Repurchase Mandate, the shareholding of Kangda Holdings Company Limited, Mr. Zhao Sizhen and Mr. Zhao Juanxian (alias, Zhao Junxian) in the Company will be increased to approximately 58.89 per cent of the issued share capital of the Company. To the best knowledge and belief of the Directors, such increase would not give rise to any obligation to make a mandatory offer under the Takeovers Code.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25 per cent (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

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**APPENDIX II                      EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE**

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**SHARE REPURCHASE MADE BY THE COMPANY**

No repurchase of Shares (whether on the Stock Exchange or otherwise) have been made by the Company in the six months preceding the Latest Practicable Date.

**SHARE PRICES**

The highest and lowest traded prices for Shares recorded on the Stock Exchange during the period from the Listing Date to the Latest Practicable Date were as follows:

<b>Month</b>	<b>Highest traded prices</b>	<b>Lowest traded prices</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2014</b>		
July (from the Listing Date)	3.37	2.47
August	3.30	2.59
September	4.23	3.21
October	4.09	3.51
November	4.06	3.47
December	3.62	3.10
<b>2015</b>		
January	3.75	3.30
February	3.46	3.10
March	3.60	3.11
April (up to the Latest Practicable Date)	5.11	3.41

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## NOTICE OF ANNUAL GENERAL MEETING

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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)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of Kangda International Environmental Company Limited (the “Company”) will be held at the meeting room of the Company on 6th Floor, Office Building of the Company at No. 72, Avenue of Stars, Innovative & High-Tech Park, North New Zone, Chongqing, the PRC at 10:00 a.m. on Thursday, 4 June 2015 for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company:

#### ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and independent auditors for the year ended 31 December 2014.
2. a. To re-elect the following retiring directors of the Company:
  - i. Mr. ZHAO Juanxian (alias, ZHAO Junxian) as an executive director.
  - ii. Ms. LIU Zhiwei as an executive director.
  - iii. Mr. TSUI Yiu Wa Alec as an independent non-executive director.
- b. To authorise the board of directors of the Company to fix the remuneration of the respective directors of the Company.
3. To re-appoint Ernst & Young as auditors of the Company and authorise the board of directors of the Company to fix its remuneration.

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## NOTICE OF ANNUAL GENERAL MEETING

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4. To consider and, if thought fit, to pass (with or without amendments) the following resolutions as ordinary resolutions of the Company:

(A) “**THAT:**

- (i) subject to paragraph (iii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with new shares in the capital of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period (as hereafter defined);
- (iii) the number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the directors of the Company during the Relevant Period (as hereinafter defined) pursuant to paragraph (i) above, otherwise than pursuant to (1) a Rights Issue (as hereinafter defined) or (2) the grant or exercise of any option under the option scheme of the Company or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the directors, officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (3) any scrip dividend or similar arrangements providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (4) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed the aggregate of 20 per cent of the number of issued shares of the Company as at the date of passing this resolution and the said approval shall be limited accordingly;
- (iv) for the purpose of this resolution:
  - (a) “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
    - (1) the conclusion of the next annual general meeting of the Company;



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- (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; or
  - (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
- (b) “Rights Issue” means an offer of shares in the capital of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the directors of the Company to holders of shares in the capital of the Company whose names appear on the register of members on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”
- (B) **“THAT:**
- (i) subject to paragraph (ii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited or on any other stock exchange on which the shares of the Company may be listed and recognised for this purpose by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited under the Code on Share Buy-backs and, subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), be and is hereby generally and unconditionally approved;
  - (ii) the number of shares of the Company, which may be repurchased pursuant to the approval in paragraph (i) above shall not exceed 10 per cent of the number of issued shares of the Company at the date of the passing of this resolution, and the said approval shall be limited accordingly;
  - (iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the directors of the Company and which are still in effect be and are hereby revoked; and

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(iv) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; or
- (c) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”

(C) “**THAT** conditional upon the resolutions numbered 4(A) and 4(B) set out in the notice convening this meeting being passed, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and otherwise deal with new shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to the ordinary resolution numbered 4(A) set out in the notice convening this meeting be and is hereby extended by the addition to the number of shares of the Company which may be allotted by the directors of the Company pursuant to such general mandate an amount representing the number of shares of the Company repurchased by the Company under the authority granted pursuant to the ordinary resolution numbered 4(B) set out in the notice convening this meeting, provided that such amount shall not exceed 10 per cent of the number of issued shares of the Company at the date of passing of the said resolutions.”

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

Hong Kong, 30 April 2015

*Registered Office:*

Cricket Square  
Hutchins Drive  
P. O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal Place of Business*

*in Hong Kong:*  
Room 3205  
32/F, Alexandra House  
18 Chater Road  
Central, Hong Kong

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*Notes:*

- (i) Resolution numbered 4(C) will be proposed to the shareholders of the Company for approval provided that ordinary resolutions numbered 4(A) and 4(B) are passed by the shareholders of the Company.
- (ii) A shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint one or more proxies (if he/she/it is a holder of two or more shares of the Company) to attend and vote instead of him/her/it. A proxy need not be a shareholder of the Company.
- (iii) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
- (iv) In order to be valid, a form of proxy must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
- (v) The transfer books and register of members of the Company will be closed from Tuesday, 2 June 2015 to Thursday, 4 June 2015, both days inclusive, to determine the entitlement of the shareholders to attend the above meeting, during which period no share transfers can be registered. All transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shop 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 1 June 2015.
- (vi) In respect of ordinary resolution numbered 2 above, Mr. ZHAO Juanxin, Ms. LIU Zhiwei, Mr. TSUI Yiu Wa Alec shall retire and, being eligible, offered themselves for re-election at the above meeting. Details of the above directors are set out in Appendix I to the Company's circular dated 30 April 2015.
- (vii) In respect of ordinary resolution numbered 4(B) above, the directors of the Company wish to state that they will exercise the powers conferred by the general mandate to repurchase shares of the Company in circumstances where they consider that the repurchase would be in the best interest of the Company. The Explanatory Statement containing the information necessary to enable shareholders of the Company to make an informed decision on whether to vote for or against the resolution to approve the general mandate to repurchase shares of the Company, as required by the Listing Rules, is set out in Appendix II to the Company's circular dated 30 April 2015.
- (viii) Any voting at the above meeting shall be taken by poll.

*As at the date of this notice, the board of directors of the Company 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. YUAN Shaoli and Mr. PENG Yongzhen as independent non-executive directors.*