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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)

**VOLUNTARY ANNOUNCEMENT IN RELATION TO
PROVISION OF GUARANTEE TO WHOLLY-OWNED SUBSIDIARIES
OF THE COMPANY**

This announcement is made by Kangda International Environmental Company Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) on a voluntary basis.

At the request of Chongqing Rural Commercial Bank Co., Ltd. (the “**Lender**”), the board of directors (the “**Directors**”) of the Company announces that in consideration of the provision of certain loan facilities by the Lender to Chongqing Kangda Environmental Protection Industry (Group) Co., Ltd.*, Harbin Kangda Environmental Protection Investment Co., Ltd.*, Huadian Kangda Environmental Protection Water Co., Ltd.*, Kangda (Dongying) Environmental Protection Water Co., Ltd.*, Liangshan Kangda Water Co., Ltd.*, Pingdingshan Kangda Environmental Protection Water Co., Ltd.*, Rushan Kangda Water Co., Ltd.*, Suihua Kangda Environmental Protection Water Co., Ltd.*, and Yucheng Dongjiao Chengjian Sewage Treatment Co., Ltd.* (all being wholly-owned subsidiaries of the Company and together, the “**Group Companies**”), the Company, Kangda Investment (Hong Kong) Company Limited, a wholly-owned subsidiary of the Company, and Kangyu Investment Co., Ltd., a wholly-owned subsidiary of the Company, had agreed to provide a joint and several corporate guarantee (the “**Corporate Guarantees**”), each in favour of the Lender, so as to guarantee the performance of the Group Companies’ obligations of up to RMB1,944,831,780. The underlying agreements had been entered into between the Lender and each of the Company, Kangda Investment (Hong Kong) Company Limited, and Kangyu Investment Co., Ltd. on 2 July 2019, 27 May 2019 and 22 November 2018, respectively.

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the Lender and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

The provision of the Corporate Guarantees is for the purpose of financing the projects and operations of the Group Companies. The Directors have resolved to provide the Corporate Guarantees and are of the opinion that the Corporate Guarantees are fair and reasonable and in the interests of the Company and its shareholders as a whole.

By order of the Board of the Directors
KANGDA INTERNATIONAL ENVIRONMENTAL COMPANY LIMITED
Li Zhong
Co-Chairman

Hong Kong, 21 May 2021

As at the date of this announcement, the board of directors of the Company comprises seven directors, namely Mr. ZHAO Juanxian (alias, ZHAO Junxian), Mr. LI Zhong, Ms. LIU Yujie and Mr. DUAN, Jerry Linnan as executive directors; Mr. CHAU Kam Wing, Mr. CHANG Qing and Mr. PENG Yongzhen as independent non-executive directors.

* *For identification purpose only*