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MR. DUAN CHUAN LIANG



中國水務集團有限公司*
China Water Affairs Group Limited

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 855)



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)

SHARP PROFIT INVESTMENTS LIMITED

JOINT ANNOUNCEMENT

DESPATCH OF COMPOSITE DOCUMENT RELATING TO MANDATORY UNCONDITIONAL CASH OFFER BY FIRST SHANGHAI SECURITIES LIMITED ON BEHALF OF THE JOINT OFFERORS TO ACQUIRE ALL THE ISSUED SHARES OF KANGDA INTERNATIONAL ENVIRONMENTAL COMPANY LIMITED AND TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF THE COMPANY

Offer Agent to the Joint Offerors



First Shanghai Securities Limited

Financial Adviser to the Joint Offerors



First Shanghai Capital Limited

Independent Financial Adviser to the Independent Board Committee

AMASSE CAPITAL
寶 積 資 本

Reference is made to (i) the joint announcement of Mr. Duan Chuan Liang and Sharp Profit Investments Limited (the “**Joint Offerors**”), China Water Affairs Group Limited (“**CWA**”) and Kangda International Environmental Company Limited (the “**Company**”) dated 21 July 2025 (the “**Joint Announcement**”) in relation to, among other things, the mandatory unconditional cash offer by First Shanghai Securities Limited on behalf of the Joint Offerors to acquire all the issued shares of the Company and the cancel all the outstanding share options of the Company; (ii) the joint announcement of the Joint Offerors, CWA and the Company dated 8 August 2025 in respect of the delay in despatch of the composite document; and (iii) the composite document jointly issued by the Joint Offerors, CWA and the Company dated 1 September 2025 in relation to, among other things, the Offers (the “**Composite Document**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Composite Document.

DESPATCH OF THE COMPOSITE DOCUMENT

The Composite Document containing, among other things, (i) the terms and details of the Offers; (ii) the recommendations from the Independent Board Committee with respect to the Offers; (iii) the advice of the Independent Financial Adviser to the Independent Board Committee, together with the Forms of Acceptance, were despatched to the Shareholders and Optionholders on 1 September 2025 in accordance with the Takeovers Code.

Copies of the Composite Document and the accompanying Forms of Acceptance are also available on the websites of the Stock Exchange and of the Company.

EXPECTED TIMETABLE

The expected timetable set out below is indicative only and may be subject to change. Further announcement(s) will be made by the Joint Offerors and the Company in the event of any changes to the timetable as and when appropriate. Unless otherwise specified, all time and date references contained in this announcement, the Composite Document and the accompanying Forms of Acceptance refer to Hong Kong time and dates.

| Event | Hong Kong time and dates |
|--|---|
| Despatch date of the Composite Document and the accompanying Forms of Acceptance and Offers open for acceptance (<i>Note 1</i>)..... | Monday, 1 September 2025 |
| Latest time and date for the Optionholders to exercise Share Options in order to accept the Share Offer (<i>Note 2</i>) | 4:00 p.m. on Wednesday, 17 September 2025 |
| Latest time and date for acceptance of the Offers on the Closing Date and closing of the Offers (<i>Note 3</i>) | 4:00 p.m. on Monday, 22 September 2025 |
| Closing Date (<i>Note 3</i>) | Monday, 22 September 2025 |

Event

Hong Kong time and dates

Announcement of the results of the Offers as at the
Closing Date on the websites of the
Stock Exchange and the Company (*Note 2*) no later than 7:00 p.m. on
Monday, 22 September 2025

Lapse of unexercised Share Options pursuant to the
Share Option Scheme (*Note 4*) Wednesday, 1 October 2025

Latest date for despatch of cheques for payment of the
amounts due under the Offers in respect of valid acceptances
received by Monday, 22 September 2025 (*Note 6*) Thursday, 2 October 2025

Notes:

- (1) The Offers, which are unconditional in all respects, are made on the date of posting of the Composite Document, and are capable of acceptance on and from Monday, 1 September 2025, being the date of posting of the Composite Document, until 4:00 p.m. on the Closing Date.
- (2) If you are an Offer Optionholder and you wish to exercise Share Options and accept the Share Offer, you should exercise the Share Options no later than Wednesday, 17 September 2025 and deliver the completed and signed WHITE Form of Share Offer Acceptance with relevant share certificate(s) to the Registrar no later than 4:00 p.m. on the Closing Date.
- (3) In order to comply with the Takeovers Code, the Offers will initially be open for acceptance for at least 21 days after the date of the Composite Document. The latest time and date for acceptance of the Offers will be 4:00 p.m. on Monday, 22 September 2025. The Joint Offerors and the Company will jointly issue an announcement through the websites of the Stock Exchange and the Company by no later than 7:00 p.m. on Monday, 22 September 2025 stating the results of the Offers as at the Closing Date.
- (4) **All Optionholders are reminded that pursuant to the terms of the Share Option Scheme, if any Share Option is not exercised on or before the expiry of the one-month period after the despatch of the Composite Document (i.e. Wednesday, 1 October 2025), the Share Options will automatically lapse.**
- (5) If you wish to accept the Offers you should ensure your relevant duly completed and signed Forms of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) arrive at the Registrar (for the Share Offer) or the company secretary of the Company (for the Option Offer) no later than the prescribed time. If you choose to deliver the documents by post, you should consider the timing requirements for postage. Beneficial owners of the Offer Shares who hold their Offer Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant and who wish to accept the Offers should note the timing requirements for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures and any deadline set by HKSCC Nominees Limited. All acceptances, instructions, authorisations and undertakings given by the Offer Shareholders in the **WHITE** Form of Share Offer Acceptance and by the Offer Optionholders in the **PINK** Form of Option Offer Acceptance shall be irrevocable except as permitted under the Takeovers Code.
- (6) Payment of the consideration (after deducting the seller's ad valorem stamp duty) will be posted by ordinary post to the Offer Shareholders and the Offer Optionholders who accept the Offers at their own risk. Payment will be made as soon as possible, but in any event no later than seven (7) Business Days after the date of receipt by the Registrar (for the Share Offer) or the company secretary of the Company

(for the Option Offer) of all the relevant documents to render each acceptance under the Offers complete and valid in accordance with the Takeovers Code, the Composite Document and the accompanying Forms of Acceptance.

- (7) If a tropical cyclone warning signal number 8 or above, or a black rainstorm warning (as issued by the Hong Kong Observatory), or “extreme conditions” as announced by the Government of Hong Kong is/are in force, in Hong Kong:
- a. at any time before 12:00 noon but no longer in force at or after 12:00 noon on the Closing Date and/or the latest date for despatch of cheques for the amounts due under the Offers in respect of valid acceptances (as the case may be), the latest time for acceptance of the Offers will remain at 4:00 p.m. on the same Business Day and/or the latest date for despatch of cheques will remain on the same Business Day; or
 - b. at or after 12:00 noon on the Closing Date and/or the latest date for despatch of cheques for the amounts due under the Offers in respect of valid acceptances (as the case may be), the latest time for acceptance of the Offers will be rescheduled to 4:00 p.m. on the following Business Day and the latest date for despatch of cheques will be rescheduled to the following Business Day which does not have either of those warnings in force at or after 12:00 noon (or another Business Day thereafter that does not have any severe weather condition at or after 12:00 noon).

WARNINGS

Shareholders and Optionholders are encouraged to read the Composite Document and the Forms of Acceptance carefully, including the recommendation of the Independent Board Committee to the Independent Shareholders and the letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offers before deciding whether or not to accept the Offers.

Shareholders and potential investors are advised to exercise extreme caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

Mr. DUAN CHUAN LIANG

By order of the board of
directors of
**CHINA WATER AFFAIRS
GROUP LIMITED**
Duan Chuan Liang
Chairman

Sole director of
**SHARP PROFIT
INVESTMENTS LIMITED**
Duan Chuan Liang

By order of the Board
**KANGDA
INTERNATIONAL
ENVIRONMENTAL
COMPANY LIMITED**
Li Zhong
Chairman

Hong Kong, 1 September 2025

Mr. Duan accepts full responsibility for the accuracy of information contained in this joint announcement (other than the information relating to the Group) and confirm, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date this joint announcement, the board of directors of CWA comprises four executive directors, being Mr. Duan Chuan Liang, Ms. Ding Bin, Mr. Li Zhong and Mr. Duan Jerry Linnan, four non-executive directors, being Mr. Li Hao, Mr. Bai Li, Ms. Wang Xiaoqin and Ms. Liu Yu Jie, and four independent non-executive directors, being Mr. Chau Kam Wing Donald, Mr. Siu Chi Ming, Ms. Ho Ping and Mr. Xiao Zhe.

The directors of CWA jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than the information relating to the Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors of the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the sole director of Sharp Profit is Mr. Duan.

The sole director of Sharp Profit accepts full responsibility for the accuracy of information contained in this joint announcement (other than the information relating to the Group), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors of the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading

As at the date of this joint announcement, the Board comprises eight Directors, namely Mr. LI Zhong, Ms. LIU Yujie, Mr. DUAN, Jerry Linnan and Mr. ZHOU Wei as executive Directors; Mr. ZHAO Juanxian (alias, ZHAO Junxian) as non-executive Director; and Mr. CHAU Kam Wing Donald, Mr. CHANG Qing and Mr. PENG Yongzhen as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than the information relating to Mr. Duan and the CWA Group), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by Mr. Duan or the directors of CWA) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

** for identification purposes only*