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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

- (1) CLOSE OF MANDATORY UNCONDITIONAL CASH OFFER
BY FIRST SHANGHAI SECURITIES LIMITED ON BEHALF OF
THE JOINT OFFERORS TO ACQUIRE THE ISSUED SHARES OF
KANGDA INTERNATIONAL ENVIRONMENTAL COMPANY LIMITED
AND TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF
THE COMPANY;
(2) RESULTS AND SETTLEMENT OF THE OFFERS;
AND
(3) PUBLIC FLOAT 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
實 積 資 本

Reference is made to (i) the joint announcement of Mr. Duan Chuan Liang (“**Mr. Duan**”) and Sharp Profit Investments Limited (“**Sharp Profit**”, and together with Mr. Duan, 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; (iii) the joint announcement of the Joint Offerors, CWA and the Company dated 1 September 2025 in respect of the despatch of the composite document; (iv) 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**”); and (v) the announcements published by the Company pursuant to Rule 3.8 of the Takeovers Code on 22 August 2025, 5 September 2025 and 12 September 2025. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Composite Document.

CLOSE OF THE OFFERS

The Joint Offerors, CWA and the Company jointly announce that the Offers were closed at 4:00 p.m. on Monday, 22 September 2025, and were not further revised or extended by the Joint Offerors.

RESULTS OF THE OFFERS

As at 4:00 p.m. on Monday, 22 September 2025, being the latest time and date for the acceptance of the Offers as set out in the Composite Document, the Joint Offerors had received (i) valid acceptances in respect of a total of 335,195,108 Offer Shares (the “**Acceptance Shares**”) under the Share Offer, representing approximately 14.53% of the total issue share capital of the Company as at the date of this joint announcement; and (ii) valid acceptances in respect of a total of 44,200,000 Share Options (the “**Acceptance Share Options**”) under the Option Offer, representing approximately 26.7% of the Share Options under the Option Offer.

Immediately before the EB Exchange Completion and the commencement of the Offer Period, (i) Mr. Duan did not hold, control or direct any Shares or rights of Shares save for his interest in the Exchangeable Bonds; and (ii) Sharp Profit (which is presumed to be acting in concert with Mr. Duan) held, controlled or directed 608,990,000 Shares, representing approximately 28.46% of the total issued share capital of the Company at the prevailing time.

Immediately after the EB Exchange Completion and as at the date of the Joint Announcement, Mr. Duan and Sharp Profit (which is presumed to be acting in concert with Mr. Duan) held, controlled or directed 1,155,718,004 Shares, representing approximately 54.01% of the total issued share capital of the Company as at the date of the Joint Announcement.

Immediately before the commencement of the period from 1 September 2025 in which the Offers are open for acceptance, Mr. Duan and Sharp Profit (which is presumed to be acting in concert with Mr. Duan) held, controlled or directed 1,155,718,004 Shares, representing approximately 52.87% of the total issued share capital of the Company as at the date of the Latest Practicable Date.

Immediately upon the close of the Offers and as at the date of this joint announcement, taking into account the valid acceptances in respect of the Acceptance Shares (taking into account the valid acceptances received and assuming that those Acceptance Shares have been transferred to the Joint Offerors), Mr. Duan and Sharp Profit (which is presumed to be acting in concert with Mr. Duan) held, controlled or directed in aggregate of 1,490,913,112 Shares, representing approximately 64.63% of the total issued share capital of the Company as at the date of this joint announcement.

Save as disclosed in this joint announcement, none of Mr. Duan or Sharp Profit (i) held, controlled or directed any Shares and rights over Shares immediately before the commencement of the Offer Period; (ii) had acquired or agreed to acquire any Shares or rights over Shares from the commencement of the Offer Period and up to and including the date of this joint announcement; or (iii) had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company from the commencement of the Offer Period and up to and including the date of this joint announcement.

SETTLEMENT OF THE OFFERS

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.

No fractions of a Hong Kong cent will be payable and the amount of cash consideration payable to an Offer Shareholder or an Offer Optionholder who accepts the Offers will be rounded up to the nearest Hong Kong cent.

SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company, (i) immediately after the EB Exchange Completion and as at the date of the Joint Announcement (assuming no Share Options have been exercised); (ii) immediately before the commencement of the period in which the Offers are open for acceptance; and (iii) immediately upon the close of the Offers and as at the date of this joint announcement (taking into account the valid acceptances received and assuming that the transfer of those Acceptance Shares to the Joint Offerors have been completed).

	(i) Immediately after the EB Exchange Completion and as at the date of the Joint Announcement		(ii) Immediately before the commencement of the period in which the Offers are open for acceptance		(iii) Immediately upon the close of the Offers and as at the date of this joint announcement (taking into account the valid acceptances received and assuming that the transfer of those Acceptance Shares to the Joint Offerors have been completed)	
	Number of Shares	Approx. percentage of total issued share capital (%)	Number of Shares	Approx. percentage of total issued share capital (%)	Number of Shares	Approx. percentage of total issued share capital (%)
Shareholders						
Joint Offerors whose Shares are excluded from the Offers						
Mr. Duan (Note 1)	546,728,004	25.55	546,728,004	25.01	858,459,455	37.21
CWA Group (Note 2)	608,990,000	28.46	608,990,000	27.86	632,453,657	27.41
Sub-total of Shares which are not Offer Shares	<u>1,155,718,004</u>	<u>54.01</u>	<u>1,155,718,004</u>	<u>52.87</u>	<u>1,490,913,112</u>	<u>64.63</u>
Undertaking Shareholders who have undertaken not to accept the Offers						
Mr. Li Zhong (Note 3 and 4)	10,000,000	0.47	10,000,000	0.46	26,000,000	1.13
Ms. Liu Yujie (Note 3 and 5)	10,000,000	0.47	10,000,000	0.46	26,000,000	1.13
Mr. Duan, Jerry Linnan (Note 3 and 6)	10,000,000	0.47	10,000,000	0.46	26,000,000	1.13
Mr. Chau Kam Wing Donald (Note 3 and 7)	2,000,000	0.09	4,000,000	0.18	4,000,000	0.17
Sub-total of Non-Accepting Shares	<u>32,000,000</u>	<u>1.50</u>	<u>34,000,000</u>	<u>1.56</u>	<u>82,000,000</u>	<u>3.56</u>
Other Directors of the Company whose Shares are included in the Offers						
Mr. Chang Qing (Note 8)	2,000,000	0.09	4,000,000	0.18	4,000,000	0.17
Mr. Peng Yongzhen (Note 9)	2,000,000	0.09	4,000,000	0.18	4,000,000	0.17
Mr. Zhou Wei (Note 10)	—	—	5,000,000	0.23	—	—
Other Shareholders whose Shares are included in the Offers						
Other Shareholders (including employees of the Group)	948,016,996	44.31	982,956,996	44.97	726,095,388	31.47
Total (Note 11)	<u>2,139,735,000</u>	<u>100</u>	<u>2,185,675,000</u>	<u>100</u>	<u>2,307,008,500</u>	<u>100</u>

Notes:

- (1) Mr. Duan, the holder of the Exchangeable Bonds, served the EB Notice to Kangda Holdings on 11 July 2025 in accordance with the terms of the Exchangeable Bonds to exchange for 546,728,004 Shares at an exchange price of HK\$0.25 per Share, which were transferred to Mr. Duan on 21 July 2025.

- (2) Sharp Profit, a wholly-owned subsidiary of CWA Group, holds 608,990,000 Shares and CWA is therefore deemed to be interested in the Shares held by Sharp Profit under the SFO. Mr. Duan, directly and indirectly, through Asset Full Resources Limited, is interested in approximately 27.50% of the total issued shares of CWA (excluding treasury shares) as at the date of this joint announcement.
- (3) Mr. Li Zhong, Ms. Liu Yujie, Mr. Duan, Jerry Linnan, the son of Mr. Duan, one of the Joint Offerors and Mr. Chau Kam Wing Donald, being Directors of the Company and directors of CWA are parties acting in concert with Sharp Profit and/or Mr. Duan, the Joint Offerors and have each undertaken in favour of the Joint Offerors not to accept the Offers.
- (4) As at the date of the Joint Announcement and immediately before the commencement of the Offers, Mr. Li Zhong, held 16,000,000 Non-Accepting Share Options. On 5 September 2025, 16,000,000 Shares were allotted to Mr. Li Zhong following the exercise of 16,000,000 Share Options at the exercise price of HK\$0.30 per Share. As at the date of this joint announcement, Mr. Li Zhong holds 26,000,000 Shares.
- (5) As at the date of the Joint Announcement and immediately before the commencement of the Offers, Ms. Liu Yujie, held 16,000,000 Non-Accepting Share Options. On 5 September 2025, 16,000,000 Shares were allotted to Ms. Liu Yujie following the exercise of 16,000,000 Share Options at the exercise price of HK\$0.30 per Share. As at the date of this joint announcement, Ms. Liu Yujie holds 26,000,000 Shares.
- (6) As at the date of the Joint Announcement and immediately before the commencement of the Offers, Mr. Duan, Jerry Linnan, held 16,000,000 Non-Accepting Share Options. On 12 September 2025, 16,000,000 Shares were allotted to Mr. Duan, Jerry Linnan following the exercise of 16,000,000 Share Options at the exercise price of HK\$0.30 per Share. As at the date of this joint announcement, Mr. Duan, Jerry Linnan holds 26,000,000 Shares.
- (7) Immediately before the commencement of the Offers and as at the date of this joint announcement, Mr. Chau Kam Wing Donald held 4,000,000 Shares.
- (8) Immediately before the commencement of the Offers and as at the date of this joint announcement, Mr. Chang Qing held 4,000,000 Shares.
- (9) Immediately before the commencement of the Offers and as at the date of this joint announcement, Mr. Peng Yongzhen held 4,000,000 Shares.
- (10) Immediately before the commencement of the Offers, Mr. Zhou Wei held 5,000,000 Shares and 11,000,000 Share Options. On 12 September 2025, 11,000,000 Shares were allotted to Mr. Zhou Wei following the exercise of 11,000,000 Share Options at the exercise price of HK\$0.30 per Share. As at the date of this joint announcement, Mr. Zhou Wei does not hold any Shares.
- (11) From the commencement of the opening for acceptance of the Offers until the close of the Offers, 121,333,500 Shares had been issued by the Company pursuant to the exercise of Share Options.
- (12) The percentages are subject to rounding adjustments and may not add up to 100%.

CANCELLATION AND LAPSE OF THE SHARE OPTIONS

Following settlement of the Option Offer, the Acceptance Share Options together with all rights attaching thereto have been cancelled and renounced on the Closing Date. If any Share Option has not been exercised on or before the expiry of the one-month period after the despatch of the Composite Document (i.e. Wednesday, 1 October 2025), such Share Option will automatically lapse.

PUBLIC FLOAT OF THE COMPANY

Immediately upon the close of the Offers and as at the date of this joint announcement, subject to the completion of transfer of the Acceptance Shares to the Joint Offerors, 699,155,388 Shares, representing approximately 30.31% of the total issued share capital of the Company, are held in public hands (as defined under Rule 8.24 of the Listing Rules). Accordingly, as at the date of this joint announcement, the Company continues to satisfy the minimum public float requirement under the Listing Rules.

** for identification purposes only*

**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, 22 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.