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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)

**PROPOSED GRANT OF SHARE OPTIONS
UNDER SHARE OPTION SCHEME**

This announcement is made by Kangda International Environmental Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company announces that on 4 May 2026, the Company granted 115,000,000 share options (the “**Option(s)**”) to Mr. Du Lindong (the “**Grantee**”), an executive Director and the chairman of the Board, under the Company’s share option scheme (the “**Share Option Scheme**”) adopted on 9 June 2025, subject to the acceptance by the Grantee. A summary of the terms and conditions of the grant of the Options is set forth below:

Date of grant	:	4 May 2026 (the “ Date of Grant ”)
Name of Grantee	:	Mr. Du Lindong, an executive Director and the chairman of the Board
Number of Options granted	:	115,000,000
Exercise price of Options granted	:	HK\$0.73 per share of the Company (the “ Share(s) ”), which is not less than the higher of: (1) the closing price of HK\$0.72 per Share as stated in the daily quotation sheet issued by the Stock Exchange on the Date of Grant; (2) the average closing price of HK\$0.73 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant; and (3) the nominal value of HK\$0.01 per Share

- Consideration of Options granted : HK\$1.00 to be paid by the Grantee upon the acceptance of the Options
- Validity period of the Options : One (1) year from the respective vesting date of the Options
- Vesting period of the Options : Subject to the fulfilment of the performance targets as set out below, all the Options granted shall vest in three tranches on 1 April 2027 (for the 1st Tranche); 1 April 2028 (for the 2nd Tranche); and 1 April 2029 (for the 3rd Tranche).
- Performance targets of the Options : Subject to the fulfillment of the performance targets, the Options shall vest in three tranches:

Tranche	Financial year	Mandatory performance target	Additional performance targets (Number of Options to be vested assuming fulfillment of one or more of the respective additional performance target(s))			Total number of Options to be vested (assuming all performance targets are fulfilled)
			Market capitalisation target (Note 1)	Net Profit target (Notes 2 and 3)	Gearing ratio target (Notes 2 and 4)	
1	For the year ending/as at 31 December 2026	Not less than HK\$2,500.0 million	Not less than RMB268.0 million (Number of Options to be vested: 18,400,000)	Not higher than 65.2% (Number of Options to be vested: 13,800,000)	Not less than 3 (Number of Options to be vested: 13,800,000)	46,000,000
2	For the year ending/as at 31 December 2027	Not less than HK\$3,750.0 million	Not less than RMB300.0 million (Number of Options to be vested: 13,800,000)	Not higher than 64.2% (Number of Options to be vested: 10,350,000)	Not less than 3 (Number of Options to be vested: 10,350,000)	34,500,000
3	For the year ending/as at 31 December 2028	Not less than HK\$5,625.0 million	Not less than RMB348.0 million (Number of Options to be vested: 13,800,000)	Not higher than 63.2% (Number of Options to be vested: 10,350,000)	Not less than 3 (Number of Options to be vested: 10,350,000)	34,500,000
					Total	<u>115,000,000</u>

Notes:

- (1) The fulfillment of the Market Capitalisation Target is a mandatory vesting condition. The Market Capitalisation Target shall be calculated based on the average market capitalisation of the Company over the fifteen (15) trading days immediately prior to and including 31 December 2026, 2027 or 2028 (the “**Determination Date(s)**”), as applicable.

In the event that the Company fails to meet the prescribed Market Capitalisation Target for one or more earlier tranche(s), but subsequently attains the prescribed Market Capitalisation Target for a later tranche, the Market Capitalisation Target(s) for such earlier tranche(s) shall be deemed to have been fulfilled on the Determination Date of that later tranche and the Options attributable to the earlier tranche(s), subject to the fulfillment of one or more of the additional performance target(s) of the respective tranche(s), will be vested.

- (2) The three additional performance targets: Net Profit Target, Gearing Ratio Target and the Operational Target, shall be assessed independently. Subject to the fulfillment of the mandatory Market Capitalisation Target, the vesting condition of the Options allocated to a particular additional performance target will be met upon the fulfillment of that particular additional performance target.
- (3) “Net Profit” refers to profit for the year of the Group to be recorded and disclosed in the annual results announcements for the financial years ending 31 December 2026, 2027 and 2028.

In the event that the Company fails to meet the prescribed Net Profit Target for an earlier tranche, but subsequently attains an aggregate net profit level not less than the aggregate amount of the Net Profit Target for a later tranche together with the Net Profit Target(s) for one or more preceding tranche(s), the Net Profit Target(s) for such earlier tranche(s) shall be deemed to have been fulfilled on the Determination Date of that later tranche, and the Options attributable to the earlier tranche(s) will be vested. For the avoidance of doubt, in the event that the Company records a net loss for an earlier tranche, in determining whether the Net Profit Target(s) for one or more preceding tranche(s) has been fulfilled, the aggregate net profit level of the relevant financial year shall be netted off against the net loss(es) of the Company for the preceding financial year(s).

- (4) Gearing ratio is calculated using the consolidated total liabilities divided by the consolidated total assets of the Group to be recorded and disclosed in the annual results announcements for the financial years ending 31 December 2026, 2027 and 2028.

In the event that the Company fails to meet the prescribed Gearing Ratio Target for the earlier Tranche, but subsequently attains the prescribed Gearing Ratio Target for a later Tranche, the Gearing Ratio Target(s) for the earlier Tranche(s) shall be deemed to have been fulfilled on the Determination Date of that later Tranche, and the respective Options for the earlier Tranche(s) will be vested.

- (5) The Operational Target shall be calculated on a per-unit basis by the independent company or legal entity holding the concession rights for the wastewater treatment project. The disposal methods include (i) the transfer of equity interests in the project company; or (ii) the transfer of assets relating to the concession rights held by the project company. The Operational Target shall be considered as fulfilled upon signing of a legally-binding agreement in relation to the aforesaid disposal.

For the purpose of this note, “Disposal” refers to the disposal of the project interest, following which the Group no longer owns any equity interest in the project company nor any assets relating to the concession rights of the relevant project.

In the event that the Company fails to meet the prescribed Operational Target for an earlier Tranche, but subsequently attains an aggregate level of Operational Target not fewer than the aggregate number of Operational Target for the later tranche together with the Operational Target(s) for one or more preceding tranche(s), the Operational Target(s) for the earlier tranche(s) shall be deemed to have been fulfilled on the Determination Date of that later tranche, and the Options attributable to the earlier tranche(s) will be vested.

- Clawback mechanism : The Options granted are not subject to any clawback mechanism but shall lapse and/or be cancelled (to an extent not already exercised) under various scenarios provided under the Share Option Scheme. The remuneration committee of the Board considers that a specific clawback mechanism is not necessary, having considered that the lapse and cancellation of the Options under various scenarios has already been provided for under the Share Option Scheme, which would adequately safeguard the Company’s interests.
- Lock-up undertaking : Unless otherwise approved by the Board, for any Shares held by the Grantee upon the exercise of the Options, the Grantee undertakes not to sell, or otherwise transfer or dispose of, either directly or indirectly, any such Shares (the “**Lock-up Undertaking**”) so long as he remains as a director of the Company. In the event that the Grantee ceases to be a director of the Company, the Grantee undertakes to comply with the Lock-up Undertaking for a further period of six (6) months after such cessation.
- Financial assistance : No financial assistance shall be provided by the Group to the Grantee to facilitate the purchase of Shares under the Share Option Scheme.

The grant of Options to the Grantee have been approved by all the independent non-executive Directors in accordance with Rule 17.04(1) of the Listing Rules.

Pursuant to Rule 17.03D(1) of the Listing Rules and the Share Option Scheme, where the total number of Shares issued and to be issued upon exercise of the Options or awards granted to a person (excluding lapsed options and awards) in any 12-month period up to and including the date of such grant representing in aggregate over 1% of the relevant class of Shares in issue, such grant must be approved by Shareholders in general meeting. The grantee and his close associates (or associates if the grantee is a connected person) must abstain from voting at the general meeting.

As at the date of this announcement, Shares to be issued upon exercise of the 115,000,000 Options proposed to be granted to the Grantee represent approximately 4.98% of the Shares in issue. As the total number of Shares issued and to be issued upon exercise of the Options proposed to be granted to the Grantee would in a 12-month period exceed 1% of the Shares of the Company in issue, the proposed grant of the Options carrying the rights to subscribe for 115,000,000 Shares to the Grantee is subject to the approval by the independent Shareholders where the Grantee and his associates shall abstain from voting in such resolution at the general meeting pursuant to the Listing Rules. The proposed grant of the Options to the Grantee shall not take effect or be exercisable until such approval is obtained.

Following the above Grant, the Company will have utilised approximately 53.74% of the existing maximum number of Shares which may be allotted and issued upon exercise of all share options granted and to be granted under the Share Option Scheme, being 213,973,500 Shares (the “**Share Option Scheme Mandate Limit**”). Assuming that the Grantee accepts such grant and the grant of Options is approved by the independent Shareholders at the general meeting, the number of Shares available for future grants under the Share Option Scheme Mandate Limit is 98,973,500 Shares.

A resolution will be proposed in the upcoming annual general meeting of the Company (the “**AGM**”) for the Shareholders to consider and, if thought fit, approve the grant of the Options to the Grantee. A circular containing, among other things, the grant of the Options to the Grantee and the notice of the AGM, will be despatched to the Shareholders as soon as practicable.

By order of the Board
KANGDA INTERNATIONAL ENVIRONMENTAL COMPANY LIMITED
LI Zhong
Executive Director

Hong Kong, 4 May 2026

As at the date of this announcement, the Board comprises eight Directors, namely Mr. Du Lindong, Mr. LI Zhong, Ms. LIU Yujie, and Mr. DUAN, Jerry Linnan 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.