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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
ACQUISITION OF GUODIAN LANGXINMING PUYANG WATER CO., LTD

On 24 July 2014, the Purchaser, a wholly-owned subsidiary of the Company, entered into a Share Purchase Agreement with the Vendor, pursuant to which, the Purchaser agreed to purchase and the Vendor agreed to sell the 100% equity interest of the Target Company at a consideration of RMB 56.88 million.

This announcement is made on a voluntary basis and not required specifically under Part XIVA of the SFO or the Listing Rules.

This announcement is made by the Company on a voluntary basis.

THE SHARE PURCHASE AGREEMENT

On 24 July 2014, the Purchaser, a wholly-owned subsidiary of the Company, entered into a Share Purchase Agreement with the Vendor, pursuant to which, the Purchaser agreed to purchase and the Vendor agreed to sell the 100% equity interest of the Target Company at a consideration of RMB 56.88 million. The principal terms of the Share Purchase Agreement are set out below:

Date:

24 July 2014

Parties:

- (i) the Purchaser; and
- (ii) the Vendor.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected person(s) (as defined under the Listing Rules). The Company has not engaged in any previous transactions related to the transactions under the Share Purchase Agreement that would be required to be aggregated under Rule 14.22 of the Listing Rules.

Equity interest acquired and purchase price

The Vendor sold and the Purchaser purchased the 100% equity interest of the Target Company. The total consideration for the Acquisition was RMB56.88 million, which was determined with reference to the appraisal results and after arm's length negotiations between the parties to the Share Purchase Agreement.

INFORMATION ABOUT THE TARGET COMPANY

The Target Company is a limited liability company established in the PRC on 20 April 2012 and was wholly-owned by the Vendor immediately before the Acquisition. The principal business of the Target Company is investment in sewage treatment infrastructure and it owns the concession right of Puyang Second Sewage Treatment Plant* (濮陽第二污水處理廠), a build, operate and transfer project which is currently in operation, with an average daily charged wastewater volume of 50,000 tonnes per day.

REASONS FOR ENTERING INTO THE SHARE PURCHASE AGREEMENT

The Acquisition will benefit the Purchaser by further expanding its wastewater treatment business in the PRC. Accordingly, the Directors, including the independent non-executive Directors, consider that the terms of, and the transactions under, the Share Purchase Agreement are fair and reasonable, are on normal commercial terms, and are in the best interests of the Company and the Shareholders as a whole.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Acquisition”	the acquisition pursuant to the Share Purchase Agreement;
“Board”	the board of directors of the Company;
“Company”	Kangda International Environmental Company Limited (Stock Code: 6136), a company incorporated in Cayman Islands with limited liability;
“Director(s)”	the director(s) of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China;
“Purchaser”	Chongqing Kangda Environmental Protection Industry (Group) Co., Ltd.* (重慶康達環保產業(集團)有限公司), a limited liability company established in the PRC on 19 July 1996, which is indirectly held as to 100% by the Company;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“Share Purchase Agreement”	the share purchase agreement entered into between the Purchaser and the Vendor in relation to the acquisition of the 100% equity interest of the Target Company by the Purchaser;
“Shareholders”	the shareholders of the Company;
“Target Company”	Guodian Langxinming Puyang Water Co., Ltd.* (國電朗新明濮陽水務有限公司), a limited liability company established in the PRC on 20 April 2012, which was wholly-owned by the Vendor immediately before the acquisition; and

“Vendor”

the Dalian Langxinming Environmental Engineering Co., Ltd.* (大連朗新明環境工程有限公司), a limited liability company established in the PRC on 5 August 2011.

This announcement is made on a voluntary basis and not required specifically under Part XIVA of the SFO or the Listing Rules.

By Order of the Board
**KANGDA INTERNATIONAL
ENVIRONMENTAL COMPANY LIMITED**
Zhao Juanxian (alias, Zhao Junxian)
Chairman

Hong Kong, 24 July 2014

As at the date of this announcement, the executive Directors are Mr. Zhao Juanxian (alias, Zhao Junxian), Mr. Zhang Weizhong, Mr. Liu Zhiwei, Mr. Gu Weiping and Mr. Wang Litong, the non-executive Director is Mr. Zhuang Ping and the independent non-executive Directors are Mr. Tsui Yiu Wa Alec, Mr. Yuan Shaoli and Mr. Song Qianwu.

** For identification purposes only.*