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 THE DISPOSAL OF THE JIYUAN WASTEWATER TREATMENT PLANT

This announcement is made by the Company on a voluntary basis to inform its shareholders and potential investors of the recent developments of the Group.

BACKGROUND

On 28 April 2011, Beijing Changsheng Siyuan (formerly known as Beijing Chengjian Environmental Protection Investment Development Co., Ltd.* (北京城建環保投資發展有限公司)), being an indirect wholly-owned subsidiary of the Company, entered into the Concession Agreement with the Jiyuan City Government, pursuant to which Beijing Changsheng Siyuan agreed to establish a project company in Jiyuan City, Henan Province, the PRC, for the development, operation and maintenance of the Jiyuan Water Treatment Plant for a concession term of 28 years.

On 14 October 2024, following a review of the position in relation to the outstanding wastewater treatment fees (the "**Outstanding Fees**") and as part of the Group's ongoing effort to optimise its assets portfolio, the Group issued a notice of termination of the Concession Agreement to the Jiyuan City Government.

THE SETTLEMENT AND THE DISPOSAL

The Board would like to announce that on 24 June 2026, Yuchuan Sewage, Chongqing Kangda, Beijing Changsheng Siyuan and the Jiyuan City Government reached a settlement and entered into the Early Termination Agreement, pursuant to which the parties agreed that in consideration of the payment of a total Settlement Sum of RMB65.0 million by the Jiyuan City Government to Yuchuan Sewage, Yuchuan Sewage shall transfer the Jiyuan Wastewater Treatment Plant and the Treatment Plant Fixed Assets to the Jiyuan City Government before 30 June 2026, upon completion of which the Concession Agreement shall be terminated with retrospective effect from 30 June 2025, and the Group shall release and discharge Jiyuan City Government from its obligations and liabilities in respect of the Outstanding Fees and related costs up to 30 June 2025 (the "**Settlement**"). As at the date of this announcement, approximately RMB15.8 million of the Settlement Sum has been settled by the Jiyuan City Government. The remaining balance of approximately RMB49.2 million shall be settled by the Jiyuan City Government in two agreed instalments, payable before 30 June 2026 and 31 December 2026, respectively.

REASONS FOR AND BENEFITS OF THE SETTLEMENT

The Group is principally engaged in the design, construction, operation and maintenance of wastewater treatment plants, water distribution plant, sludge treatment plants and other municipal infrastructure in the PRC.

Taking into account the current operating condition and future operating costs of the Jiyuan Wastewater Treatment Plant and the potential costs and resources involved in connection with the recovery of the Outstanding Fees, the Board is of the view that the Disposal will enable the Group to save significant amount of operating expenses and probable expenditures in connection with the Jiyuan Wastewater Treatment Plant, obtain immediate cash inflow by the Disposal and allocate its time and resources to other concession projects which are more profitable.

The Board is of the opinion that the Settlement will not have a material adverse effect on other core operations and financial position of the Group after Completion.

By reasons of the above, the Directors believe that the terms of the Early Termination Agreement (including the Settlement Sum) are on normal commercial terms, fair and reasonable, and the Settlement is in the interests of the Company and the Shareholders as a whole.

It is intended that the proceeds from the Settlement and Disposal will be used for debt repayment and the general working capital of the Group.

LISTING RULES IMPLICATIONS

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, Jiyuan City Government is a third party independent of the Company and its connected persons (as defined under the Listing Rules). Accordingly, the Disposal does not constitute a connected transaction under Chapter 14A of the Listing Rules. Furthermore, as all the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal are below 5%, the Disposal does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

The Company makes this announcement on a voluntary basis to provide its shareholders and potential investors with details of the Disposal.

DEFINITIONS

In this announcement, unless the context otherwise required, the following terms have the following meanings:

"Beijing Changsheng Siyuan"	Beijing Chang Sheng Si Yuan Environmental Protection Technology Co., Ltd.* (北京長盛思源環保科技有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Board"	board of Directors
"Chongqing Kangda"	Chongqing Kangda Environmental Protection Industry (Group) Company Limited* (重慶康達環保產業(集團)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Company"	Kangda International Environmental Company Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange (Stock Code: 6136)
"Completion"	completion of the Disposal
"Concession Agreement"	the concession agreement entered into between Beijing Changsheng Siyuan and the Jiyuan City Government in 28 April 2011 in relation to the development, operation and maintenance of the Jiyuan Wastewater Treatment Plant for a concession term of 28 years
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the Jiyuan Wastewater Treatment Plant and the Treatment Plant Fixed Assets from Yuchuan Sewage to the Jiyuan City Government pursuant to the terms and conditions of the Early Termination Agreement
"Early Termination Agreement"	the early termination agreement dated 24 June 2026 and entered into among the Yuchuan Sewage, Chongqing Kangda, Beijing Changsheng Siyuan and the Jiyuan City Government in relation to the Settlement and the Disposal
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Jiyuan City Government"	the People's Government of Jiyuan City, which is situated in Henan Province, the PRC

"Jiyuan Wastewater Treatment Plant"	Yuchuan Wastewater Treatment Plant (玉川污水處理廠) situated at Jiyuan City of Henan Province, the PRC
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Outstanding Fees"	has the meaning ascribed thereto under the paragraph headed "Background" in this announcement
"PRC"	the People's Republic of China which, for the purpose of this announcement, exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Settlement"	has the meaning ascribed thereto under the paragraph headed "The Settlement and the Disposal" in this announcement
"Settlement Sum"	the total consideration of RMB65,000,000 payable by the Jiyuan City Government to Yuchuan Sewage pursuant to the terms and conditions of the Early Termination Agreement
"Shareholders'	holders of the ordinary share(s) of HK$0.01 each in the issued share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Treatment Plant Fixed Assets"	all fixed assets, spare parts, technical documents, and other assets and rights located at or otherwise related to the Jiyuan Wastewater Treatment Plant
"Yuchuan Sewage"	Jiyuan Yuchuan Chengjian Sewage Treatment Co., Ltd.* (濟源市玉川城建污水處理有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"%"	per cent

* *For identification purpose only*

By order of the Board
Kangda International Environmental Company Limited
Du Lindong
Chairman

Hong Kong, 26 June 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.