

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Kangda International Environmental Company Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

- (1) RE-ELECTION OF EXECUTIVE DIRECTORS  
AND INDEPENDENT NON-EXECUTIVE DIRECTORS;  
(2) RE-ELECTION OF THE RETIRING DIRECTORS;  
(3) AMENDMENTS TO ARTICLES OF ASSOCIATION  
AND ADOPTION OF AMENDED AND  
RESTATED ARTICLES OF ASSOCIATION;  
(4) GENERAL MANDATES TO ISSUE NEW SHARES  
AND REPURCHASE SHARES OF THE COMPANY;  
AND  
(5) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Kangda International Environmental Company Limited to be held at the meeting room of the Company on 6th Floor, Office Building of the Company at No. 72, Avenue of Stars, Innovative & High-Tech Park, North New Zone, Chongqing, the PRC at 09:00 a.m. on Wednesday, 5 June 2019 is set out on pages 17 to 22 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)).

Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting at the meeting or any adjournment thereof if they so wish.

29 April 2019

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## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Amended and Restated Articles of Association”	the amended and restated articles of association of the Company proposed to be adopted at the Annual General Meeting to replace the existing Articles of Association
“Annual General Meeting”	the annual general meeting of the Company to be held at the meeting room of the Company on 6th Floor, Office Building of the Company at No. 72, Avenue of Stars, Innovative & High-Tech Park, North New Zone, Chongqing, the PRC at 09:00 a.m. on Wednesday, 5 June 2019 or any adjournment thereof, the notice of which is set out on pages 17 to 22 of this circular
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“Cayman Company Law”	the Company Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Company”	Kangda International Environmental Company Limited (康達國際環保有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to the effect that the total number of Shares which may be allotted and issued under the General Mandate may be increased by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate
“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to exercise the power of the Company to allot, issue and deal with new Shares not exceeding 20% of the number of issued Shares as at the date of the passing of the relevant resolution granting the General Mandate
“Group”	the Company and its subsidiaries

## DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	23 April 2019, being the latest practicable date for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“PRC”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the number of issued Shares as at the date of passing of the relevant resolution granting the Repurchase Mandate
“RMB”	Renminbi, the lawful currency of the PRC
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share Premium Account”	the share premium account of the Company
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong
“%”	per cent

LETTER FROM THE BOARD



**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)**

*Executive Directors:*

Mr. ZHAO Juanxian (alias, ZHAO Junxian), *Chairman*  
Mr. LI Zhong  
Ms. LIU Yu Jie  
Mr. DUAN, Jerry Linnan

*Registered Office:*

Cricket Square  
Hutchins Drive  
P. O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Independent Non-executive Directors:*

Mr. CHAU Kam Wing  
Mr. CHANG Qing  
Mr. PENG Yongzhen

*Principal Place of Business in*

*Hong Kong:*  
Room 3205  
32/F, Alexandra House  
18 Chater Road  
Central, Hong Kong

29 April 2019

*To the Shareholders,*

Dear Sir or Madam,

- (1) RE-ELECTION OF EXECUTIVE DIRECTORS  
AND INDEPENDENT NON-EXECUTIVE DIRECTORS;  
(2) RE-ELECTION OF THE RETIRING DIRECTORS;  
(3) AMENDMENTS TO ARTICLES OF ASSOCIATION  
AND ADOPTION OF AMENDED AND  
RESTATED ARTICLES OF ASSOCIATION;  
(4) GENERAL MANDATES TO ISSUE NEW SHARES  
AND REPURCHASE SHARES OF THE COMPANY;  
AND  
(5) NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide the Shareholders with the notice of Annual General Meeting and the following proposals to be put forward at the Annual General Meeting:

(i) the re-election of the executive Directors and the independent non-executive Directors; (ii)

## LETTER FROM THE BOARD

the re-election of the retiring Directors; (iii) the amendments to the Articles of Association and the adoption of the Amended and Restated Articles of Association; and (iv) the grant to the Directors of the General Mandate, the Repurchase Mandate and the Extension Mandate.

### **RE-ELECTION OF EXECUTIVE DIRECTORS AND INDEPENDENT NON-EXECUTIVE DIRECTORS**

Reference is made to the announcement of the Company dated 4 April 2019 in relation to, among others, the appointment of Mr. Li Zhong, Ms. Liu Yu Jie and Mr. Duan, Jerry Linnan as executive Directors and Mr. Chau Kam Wing as an independent non-executive Director (collectively, “**Newly Appointed Directors**”), with effect from 4 April 2019. In accordance with the Articles of Association, the Newly Appointed Directors are subject to re-election at the Annual General Meeting.

Details of the Newly Appointed Directors are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.

### **RE-ELECTION OF RETIRING DIRECTORS**

In accordance with the Articles of Association, Mr. Chang Qing and Mr. Peng Yongzhen will retire at the Annual General Meeting and, being eligible, have offered themselves for re-election as Directors at the Annual General Meeting.

Details of the above named Directors who are subject to re-election at the Annual General Meeting are set out in Appendix II to this circular in accordance with the relevant requirements of the Listing Rules.

### **AMENDMENTS TO ARTICLES OF ASSOCIATION AND ADOPTION OF AMENDED AND RESTATED ARTICLES OF ASSOCIATION**

In order to optimize the organization of the Company’s corporate governance and in accordance with the Listing Rules and other applicable rules and regulations, the Company proposes to put forward to the Shareholders for approval at the Annual General Meeting a special resolution to amend the Articles of Association and adopt the Amended and Restated Articles of Association. The amendments are primarily for the purpose of facilitating the operation of a co-chairman structure for the Board.

Details of the proposed amendments to the Articles of Association are set out in Appendix III to this circular in accordance with the relevant requirements of the Listing Rules.

## **LETTER FROM THE BOARD**

### **GENERAL MANDATE**

In order to ensure greater flexibility and give discretion to the Directors in the event that it becomes desirable for the Company to issue new Shares, approval is to be sought from the Shareholders, pursuant to the Listing Rules, for the General Mandate to issue new Shares. An ordinary resolution no. 5(A) will be proposed at the Annual General Meeting to grant to the Directors the General Mandate to exercise the powers of the Company to allot, issue and deal with new Shares up to 20% of the number of issued Shares as at the date of the passing of the resolution in relation to the General Mandate. As at the Latest Practicable Date, the issued share capital of the Company comprised of 2,032,385,000 Shares. Subject to the passing of the above ordinary resolution and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company will be allowed to issue a maximum of 406,477,000 new Shares.

In addition, subject to a separate approval of the ordinary resolution no. 5(C), the number of Shares purchased by the Company under the ordinary resolution no. 5(B), if approved by the Shareholders at the Annual General Meeting, will also be added to extend the 20% limit of the General Mandate as mentioned in the ordinary resolution no. 5(A) provided that such additional amount shall not exceed 10% of the number of issued Shares as at the date of the passing of the General Mandate, the Repurchase Mandate and the Extension Mandate.

### **REPURCHASE MANDATE**

In addition, an ordinary resolution no. 5(B) will be proposed at the Annual General Meeting to approve the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10% of the number of issued Shares as at the date of the passing of the resolution in relation to the Repurchase Mandate.

An explanatory statement required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix IV to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

### **CLOSURE OF REGISTER OF MEMBERS**

The transfer books and register of members of the Company will be closed from Friday, 31 May 2019 to Wednesday, 5 June 2019, both days inclusive, during which period no transfer of Shares can be registered. The record date for entitlement to attend and vote at the Annual General Meeting is Wednesday, 5 June 2019. In order to be qualified for attending and voting at the Annual General Meeting, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 30 May 2019.

## **LETTER FROM THE BOARD**

### **NOTICE OF ANNUAL GENERAL MEETING**

Set out on pages 17 to 22 of this circular is the notice of Annual General Meeting at which, inter alia, ordinary resolutions and special resolution will be proposed to the Shareholders to consider and approve (i) the re-election of the executive Directors and the independent non-executive Directors; (ii) the re-election of the retiring Directors; (iii) the amendments to the Articles of Association and the adoption of the Amended and Restated Articles of Association; and (iv) the grant to the Directors of the General Mandate, the Repurchase Mandate and the Extension Mandate.

### **FORM OF PROXY**

A form of proxy for use at the Annual General Meeting is enclosed. Such form of proxy is also published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Whether or not you intend to be present at the Annual General Meeting, you are requested to complete the form of proxy and return it to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the holding of the Annual General Meeting or any adjournment thereof.

Completion and delivery of the form of proxy will not preclude Shareholders from attending and voting at the Annual General Meeting or any adjournment thereof if they so wish.

### **VOTING BY WAY OF POLL**

Pursuant to Rule 13.39(4) of the Listing Rules and Article 66 of the Articles of Association, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of the Annual General Meeting will be taken by way of poll.

### **RESPONSIBILITY STATEMENT**

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.



## LETTER FROM THE BOARD

### RECOMMENDATION

The Directors consider that the proposed resolutions to be proposed at the Annual General Meeting are in the interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

### GENERAL INFORMATION

In the event of any inconsistencies as between the English version and the Chinese translation of this circular, the English version shall prevail.

Yours faithfully,

By order of the Board

**Kangda International Environmental Company Limited**

**ZHAO Juanxian (alias, ZHAO Junxian)**

*Chairman*

*The following are the particulars of the Newly Appointed Directors proposed to be re-elected at the Annual General Meeting.*

As at the Latest Practicable Date, each of the following Directors, save as disclosed herein, did not have any interest in Shares or underlying Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed herein, none of the following Directors holds any position with the Company or any other member of the Group, nor has any directorships in other listed public companies in the last three years. In addition, save as disclosed herein, none of the following Directors has any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed herein, there is no other matter in relation to the following Directors that needs to be brought to the attention of the Shareholders and there is no other information relating to the following Directors which is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

**(1) Mr. Li Zhong (李中)**

**Mr. Li Zhong (李中)**, aged 50, graduated from Beijing University of Chemical Technology\* (北京化工大學) with a major in polymer materials, and obtained a master degree in business administration from Saint Mary's University of Canada in 1997. He holds registered engineer certifications from both the PRC and Canada, and has served in national state-owned enterprises, US-based enterprises in the PRC and Hong Kong for over 20 years. Since 2002, he has dedicated himself to urban public utilities with a focus on water affairs, as well as the investment, management and operation of infrastructure projects. Since 2004, he has been a director of Shenzhen Bus Group Co. Ltd. Mr. Li also serves as deputy president of China Environment Chamber of Commerce, a member of the Standing Committee of the Shenzhen Municipal Committee of the Chinese People's Political Consultative Conference\* (中國人民政治協商會議深圳市委員會常委), and the honorary chairman of the Hong Kong Volunteers Association. Currently, he is also an executive director of China Water Affairs Group Limited ("**China Water**", a company listed on the Main Board of the Stock Exchange (stock code: 855)).

**(2) Ms. Liu Yu Jie (劉玉杰)**

**Ms. Liu Yu Jie (劉玉杰)**, aged 55, graduated from University of International Business and Economic\* (對外經濟貿易大學) located in Beijing and obtained a master degree in business administration. Ms. Liu has been working in Hong Kong, Singapore and the PRC for over 20 years in total and is familiar with the business environment and regulatory system of the three places. She has comprehensive experience in capital market, business promotion and corporate management, participated in IPO and underwriting of over 30 companies on the Stock Exchange, led and completed merger and acquisition of three companies in Hong Kong and Singapore, assisted capital raising and management of large-scale industrial fund for investment in the PRC, and acted as executive directors of listed companies in Hong Kong and

\* For identification purposes only

Singapore which engaged in utilities and infrastructure investment. Currently, she is also an executive director of New Universe Environmental Group Limited (a company listed on the Main Board of the Stock Exchange, stock code: 436), an executive director of China Water and an independent non-executive director of Zhongyu Gas Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 3633).

**(3) Mr. Duan, Jerry Linnan (段林楠)**

**Mr. Duan, Jerry Linnan (段林楠)**, aged 28, is studying in Beijing Normal University and majors in psychology. He joined China Water as the president assistant in 2011, mainly focusing on hotel operating and intelligent water businesses. At the same time, Mr. Duan assisted the directors of China Water in capital market and investor relations, etc. In 2015, Mr. Duan was appointed as the general manager of the hotel under China Water in Nanjing, and was in charge of the construction, procurement and daily operation of various hotels of China Water. Mr. Duan has comprehensive experiences in human resources and corporate management.

**(4) Mr. Chau Kam Wing (周錦榮)**

**Mr. Chau Kam Wing (周錦榮)**, aged 56, obtained a master degree in business administration from the University of San Francisco in the United States in 2000. Mr. Chau has over 20 years of experience in auditing, taxation and financial management and had been appointed as financial controller of a number of companies listed on the Stock Exchange. Mr. Chau is currently the finance director of Winox Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 6838) and an independent non-executive director of each of Carpenter Tan Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 837), Ching Lee Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 3728) and China Water. Mr. Chau is also an independent non-executive director of each of Eco-Tek Holdings Limited (a company listed on GEM of the Stock Exchange, stock code: 8169) and Zhejiang Chang'an Renheng Technology Co., Ltd. (a company listed on GEM of the Stock Exchange, stock code: 8139). He is also a fellow member of The Association of Chartered Certified Accountants and a practicing member of the Hong Kong Institute of Certified Public Accountants.

Mr. Chau has confirmed, and the Board is satisfied, that he meets the independence criteria set out in Rule 3.13 of the Listing Rules.

Mr. Chau has confirmed that he will devote sufficient time for the discharge of his functions and responsibilities as an independent non-executive Director of the Company. With his background and experience, Mr. Chau is fully aware of the responsibilities and expected time involvements in the Group. Based on the foregoing, the Board believes that Mr. Chau's positions outside of the Group will not affect him in maintaining his current role in, and his functions and responsibilities for, the Group.

*The following are the particulars of the retiring Directors (as required by the Listing Rules) proposed to be re-elected at the Annual General Meeting.*

As at the Latest Practicable Date, each of the following Directors, save as disclosed herein, did not have any interest in Shares or underlying Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed herein, none of the following Directors holds any position with the Company or any other member of the Group, nor has any directorships in other listed public companies in the last three years. In addition, save as disclosed herein, none of the following Directors has any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed herein, there is no other matter in relation to the following Directors that needs to be brought to the attention of the Shareholders and there is no other information relating to the following Directors which is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

**(1) Mr. Chang Qing (常清)**

**Mr. Chang Qing (常清)**, aged 61, is an independent non-executive Director. He joined the Group on 8 January 2016 when he was appointed as an independent non-executive Director. Mr. Chang graduated from the Chinese Academy of Social Sciences\* (中國社會科學院) with a doctorate degree in agricultural economics and management in 2001, graduated from Jilin University (吉林大學) with a bachelor's degree in economics in 1982 and a master's degree in national economics in 1985. Mr. Chang had successively served as a research assistant, a deputy research fellow and a research fellow of Development Research Center of the State Council (國務院發展研究中心) from 1985 to 2005 and the vice chairman of China Futures Association (中國期貨業協會) from 1999 to 2006. Mr. Chang has worked in the College of Economics and Management of China Agriculture University (中國農業大學經濟管理學院) since 2005. He has also served as the chairman of the board of Jinpeng International Futures Co., Ltd (金鵬期貨經紀有限公司) since 1993.

Mr. Chang has served as an independent non-executive director of China Chengtong Development Group Limited (中國誠通發展集團有限公司), which is listed on the Stock Exchange (stock code: 00217), and as an independent director of Tibet Summit Industry Co., Ltd.\* (西藏珠峰工業股份有限公司), which is listed on the Shanghai Stock Exchange (stock code: 600338), and Tebian Electric Apparodus Stock Co., Ltd. (特變電工股份有限公司), which is listed on the Shanghai Stock Exchange (stock code: 600089), since January 2013, June 2011 and September 2015, respectively. He served as an independent director of Shenwu Environmental Technology Co., Ltd (神霧環保技術股份有限公司), which is listed on the Shenzhen Stock Exchange (stock code: 300156), from September 2008 to August 2015, and as an independent director of Rongfeng Holding Group Co., Ltd. (榮豐控股集團股份有限公司), which is listed on the Shanghai Stock Exchange (stock code: 000668), from August 2007 to September 2013.

\* For identification purposes only

**(2) Mr. Peng Yongzhen (彭永臻)**

**Mr. Peng Yongzhen (彭永臻)**, aged 70, is an independent non-executive Director. He joined the Group on 26 February 2015 when he was appointed as an independent non-executive Director. Mr. Peng graduated from Harbin Institute of Technology\* (哈爾濱工業大學) (formerly known as Harbin University of Architecture and Engineering (哈爾濱建築大學), the same below) in June 1995 with a doctor degree in environmental engineering and was a senior visiting scholar in Gunma University (日本群馬大學) from October 1996 to April 1997. Mr. Peng previously held various positions in water supply and sewerage engineering major in the urban construction department of Harbin Institute of Technology\* (哈爾濱工業大學), including the teaching assistant position from September 1976 to October 1978, the teaching assistant, lecturer and associate professor positions from December 1981 to September 1993, and the professor position from September 1993 to February 2000. Since 2000, he has been a chief professor of the environment engineering department, a professor, a tutor of doctoral candidates and the chief of the environmental engineering department and water pollution control research laboratory in Beijing University of Technology\* (北京工業大學), and the chief of Beijing Engineering Technology Research Center of Sewage Nitrogen and Phosphorus Removal\* (北京市污水脫氮除磷處理工程技術研究中心) of Beijing University of Technology, concurrently.

He has long been engaged in the research of urban sewage disposal measures, of which some technological achievements have been massively applied into practice. Mr. Peng has earned diverse national-level titles and awards for his academic achievements, including without limitations National Role Model Lecturer\* (全國模範教師) in 2007, National Outstanding Faculty\* (國家教學名師) in 2009 and National Excellent Technical Personnel\* (全國優秀科技工作者) in 2012. He was selected to be one of the first talents sponsored by National Special Support Plan for High-level Personnel\* (國家高層次人才特殊支持計劃) in 2013. He was granted the Second Prize of National Prize for Progress in Science and Technology\* (國家科技進步獎) in 2004, 2009 and 2012, respectively, and the First Prize of Beijing Municipal Prize for Progress in Science and Technology\* (北京市科技進步獎) in 2012. Mr. Peng received a special allowance from China's State Council in 2000.

\* For identification purposes only

*The Chinese version of this appendix is an unofficial translation of its English version for reference purpose only. In case of any discrepancies, the English version shall prevail.*

Details of the proposed amendments to the Articles of Association are set out below:

**(a) The current Article 63 of the Articles of Association:**

“The chairman of the Company shall preside as chairman at every general meeting. If at any meeting the chairman, is not present within fifteen (15) minutes after the time appointed for holding the meeting, or is not willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members present in person or (in the case of a Member being a corporation) by its duly authorised representative or by proxy and entitled to vote shall elect one of their number to be chairman.”

**is hereby proposed to be amended as follows:**

“The Company shall have two (2) co-chairmen at all times. One of the co-chairmen of the Company, by rotation, shall preside as chairman at every general meeting. If at any meeting the co-chairman, who by rotation shall preside the meeting, is not present within fifteen (15) minutes after the time appointed for holding the meeting, or is not willing to act as chairman, the other co-chairman, if present, shall act as the chairman. If the other co-chairman is not present or is not willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members present in person or (in the case of a Member being a corporation) by its duly authorised representative or by proxy and entitled to vote shall elect one of their number to be chairman.”

**(b) The current Article 115 of the Articles of Association:**

“The Board may elect a chairman and one or more deputy chairman of its meetings and determine the period for which they are respectively to hold such office. If no chairman or deputy chairman is elected, or if at any meeting neither the chairman nor any deputy chairman is present within five (5) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.”

**is hereby proposed to be amended as follows:**

“One of the co-chairmen of the Company, by rotation, shall preside as chairman at every meeting of the Board and the Board may elect one or more deputy chairman of its meetings and determine the period for which such person(s) will hold such office. If at any meeting the co-chairman, who by rotation shall preside the meeting, is not

present within five (5) minutes after the time appointed for holding the meeting, the other co-chairman, if present, shall act as the chairman. If at any meeting neither of the co-chairmen is present within five (5) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.”

**(c) The current Article 124 of the Articles of Association:**

- “(1) The officers of the Company shall consist of a chairman, the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Law and these Articles.
- (2) The Directors shall, as soon as may be after each appointment or election of Directors, elect amongst the Directors a chairman and if more than one (1) Director is proposed for this office, the election to such office shall take place in such manner as the Directors may determine.
- (3) The officers shall receive such remuneration as the Directors may from time to time determine.”

**is hereby proposed to be amended as follows:**

- “(1) The officers of the Company shall consist of two (2) chairmen, the Directors and the Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Law and these Articles.
- (2) The Directors shall, as soon as may be after each appointment or election of Directors, elect amongst the Directors two (2) co-chairmen and if more than two (2) Directors are proposed for this office, the election to such office shall take place in such manner as the Directors may determine.
- (3) The officers shall receive such remuneration as the Directors may from time to time determine.”

*The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the Repurchase Mandate.*

## **SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,032,385,000 Shares of nominal value of HK\$0.01 each. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date up to the date of the Annual General Meeting, the Company will be allowed to repurchase a maximum of 203,238,500 Shares which represent 10% of the number of issued Shares during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Cayman Company Law or the Articles of Association; or (iii) the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting prior to the next annual general meeting of the Company.

## **REASONS FOR AND FUNDING OF REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

Repurchases of Shares will be financed out of funds legally available for the purpose and in accordance with the Articles of Association, the Cayman Company Law and the Listing Rules. The Cayman Company Law provides that the amount of capital repaid in connection with a share repurchase may be paid out of the profits of the Company or the proceeds of a fresh issue of Shares made for the purposes of the repurchase or out of capital subject to and in accordance with the Cayman Company Law. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Shares are repurchased in the manner provided for in the Cayman Company Law.

The Directors would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that if the Repurchase Mandate was to be exercised in full at the current prevailing market value, it may not have a material adverse impact on the working capital and/or the gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at 31 December 2018, being the date to which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.



**GENERAL**

To the best of their knowledge, having made all reasonable enquiries, none of the Directors or any of their close associates, as defined in the Listing Rules, currently intends to sell any Shares to the Company or its subsidiaries, in the event that the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and the Articles of Association.

No core connected person has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. The Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the proposed Repurchase Mandate.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Sharp Profit Investments Limited held 600,000,000 Shares representing approximately 29.52% of the number of issued share capital of the Company. In the event that the Directors should exercise in full the Repurchase Mandate, the shareholding of Sharp Profit Investments Limited will be increased to approximately 32.80% of the issued share capital of the Company. The Directors consider that such increase may give rise to an obligation of Sharp Profit Investments Limited to make a mandatory offer under Rule 26 of the Takeovers Code. However, the Directors have no present intention to exercise the Repurchase Mandate to such an extent that would result in such takeover obligation.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

**SHARE REPURCHASE MADE BY THE COMPANY**

During the six months preceding the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise).

**SHARE PRICES**

The highest and lowest traded prices for Shares recorded on the Stock Exchange in each of the following months immediately preceding the Latest Practicable Date were as follows:

<b>Month</b>	<b>Highest traded prices <i>HK\$</i></b>	<b>Lowest traded prices <i>HK\$</i></b>
<b>2018</b>		
April	1.47	1.30
May	1.55	1.32
June	1.49	1.15
July	1.23	1.13
August	1.23	0.92
September	1.12	0.95
October	1.07	0.85
November	0.97	0.85
December	0.92	0.62
<b>2019</b>		
January	0.99	0.63
February	1.35	0.90
March	1.29	1.12
April (up to the Latest Practicable Date)	1.50	1.14

## NOTICE OF ANNUAL GENERAL MEETING



### 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)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of Kangda International Environmental Company Limited (the “**Company**”) will be held at the meeting room of the Company on 6th Floor, Office Building of the Company at No. 72, Avenue of Stars, Innovative & High-Tech Park, North New Zone, Chongqing, the PRC at 09:00 a.m. on Wednesday, 5 June 2019 for the purpose of considering and, if thought fit, passing the following resolutions:

#### ORDINARY RESOLUTIONS

1. a. To re-elect the following directors of the Company:
  - i. Mr. Li Zhong as an executive director;
  - ii. Ms. Liu Yu Jie as an executive director;
  - iii. Mr. Duan, Jerry Linnan as an executive director; and
  - iv. Mr. Chau Kam Wing as an independent non-executive director.
- b. To authorise the board of directors of the Company to fix the remuneration of the respective directors of the Company.
2. a. To re-elect the following retiring directors of the Company:
  - i. Mr. Chang Qing as an independent non-executive director; and
  - ii. Mr. Peng Yongzhen as an independent non-executive director.
- b. To authorise the board of directors of the Company to fix the remuneration of the respective directors of the Company.
3. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and independent auditors of the Company for the year ended 31 December 2018.
4. To re-appoint Ernst & Young as auditors of the Company and authorise the board of directors of the Company to fix its remuneration.

## NOTICE OF ANNUAL GENERAL MEETING

5. To consider and, if thought fit, to pass (with or without amendments) the following resolutions as ordinary resolutions of the Company:

(A) **“THAT:**

- (i) subject to paragraph (iii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with new shares in the capital of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period (as hereinafter defined);
- (iii) the number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the directors of the Company during the Relevant Period (as hereinafter defined) pursuant to paragraph (i) above, otherwise than pursuant to (1) a Rights Issue (as hereinafter defined) or (2) the grant or exercise of any option under the option scheme of the Company or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the directors, officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (3) any scrip dividend or similar arrangements providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (4) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed the aggregate of 20% of the number of issued shares of the Company as at the date of passing this resolution and the said approval shall be limited accordingly;

## NOTICE OF ANNUAL GENERAL MEETING

(iv) for the purpose of this resolution:

(a) “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (1) the conclusion of the next annual general meeting of the Company;
- (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; or
- (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

(b) “Rights Issue” means an offer of shares in the capital of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the directors of the Company to holders of shares in the capital of the Company whose names appear on the register of members on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

(B) “**THAT:**

- (i) subject to paragraph (ii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited or on any other stock exchange on which the shares of the Company may be listed and recognised for this purpose by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited under the Code on Share Buy-backs and, subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), be and is hereby generally and unconditionally approved;

## NOTICE OF ANNUAL GENERAL MEETING

- (ii) the number of shares of the Company, which may be repurchased pursuant to the approval in paragraph (i) above shall not exceed 10% of the number of issued shares of the Company at the date of the passing of this resolution, and the said approval shall be limited accordingly;
  - (iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the directors of the Company and which are still in effect be and are hereby revoked; and
  - (iv) for the purpose of this resolution:
    - “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
      - (a) the conclusion of the next annual general meeting of the Company;
      - (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; or
      - (c) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”
- (C) **“THAT** conditional upon the resolutions numbered 5(A) and 5(B) set out in the notice convening this meeting being passed, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and otherwise deal with new shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to the ordinary resolution numbered 5(A) set out in the notice convening this meeting be and is hereby extended by the addition to the number of shares of the Company which may be allotted by the directors of the Company pursuant to such general mandate an amount representing the number of shares of the Company repurchased by the Company under the authority granted pursuant to the ordinary resolution numbered 5(B) set out in the notice convening this meeting, provided that such amount shall not exceed 10% of the number of issued shares of the Company at the date of passing of the said resolutions.”

## NOTICE OF ANNUAL GENERAL MEETING

### SPECIAL RESOLUTION

6. To consider and, if thought fit, pass the following resolution as a special resolution:

“**THAT:**

- (a) the proposed amendments to the articles of association of the Company as set out in Appendix III to the Company’s circular dated 29 April 2019 be and are hereby approved and adopted as the amended and restated articles of association of the Company, in substitution for, and to the exclusion of, the existing articles of association of the Company with immediate effect; and
- (b) any director of the Company be and is hereby authorised to do all such acts as he/she deems fit to effect and implement the adoption of the amended and restated articles of association of the Company and to make relevant registrations and filings in accordance with the requirements of the applicable laws in the Cayman Islands and Hong Kong.”

By order of the Board of the Directors  
**Kangda International Environmental Company Limited**  
**ZHAO Juanxian (alias, ZHAO Junxian)**  
*Chairman*

Hong Kong, 29 April 2019

*Registered Office:*

Cricket Square  
Hutchins Drive  
P. O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal Place of Business  
in Hong Kong:*

Room 3205  
32/F, Alexandra House  
18 Chater Road  
Central, Hong Kong

*Notes:*

- (i) Resolution numbered 5(C) will be proposed to the shareholders of the Company for approval provided that ordinary resolutions numbered 5(A) and 5(B) are passed by the shareholders of the Company.
- (ii) A shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint one or more proxies (if he/she/it is a holder of two or more shares of the Company) to attend and vote instead of him/her/it. A proxy need not be a shareholder of the Company.
- (iii) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.

## NOTICE OF ANNUAL GENERAL MEETING

- (iv) In order to be valid, a form of proxy must be deposited at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
- (v) The transfer books and register of members of the Company will be closed from Friday, 31 May 2019 to Wednesday, 5 June 2019, both days inclusive, to determine the entitlement of the shareholders to attend the above meeting, during which period no share transfers can be registered. All transfers of shares accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 30 May 2019.
- (vi) In respect of ordinary resolutions numbered 1 and 2 above, Mr. Chang Qing, Mr. Peng Yongzhen, Mr. Li Zhong, Ms. Liu Yu Jie, Mr. Duan, Jerry Linnan and Mr. Chau Kam Wing shall offer themselves for re-election at the above meeting. Details of the above directors are set out in Appendices I and II to the Company's circular dated 29 April 2019.
- (vii) In respect of ordinary resolution numbered 5(B) above, the directors of the Company wish to state that they will exercise the powers conferred by the general mandate to repurchase shares of the Company in circumstances where they consider that the repurchase would be in the best interest of the Company. The explanatory statement containing the information necessary to enable shareholders of the Company to make an informed decision on whether to vote for or against the resolution to approve the general mandate to repurchase shares of the Company, as required by the Listing Rules, is set out in Appendix IV to the Company's circular dated 29 April 2019.
- (viii) Any voting at the above meeting shall be taken by poll.

*As at the date of this notice, the board of directors of the Company comprises 7 directors, namely Mr. ZHAO Juanxian (alias, ZHAO Junxian), Mr. LI Zhong, Ms. LIU Yu Jie and Mr. DUAN, Jerry Linnan as executive directors; and Mr. CHAU Kam Wing, Mr. CHANG Qing and Mr. PENG Yongzhen as independent non-executive directors.*