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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)

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 “**Directors**”) of the Company hereby announces that on 31 May 2024 (the “**Date of Grant**”), the Company granted a total of 213,973,500 share options (the “**Share Options**”) to subscribe for a total of 213,973,500 ordinary shares in the share capital of the Company (the “**Shares**” and each a “**Share**”), subject to acceptance of the grantees (the “**Grantees**”), under the share option scheme adopted by the Company on 14 June 2014 (the “**Share Option Scheme**”). Such Shares represent approximately 9.1% of the total issued enlarged share capital of the Company, assuming that all Share Options are fully exercised.

Details of the Share Options are set out as follows:

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|---|---|
| Date of Grant: | 31 May 2024 |
| Exercise price of the Share Options granted: | HK\$0.3 per Share, which is no less than the highest of:
<ol style="list-style-type: none">(1) the nominal value of the Share;(2) the closing price of HK\$0.227 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the Date of Grant; and(3) the average closing price of HK\$0.229 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. |

Number of the Share Options granted:	213,973,500 (each Share Option shall entitle the holder thereof to subscribe for one Share at the above exercise price)
Consideration payable for the grant:	HK\$1.00 to be paid by each Grantee upon acceptance of the Share Options
Vesting period of Share Options:	All Share Options will be vested and can be exercised upon expiration of 12 months from the Date of Grant
Exercise period of the Share Options:	31 May 2025 to 15 September 2025 (both days inclusive) (or such longer period as may be extended by the Board in its absolute discretion, provided that the end date shall not be later than 10 years from the Date of Grant)
Performance target:	The Share Options shall not be subject to any performance target.

In relation to the grant of Share Options to Directors of the Company and employees of the Group, the purpose of the Share Option Scheme is to reward the Grantees for their past contributions and to motivate and retain the Grantees by allowing them to share the results achieved by the Group as a result of their efforts and contributions. Having considered that: (a) each Grantee's experiences in the Group's business, length of service to the Group and contribution and dedication to the promotion of the Group's business; (b) the Grantees are Directors or employees of the Group who will directly contribute to the overall business performance and sustainable development of the Group; and (c) the value of the Share Options are subject to the market performance of the Shares which in turn depends on the Group's performance, the Remuneration Committee of the Board is of the view that the grant of Share Options without performance targets is market competitive and will align the interests of the Grantees with those of the Company and aligns with the purpose of the Share Option Scheme.

Clawback mechanism:	The Grant of Share Options was subject to the clawback mechanism as set out in the terms of the Share Option Scheme, in particular, the lapse of the Options upon cessation to be an employee or executive under the Share Option Scheme and the cancellation of Options at the discretion of the Board.
Financial assistance:	The Group has not provided any financial assistance to the Grantees to facilitate the purchase of Shares under the Share Option Scheme.

The 213,973,500 Share Options were granted to the Directors and employees of the Group as details as follows:

Name/class of the Grantees	Capacity	Number of the Share Options granted
Li Zhong	Executive Director and Co-Chairman	16,000,000
Liu Yujie	Executive Director	16,000,000
Duan, Jerry Linnan	Executive Director and Chief Executive Officer	16,000,000
Zhou Wei	Executive Director and Chief Financial Officer	16,000,000
Chau Kam Wing	Independent Non-Executive Director	2,000,000
Chang Qing	Independent Non-Executive Director	2,000,000
Peng Yongzhen	Independent Non-Executive Director	2,000,000
Other employees	—	143,973,500

The grant of the Share Options to the above Grantees has been approved by the Board (including the independent non-executive Directors), except that the relevant Directors have abstained from voting in respect of the grant of Share Options to him/her and his/her associates (as defined in the Listing Rules).

Save as disclosed above, none of the Grantees is (i) a Director, chief executive or substantial shareholder of the Company or an associate (as defined in the Listing Rules) of any of them; (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit under Rule 17.03D of the Listing Rules; or (iii) a related entity participant or a service provider (as defined in the Listing Rules) and with options and awards granted or to be granted to him/her within any 12-month period exceeding 0.1% of the total number of issued Shares.

Subsequent to the grant of 213,973,500 Share Options above, there are no further Shares available for future grant pursuant to the Share Option Scheme.

By Order of the Board
Kangda International Environmental Company Limited
LI Zhong
Co-Chairman

Hong Kong, 31 May 2024

As at the date of this announcement, the Board comprises eight Directors, namely Mr. ZHAO Juanxian (alias, ZHAO Junxian), Mr. LI Zhong, Ms. LIU Yujie, Mr. DUAN, Jerry Linnan and Mr. ZHOU Wei as executive Directors; and Mr. CHAU Kam Wing, Mr. CHANG Qing and Mr. PENG Yongzhen as independent non-executive Directors.