



Kimou Environmental Holding Limited 金茂源環保控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6805

2025

INTERIM
REPORT



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CORPORATE INFORMATION

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited
(the “**Stock Exchange**”)

STOCK CODE

6805

BOARD OF DIRECTORS

Executive Directors

Mr. Zhang Lianghong (*Chairman and Chief Executive Officer, appointed as Chief Executive Officer with effect from 11 July 2025*)

Mr. Huang Qiyang
(*resigned as Chief Executive Officer with effect from 11 July 2025*)

Mr. Lee Kin Ming

Mr. Huang Shaobo

Mr. Cheung Ka Tsun

Independent Non-Executive Directors

Mr. Li Xiaoyan

Mr. Liu Da

Ms. Pong Scarlett Oi Lan *BBS, JP*

AUDIT COMMITTEE

Mr. Liu Da (*Chairperson*)

Mr. Li Xiaoyan

Ms. Pong Scarlett Oi Lan *BBS, JP*

NOMINATION COMMITTEE

Mr. Zhang Lianghong (*Chairman*)

Mr. Li Xiaoyan

Ms. Pong Scarlett Oi Lan *BBS, JP*

REMUNERATION COMMITTEE

Ms. Pong Scarlett Oi Lan *BBS, JP* (*Chairperson*)

Mr. Zhang Lianghong

Mr. Li Xiaoyan

COMPANY SECRETARY

Mr. Chung Ming Fai

AUTHORISED REPRESENTATIVES

Mr. Zhang Lianghong

Mr. Lee Kin Ming

PRINCIPAL BANKER

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Guangdong Province
the PRC

REGISTERED OFFICE

Campbells Corporate Services Limited
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Grand Cayman KY1-9010
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE’S REPUBLIC OF CHINA (THE “PRC”)

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Guangdong Province, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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LEGAL ADVISORS AS TO HONG KONG LAWS

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AUDITOR

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Entity Auditor registered in accordance with the Accounting and
Financial Reporting Council Ordinance*
25th Floor
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111 Connaught Road
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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Campbells Corporate Services Limited
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COMPANY WEBSITE

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MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In the first half of 2025, the global economy showed signs of moderate recovery, but regional disparities were evident. Inflationary pressures eased in major economies in Europe and the United States, while monetary policy gradually shifted toward loosening, driving a recovery in consumption and investment. Emerging markets, however, were affected by fluctuations in commodity prices and geopolitical factors, resulting in a slowdown in growth momentum. The domestic economy remained optimistically stable, as policy measures continued to produce results. Accelerated infrastructure investment, manufacturing upgrades, and consumption recovery became the main drivers of growth, with gross domestic product (GDP) growth in the second quarter slightly higher than that in the first quarter.

Looking ahead to the second half of the year, with the further implementation of policies to stabilize economic growth and improvements in the global liquidity environment, the market is expected to continue to offer structural opportunities. However, we will need to pay attention to the risks of an economic downturn overseas and the temporary challenges brought about by industrial transformation in China, which may affect our customers' businesses and the Group's performance.

BUSINESS REVIEW

Kimou Environmental Holding Limited (the **"Company"**) and its subsidiaries (collectively, the **"Group"**) develops and operates large-scale Surface Treatment Recycling Eco-industrial Parks in the PRC which are specifically designed for the electroplating industry. For the six months ended 30 June 2025 (the **"Period under Review"**), the Group's revenue was approximately RMB754.0 million (six months ended 30 June 2024: approximately RMB657.6 million), representing an increase of approximately RMB96.4 million from that of the corresponding period in 2024. The profit attributable to the equity shareholders of the Company was approximately RMB59.0 million (six months ended 30 June 2024: approximately RMB49.7 million), representing an increase of approximately RMB9.3 million from that of the corresponding period in 2024. During the Period under Review, the profit attributable to the equity shareholders of the Company increased mainly due to the increase in the Group's revenue and the decrease in finance costs.

MANAGEMENT DISCUSSION AND ANALYSIS

OUR SURFACE TREATMENT RECYCLING ECO-INDUSTRIAL PARKS

The Group currently operates five Surface Treatment Recycling Eco-industrial Parks which are strategically located in Huizhou, Guangdong Province (“**Guangdong Huizhou Park**”), Tianjin (“**Tianjin Bingang Park**”), Jingzhou, Hubei Province (“**Huazhong Park**”), Qingshen, Sichuan Province (“**Qingshen Park**”) and Taixing, Jiangsu Province (“**Huadong Park**”) in order to enjoy a convenient transportation network and be in close proximity to our customers where most of the PRC electroplating enterprises are located.

Total leasable area and occupancy rate

Set out below is the total leasable area and occupancy rate of the Group’s five Surface Treatment Recycling Eco-industrial Parks:

	As at 30 June											
	2025						2024					
	Guangdong	Tianjin					Guangdong	Tianjin				
	Huizhou	Bingang	Huazhong	Qingshen	Huadong	Total	Huizhou	Bingang	Huazhong	Qingshen	Huadong	Total
	Park	Park	Park	Park	Park		Park	Park	Park	Park	Park	
Total leasable area (sq.m.) ^(note)	501,000	288,000	154,000	97,000	125,000	1,165,000	501,000	316,000	142,000	100,000	125,000	1,184,000
Total leased area (sq.m.) ^(note)	467,000	248,000	91,000	53,000	125,000	984,000	470,000	275,000	82,000	49,000	119,000	995,000
Occupancy Rate	93.2%	86.1%	59.1%	54.6%	100.0%	84.5%	93.8%	87.0%	57.7%	49.0%	95.2%	84.0%

Note: Rounded to the nearest thousand. The total leased area includes the area for which a formal lease agreement has been signed and the area for which a reservation agreement has been made.

The Group offers factory premises in standard floor areas in which the customers can choose to lease or buy single or multiple floors according to their operational needs. The Group also leases land to customers to construct their own plants according to the requirements of the Group. As at 30 June 2025, the total leasable area of Guangdong Huizhou Park, Tianjin Bingang Park, Huazhong Park, Qingshen Park and Huadong Park were approximately 501,000 sq.m., 288,000 sq.m., 154,000 sq.m., 97,000 sq.m. and 125,000 sq.m., respectively while their occupancy rates were 93.2%, 86.1%, 59.1%, 54.6% and 100.0%, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Wastewater treatment capabilities

Set out below is the wastewater treatment capability of the Group's five Surface Treatment Recycling Eco-industrial Parks:

2025	Six months ended 30 June					
	Guangdong Huizhou Park	Tianjin Bingang Park	Huazhong Park	Qingshen Park	Huadong Park	Total
Fresh water used (tonnes) ^(note)	1,326,000	396,000	129,000	44,000	216,000	2,111,000
Daily wastewater treatment capacity (tonnes) ^(note)	10,000	6,000	2,500	5,000	4,000	27,500
Average daily wastewater treatment handling capacity (tonnes)	7,365	2,200	719	245	1,202	11,731
Average utilisation rate of daily wastewater treatment capacity	73.7%	36.7%	28.8%	4.9%	30.1%	42.7%

2024	Six months ended 30 June					
	Guangdong Huizhou Park	Tianjin Bingang Park	Huazhong Park	Qingshen Park	Huadong Park	Total
Fresh water used (tonnes) ^(note)	1,339,000	343,000	113,000	22,000	80,000	1,897,000
Daily wastewater treatment capacity (tonnes) ^(note)	10,000	6,000	2,500	5,000	4,000	27,500
Average daily wastewater treatment handling capacity (tonnes)	7,398	1,895	624	122	442	10,481
Average utilisation rate of daily wastewater treatment capacity	74.0%	31.6%	25.0%	2.4%	11.0%	38.1%

Note: Rounded to the nearest thousand.

The factory premises of the five Surface Treatment Recycling Eco-industrial Parks of the Group have pre-installed conduits which direct the electroplating wastewater generated by the park's customers to the Group's centralised wastewater treatment facilities. The Group has also built the systems for (i) recycling the treated wastewater back to the customers for reuse; and (ii) discharging the rest of the treated wastewater through channels. These facilities are fundamental and of core importance to the daily operations of the customers.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Period under Review, the total daily wastewater treatment capacity of the Group reached 27,500 tonnes. The average daily actual wastewater treatment handling capacity was approximately 11,731 tonnes and the average utilisation rate of daily wastewater treatment capacity was approximately 42.7%. The Group's average utilisation rate of daily wastewater treatment capacity has increased by 4.6% compared to the corresponding period in 2024. It was mainly due to the greater increase in the average utilisation rate of daily wastewater treatment capacity in Tianjin Park and Huadong Park.

During the Period under Review, the total daily wastewater treatment capacity of Tianjin Bingang Park reached 6,000 tonnes. The average daily wastewater treatment handling capacity was 2,200 tonnes and the average utilisation rate of daily wastewater treatment capacity was 36.7%, representing an increase of 5.1% over the corresponding period in 2024. It was mainly due to the increase in freshwater usage as a result of the growth of customers' business.

During the Period under Review, the total daily wastewater treatment capacity of Qingshen Park reached 5,000 tonnes. The average daily wastewater treatment handling capacity was 245 tonnes mainly because the occupancy rate of Qingshen Park and the business of the customers did not meet expectations, resulting in low freshwater usage.

During the Period under Review, the total daily wastewater treatment capacity of Huadong Park reached 4,000 tonnes. The average daily wastewater treatment handling capacity was 1,202 tonnes, mainly due to a higher usage of freshwater by most of its customers who have officially commenced their operations.

RESEARCH AND DEVELOPMENT

To keep enhancing the effectiveness of wastewater treatment process and reuse rate of the processed wastewater is the long-term objective and the social responsibility of the Group. With our experienced and knowledgeable research and development team and the cooperation of Tsinghua Shenzhen International Graduate School, the Group has been gradually transforming itself into an integrated wastewater treatment service provider. The Group had obtained 195 registered patents, and 44 patent applications were in the progress of registration as at 30 June 2025.

SALES AND MARKETING

The Group conducts marketing and promotion activities and builds customers relationships through participation in domestic exhibitions and seminars. During the Period under Review, the Group participated in nine exhibitions and five seminars.

OUTLOOK

As stated in the 2024 Annual Report released on 25 April 2025, there are no significant changes to the Group's future outlook. However, the Company will also consider capital operations such as asset restructuring to optimize the Group's development strategy.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF OPERATION

The Group's business mainly involves the provision of factory premises and centralised wastewater treatment services to the customers at the Guangdong Huizhou Park, the Tianjin Bingang Park, the Huazhong Park, the Qingshen Park and the Huadong Park. The Group's main business can be categorised into three business segments, namely, (1) rental and facilities usage; (2) wastewater treatment and utilities; and (3) sales of goods and ancillary business.

Revenue

For the Period under Review, the Group's revenue amounted to approximately RMB754.0 million, representing an increase of approximately 14.7% over that of the corresponding period in 2024, primarily due to the increase in revenue from the segments of wastewater treatment and utilities and sales of goods and ancillary business.

Revenue by segment	Six months ended 30 June											
	2025						2024					
	Guangdong Huizhou Park	Tianjin Bingang Park	Huazhong Park	Qingshen Park	Huadong Park	Total	Guangdong Huizhou Park	Tianjin Bingang Park	Huazhong Park	Qingshen Park	Huadong Park	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Rental and facilities usage												
Rental of factory premises	38,877	13,193	8,354	2,954	7,498	70,876	41,313	16,132	4,006	2,076	5,954	69,481
Property management fee	8,179	3,704	1,069	855	2,076	15,883	8,053	3,449	905	632	1,427	14,466
Environmental protection technical service fee	84,454	33,858	5,505	4,324	14,320	142,461	89,504	40,728	6,288	3,854	5,639	146,013
Sub-total	131,510	50,755	14,928	8,133	23,894	229,220	138,870	60,309	11,199	6,562	13,020	229,960
Wastewater treatment and utilities												
Wastewater treatment fee	90,035	27,307	13,420	2,773	13,103	146,638	91,379	23,328	9,813	1,300	4,879	130,699
Steam charge	37,898	22,999	5,059	1,991	8,422	76,369	35,408	19,441	3,731	830	2,616	62,026
Utility systems maintenance fee	27,034	13,423	2,568	751	5,655	49,431	27,846	13,101	1,876	338	1,550	44,711
Sub-total	154,967	63,729	21,047	5,515	27,180	272,438	154,633	55,870	15,420	2,468	9,045	237,436
Sales of goods and ancillary business												
Sales of raw materials and consumables	202,784	11,537	2,631	3,570	6,538	227,060	165,484	4,515	1,514	655	23	172,191
Other income	15,033	7,125	1,265	127	1,712	25,262	12,320	4,897	737	30	54	18,038
Sub-total	217,817	18,662	3,896	3,697	8,250	252,322	177,804	9,412	2,251	685	77	190,229
Total	504,294	133,146	39,871	17,345	59,324	753,980	471,307	125,591	28,870	9,715	22,142	657,625

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue from rental and facilities usage service

The revenue from rental and facilities usage service slightly decreased by approximately RMB0.74 million or 0.3% from approximately RMB229.96 million for the six months ended 30 June 2024 to approximately RMB229.22 million for the Period under Review. The decrease was primarily attributable to the reduction in rent and the unit price of environmental protection technical service fee in Guangdong Huizhou Park and Tianjin Bingang Park to support customers' development.

Revenue from wastewater treatment and utilities

Revenue from this business segment comprises of wastewater treatment fee, steam charge and utility systems maintenance fee, which are chargeable on our customers based on the actual volume of freshwater, steam and utility consumed, respectively.

(i) Wastewater treatment fee

Wastewater treatment fee increased by approximately RMB15.9 million or 12.2% from approximately RMB130.7 million for the six months ended 30 June 2024 to approximately RMB146.6 million for the Period under Review. The increase was primarily attributable to the increase in freshwater consumption as the majority of customers in Huadong Park have officially commenced their operations during the Period under Review.

(ii) Steam charge

Steam charge increased by approximately RMB14.3 million or 23.1% from approximately RMB62.0 million for the six months ended 30 June 2024 to approximately RMB76.4 million for the Period under Review. The increase was primarily attributable to the combined effect of the increase in steam consumption as the majority of customers in Huadong Park have officially commenced their operations during the Period under Review, and the increase in steam consumption as a result of the increase in freshwater consumption in Tianjin Bingang Park.

(iii) Utility systems maintenance fee

The Group charges its customers for using its electricity and water supply systems, based on their consumption volume of those utilities. During the Period under Review, over 99% of the utility systems maintenance fee was derived from utilisation of the electricity system.

The utility systems maintenance fee increased by approximately RMB4.7 million or 10.6% from approximately RMB44.7 million for the six months ended 30 June 2024 to approximately RMB49.4 million for the Period under Review. The increase was primarily attributable to the increase in volume of electricity consumed as the majority of customers in Huadong Park have officially commenced their operations during the Period under Review.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue from sales of goods and ancillary business

Sales of goods and ancillary business was mainly comprised of sales of raw materials and goods which accounted for 90.0% (six months ended 30 June 2024: 90.5%) of this business segment.

Sales of raw materials and goods increased by approximately RMB54.9 million or 31.9% from approximately RMB172.2 million for the six months ended 30 June 2024 to approximately RMB227.1 million for the Period under Review. The increase was primarily attributable to the combined effects of the growth in the selling price of precious metal products and the increase in demand of customers during the Period under Review.

Operating costs

The Group's operating costs primarily consisted of depreciation and amortisation, cost of inventories, staff costs, utility costs and other expenses.

Operating costs increased by approximately RMB75.3 million or 13.9% from approximately RMB541.8 million for the six months ended 30 June 2024 to approximately RMB617.1 million for the Period under Review. The increase in operating costs was primarily attributable to the increase in the cost of inventories as a result of the increase in wastewater treatment volume and the increase in sales of raw materials and goods of the Group.

Depreciation and amortisation

The Group's depreciation and amortisation increased by approximately RMB3.3 million or 2.2% from approximately RMB147.3 million for the six months ended 30 June 2024 to approximately RMB150.6 million for the Period under Review. The increase was mainly attributable to the depreciation and amortisation charged on newly acquired and operated investment properties and property, plant and equipment during the Period under Review, which was offset by the decrease in depreciation and amortisation as some assets reached or adjusted their useful lives.

Cost of inventories

Cost of inventories mainly consisted of raw materials for wastewater treatment and natural gas for production of steam and goods for sale to the customers.

Cost of inventories increased by approximately RMB66.0 million or 29.7% from approximately RMB221.8 million for the six months ended 30 June 2024 to approximately RMB287.8 million for the Period under Review, primarily attributable to the combined effects of the increase in materials used due to the increase in wastewater treatment and the increase of costs due to the increase in goods sold.

MANAGEMENT DISCUSSION AND ANALYSIS

Staff costs

Staff costs were comprised of staff's salaries, bonuses and other benefits as well as Directors' remuneration. For the Period under Review, the staff costs amounted to approximately RMB85.8 million, representing an increase of 10.0% as compared with approximately RMB78.1 million for the six months ended 30 June 2024. The increase was mainly due to the effect of the increase in number of employees due to business development needs in Huazhong Park, Qingshen Park and Huadong Park during the Period under Review.

Utility costs

Utility costs were mainly comprised of costs of electricity and water consumed throughout the wastewater treatment processes, production of steam and for other activities such as lighting and gardening inside the Surface Treatment Recycling Eco-industrial Parks. Utility costs decreased by approximately RMB0.47 million or 2.4%, from approximately RMB19.44 million for the six months ended 30 June 2024 to approximately RMB18.97 million for the Period under Review. The decrease was mainly attributable to the combined effect of the decrease in unit electricity cost paid and the increase in electricity and water consumption resulting from the increase in wastewater treatment.

Other expenses

Other expenses primarily consisted of professional service fees, waste treatment expenses, other taxes and surcharges, research and development fees and others, as set out below:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Professional service fees	10,684	11,118
Waste treatment expenses	8,219	7,887
Other taxes and surcharges	20,568	21,577
Security charges	3,901	3,706
Maintenance and consumables expenses	5,253	5,143
Research and development fees	8,242	7,560
Consultancy service fee	1,457	1,289
Business entertainment fees	4,762	5,492
Cleaning expenses	2,764	2,771
Travelling expenses	2,023	1,793
Others	6,070	6,901
Total	73,943	75,237

MANAGEMENT DISCUSSION AND ANALYSIS

Other expenses decreased by approximately RMB1.3 million, from approximately RMB75.2 million for the six months ended 30 June 2024 to approximately RMB73.9 million for the Period under Review, primarily attributable to the decrease in other taxes and surcharges due to the reduction in rent and the unit price of environmental protection technical service fee in Guangdong Huizhou Park and Tianjin Bingang Park, partially offset by the increase in research and development fees for quality improvement and higher waste treatment expenses due to the needs of business development.

Other revenue

Other revenue primarily consisted of bank interest income, government grants, and others. Other revenue decreased by approximately RMB2.2 million or 22.8%, from approximately RMB9.5 million for the six months ended 30 June 2024 to approximately RMB7.3 million for the Period under Review. Such decrease was mainly due to the decrease in government grants and the decrease in interest income.

Finance costs

Finance costs were primarily comprised of interest on bank loans and other borrowings. Finance costs decreased by approximately RMB14.8 million or 20.9%, from approximately RMB70.7 million for the six months ended 30 June 2024 to approximately RMB56.0 million for the Period under Review. The decrease in finance costs was attributable to the decrease in loan interest, partially offset by the increase in the average balance of bank loans and other borrowings during the Period under Review.

Income tax

Income tax increased by approximately RMB9.5 million from approximately RMB25.4 million for the six months ended 30 June 2024 to approximately RMB34.9 million for the Period under Review, which was primarily attributable to the combined effects of the increase in the Group's taxable income and the increase in withholding tax arising from the distribution of dividends by a PRC subsidiary to a Hong Kong subsidiary during the Period under Review.

Profit attributable to the equity shareholders of the Company

Profit attributable to the equity shareholders of the Company increased by approximately RMB9.3 million from approximately RMB49.7 million for the six months ended 30 June 2024 to approximately RMB59.0 million for the Period under Review, the increase was mainly attributable to the factors as described above.

MANAGEMENT DISCUSSION AND ANALYSIS

Bank loans and other borrowings and gearing ratio

The Group's cash and cash equivalents were mainly used in the development of plants and wastewater treatment facilities of the Huazhong Park, Qingshen Park and Huadong Park. The Group financed its funding requirements mainly through a combination of cash generated from operating activities and bank loans. As at 30 June 2025, the total amount of bank loans and other borrowings of the Group was approximately RMB3,507.2 million (31 December 2024: RMB3,075.7 million), in which 98.6% (31 December 2024: 98.3%) were denominated in RMB.

As at 30 June 2025, the Group's gearing ratio was approximately 272.3% (31 December 2024: 223.7%). The ratio is calculated based on the total debts (including all borrowings) as of the respective dates divided by the total equity as of the respective dates and multiplied by 100%.

Net current liabilities and sufficiency of working capital

The table below sets out the Group's current assets, current liabilities and net current liabilities as at 30 June 2025.

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Current assets	987,498	753,459
Current liabilities	(1,466,212)	(1,517,925)
Net current liabilities	(478,714)	(764,466)

As at 30 June 2025 and 31 December 2024, the total net current liabilities of the Group amounted to approximately RMB478.7 million and RMB764.5 million, respectively. In light of the Group's current liquidity position, the unutilised banking facilities available to the Group and our projected cash inflows to be generated from operations, the Directors believe that the Group has adequate resources to meet the Group's present capital requirements and for the next 12 months.

Capital management

The Group's primary objectives in managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for the shareholders and benefits for other stakeholders of the Company, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security offered by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-equity ratio (net debt divided by total equity). For this purpose, net debt is defined as the remaining balance of bank loans, other borrowings and lease liabilities less cash and cash equivalents, deposits with a bank with original maturity date over three months and restricted deposits with banks.

The Group's adjusted net debt-to-equity ratio was as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Current liabilities:		
Bank loans and other borrowings	822,630	864,857
Lease liabilities	1,906	1,882
	824,536	866,739
Non-current liabilities:		
Bank loans and other borrowings	2,684,618	2,210,861
Lease liabilities	10,572	11,564
	3,519,726	3,089,164
Less: Cash and cash equivalents	(350,433)	(219,405)
Restricted deposits with banks	(47,604)	(47,824)
Net debt	3,121,689	2,821,935
Total equity	1,288,089	1,375,091
Adjusted net debt-to-equity ratio	2.42	2.05

MANAGEMENT DISCUSSION AND ANALYSIS

Capital Expenditure

During the Period under Review, the Group funded its capital expenditure with cash generated from operating activities and bank loans and other borrowings. For the Period under Review, the Group's capital expenditure amounted to approximately RMB276.7 million (six months ended 30 June 2024: RMB305.6 million), mainly attributable to acquisition of investment property, property, plant and equipment, and other intangible assets.

Pledged assets

As at 30 June 2025, the Group had certain property, plant and equipment and investment property with carrying value of approximately RMB1,006.6 million and approximately RMB943.7 million, respectively (31 December 2024: approximately RMB886.8 million and approximately RMB1,050.6 million, respectively), land-use rights with net book value of approximately RMB284.6 million (31 December 2024: approximately RMB309.9 million), deposits for other borrowings with carrying value of RMB6.7 million (31 December 2024: nil), and restricted bank deposits with carrying value of RMB47.6 million (31 December 2024: RMB47.8 million) were pledged as security for the bank loans and other borrowings with carrying value of approximately RMB3,506.1 million (31 December 2024: approximately RMB3,074.6 million).

Please refer to note 16(iv) of the Notes to the Unaudited Interim Condensed Consolidated Financial Statement of this report for particulars of guarantees made by the connected persons of the Company for securing the Group's liabilities. Such guarantees are conducted on normal commercial terms or better and are not secured by the assets of the Group.

Capital commitments

As at 30 June 2025, the Group's total capital expenditure which has been contracted for but not incurred were approximately RMB314.9 million (31 December 2024: RMB408.1 million) for the development of the factory premises and other ancillary equipment of Tianjin Bingang Park, Huazhong Park and Huadong Park. These capital expenditures were mainly financed by internal resources and bank loans and other borrowings.

Contingent liabilities

The Group did not have any material contingent liabilities as at 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN EXCHANGE RISK

Individual companies within the Group have limited foreign currency risk as most of the transactions are denominated in the same currency as the functional currency of the operations in which they relate. However, as the principal subsidiaries mainly carried out transactions in RMB, therefore any appreciation or depreciation of Hong Kong dollar against RMB will affect the Group's financial position and be reflected in the exchange reserve.

During the Period under Review, the Group did not use any financial derivatives to hedge against any foreign exchange risks.

INTEREST RATE RISK

The Group's interest rate risk arises primarily from bank loans issued at variable rates that expose the Group to interest rate risk. The Group's management closely monitored the Group's loan portfolio in order to manage the Group's interest rate risk exposure.

CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables. The Group's exposure to credit risk arising from cash and cash equivalents, deposits with a bank with original maturity date over three months and restricted deposits with banks is limited because the counterparties are banks and financial institutions, for which the Group considers having low credit risk.

LIQUIDITY RISK

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's Board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Cash and cash equivalents held by the Group are mainly denominated in RMB.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL AND OTHER MATERIAL TRANSACTION

On 28 May 2025, Tianjin Jinhua Waste Products Acquisition Co., Ltd.* (天津金華都廢品收購有限公司) ("**Tianjin Jinhua**"), a non-wholly owned subsidiary of the Company, and Tianjin Hongyue Environmental Technology Co., Ltd.* (天津洪躍環保科技有限公司) ("**Tianjin Hongyue**") entered into a factory repurchase agreement. Pursuant to the factory repurchase agreement, Tianjin Hongyue agreed to dispose of and Tianjin Jinhua agreed to repurchase the permanent use rights of Factory 802 in Tianjin Bingang Park for a consideration of RMB49,068,000 (inclusive of taxes). On 28 May 2025, Tianjin Jinhua and Tianjin Hongyue entered into a factory disposal agreement. Tianjin Jinhua agreed to dispose of and transfer the Factory 802 and the respective land use rights to Tianjin Hongyue for an aggregate consideration of RMB57,788,000. Please refer to the announcements of the Company dated 28 May 2025 and 10 June 2025 for further details.

Save as disclosed above, there was no other significant investment, material acquisition or disposal of subsidiaries, associates or joint ventures or other material transaction during the Period under Review.

MANAGEMENT DISCUSSION AND ANALYSIS

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including any treasury shares as defined under the Listing Rules) during the Period under Review. As at 30 June 2025, the Company did not hold any treasury shares.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2025, the Group had 1,063 full-time employees (30 June 2024: 985 full-time employees) responsible for management, operation, property management, procurement, testing, maintenance, customer services, research and development, finance and administrative matters. The employee costs (including the Directors' remuneration) were approximately RMB85.8 million for the Period under Review, which was an increase of approximately 10.0% as compared with approximately RMB78.1 million for the six months ended 30 June 2024. The remuneration for the Directors and senior management members is based on their qualifications, work experience, job duties and position with the Group. The Group has implemented an annual review system to assess the performance of its employees, which forms the basis of the determinations on salary raises, discretionary bonuses and promotion.

The Group has also established various welfare plans including the provision of basic medical insurance, unemployment insurance and other relevant insurance to its employees pursuant to the PRC rules and regulations and the existing policy requirements of the local government. The Group has also made contributions to statutory mandatory provident fund scheme for its employees in Hong Kong.

The Group puts great emphasis on staff training. The Group arranges orientation programs for newly hired staff to familiarize them with the Company's working environment and culture. The Group also regularly provides employees with on-the-job trainings so as to ensure their work performances will meet the Group's strategic goals, operating standards, customers and regulatory requirements.

The Company adopted a share option scheme on 18 June 2019 (the **"Share Option Scheme"**) for the purpose of providing incentives and rewards to eligible directors and employees of the Group. During the period from the date of adoption of the Share Option Scheme and up to the date of this report, no share option under the Share Option Scheme was granted.

The Company has also adopted a share award scheme on 23 May 2025 (the **"Share Award Scheme"**) to recognise the contributions by the selected participants with an opportunity to acquire a proprietary interest in the Company and encourage and retain selected participants for the continual operation and development of the Group. The Share Award Scheme shall be solely funded by existing shares of the Company. During the period from the date of adoption of the Share Award Scheme and up to the date of this report, no awarded share under the share award scheme was granted.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTOR'S AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”), which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix C3 to the Listing Rules, were as follows:

Name of Director/Chief Executive	Capacity/Nature of interest	Number of Shares or underlying Shares held ⁽¹⁾	Approximate percentage of shareholding interest in the Company ⁽¹⁾
Mr. Zhang Lianghong (“Mr. Zhang”)	Interest in a controlled corporation ⁽²⁾	532,528,000	48.07%
Mr. Huang Shaobo (“Mr. Huang”)	Interest in a controlled corporation ⁽³⁾	29,214,000	2.64%
Mr. Huang Qiyang	Beneficial owner and interest of spouse ⁽⁴⁾	6,096,000	0.55%

Notes:

- (1) All interests stated above are long positions. The approximate percentage of shareholding interest in the Company was calculated based on the total number of 1,107,750,000 shares in issue as at 30 June 2025.
- (2) Such shares were registered in the name of Flourish Investment International Limited, a company wholly owned by Mr. Zhang. By virtue of Part XV of the SFO, Mr. Zhang is deemed to be interested in all the shares held by Flourish Investment International Limited.
- (3) Such shares were registered in the name of Dakson Assets Management Limited, a company wholly owned by Mr. Huang. By virtue of Part XV of the SFO, Mr. Huang is deemed to be interested in all the shares held by Dakson Assets Management Limited.
- (4) Such shares consist of 468,000 shares directly held by Mr. Huang Qiyang and 5,628,000 shares directly held by his spouse, Ms. Wang Meiqi. By virtue of Part XV of the SFO, Mr. Huang Qiyang is deemed to be interested in all the shares held by Ms. Wang Meiqi.

Save as disclosed above, as at 30 June 2025, none of the Directors and/or chief executive of the Company nor their associates had or were deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them has taken or deemed to have taken under the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein or which would be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Period under Review was the Company or its holding company (if applicable), subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors or the chief executives of the Company or their associates to acquire benefits by means of acquisitions of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, to the best knowledge of the Directors, the table below listed the persons (other than the Directors or chief executives of the Company), who had interests in the shares and underlying shares of the Company which would fall to be disclosed to the Company pursuant to provision of Division 2 and 3 of Part XV of the SFO, or as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO:

Name of shareholder	Capacity/Nature of interest	Number of Shares or underlying Shares held ⁽¹⁾	Approximate percentage of shareholding interest in the Company ⁽¹⁾
Flourish Investment International Limited ⁽²⁾	Beneficial owner	532,528,000	48.07%
Premier Investment Worldwide Company Limited ⁽³⁾	Beneficial owner	239,400,000	21.61%
Mr. Lee Yuk Kong ⁽⁴⁾	Interest in a controlled corporation and beneficial owner	251,920,000	22.74%

Notes:

- (1) All interests stated above are long positions. The approximate percentage of shareholding interest in the Company was calculated based on the total number of 1,107,750,000 shares in issue as at 30 June 2025.
- (2) Flourish Investment International Limited is a company wholly owned by Mr. Zhang, an executive Director, the chairman of the Board and the chief executive officer. By virtue of Part XV of the SFO, Mr. Zhang is deemed to be interested in all the Shares held by Flourish Investment International Limited.
- (3) Premier Investment Worldwide Company Limited is a company wholly owned by Mr. Lee Yuk Kong, a former executive Director who resigned on 26 July 2022 and is the father of Mr. Lee Kin Ming, an executive Director. By virtue of Part XV of the SFO, Mr. Lee is deemed to be interested in all the Shares held by Premier Investment Worldwide Company Limited.
- (4) Mr. Lee Yuk Kong is interested in aggregate of 251,920,000 shares via 239,400,000 shares held by Premier Investment Worldwide Company Limited and 12,520,000 shares held by him personally.

Save as disclosed above, as at 30 June 2025, the Directors and the senior management of the Company are not aware of any other person who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of Part XV of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SHARE OPTION SCHEME

The Company adopted the Share Option Scheme on 18 June 2019. The purpose of the Share Option Scheme is to recognise and acknowledge the contributions that the eligible participants had or may have made to our Group. Further details of the rules of the Share Option Scheme are set out in the section headed “Statutory and General Information — D. Other Information — 2. Share Option Scheme” in Appendix V to the prospectus of the Company dated 29 June 2019.

No share option was granted, exercised, expired, cancelled or lapsed since the adoption of the Share Option Scheme and there is no outstanding share option under the Share Option Scheme as at 30 June 2025.

The number of options available for grant under the Share Option Scheme at the beginning and the end of the Period under Review are both 112,000,000.

SHARE AWARD SCHEME

The Company adopted the Share Award Scheme on 23 May 2025. The purposes of the Share Award Scheme are to (i) provide the selected participants with an opportunity to obtain a proprietary interest in the Company; (ii) to provide incentives to selected participants to contribute to the Company; and (iii) to enable the Company to recruit high-calibre employees and attract human resources that are valuable to the Group. The scheme is solely funded by existing shares. Further details of the rules of the Share Award Scheme are set out in the announcement of the Company dated 26 May 2025.

No share award was granted, vested, lapsed or cancelled since the adoption of the Share Award Scheme. The number of share awards over existing shares available for grant under the Share Award Scheme at the adoption date of the Scheme and the end of the Period under Review are both 55,387,500.

CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of its shareholders as a whole. The Company has adopted and committed to a code of corporate governance, containing the code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules.

The Directors consider that, during the Period under Review and up to the date of this report, the Company has complied, to the extent applicable and permissible, with the code provisions as set out in the then prevailing CG Code, except for a deviation from the code provision C.2.1 of part 2 of the CG Code, the roles of chairman of the Board and the chief executive officer of the Company are not separate and are both performed by Mr. Zhang Lianghong. The Board believes that vesting the roles of both the chairman of the Board and the chief executive officer of the Company in the same person can facilitate the execution of the Group's business strategies and boost the effectiveness of its operations. Therefore, the Board considers that the deviation from the code provision C.2.1 of the CG Code is appropriate in such circumstances. In addition, under the supervision of the Board, which is comprised of five executive Directors and three independent non-executive Directors, the Board is appropriately structured with a balance of power to provide sufficient checks to protect the interests of the Company and the shareholders of the Company. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE MODEL CODE BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as its code of conduct regarding its Directors' securities transactions. The Directors are reminded of their obligations under the Model Code on a regular basis. Following specific enquiry, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the Period under Review.

CHANGE IN CHIEF EXECUTIVE

Since 1 January 2025 and up to the date of this report, changes to the information of chief executive of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

Mr. Huang Qiyang has resigned as a chief executive officer of the Company (the “**Chief Executive Officer**”) with effect from 11 July 2025. Mr. Huang continued to serve as the executive Director and his remuneration was adjusted to HK\$600,000 per annum. With effect from the same day, Mr. Zhang Lianghong, the chairman of the Board and executive Director, was appointed as the Chief Executive Officer. Please refer to the announcement of the Company dated 11 July 2025 for details.

Save as disclosed in this report and so far as the Company is aware after having made reasonable enquiries, there were no other significant events affecting the Group which have occurred since 30 June 2025 and up to the date of this report.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Board established the Audit Committee (the “**Audit Committee**”) on 18 June 2019. As at the date of this report, the Audit Committee comprises three independent non-executive Directors, namely Mr. Liu Da, Ms. Pong Scarlett Oi Lan *BBS, JP* and Mr. Li Xiaoyan. Mr. Liu Da is the chairman of the Audit Committee. None of them is a member of the former or existing auditors of the Company. Details of the terms of reference of the Audit Committee are set out on the Company's website and the website of the Stock Exchange.

The primary duties of the Audit Committee are to review and supervise the Group's financial reporting process and internal control and risk management systems, and to formulate or review policies relating to anti-bribery compliances by ensuring regular management review of relevant corporate governance measures and its implementation and to communicate with external auditors on the audit procedures and accounting issues. The Audit Committee has reviewed the unaudited condensed consolidated interim financial information of the Group for the Period under Review, which has also been reviewed by the Company's external auditor, BDO Limited, Certified Public Accountants, in accordance with Hong Kong Standard on Review Engagement 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the Hong Kong Institute of Certified Public Accountants.

INTERIM DIVIDEND

On 22 August 2025, the Board has resolved to pay an interim dividend of HK10 cents per share for the six months ended 30 June 2025 (the “**Interim Dividend**”) to Shareholders whose names appear on the register of members of the Company on Friday, 12 September 2025 (six months ended 30 June 2024: Nil). Based on the 1,107,750,000 shares in issue as at 30 June 2025, it is expected that the interim dividend payable will amount to approximately HK\$110,775,000 (equivalent to approximately RMB100,805,000) (tax inclusive). The Interim Dividend will be paid on or around 30 September 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CLOSURE OF THE REGISTER OF MEMBERS

In order to determine the entitlement of Shareholders to the Interim Dividend, the register of members of the Company will be closed from Wednesday, 10 September 2025 to Friday, 12 September 2025 (both days inclusive), during which no transfer of shares will be registered. All transfer documents together with the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 9 September 2025.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float during the Period under Review as required under the Listing Rules.

APPRECIATION

The Company would like to take this opportunity to thank all of its valued shareholders and various stakeholders for their continuous support. Also, the Company would like to express its appreciation to all the staff for their efforts and commitments to the Group.

On behalf of the Board

Zhang Lianghong

Chairman

22 August 2025

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



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TO THE BOARD OF DIRECTORS OF KIMOU ENVIRONMENTAL HOLDING LIMITED

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 25 to 52, which comprises the interim condensed consolidated balance sheet of Kimou Environmental Holding Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) as at 30 June 2025 and the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of other comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and notes to the interim condensed consolidated financial statements, including material accounting policy information (the “**interim financial information**”). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (“**HKSRE 2410**”) issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with HKAS 34.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

OTHER MATTER

The comparative condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months ended 30 June 2024, and the related notes were reviewed by another auditor who expressed an unmodified conclusion on those statements on 23 August 2024.

BDO Limited

Certified Public Accountants

IP Ka Ming

Practising Certificate no. P08322

Hong Kong, 22 August 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2025 — unaudited
(Expressed in Renminbi)

	Notes	Six months ended 30 June	
		2025 RMB'000	2024 RMB'000
Revenue	3	753,980	657,625
Other revenue	4	7,334	9,503
Depreciation and amortisation	5(c)	(150,604)	(147,268)
Cost of inventories	5(c)	(287,782)	(221,802)
Staff costs	5(b)	(85,821)	(78,053)
Utility costs	5(c)	(18,966)	(19,442)
Other expenses		(73,943)	(75,237)
Other net gain		3,123	15,195
Share of profit or loss of associates		101	141
Impairment losses on trade and other receivables		(3,156)	(3,957)
Profit from operations		144,266	136,705
Finance costs	5(a)	(55,969)	(70,737)
Profit before taxation	5	88,297	65,968
Income tax	6	(34,895)	(25,387)
Profit for the period		53,402	40,581
Attributable to:			
Equity shareholders of the Company		58,979	49,706
Non-controlling interests		(5,577)	(9,125)
Profit for the period		53,402	40,581
Earnings per share (RMB)			
Basic and diluted	7	0.05	0.04

The notes on pages 33 to 52 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 17(a).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2025 — unaudited
(Expressed in Renminbi)

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Profit for the period	53,402	40,581
Other comprehensive income for the period		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of entities not using Renminbi ("RMB") as functional currency	3,462	(1,912)
Total comprehensive income for the period	56,864	38,669
Attributable to:		
Equity shareholders of the Company	62,441	47,794
Non-controlling interests	(5,577)	(9,125)
Total comprehensive income for the period	56,864	38,669

The notes on pages 33 to 52 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2025 — unaudited
(Expressed in Renminbi)

	Notes	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment	8	1,967,079	1,989,235
Investment property	9	1,401,065	1,443,269
Construction in progress	10	624,886	441,515
Right-of-use assets	11	490,383	499,257
Intangible assets		7,514	6,688
Interests in associates		4,436	3,741
Other financial assets		2,894	3,064
Other receivables	12	28,629	38,426
Deferred tax assets		42,842	44,095
Total non-current assets		4,569,728	4,469,290
Current assets			
Inventories		38,298	28,840
Trade and other receivables	12	551,163	457,390
Restricted deposits with banks	13	47,604	47,824
Cash and cash equivalents	14	350,433	219,405
Total current assets		987,498	753,459
Current liabilities			
Trade and other payables	15	603,256	622,679
Contract liabilities		21,484	13,532
Bank loans and other borrowings	16	822,630	864,857
Lease liabilities		1,906	1,882
Current taxation		16,936	14,975
Total current liabilities		1,466,212	1,517,925
Net current liabilities		(478,714)	(764,466)
Total assets less current liabilities		4,091,014	3,704,824

The notes on pages 33 to 52 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2025 — unaudited
(Expressed in Renminbi)

	Notes	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Non-current liabilities			
Bank loans and other borrowings	16	2,684,618	2,210,861
Lease liabilities		10,572	11,564
Deferred income		100,235	99,808
Deferred tax liabilities		7,500	7,500
Total non-current liabilities		2,802,925	2,329,733
Net assets		1,288,089	1,375,091
Capital and reserves			
Share capital		97,283	97,283
Reserves		961,040	1,052,465
Total equity attributable to equity shareholders of the Company		1,058,323	1,149,748
Non-controlling interests		229,766	225,343
Total equity		1,288,089	1,375,091

Approved and authorised for issue by the board of directors on 22 August 2025.

Zhang Lianghong
Chairman and Chief Executive Officer

Cheung Ka Tsun
Executive Director

The notes on pages 33 to 52 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2025 — unaudited
(Expressed in Renminbi)

	Equity attributable to equity shareholders of the Company								
	Share capital	Share premium	Shares repurchased for cancellation	Statutory and other reserve	Exchange reserve	Retained profits	Sub-total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2025	97,283	435,351	-	211,976	(2,120)	407,258	1,149,748	225,343	1,375,091
Changes in equity for the six-months ended 30 June 2025									
Profit/(loss) for the period	-	-	-	-	-	58,979	58,979	(5,577)	53,402
Other comprehensive income	-	-	-	-	3,462	-	3,462	-	3,462
Total comprehensive income	-	-	-	-	3,462	58,979	62,441	(5,577)	56,864
Dividends approved in respect of the previous year	-	-	-	-	-	(153,866)	(153,866)	-	(153,866)
Contributions from non-controlling interests	-	-	-	-	-	-	-	10,000	10,000
Safety fund provision	-	-	-	27	-	(27)	-	-	-
Balance at 30 June 2025	97,283	435,351	-	212,003	1,342	312,344	1,058,323	229,766	1,288,089

The notes on pages 33 to 52 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2025 — unaudited
(Expressed in Renminbi)

	Equity attributable to equity shareholders of the Company								Total equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Shares repurchased for cancellation RMB'000	Statutory and other reserve RMB'000	Exchange reserve RMB'000	Retained profits RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	
Balance at 1 January 2024	97,412	537,091	(1,355)	164,646	3,219	331,977	1,132,990	109,585	1,242,575
Changes in equity for the six-months ended 30 June 2024									
Profit/(loss) for the period	–	–	–	–	–	49,706	49,706	(9,125)	40,581
Other comprehensive income	–	–	–	–	(1,912)	–	(1,912)	–	(1,912)
Total comprehensive income	–	–	–	–	(1,912)	49,706	47,794	(9,125)	38,669
Dividends approved in respect of the previous year	–	(100,514)	–	–	–	–	(100,514)	–	(100,514)
Cancellation of shares	(129)	(1,226)	1,355	–	–	–	–	–	–
Contributions from non-controlling interests	–	–	–	–	–	–	–	76,400	76,400
Balance at 30 June 2024	97,283	435,351	–	164,646	1,307	381,683	1,080,270	176,860	1,257,130

The notes on pages 33 to 52 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2025 — unaudited
(Expressed in Renminbi)

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Operating activities		
Cash generated from operations	200,470	169,119
Income tax paid	(31,681)	(23,816)
Net cash generated from operating activities	168,789	145,303
Investing activities		
Interest received	470	—
Payment for purchase of property, plant and equipment, investment property, construction in progress, and lease prepayments	(328,573)	(379,911)
Payment for purchase of intangible assets	(1,643)	(1,657)
Proceeds from disposal of property, plant and equipment	47	18
Proceeds from disposal of investment property	10,262	35,809
Payment for investment in an associate	(800)	(400)
Payment for deposits with a bank with original maturity date over three months	—	(30,000)
Cash receipts from repayment of advances to third parties	61,676	—
Release of pledged deposits with banks	220	2,853
Net cash used in investing activities	(258,341)	(373,288)

The notes on pages 33 to 52 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2025 — unaudited
(Expressed in Renminbi)

	Notes	Six months ended 30 June	
		2025 RMB'000	2024 RMB'000
Financing activities			
Proceeds from bank loans and other borrowings		961,785	801,865
Repayment of bank loans and other borrowings		(530,256)	(629,762)
Interest paid		(59,790)	(73,669)
(Payment)/withdrawal of deposits for other borrowings		(6,700)	2,000
Capital injection from non-controlling interests		10,000	76,400
Lease payments		(1,323)	(1,321)
Dividends paid to equity shareholders of the Company		(153,866)	—
Net cash generated from financing activities		219,850	175,513
Net increase/(decrease) in cash and cash equivalents		130,298	(52,472)
Cash and cash equivalents at the beginning of the period		219,405	276,752
Effect of foreign exchange rate changes on cash and cash equivalents		730	(308)
Cash and cash equivalents at the end of the period	14	350,433	223,972

The notes on pages 33 to 52 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34, *Interim Financial Reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). It was authorised for issue on 22 August 2025.

The interim financial report comprises the Kimou Environmental Holding Limited (the “**Company**”) and its subsidiaries (together referred to as the “**Group**”) and the Group’s interest in associates.

At 30 June 2025, the Group’s current liabilities exceeded its current assets by RMB478,714,000 (31 December 2024: RMB764,466,000). The directors of the Company consider that, based on the projection of the Group’s future cash flows from operations and the anticipated ability of the Group to renew or rollover its banking facilities and other financing sources to finance its continuing operations and its planned and/or committed capital expenditure for the next twelve months from the end of the reporting period of this interim financial report, the Group has adequate resources to continue to operate as a going concern throughout the next twelve months and that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Group’s ability to continue as a going concern.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by BDO in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the HKICPA. BDO’s independent review report to the Board of Directors is included on pages 23.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

(Expressed in Renminbi unless otherwise indicated)

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA to this interim financial report for the current accounting period:

- Amendments to HKAS 21 and HKFRS 1, *Lack of Exchangeability*

The application of these amendments has no material impact on the Group's results and financial position for the current or prior periods. The Group has not early applied any new or amendments to standards and interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Rental and facilities usage: this segment conducts industrial park property development and management business.
- Wastewater treatment and utilities: this segment operates electroplating wastewater treatment plants and provides services of utilities.
- Sales of goods and ancillary business: this segment includes sales of chemicals and others.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

(Expressed in Renminbi unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major business lines is as follows:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by types of good or service		
— Facilities usage and management service		
Property management services	15,883	14,466
Environmental protection technical service	142,461	146,013
	158,344	160,479
— Wastewater treatment and utilities		
Wastewater treatment services	146,638	130,699
Utility services	125,800	106,737
	272,438	237,436
— Sales of goods and ancillary business	252,322	190,229
	683,104	588,144
Revenue from other sources		
Gross rentals from investment properties	70,876	69,481
	753,980	657,625

Disaggregation of revenue from contracts with customers by geographic markets is disclosed in note 3(d).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

(Expressed in Renminbi unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment profit

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

For the six months ended 30 June 2025	Rental and facilities usage	Wastewater treatment and utilities	Sales of goods and ancillary business	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers	229,220	272,438	252,322	753,980
Inter-segment revenue	18,961	1,135	9,717	29,813
Reportable segment revenue	248,181	273,573	262,039	783,793
Reportable segment profit (adjusted EBITDA)	216,089	77,656	22,781	316,526
Depreciation and amortisation for the period	(131,369)	(17,853)	(1,382)	(150,604)

For the six months ended 30 June 2024	Rental and facilities usage	Wastewater treatment and utilities	Sales of goods and ancillary business	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers	229,960	237,436	190,229	657,625
Inter-segment revenue	9,147	–	13,698	22,845
Reportable segment revenue	239,107	237,436	203,927	680,470
Reportable segment profit (adjusted EBITDA)	217,973	65,652	16,463	300,088
Depreciation and amortisation for the period	(129,043)	(17,206)	(1,019)	(147,268)

The measure used for reporting segment profit is "adjusted EBITDA" i.e. "adjusted earnings before finance costs, interest income, income tax, depreciation and amortisation". To arrive at adjusted EBITDA, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as directors' and auditors' remuneration and other head office or corporate administration costs.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

(Expressed in Renminbi unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(c) Reconciliations of reportable segment profit

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Reportable segment profit	316,526	300,088
Depreciation and amortisation	(150,604)	(147,268)
Finance costs	(55,969)	(70,737)
Interest income	470	1,273
Unallocated head office and corporate expenses	(22,126)	(17,388)
Consolidated profit before taxation	88,297	65,968

(d) Geographic information

Substantially all of the Group's revenue and non-current assets are generated and located in the People's Republic of China ("the PRC").

4 OTHER REVENUE

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Interest income	470	1,273
Government grants		
— Unconditional subsidies	807	2,159
— Conditional subsidies	5,313	5,058
Other income	744	1,013
	7,334	9,503

Government grants represent various forms of incentives and subsidies granted to the Group by the local government authorities in the PRC.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

(Expressed in Renminbi unless otherwise indicated)

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Interest on bank loans and other borrowings	59,385	70,283
Interest on lease liabilities	398	454
Less: interest expenses capitalised into properties and plant under development	(3,814)	–
	55,969	70,737

The borrowing costs have been capitalised at a rate of 3.55% per annum during the six months ended 30 June 2025.

(b) Staff costs (including directors' emoluments)

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Salaries, wages and other benefits	78,279	71,524
Retirement scheme contributions	7,542	6,529
	85,821	78,053

The Group has no other material obligations for payments of pension benefits beyond the contributions above.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

(Expressed in Renminbi unless otherwise indicated)

5 PROFIT BEFORE TAXATION *(Continued)*

(c) Other items

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Depreciation and amortisation		
— Property, plant and equipment	96,370	93,992
— Investment property	47,614	47,560
— Right-of-use assets	5,803	5,152
— Intangible assets	817	564
	150,604	147,268
Cost of inventories (i)		
— Cost of inventories — sold	217,453	161,066
— Cost of inventories — consumed	70,329	60,736
	287,782	221,802
Net loss arising from disposal of property, plant and equipment	301	69
Net gain arising from disposal of investment property, right-of-use assets and non-current assets held for sale	(1,171)	(11,066)
Utility costs	18,966	19,442
Research and development expenses	8,242	7,560

- (i) Cost of inventories mainly represented goods sold to customers and raw materials consumed during the provision of electroplating wastewater treatment services.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

(Expressed in Renminbi unless otherwise indicated)

6 INCOME TAX

Taxation in the condensed consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Current tax — PRC income tax		
Provision for the period	25,242	25,033
Withholding tax on distribution of dividends	8,400	—
Deferred tax		
Origination and reversal of temporary differences	9,653	354
Effect on distribution of dividends	(8,400)	—
	34,895	25,387

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.
- (ii) No provision was made for Hong Kong Profits Tax as the Group did not earn income subject to Hong Kong Profits Tax for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).
- (iii) Taxable income for the subsidiaries of the Company in the PRC is subject to PRC income tax rate of 25%, unless otherwise specified below.

Huizhou Jinmaoyuan Environmental Technology Co., Ltd. (“**Huizhou Jinmaoyuan**”), Tianjin Bingang Electroplating Enterprises Management Co., Ltd. (“**Tianjin Bingang**”) and Jinyuan (Jingzhou) Environmental Technology Co., Ltd. (“**Jingzhou Jinyuan**”) were qualified as High and New Technology Enterprises and entitled to the preferential income tax rate of 15% from December 2024 to December 2027, November 2022 to November 2025 and October 2022 to October 2025, respectively.

Huizhou Jinmaoyuan was engaged in the operation of environmental protection, energy and water conservation, related taxable income was qualified for income tax exemption for the six months ended 30 June 2025 and 2024.

- (iv) Pursuant to the relevant law in the PRC, from 1 January 2008, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business in the PRC but whose relevant income is not effectively connected with the establishment or a place of business in the PRC, will be subject to withholding tax at the rate of 10% (unless reduced by tax treaty) on various types of passive income such as dividends derived from sources within the PRC. Pursuant to the Sino-Hong Kong Double Tax Arrangement and the related regulations, a qualified Hong Kong tax resident will be liable to a reduced withholding tax rate of 5% on dividends from a PRC enterprise if the Hong Kong tax resident is the “beneficial owner” and holds 25% or more of the equity interest of the PRC enterprise. As at 30 June 2025, the Group’s subsidiary in Hong Kong had obtained the Certificate of Resident Status of the Hong Kong Special Administrative Region and therefore had adopted the withholding tax rate at 5% (six months ended 30 June 2024: 5%) for PRC withholding tax.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

(Expressed in Renminbi unless otherwise indicated)

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB58,979,000 (six months ended 30 June 2024: RMB49,706,000) and the weighted average number of 1,107,750,000 ordinary shares (six months ended 30 June 2024: 1,107,750,000 ordinary shares) in issue during the interim period.

(b) Diluted earnings per share

During the six months ended 30 June 2025 and 2024, there were no dilutive potential ordinary shares outstanding.

8 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, additions to property, plant and equipment of RMB74,560,000 (six months ended 30 June 2024: RMB114,142,000) mainly represented properties for own use and wastewater treatment equipment in industrial parks.

As at 30 June 2025, certain property, plant and equipment with carrying value of RMB1,006,621,000 (31 December 2024: RMB886,818,000) were pledged to secure the Group's bank loans and other borrowings (note 16(iv)).

9 INVESTMENT PROPERTY

During the six months ended 30 June 2025, additions to investment property of RMB25,397,000 (six months ended 30 June 2024: RMB15,920,000) mainly represented properties in industrial parks and leased apartments to earn rental income.

The Group's investment properties are stated at cost less accumulated depreciation.

As at 30 June 2025, the fair value of the Group's investment property was approximately RMB2,554,093,000 (31 December 2024: RMB2,614,720,000). The fair value is determined by the directors of the Company with reference to mainly the valuation performed, using the income capitalisation approach with reference to the term value and the reversionary value calculated by discounting the contracted annual rent at the capitalisation rate over the existing lease period, and the sum of average unit market rent at the capitalisation rate after the existing lease period, by an independent qualified professional valuer.

As at 30 June 2025, certain investment property with carrying value of RMB943,680,000 (31 December 2024: RMB1,050,577,000) were pledged to secure the Group's bank loans and other borrowings (note 16(iv)).

10 CONSTRUCTION IN PROGRESS

During the six months ended 30 June 2025, additions to construction in progress held for own use and held for rental was approximately RMB148,310,000 and RMB87,945,000 (six months ended 30 June 2024: RMB88,494,000 and RMB64,596,000) respectively mainly represented properties and facilities under construction in industrial parks.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

(Expressed in Renminbi unless otherwise indicated)

11 RIGHT-OF-USE ASSETS

During the six months ended 30 June 2025, no additions to right-of-use assets of land-use-rights held for own use, office and dormitories held for own use and land-use-rights held for rental (six months ended 30 June 2024: additions to land-use-rights held for own use and land-use-rights held for rental were approximately RMB34,739,000 and RMB90,949,000) respectively.

As at 30 June 2025, certain land-use-rights with carrying value of RMB284,632,000 (31 December 2024: RMB309,873,000) were pledged to secure the Group's bank loans and other borrowings (note 16(iv)).

12 TRADE AND OTHER RECEIVABLES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Current		
Trade debtors	272,861	196,116
Bills receivables	12,811	18,500
Less: Allowance for expected credit losses	(13,112)	(7,723)
	272,560	206,893
Deductible input value-added tax ("VAT")	160,415	134,663
Prepayments	14,177	10,163
Other receivables	62,523	5,078
Advances to third parties	42,329	104,005
Less: Allowance for expected credit losses	(1,955)	(4,188)
	40,374	99,817
Amounts due from related parties (note 21(c))	1,114	776
	551,163	457,390
Non-current		
Prepayments for purchase of property, plant and equipment	6,351	35,861
Prepayment of loan service fee	3,578	2,565
Deposits for other borrowings (note 16(iv))	6,700	–
Deposits for right-of-use assets	12,000	–
	28,629	38,426
Total	579,792	495,816

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

(Expressed in Renminbi unless otherwise indicated)

12 TRADE AND OTHER RECEIVABLES *(Continued)*

All of the trade and other receivables, apart from those classified as non-current portion, are expected to be recovered or recognised as expense within one year.

Ageing analysis

As of the end of reporting period, the ageing analysis of trade debtors and bills receivables, based on the invoice date or bill acceptance date and net of loss allowance, is as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 months	183,318	170,368
1 to 3 months	27,959	22,850
4 to 6 months	47,950	7,813
Over 6 months	13,333	5,862
	272,560	206,893

Trade debtors and bills receivables are due within 15 to 90 days from the date of billing or bills receivable issuance.

13 RESTRICTED DEPOSITS WITH BANKS

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Pledged deposits (i)	47,604	47,824
	47,604	47,824

(i) As at 30 June 2025, the deposits with banks have been pledged as securities for bank loans (note16(iv)).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

(Expressed in Renminbi unless otherwise indicated)

14 CASH AND CASH EQUIVALENTS

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Cash on hand	127	122
Cash at bank	348,878	217,833
Other cash and cash equivalents	1,428	1,450
	350,433	219,405

As at 30 June 2025, cash and cash equivalents situated in Mainland China amounted to RMB314,718,000 (31 December 2024: RMB207,060,000). Remittance of funds out of Mainland China is subject to the relevant rules and regulations of foreign exchange control.

15 TRADE AND OTHER PAYABLES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade payables	88,373	88,618
Deposits due to tenants	247,282	241,020
Payables for equipment and construction	146,842	217,819
Interest payables	3,521	3,926
Payroll payables	22,199	35,752
Amounts due to related parties (note 21(c))	2,701	703
Payables for properties	45,017	–
Consideration for acquisition of non-controlling interests	655	655
Other tax payables	11,535	10,949
Lease payments received in advance	262	26
Others	34,869	23,211
Total	603,256	622,679

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

(Expressed in Renminbi unless otherwise indicated)

15 TRADE AND OTHER PAYABLES *(Continued)*

Deposits due to tenants represented the rental and facilities usage deposits, which might be repayable to tenants after more than one year. All of the other trade payables, other payables, accruals and amounts due to related parties are expected to be settled within one year or are repayable on demand.

The credit period granted by the suppliers is 30 to 90 days.

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 months	68,566	67,002
1 to 3 months	13,715	14,885
4 to 6 months	2,807	4,805
Over 6 months	3,285	1,926
	88,373	88,618

16 BANK LOANS AND OTHER BORROWINGS

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Secured and guaranteed bank loans (iii)(iv)(v)	3,042,071	2,801,241
Secured other borrowings (i)(iii)(iv)(v)	464,033	273,333
Unsecured and unguaranteed other borrowings (ii)(iii)	1,144	1,144
Total	3,507,248	3,075,718

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

(Expressed in Renminbi unless otherwise indicated)

16 BANK LOANS AND OTHER BORROWINGS *(Continued)*

As at 30 June 2025, the bank loans and other borrowings were repayable as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 year or on demand	822,630	864,857
After 1 year but within 2 years	670,348	493,581
After 2 years but within 5 years	1,738,278	1,285,987
After 5 years	275,992	431,293
Sub-total	2,684,618	2,210,861
Total	3,507,248	3,075,718

- (i) Secured other borrowings represent loans received from financial institutions other than banks in the PRC.
- (ii) As at 30 June 2025, unsecured and unguaranteed other borrowings represented loan from a non-controlling shareholder of a subsidiary with a fixed-interest rate at 6% per annum, and are repayable in December 2028.
- (iii) As at 30 June 2025, bank loans amounted to RMB1,946,271,000 (31 December 2024: RMB1,737,146,000) were floating-interest rate loans with interest rates ranged from 3.15% to 6.66% (31 December 2024: 3.70% to 6.60%). Bank loans and other borrowings amounted to RMB1,560,977,000 (31 December 2024: RMB1,338,572,000) were fixed-interest rate borrowings with interest rates ranged from 3.00% to 6.00% (31 December 2024: 3.89% to 6.6%).
- (iv) Secured bank loans and other borrowings as at 30 June 2025 and 31 December 2024 were secured by certain of the Group's charge rights of rental income, equity interests of certain subsidiaries of the Group in the PRC, property, plant and equipment (note 8), investment property (note 9), land-use rights (note 11), deposits for other borrowings (note 12), and pledged deposits (note 13). As at 30 June 2025, bank loans and other borrowings amounted to RMB3,506,104,000 (31 December 2024: RMB3,074,574,000) were guaranteed by certain directors of the Company, close family members of directors, non-controlling shareholders of the Company or non-controlling shareholders of certain subsidiaries of the Group in the PRC.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

(Expressed in Renminbi unless otherwise indicated)

16 BANK LOANS AND OTHER BORROWINGS *(Continued)*

- (v) Bank loans and other borrowings amounted to RMB3,506,104,000 as at 30 June 2025 (31 December 2024: RMB3,074,574,000) are subject to the fulfillment of covenants, which are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. In addition, pursuant to the terms of the bank loan agreements, certain subsidiaries are not allowed to distribute profit and/or to obtain other external financing prior to the lenders' approval. As at 30 June 2025, none of the covenants relating to drawn down facilities had been breached (31 December 2024: Nil).

17 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

- (i) On 22 August 2025, an interim dividend of HK\$0.10 per ordinary share for the six months ended 30 June 2025 was resolved to pay to equity shareholders of the Company (six months ended 30 June 2024: Nil).

The interim dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

- (ii) Dividend payables to equity shareholders attributable to the previous financial year, approved during the interim period.

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Final dividend in respect of the previous financial year, approved during the following interim period, of HKD0.15 per ordinary share (six months ended 30 June 2024: HKD0.10 per ordinary share)	153,866	100,514

A final dividend of HK\$0.15 per ordinary share for the year ended 31 December 2024 were paid to the shareholders of the Company on 27 June 2025.

As at 30 June 2024, the final dividend in respect of the previous financial year has not been paid, the remaining RMB100,514,000 has been recognised as "dividend payables".

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

(Expressed in Renminbi unless otherwise indicated)

17 CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

(b) Purchase and cancellation of own shares

During six months ended 30 June 2025, the Company did not repurchase or cancel its own shares on the Stock Exchange of Hong Kong Limited.

During six months ended 30 June 2024, the Company did not repurchase its own shares on the Stock Exchange of Hong Kong Limited. As at 30 June 2024, the Company has cancelled all shares repurchased.

18 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3: Fair value measured using significant unobservable inputs.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

(Expressed in Renminbi unless otherwise indicated)

18 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

Financial assets and liabilities measured at fair value *(Continued)*

Fair value hierarchy *(Continued)*

	Fair value at 30 June 2025 RMB'000	Fair value measurements as at 30 June 2025 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurement				
Other financial assets:				
Unlisted equity securities	2,894	–	2,894	–

	Fair value at 31 December 2024 RMB'000	Fair value measurements as at 31 December 2024 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurement				
Other financial assets:				
Unlisted equity securities	3,064	–	3,064	–

As at 30 June 2025 and 31 December 2024, the fair value of unlisted equity instruments in level 2 is determined by the directors of the Company with reference to the valuation performed, using the price/net assets ratios of comparable listed companies adjusted for lack of marketability discount.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

(Expressed in Renminbi unless otherwise indicated)

19 COMMITMENTS

Commitments outstanding at 30 June 2025 not provided for in the interim financial report as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Contracted for		
— Construction of industrial parks	314,877	408,131
Authorised but not contracted for		
— Construction of industrial parks	1,330,190	1,329,526
	1,645,067	1,737,657

20 CONTINGENT LIABILITY

As at 30 June 2025 the Group did not have material contingent liability (31 December 2024: Nil).

21 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group is as follows:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Salaries and other benefits	2,899	2,425
Retirement scheme contributions	111	86
	3,010	2,511

Total remuneration is included in "staff costs" (note 5(b)).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

(Expressed in Renminbi unless otherwise indicated)

21 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(b) Related parties transactions

During the six months ended 30 June 2025, the Group entered into the following material related party transactions:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Provision of rental service to fellow subsidiaries (i)	–	736
Provision of environmental protection technical service to a fellow subsidiary (i)	–	786
Provision of wastewater treatment and utilities service to a fellow subsidiary (i)	–	1,636
Renovation cost paid to fellow subsidiaries	72	1,155
Provision of consulting service to associates	665	362
Purchase of photovoltaic power from associates	4,732	2,961
Purchase of cleaning service	73	–
Sale of property, plant and equipment to a fellow subsidiary	31	20

- (i) The executive director of the Company resigned his position as the executive director of one fellow subsidiary on 22 March 2024 and that entity was no longer related party of the Group.

(c) Balance with related parties

(i) Amounts due from related parties

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade receivables from:		
— Fellow subsidiaries	8	–
— Associates	410	79
	418	79
Other receivables from:		
— Fellow subsidiaries	696	696
— Associates	–	1
	696	697

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

(Expressed in Renminbi unless otherwise indicated)

21 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(c) Balance with related parties (Continued)

(ii) Amounts due to related parties

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade payables to:		
— Associates	1,603	657
Other payables to:		
— Fellow subsidiaries	1,098	46

(d) Leasing arrangement

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Short-term lease paid/payable to subsidiaries (i)	1,392	1,482

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Lease liabilities due to fellow subsidiaries (i)	12,876	14,327

- (i) During the six months ended 30 June 2025, the Group entered into two lease agreements with two related parties (six months ended 30 June 2024: three lease agreement with two related parties) for use of buildings and warehouses. The amounts of rent payable (excluding taxes) by the Group under the lease are RMB639,000 per quarter and RMB4,000 per month, respectively (six months ended 30 June 2024: RMB639,000 per quarter, RMB3,000 per month and RMB4,000 per month, respectively), which were determined with reference to amounts charged by the fellow subsidiaries to third parties.