金茂源

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)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Revenue	**1,060,063**	753,980
Profit from operations	**155,214**	144,266
Profit attributable to equity shareholders of the Company	**76,985**	58,979
Basic earnings per share *(RMB)*	**0.07**	0.05
Diluted earnings per share *(RMB)*	**0.07**	0.05
Operating profit margin	**14.6%**	19.1%
Net profit margin	**7.0%**	7.1%

	At 30 June 2026	At 31 December 2025
Total assets	**5,730,739**	5,662,318
Net assets	**1,421,708**	1,305,907

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Kimou Environmental Holding Limited (the "**Company**" or "**Kimou**", together with its subsidiaries, the "**Group**") is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2026 (the "**Period under Review**"), together with the comparative figures for the corresponding period in 2025 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026 — unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
Revenue	*3*	**1,060,063**	753,980
Other revenue	*4*	**8,929**	7,334
Depreciation and amortisation	*5(c)*	**(169,952)**	(150,604)
Cost of inventories	*5(c)*	**(539,927)**	(287,782)
Staff costs	*5(b)*	**(92,935)**	(85,821)
Utility costs	*5(c)*	**(19,971)**	(18,966)
Other expenses		**(81,392)**	(73,943)
Other net gain		**438**	3,123
Share of profit or loss of associates		**357**	101
Impairment losses on trade and other receivables		**(10,396)**	(3,156)
Profit from operations		**155,214**	144,266
Finance costs	*5(a)*	**(56,832)**	(55,969)
Profit before taxation	*5*	**98,382**	88,297
Income tax	*6*	**(24,551)**	(34,895)
Profit for the period		**73,831**	53,402
Attributable to:			
Equity shareholders of the Company		**76,985**	58,979
Non-controlling interests		**(3,154)**	(5,577)
Profit for the period		**73,831**	53,402
Earnings per share *(RMB)*			
Basic and diluted	*7*	**0.07**	0.05

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026 — unaudited
(Expressed in Renminbi)

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Profit for the period	**73,831**	53,402
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	**8,520**	3,462
Total comprehensive income for the period	**82,351**	56,864
Attributable to:		
Equity shareholders of the Company	**85,505**	62,441
Non-controlling interests	**(3,154)**	(5,577)
Total comprehensive income for the period	**82,351**	56,864

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 — unaudited
(Expressed in Renminbi)

	Notes	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Non-current assets			
Property, plant and equipment	8	**1,966,545**	1,964,882
Investment property	9	**1,707,309**	1,785,265
Construction in progress		**587,809**	463,436
Right-of-use assets	10	**560,049**	572,175
Intangible assets		**8,717**	7,799
Interest in associates		**6,981**	5,024
Other financial assets		**–**	2,595
Other receivables	11	**50,698**	38,322
Deferred tax assets		**39,218**	45,316
Total non-current assets		**4,927,326**	4,884,814
Current assets			
Inventories		**45,658**	41,152
Trade and other receivables	11	**523,466**	495,333
Restricted deposits with banks		**47,189**	47,837
Cash and cash equivalents		**187,100**	193,182
Total current assets		**803,413**	777,504
Current liabilities			
Trade and other payables	12	**610,012**	704,282
Contract liabilities		**19,235**	22,364
Bank loans and other borrowings	13	**803,510**	822,362
Lease liabilities		**6,119**	5,982
Current taxation		**17,688**	16,959
Total current liabilities		**1,456,564**	1,571,949
Net current liabilities		**(653,151)**	(794,445)
Total assets less current liabilities		**4,274,175**	4,090,369

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2026 — unaudited
(Expressed in Renminbi)
(Continued)

	Notes	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Non-current liabilities			
Other payables	*12*	**47,714**	–
Contract liabilities		**40,847**	37,022
Bank loans and other borrowings	*13*	**2,629,790**	2,602,300
Lease liabilities		**27,639**	29,654
Deferred income		**106,477**	110,483
Deferred tax liabilities		**–**	5,003
Total non-current liabilities		**2,852,467**	2,784,462
Net assets		**1,421,708**	1,305,907
Capital and reserves			
Share capital		**97,283**	97,283
Reserve		**1,019,510**	935,415
Total equity attributable to equity shareholders of the Company		**1,116,793**	1,032,698
Non-controlling interests		**304,915**	273,209
Total equity		**1,421,708**	1,305,907

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The unaudited interim financial information was extracted from the interim financial report of Kimou Environmental Holding Limited (the "**Company**") and its subsidiaries (together the "**Group**") for the six months ended 30 June 2026.

The 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 21 August 2026.

As at 30 June 2026, the Group's current liabilities exceeded its current assets by RMB653,151,000 (31 December 2025: RMB794,445,000). This condition may cast significant doubt on the Group's ability to continue as a going concern. 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 the 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 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The 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 2025 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.

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 HKFRS 9 and HKFRS 7	*Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	*Annual Improvements to HKFRS Accounting Standards — Volume 11*

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.

(a) Disaggregation of revenue

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*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	**19,031**	15,883
Environmental protection technical service	**144,621**	142,461
	163,652	158,344
— Wastewater treatment and utilities		
Wastewater treatment services	**176,221**	146,638
Utility services	**147,615**	125,800
	323,836	272,438
— Sales of goods and ancillary business	**490,429**	252,322
	977,917	683,104
Revenue from other sources		
Gross rentals from investment properties	**82,146**	70,876
	1,060,063	753,980

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

(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.

	Rental and facilities usage		Wastewater treatment and utilities		Sales of goods and ancillary business		Total	
For the six months ended 30 June	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Revenue from external customers	**245,798**	229,220	**323,836**	272,438	**490,429**	252,322	**1,060,063**	753,980
Inter-segment revenue	**14,428**	18,961	**313**	1,135	**21,180**	9,717	**35,921**	29,813
Reportable segment revenue	**260,226**	248,181	**324,149**	273,573	**511,609**	262,039	**1,095,984**	783,793
Reportable segment profit (adjusted EBITDA)	**240,198**	216,089	**103,249**	77,656	**11,275**	22,781	**354,722**	316,526
Depreciation and amortization for the period	**(147,362)**	(131,369)	**(21,159)**	(17,853)	**(1,431)**	(1,382)	**(169,952)**	(150,604)

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.

(c) Reconciliations of reportable segment profit

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Reportable segment profit	**354,722**	316,526
Depreciation and amortisation	**(169,952)**	(150,604)
Finance costs	**(56,832)**	(55,969)
Interest income	**1,349**	470
Unallocated head office and corporate expenses	**(30,905)**	(22,126)
Consolidated profit before taxation	**98,382**	88,297

(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	
	2026	2025
	RMB'000	*RMB'000*
Interest income	**1,349**	470
Government grants		
— Unconditional subsidies	**1,115**	807
— Conditional subsidies	**5,410**	5,313
Other income	**1,055**	744
	8,929	7,334

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

5. PROFIT BEFORE TAXATION

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

(a) Finance costs

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest on bank loans and other borrowings	**60,139**	59,385
Interest on lease liabilities	**514**	398
Less: interest expense capitalised into properties and plant under development	**(3,821)**	(3,814)
	56,832	55,969

The borrowing costs have been capitalised at a rate of between 3.13% and 3.20% per annum during the six months ended 30 June 2026.

(b) Staff costs (including directors' emoluments)

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**84,556**	78,279
Retirement scheme contributions	**8,379**	7,542
	92,935	85,821

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

(c) Other items

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Depreciation and amortisation		
— Property, plant and equipment	**101,843**	96,370
— Investment property	**58,986**	47,614
— Right-of-use assets	**8,601**	5,803
— Intangible assets	**522**	817
	169,952	150,604
Cost of inventories (i)		
— Cost of inventories — sold	**457,416**	217,453
— Cost of inventories — consumed	**82,511**	70,329
	539,927	287,782
Net (gain)/loss arising from disposal of property, plant and equipment	**(97)**	301
Net gain arising from disposal of investment property, right-of-use assets and non-current assets held for sale	**(5,224)**	(1,171)
Utility costs	**19,971**	18,966
Research and development expenses	**9,300**	8,242

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

6. INCOME TAX

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current tax — PRC income tax		
Provision for the period	**23,456**	25,242
Withholding tax on distribution of dividends	–	8,400
Deferred tax		
Origination and reversal of temporary differences	**1,095**	9,653
Effect on distribution of dividends	**–**	(8,400)
	24,551	34,895

(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 and Vietnam Corporate Income Tax as the Group did not earn income subject to Hong Kong Profits Tax and Vietnam Corporate Income Tax for the six months ended 30 June 2026 (six months ended 30 June 2025: 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, from November 2025 to November 2028 and from November 2025 to November 2028, 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 2026 and 2025.

(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 2026, 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 2025: 5%) for PRC withholding tax.

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 RMB76,985,000 (six months ended 30 June 2025: RMB58,979,000) and the weighted average number of 1,107,238,000 ordinary shares (six months ended 30 June 2025: 1,107,750,000 ordinary shares) in issue during the interim period.

(b) Diluted earnings per share

During the six months ended 30 June 2026 and 2025, there were no dilutive potential ordinary shares outstanding.

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired items of property, plant and equipment with a cost of RMB30,322,000, RMB75,966,000 transferred from construction in progress and RMB2,477,000 transferred to investment property (six months ended 30 June 2025: RMB74,560,000) mainly represented properties for own use and wastewater treatment equipment in industrial parks.

As at 30 June 2026, certain property, plant and equipment with carrying value of RMB1,214,360,000 (31 December 2025: RMB1,186,727,000) were pledged to secure the Group's bank loans and other borrowings (note 13(iv)).

9. INVESTMENT PROPERTY

During the six months ended 30 June 2026, additions to investment property RMB760,000, RMB18,261,000 transferred from construction in progress and RMB2,477,000 transferred from property, plant and equipment (six months ended 30 June 2025: RMB25,397,000) mainly represented properties in the 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 2026, the fair value of the Group's investment property was approximately RMB2,748,869,000 (31 December 2025: RMB2,818,546,000). 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 2026, certain investment property with carrying value of RMB1,261,815,000 (31 December 2025: RMB939,283,000) were pledged to secure the Group's bank loans and other borrowings (note 13(iv)).

10. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2026, 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 was approximately RMB276,000 (six months ended 30 June 2025: nil) respectively.

As at 30 June 2026, certain land-use-rights with carrying value of RMB304,686,000 (31 December 2025: RMB365,285,000) were pledged to secure the Group's bank loans and other borrowings (note 13(iv)).

11. TRADE AND OTHER RECEIVABLES

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Trade debtors	**310,873**	284,238
Bills receivables	**20,449**	28,341
Less: Allowance for expected credit losses	**(32,362)**	(22,861)
	298,960	289,718
Deductible input value-added tax ("**VAT**")	**185,307**	169,434
Prepayments	**17,713**	12,364
Other receivables	**5,952**	7,518
Advances to third parties	**15,993**	15,993
Less: Allowance for expected credit losses	**(1,669)**	(774)
	14,324	15,219
Amounts due from related parties	**1,210**	1,080
	523,466	495,333
Non-current		
Prepayments for purchase of property, plant and equipment and right of use assets	**34,450**	28,281
Prepayment of loan service fee	**3,868**	3,341
Deposits for other borrowings (note 13(iv))	**12,380**	6,700
	50,698	38,322
Total	**574,164**	533,655

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 the 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 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Within 1 month	**225,321**	212,029
1 to 3 months	**20,473**	30,566
4 to 6 months	**21,066**	16,074
Over 6 months	**32,100**	31,049
	298,960	289,718

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

12. TRADE AND OTHER PAYABLES

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Trade payables	**98,797**	98,315
Deposits due to customers	**250,932**	259,445
Payables for equipment and construction	**195,122**	276,003
Interest payables	**3,035**	2,780
Payroll payables	**22,855**	39,929
Amounts due to related parties	**2,645**	1,483
Other tax payables	**9,241**	5,208
Lease payment received in advance	**2,192**	206
Others	**25,193**	20,913
	610,012	704,282
Non-current		
Lease payment received in advance	**47,714**	–
Total	**657,726**	704,282

Deposits due to customers represented the rental and facilities usage deposits, which might be repayable to customers after more than one year. All of the other trade payables, other payables (apart from those classified as non-current portion), 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 2026	At 31 December 2025
	RMB'000	*RMB'000*
Within 1 month	**73,853**	70,659
1 to 3 months	**16,622**	19,990
4 to 6 months	**2,103**	3,290
Over 6 months	**6,219**	4,376
	98,797	98,315

13. BANK LOANS AND OTHER BORROWINGS

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
Secured and guaranteed bank loans (iii)(iv)(v)	**3,056,043**	3,012,016
Secured other borrowings (i)(iii)(iv)(v)	**376,113**	411,502
Unsecured and unguaranteed other borrowings (ii)(iii)	**1,144**	1,144
Total	**3,433,300**	3,424,662

As at 30 June 2026, the bank loans and other borrowings were repayable as follows:

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Within 1 year or on demand	**803,510**	822,362
After 1 year but within 2 years	**804,003**	653,399
After 2 years but within 5 years	**1,152,769**	1,179,221
After 5 years	**673,018**	769,680
Sub-total	**2,629,790**	2,602,300
Total	**3,433,300**	3,424,662

(i) Secured other borrowings represent loans received from financial institutions other than banks in the PRC.

(ii) As at 30 June 2026, 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 2026, bank loans and other borrowings amounted to RMB2,705,757,000 (31 December 2025: RMB2,609,757,000) were floating-interest rate loans with interest rates ranged from 3.00% to 5.71% (31 December 2025: 3.00% to 4.00%). Bank loans and other borrowings amounted to RMB727,543,000 (31 December 2025: RMB814,905,000) were fixed-interest rate borrowings with interest rates ranged from 2.80% to 6.00% (31 December 2025: 3.20% to 6.00%).

(iv) Secured bank loans and other borrowings as at 30 June 2026 and 31 December 2025 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 10), deposits for other borrowings (note 11) and pledged bank deposits. As at 30 June 2026, bank loans and other borrowings amounted to RMB3,432,156,000 (31 December 2025: RMB3,423,518,000) 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.

(v) Bank loans and other borrowings amounted to RMB3,433,300,000 as at 30 June 2026 (31 December 2025: RMB3,424,662,000) 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 2026, none of the covenants relating to drawn down facilities had been breached (31 December 2025: Nil).

14. DIVIDENDS

(a) Dividends

(i) Interim dividends proposed to equity shareholders of the Company attributable to the year.

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interim dividend proposed after the end of the reporting period of HKD nil per ordinary share (2025: HKD0.10)	–	100,805

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) Final dividend payables to equity shareholders attributable to the previous financial year, approved and paid during the interim period.

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved during the following interim period, of HKD nil per ordinary share (six months ended 30 June 2025: HKD0.15 per ordinary share)	–	153,866

(b) Repurchase of shares

During six months ended 30 June 2026, the Company repurchased an aggregate of 512,000 ordinary shares in total on the Stock Exchange of Hong Kong Limited for a total consideration of approximately HKD1,623,000 (equivalent to RMB1,410,000).

During six months ended 30 June 2025, no ordinary shares were repurchased or cancelled by the Company on the Stock Exchange of Hong Kong Limited.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In the first half of 2026, the global economy demonstrated resilience in the face of multiple headwinds, but growth momentum disparities were evident. Whilst inflationary pressures eased somewhat in major economies in Europe and the United States, and monetary policy gradually shifted toward loosening, high energy prices resulting from geopolitical conflicts continued to constrain the recovery. Emerging markets, however, were affected by fluctuations in commodity prices and geopolitical factors, resulting in a slowdown in growth momentum, with pronounced regional divergence. 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 growth in the second quarter slightly higher than that in the first quarter, representing a relatively strong performance among the world's major economies.

BUSINESS REVIEW

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 Period under Review, the Group's revenue was approximately RMB1,060.1 million (six months ended 30 June 2025: approximately RMB754.0 million), representing an increase of approximately RMB306.1 million from that of the corresponding period in 2025. The profit attributable to the equity shareholders of the Company was approximately RMB77.0 million (six months ended 30 June 2025: approximately RMB59.0 million), representing an increase of approximately RMB18.0 million from that of the corresponding period in 2025, and an increase of approximately 30.5% from that of the corresponding period in 2025.

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 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											
	2026						2025					
	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
Total leasable area (sq.m.)[note]	**501,000**	**317,000**	**159,000**	**104,000**	**292,000**	**1,373,000**	501,000	288,000	154,000	97,000	125,000	1,165,000
Total leased area (sq.m.)[note]	**485,000**	**242,000**	**102,000**	**57,000**	**285,000**	**1,171,000**	467,000	248,000	91,000	53,000	125,000	984,000
Occupancy Rate	**96.8%**	**76.3%**	**64.2%**	**54.8%**	**97.6%**	**85.3%**	93.2%	86.1%	59.1%	54.6%	100.0%	84.5%

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 2026, the total leasable area of Guangdong Huizhou Park, Tianjin Bingang Park, Huazhong Park, Qingshen Park and Huadong Park were approximately 501,000 sq.m., 317,000 sq.m., 159,000 sq.m., 104,000 sq.m. and 292,000 sq.m., respectively while their occupancy rates were 96.8%, 76.3%, 64.2%, 54.8% and 97.6%, respectively.

Wastewater treatment capabilities

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

2026	**Six months ended 30 June**					
	Guangdong Huizhou Park	**Tianjin Bingang Park**	**Huazhong Park**	**Qingshen Park**	**Huadong Park**	**Total**
Fresh water used (tonnes)*(note)*	**1,399,000**	**433,000**	**169,000**	**78,000**	**432,000**	**2,511,000**
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)	**7,772**	**2,405**	**940**	**435**	**2,400**	**13,952**
Average utilisation rate of daily wastewater treatment capacity	**77.7%**	**40.1%**	**37.6%**	**8.7%**	**60.0%**	**50.7%**

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%

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 parks' 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.

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 13,952 tonnes and the average utilisation rate of daily wastewater treatment capacity was approximately 50.7%. The Group's average utilisation rate of daily wastewater treatment capacity has increased by 8.0 percentage points compared to the corresponding period in 2025 , primarily as a result of the combined effects of an increase in the number of customers across our parks and a rise in customers' production capacity, these factors drove higher freshwater usage; in particular, the commencement of production and operations by customers at the second phase of Huadong Park resulted in a significant increase in freshwater usage.

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. During the Period under Review, the Group had obtained 217 registered patents, and 49 patent applications were in the progress of registration.

SALES AND MARKETING

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

OUTLOOK

As stated in the 2025 Annual Report released on 23 April 2026, there are no significant changes to the Group's future outlook. However, the Company will consider capital operations such as asset restructuring to optimize the Group's development strategy.

RESULTS OF OPERATION

The Group's business mainly involves the provision of factory premises and centralized 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 RMB1,060.1 million, representing an increase of approximately 40.6% over that of the corresponding period in 2025, primarily due to the increase in revenue from the segments of wastewater treatment and utilities and sales of goods and ancillary business.

	Six months ended 30 June											
	2026						2025					
Revenue by segment	Guangdong Huizhou Park *RMB'000*	Tianjin Bingang Park *RMB'000*	Huazhong Park *RMB'000*	Qingshen Park *RMB'000*	Huadong Park *RMB'000*	Total *RMB'000*	Guangdong Huizhou Park *RMB'000*	Tianjin Bingang Park *RMB'000*	Huazhong Park *RMB'000*	Qingshen Park *RMB'000*	Huadong Park *RMB'000*	Total *RMB'000*
Rental and facilities usage												
Rental of factory premises	**39,016**	**16,630**	**6,247**	**3,134**	**17,119**	**82,146**	38,877	13,193	8,354	2,954	7,498	70,876
Property management fee	**8,522**	**3,599**	**1,269**	**944**	**4,697**	**19,031**	8,179	3,704	1,069	855	2,076	15,883
Environmental protection technical service fee	**82,778**	**28,240**	**5,786**	**4,014**	**23,803**	**144,621**	84,454	33,858	5,505	4,324	14,320	142,461
Sub-total	**130,316**	**48,469**	**13,302**	**8,092**	**45,619**	**245,798**	131,510	50,755	14,928	8,133	23,894	229,220
Wastewater treatment and utilities												
Wastewater treatment fee	**95,006**	**31,778**	**14,789**	**4,896**	**29,752**	**176,221**	90,035	27,307	13,420	2,773	13,103	146,638
Steam charge	**40,161**	**26,196**	**5,627**	**2,996**	**15,393**	**90,373**	37,898	22,999	5,059	1,991	8,422	76,369
Utility systems maintenance fee	**28,596**	**14,189**	**3,071**	**1,108**	**10,278**	**57,242**	27,034	13,423	2,568	751	5,655	49,431
Sub-total	**163,763**	**72,163**	**23,487**	**9,000**	**55,423**	**323,836**	154,967	63,729	21,047	5,515	27,180	272,438
Sales of goods and ancillary business												
Sales of raw materials and consumables	**384,128**	**41,137**	**3,772**	**1,799**	**24,849**	**455,685**	202,784	11,537	2,631	3,570	6,538	227,060
Other income	**23,244**	**7,761**	**1,222**	**242**	**2,275**	**34,744**	15,033	7,125	1,265	127	1,712	25,262
Sub-total	**407,372**	**48,898**	**4,994**	**2,041**	**27,124**	**490,429**	217,817	18,662	3,896	3,697	8,250	252,322
Total	**701,451**	**169,530**	**41,783**	**19,133**	**128,166**	**1,060,063**	504,294	133,146	39,871	17,345	59,324	753,980

Revenue from rental and facilities usage service

The revenue from rental and facilities usage service increased by approximately RMB16.6 million or 7.2% from approximately RMB229.2 million for the six months ended 30 June 2025 to approximately RMB245.8 million for the Period under Review. The increase was primarily attributable to the increase in the leased area at Huadong Park.

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 RMB29.6 million or 20.2% from approximately RMB146.6 million for the six months ended 30 June 2025 to approximately RMB176.2 million for the Period under Review. The increase was primarily attributable to higher freshwater consumption by customers across the various parks during the Period under Review, in particular the significant rise in freshwater consumption resulting from the commencement of production and operations by customers at the second phase of Huadong Park.

(ii) Steam charge

Steam charge increased by approximately RMB14.0 million or 18.3% from approximately RMB76.4 million for the six months ended 30 June 2025 to approximately RMB90.4 million for the Period under Review. The increase was primarily attributable to the rise in freshwater consumption by customers at the various parks during the Period under Review (in particular, a significant increase in freshwater consumption following the commencement of production and operations by customers at the second phase of Huadong Park), which led to a corresponding increase in steam consumption by customers at the various parks.

(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 RMB7.8 million or 15.8% from approximately RMB49.4 million for the six months ended 30 June 2025 to approximately RMB57.2 million for the Period under Review. The increase was primarily attributable to the rise in freshwater consumption by customers at the various parks during the Period under Review (in particular, a significant increase in freshwater consumption resulting from the commencement of production and operations by customers at the second phase of Huadong Park), which led to a corresponding increase in volume of electricity consumed by customers at the various parks.

Revenue from sales of goods and ancillary business

Sales of goods and ancillary business was mainly comprised sales of raw materials and goods which accounted for 92.9% (six months ended 30 June 2025: 90.0%) of this business segment.

Sales of raw materials and goods increased by approximately RMB228.6 million or 100.7% from approximately RMB227.1 million for the six months ended 30 June 2025 to approximately RMB455.7 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 RMB287.1 million or 46.5% from approximately RMB617.1 million for the six months ended 30 June 2025 to approximately RMB904.2 million for the Period under Review. The increase in operating costs was primarily attributable to higher depreciation and amortisation and higher cost of inventories incurred by the Group.

Depreciation and amortisation

The Group's depreciation and amortisation increased by approximately RMB19.3 million or 12.8% from approximately RMB150.6 million for the six months ended 30 June 2025 to approximately RMB170.0 million for the Period under Review. The increase was mainly attributable to the depreciation and amortisation charged on newly acquired investment properties and property, plant and equipment at the second phase of Huadong Park 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 RMB252.1 million or 87.6% from approximately RMB287.8 million for the six months ended 30 June 2025 to approximately RMB540.0 million for the Period under Review, primarily attributable to the combined effects of (i) the increase of costs due to the increase in goods sold to tenants; (ii) the rise in procurement price of precious metal products amongst the goods sold and (iii) the increase in materials used due to the increase in wastewater treatment.

Staff costs

Staff costs 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 RMB92.9 million, representing an increase of 8.3% as compared with approximately RMB85.8 million for the six months ended 30 June 2025. The increase was mainly due to the effect of the increase in number of employees due to business development needs in Huazhong Park, Huadong Park during the Period under Review.

Utility costs

Utility costs 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 increased by approximately RMB1.0 million or 5.3%, from approximately RMB19.0 million for the six months ended 30 June 2025 to approximately RMB20.0 million for the Period under Review. The increase was mainly attributable to the combined effect of the increase in electricity and water consumption resulting from the increase in wastewater treatment during the Period under Review, partially offset by a decrease in the aggregate electricity price during the same period.

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	
	2026	2025
	RMB'000	*RMB'000*
Professional service fees	**5,670**	10,684
Waste treatment expenses	**15,391**	8,219
Other taxes and surcharges	**23,401**	20,568
Cleaning, security and landscaping charges	**8,470**	7,581
Maintenance and consumables expenses	**7,338**	5,253
Research and development fees	**9,300**	8,242
Consultancy service fee	**811**	1,457
Business entertainment fees	**4,011**	4,762
Travelling expenses	**1,804**	2,023
Others	**5,196**	5,154
Total	**81,392**	73,943

Other expenses increased by approximately RMB7.4 million, from approximately RMB73.9 million for the six months ended 30 June 2025 to approximately RMB81.4 million for the Period under Review, primarily attributable to (i) higher waste treatment expenses incurred during the Period under Review due to the needs of business development; (ii) the corresponding increase in other taxes and surcharges due to the increase in revenue; (iii) the increase in cleaning, security and landscaping charges due to the increase in leased area; and (iv) the increase in research and development fees for quality improvement, partially offset by the reduction in professional service fees and consultancy service fee.

Other revenue

Other revenue primarily consisted of bank interest income, government grants, and others. Other revenue increased by approximately RMB1.6 million or 21.7%, from approximately RMB7.3 million for the six months ended 30 June 2025 to approximately RMB8.9 million for the Period under Review. Such increase was mainly due to the increase in government grants and interest income.

Finance costs

Finance costs primarily comprised interest on bank loans and other borrowings. Finance costs increased by approximately RMB0.9 million or 1.5%, from approximately RMB56.0 million for the six months ended 30 June 2025 to approximately RMB56.8 million for the Period under Review. The increase in finance costs was primarily attributable to the increase in the average balance of bank loans and other borrowings during the Period under Review.

Income tax

Income tax decreased by approximately RMB10.3 million from approximately RMB34.9 million for the six months ended 30 June 2025 to approximately RMB24.6 million for the Period under Review, which was primarily attributable to the effect of the decrease in withholding tax arising from the distribution of dividends by one of the Group's PRC subsidiaries to its Hong Kong parent company 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 RMB18.0 million from approximately RMB59.0 million for the six months ended 30 June 2025 to approximately RMB77.0 million for the Period under Review, the increase was mainly attributable to the factors as described above.

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 Guangdong Huizhou Park, Tianjin Bingang Park, 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 2026, the total amount of bank loans and other borrowings of the Group was approximately RMB3,433.3 million (31 December 2025: RMB3,424.7 million).

As at 30 June 2026, the Group's gearing ratio was approximately 241.5% (31 December 2025: 262.2%). 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 2026.

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
Current assets	**803,413**	777,504
Current liabilities	**(1,456,564)**	(1,571,949)
Net current liabilities	**(653,151)**	(794,445)

As at 30 June 2026 and 31 December 2025, the total net current liabilities of the Group amounted to approximately RMB653.2 million and RMB794.4 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.

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 level 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 2026	At 31 December 2025
	RMB'000	*RMB'000*
Current liabilities:		
Bank loans and other borrowings	**803,510**	822,362
Lease liabilities	**6,119**	5,982
	809,629	828,344
Non-current liabilities:		
Bank loans and other borrowings	**2,629,790**	2,602,300
Lease liabilities	**27,639**	29,654
	3,467,058	3,460,298
Less: Cash and cash equivalents	**(187,100)**	(193,182)
Restricted deposits with banks	**(47,189)**	(47,837)
Net debt	**3,232,769**	3,219,279
Total equity	**1,421,708**	1,305,907
Adjusted net debt-to-equity ratio	**2.27**	2.47

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 RMB251.1 million (six months ended 30 June 2025: RMB276.7 million), mainly attributable to the acquisition of investment property, property, plant and equipment, and other intangible assets.

Pledged assets

As at 30 June 2026, the Group had certain property, plant and equipment and investment property with carrying value of approximately RMB1,214.4 million and approximately RMB1,261.8 million, respectively (31 December 2025: approximately RMB1,186.7 million and approximately RMB939.3 million, respectively), land-use rights with net book value of approximately RMB304.7 million (31 December 2025: approximately RMB365.3 million), restricted bank deposits with carrying value of RMB47.2 million (31 December 2025: RMB47.8 million) were pledged as security for the bank loans and other borrowings with carrying value of approximately RMB3,432.2 million (31 December 2025: approximately RMB3,423.5 million).

Please refer to note 13(iv) of the Notes to the Unaudited Interim Financial Information of this announcement 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 2026, the Group's total capital expenditure which has been contracted for but not incurred was approximately RMB233.3 million (31 December 2025: RMB267.6 million) for the development of the factory premises and ancillary facilities of Guangdong Huizhou Park, Huazhong Park and Tianjin Bingang Park, and the development of factory premises and wastewater treatment facilities of the Qingshen 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 2026.

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, 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 realizable 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 6 February 2026, Taizhou Jincheng Environmental Protection Technology Co., Ltd.* (泰州金成環保科技有限公司) ("**Taizhou Jincheng**"), an indirect wholly-owned subsidiary of the Company, entered into an agreement with Guangdong Jinjunda Construction Engineering Co., Ltd.* (廣東金竣達建設工程有限公司) ("**Guangdong Jinjunda**"). Pursuant to the agreement, Guangdong Jinjunda undertook to provide general contracting construction services for the construction of the Group's Guangdong Huizhou Park, Huazhong Park, Qingshen Park and Huadong Park. The total disclosed contract transaction amount is approximately RMB377,043,187. For further details, please refer to the Company's announcement dated 6 February 2026.

On 18 June 2026, Kimou Environmental Protection Group (Huizhou) Co., Ltd.* (金茂源環保集團(惠州)有限公司) and Hubei Jinmao Environmental Technology Co., Ltd.* (湖北金茂環保科技有限公司), the indirect wholly-owned subsidiaries of the Company, entered into an agreement with Guangdong Jinjunda Construction Engineering Co., Ltd.* (廣東金竣達建設工程有限公司) ("**Guangdong Jinjunda**"). Pursuant to the agreements, Guangdong Jinjunda undertook to provide general contracting construction services for the construction of the Group's Guangdong Huizhou Park, Huazhong Park, Qingshen Park and Huadong Park. The total disclosed contract transaction amount is approximately RMB472,579,480. For further details, please refer to the Company's announcement dated 18 June 2026.

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.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

During the Period under Review, the Company repurchased in total 512,000 ordinary shares of the Company on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") at an aggregate consideration of approximately HK$1.62 million (before expenses) and held as treasury.

The details of the above-mentioned repurchase are as follows:

Month of repurchase	**Number of repurchased shares** *(share(s))*	**Highest price per share** *(HK$)*	**Lowest price per share** *(HK$)*	**Total consideration** *(HK$)*
May 2026	24,000	3.38	3.35	80,660
June 2026	488,000	3.38	3.00	1,542,460
Total	**512,000**			**1,623,120**

On 30 June 2026, the Company held 512,000 treasury shares. Furthermore, these treasury shares will be used for the Company's Share Award Scheme. Please refer to the Company's announcement dated 26 May 2025 for details.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities for the Period under Review.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2026, the Group had 1,083 full-time employees (30 June 2025: 1,063 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 RMB92.9 million for the Period under Review, which was an increase of approximately 8.3% as compared with approximately RMB85.8 million for the six months ended 30 June 2025. 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 and a share award scheme on 23 May 2025 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 share award scheme and up to the date of this announcement, no share option or share award under the share option scheme and share award scheme was granted.

EVENTS AFTER THE REPORTING PERIOD

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 2026 and up to the date of this announcement.

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 the shareholders of the Company 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 ("**CG Code**") contained in the Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The Directors consider that, during the Period under Review and up to the date of this announcement, the Company has complied, to the extent applicable and permissible, with all the code provisions as set out in the 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.

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.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Board established the audit committee of the Board (the "**Audit Committee**") on 18 June 2019. As at the date of this announcement, 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 interim results of the Group, 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 HKICPA.

INTERIM DIVIDEND

The Board of the Company recommends not to pay a interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: HK10 cents per share) to reserve more funds for the construction and operation of Huadong Park.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.kimou.com.cn). The interim report of the Company for the six months ended 30 June 2026 containing all the information required by the Listing Rules will be despatched to the shareholders of the Company who request the printed copies and published on the respective websites of the Stock Exchange and the Company in due course.

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.

By Order of the Board
Kimou Environmental Holding Limited
Zhang Lianghong
Chairman

Hong Kong, 21 August 2026

As at the date of this announcement, the Board comprises Mr. Zhang Lianghong (Chairman and Chief Executive Officer), Mr. Huang Qiyang, Mr. Lee Kin Ming, Mr. Huang Shaobo and Mr. Cheung Ka Tsun as executive Directors, and Mr. Li Xiaoyan, Mr. Liu Da and Ms. Pong Scarlett Oi Lan BBS, JP as independent non-executive Directors.

* *For identification purposes only*