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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)

ADDITIONAL INFORMATION TO THE 2019 ANNUAL REPORT

Reference is made to the annual report of Kimou Environmental Holding Limited (the “**Company**”) for the year ended 31 December 2019 (the “**2019 Annual Report**”) published on 15 May 2020. Unless otherwise defined, terms used herein shall have the same meanings as defined in the 2019 Annual Report.

In addition to the information disclosed in the 2019 Annual Report, the Company wishes to provide shareholders of the Company and the public with additional information in relation to the 2019 Annual Report as follows.

OTHER EXPENSES — OTHERS

As set out in “Management discussion and analysis — Results of operation — Other expenses” of the 2019 Annual Report, other expenses primarily consisted of professional service fee, waste and treatment expenses, other taxes and surcharges, security charges and others. A breakdown of the item “others” of other expenses in the 2019 Annual Report, together with the corresponding figures for the year ended 31 December 2018, are set out below:

	For the year ended 31 December 2019 RMB'000	For the year ended 31 December 2018 RMB'000
Others		
— Maintenance and consumables	11,520	9,515
— Research and development	9,230	8,369
— Consultancy and services fee	3,718	5,038
— Entertainment	4,444	3,309
— Cleaning expenses	3,310	2,619
— Travelling expenses	2,389	1,996
— Office and seminar expenses	2,130	4,802
— Impairment losses of non-current assets held for sale	—	2,630
— Landscaping expenses	1,622	1,182
— Advertising and promotion expenses	860	1,345
— Insurance	478	448
— Others	9,407	6,731
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Sub-total	49,108	47,984
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NON-COMPETE UNDERTAKING FROM CONTROLLING SHAREHOLDERS

As disclosed in the section headed “Relationship with our controlling shareholders” in the prospectus of the Company dated 29 June 2019, among other things, none of the controlling shareholders of the Group or the Directors and their respective associates (other than members of the Group, where applicable) has any interest in a business apart from the business of the Group which competes or is likely to compete, either directly or indirectly, with the business of the Group. No deed of non-competition has been entered into by the controlling shareholders of the Group in favour of the Company. The Company has adopted various corporate governance measures in place to manage the potential conflict of interests between controlling shareholders and the Group and to safeguard the interests of the Shareholders taken as a whole, including measures in the event that a deed of non-competition has been entered into in favour of the Company, details of which are set out in the section headed “Relationship with our controlling shareholders — Our controlling shareholders — Corporate governance measures” in the prospectus of the Company dated 29 June 2019.

The information set out above does not affect other information contained in the 2019 Annual Report and all other information in the 2019 Annual Report remains unchanged.

On behalf of the Board
Kimou Environmental Holding Limited
Zhang Lianghong
Chairman

Hong Kong, 11 August 2020

As at the date of this announcement, the Board comprises Mr. Zhang Lianghong (Chairman), Mr. Zhu Heping (Chief Executive Officer), Mr. Lee Yuk Kong and Mr. Huang Shaobo as executive Directors, and Mr. Li Xiaoyan, Mr. Li Yinquan and Mr. Kan Chung Nin, Tony SBS, JP as independent non-executive Directors.