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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)

INSIDE INFORMATION — UPDATE ON FINANCIAL INFORMATION

This announcement is made by Kimou Environmental Holding Limited ("**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules).

The board ("**Board**") of directors ("**Directors**") of the Company wishes to inform the shareholders and potential investors of the Company that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2021 ("**2021H1**") and the information currently available, the Group is expected to record a decrease in profit attributable to equity shareholders of the Company for 2021H1 of not more than 25%, as compared to the profit attributable to equity shareholders of approximately RMB48.2 million for the six months ended 30 June 2020 ("**2020H1**").

The expected decrease in profit is principally attributable to the combined effect of (i) an increase in cost, including depreciation and amortisation expenses incurred as a result of the addition of investment properties and the opening of the Group's new electroplating industrial park, namely Huazhong Surface Treatment Circular Economy Industrial Park, in Jingzhou, Hubei Province, the People's Republic of China ("**PRC**") in 2021H1; (ii) an increase in the finance costs for 2021H1 to approximately RMB40.5 million (2020H1: RMB27.7 million); and (iii) the withholding tax impact on distribution of dividend by a subsidiary of the Company in the PRC to a subsidiary of the Company in Hong Kong in 2021H1.

The information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the unaudited consolidated management accounts of the Group and the information currently available, and may be subject to adjustments and changes. Details of the Group's financial information and performance will be disclosed in the 2021 interim results announcement of the Company, which is expected to be published in late August 2021.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 12 August 2021

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.