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## **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)**

## **DISCLOSEABLE TRANSACTION ACQUISITIONS OF LAND USE RIGHTS IN JIANGSU PROVINCE, THE PRC**

### **THE ACQUISITIONS OF LAND USE RIGHTS**

The Board is pleased to announce that on 11 March 2024, the Group has successfully bid and won the public tender for the land use right of Taixing Land 3 and signed the Confirmation Letter confirming the winning of the tender of the land use right of Taixing Land 3. The acquisition of the land use right of Taixing Land 3 together with the acquisitions of the land use right of Taixing Land 1 and Taixing Land 2 previously by the Group with TCNRPB are to be used for the development of a surface treatment recycling eco-industrial park in Jiangsu Province for the expansion of the Group's principal business.

### **LISTING RULES IMPLICATION**

Pursuant to Rules 14.22 and 14.23 of the Listing Rules, the Acquisitions shall be aggregated since they are all entered into by the Group with the same party, *i.e.* TCNRPB, within 12 months. As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisitions, when aggregated together, exceeds 5% but is less than 25%, the Acquisitions constitute a discloseable transaction for the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

### **THE ACQUISITION OF THE LAND USE RIGHT OF TAIXING LAND 3**

The Board announces that on 11 March 2024, has successfully bid and won the public tender for the land use right of Taixing Land 3, and signed the Confirmation Letter confirming the winning of the tender of the land use right of the Taixing Land 3 through the process of the listing-for-sale (掛牌出讓). Details of the Acquisition are summarised below:

## Principal Terms of The Confirmation Letter

- Date : 11 March 2024
- Parties : (i) TCNRPB, as the responsible public tender administrator of the government  
(ii) Taizhou Jincheng, as successful bidder for Taixing Land 3
- Subject matter : The land use right of Taixing Land 3, with a total site area of approximately 175,321 square metres.  
Taixing Land 3 is situated at the south side of Xijiang Road and the west side of Changjiang North Road, Circular Economy Industrial Park (循環經濟產業園西江路南側、長江北路西側), Taixing City, Jiangsu Province, the PRC and is for industrial use. The term of the land use right of the Taixing Land 3 is for 50 years from the date of the completion of the acquisition of the land use right of the Taixing Land 3.
- Purchase price : The successful bidding price for the land use right of Taixing Land 3 is RMB89,950,000.  
50% of the purchase price shall be settled on or before 3:00 p.m. on 11 April 2024 and the remaining 50% of the purchase price shall be settled on or before 3:00 p.m. on 11 June 2024.  
The purchase price was arrived at successful bid by Taixing Land 3 under a public tender held in accordance with the relevant PRC laws and regulations. In determining the bidding price, the Group has considered a number of factors, such as the location and size of the Taixing Land 3 and the prevailing market conditions.  
The Group will fund the purchase price by its internal resources and borrowings.
- Land Use Right Contract : Taizhou Jincheng shall sign the Land Use Right Contract Taixing Land 3 within 10 business days from the date of the Confirmation Letter pursuant to the Confirmation Letter.

## THE ACQUISITIONS OF THE LAND USE RIGHT OF TAIXING LAND 1 AND TAIXING LAND 2

Before the acquisition of the land use right of Taixing Land 3, on 7 February 2024, Jinmao Chengxing, an indirect non-wholly owned subsidiary of the Company, has entered into the acquisition agreements with TCNRPB for the acquisitions of the land use right of Taixing Land 1 and Taixing Land 2 with a purchase price of RMB1,050,000 and RMB22,850,000, respectively. Taixing Land 1 and Taixing Land 2 are situated at the side of the high-grade highway along the river in the Circular Economy Industrial Park (循環經濟產業園沿江高等級公路側), Taixing City, Jiangsu Province, the PRC, with a total site area of approximately 2,284 square metres and 44,608 square metres, respectively.

## Principal Terms of The Acquisition Agreements

Date : 7 February 2024

Parties : (i) TCNRPB, as the responsible public tender administrator of the government

(ii) Jinmao Chengxing, as successful bidder for Taixing Land 1 and Taixing Land 2

Subject matter : The land use right of Taixing Land 1 and Taixing Land 2, with a total site area of approximately 2,284 square metres and 44,608 square metres, respectively.

Taixing Land 1 and Taixing Land 2 are situated at the side of the high-grade highway along the river in the Circular Economy Industrial Park (循環經濟產業園沿江高等級公路側), Taixing City, Jiangsu Province, the PRC, and are for industrial use. The term of the land use rights of the Taixing Land 1 and Taixing Land 2 are for 50 years from the date of the completion of the acquisition of the land use rights of the Taixing Land 1 and Taixing Land 2.

Purchase prices : The purchase prices for the land use rights of Taixing Land 1 and Taixing Land 2 are RMB1,050,000 and RMB22,850,000, respectively.

Payment terms of land use right of Taixing Land 1 are as follows:

(i)	On or before 6 March 2024	RMB525,000
(ii)	On or before 6 May 2024	RMB525,000

Payment terms of land use right of Taixing Land 2 are as follows:

(i)	On or before 6 March 2024	RMB11,425,000
(ii)	On or before 6 May 2024	RMB11,425,000

The consideration was arrived at successful bid by Taixing Land 1 and Taixing Land 2 under a public tender held in accordance with the relevant PRC laws and regulations. In determining the bidding price, the Group has considered a number of factors, such as the location and size of the Taixing Land 3 and the prevailing market conditions.

The Group will fund the purchase price by its internal resources and borrowings.

As the acquisition agreements and the Confirmation Letter were entered into between subsidiaries of the Company with the same party, *i.e.* TCNRPB, within a 12-month period, therefore, the acquisitions contemplated in the acquisition agreements and the Confirmation Letter in relation to the acquisitions of the land use right of Taixing Land 1, Taixing Land 2 and Taixing Land 3 (collectively the “**Taixing Lands**”) are considered to be a series of transactions and shall be aggregated pursuant to Rules 14.22 and 14.23 of the Listing Rules.

## **INFORMATION OF THE PARTIES**

### **The Group**

The Group is principally engaged in the business of providing wastewater treatment and other ancillary services for the development and operation of surface treatment recycling eco-industrial parks.

### **Taizhou Jincheng**

Taizhou Jincheng is a limited liability company established under the law of the PRC and is an indirect non-wholly owned subsidiary of the Company in which the Company holds 68% equity interest as of the date of this announcement. Taizhou Jincheng is principally engaged in rental of real property and property management services of electroplating industrial complexes.

### **Jinmao Chengxing**

Jinmao Chengxing is a limited liability company established under the law of the PRC and is an indirect non-wholly owned subsidiary of the Company in which the Company holds 68% equity interest as of the date of this announcement. Jinmao Chengxing is principally engaged in electroplating wastewater treatment and environmental related technical services.

### **TCNRPB**

TCNRPB is a PRC government authority which is mainly engaged in the management and operation of the state-owned lands in Taixing City, Jiangsu Province, the PRC. To the best of the knowledge, information and belief of the Directors after making all reasonable enquiries, TCNRPB and its ultimate beneficial owner(s) is an Independent Third Party.

## **REASONS FOR AND BENEFITS OF THE ACQUISITIONS**

The Group currently operates one of its surface treatment recycling eco-industrial parks in Taixing City, Jiangsu Province, the PRC.

As a long-term strategy, the Group intends to devote more resources on the development of new surface treatment recycling eco-industrial parks in different regions of the PRC to seize further business opportunities to increase the revenue of the Group and the return to the Shareholders. The Group intended through the Acquisitions to acquire the Taixing Lands, being three parcels of land situated in Circular Economy Industrial Park in Taixing City, Jiangsu Province, the PRC, for the purpose of expanding the coverage of surface treatment recycling eco-industrial parks as a strategic move of the Group to expand and consolidate its business in Jiangsu Province and the Yangtze River Delta, the PRC. In view of the current leasing situation of the Group’s surface treatment recycling eco-industrial park situated at Taixing Economic Development Zone, the Company is optimistic about the rental market, the prospect and the demand for surface treatment and recycling of electroplating wastewater in Jiangsu Province.

The Directors are of the view that the Acquisitions are in the interest of the Company and the terms of the Acquisitions are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## LISTING RULES IMPLICATION

Pursuant to Rules 14.22 and 14.23 of the Listing Rules, the Acquisitions shall be aggregated since they are all entered into by the Group with the same party, *i.e.* TCNRPB, within 12 months. As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisitions, when aggregated together, exceeds 5% but is less than 25%, the Acquisitions constitute a discloseable transaction for the Company under the Listing Rules and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms and expressions shall have the following meanings when used herein:

“Acquisitions”	The acquisition of the land use right of Taixing Lands by Taizhou Jincheng, which consisted of Taixing Land 1, Taixing Land 2 and Taixing Land 3
“Board”	the board of Directors
“Company”	Kimou Environmental Holding Limited (金茂源環保控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on Main Board of the Stock Exchange
“Confirmation Letter”	the confirmation letter confirming the winning of the tender of the land use right of Taixing Land 3 dated 11 March 2024 and signed by Taizhou Jincheng and TCNRPB
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Jinmao Chengxing”	Jiangsu Jinmao Chengxing Environmental Protection Technology Co., Ltd.* (江蘇金茂成興環保科技有限公司), a company established in the PRC and an indirect non-wholly owned subsidiary of the Company

“Land Use Right Contract”	the relevant state-owned land use right assignment contract to be entered into by Taizhou Jincheng in respect of Taixing Land 3
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purposes of this announcement, excludes Hong Kong, the Macau Administrative Region of the People’s Republic of China and Taiwan, China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of the ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taixing Land 1”	a parcel of land situated at the side of the high-grade highway along the river in the Circular Economy Industrial Park (循環經濟產業園沿江高等級公路側), Taixing City, Jiangsu Province, the PRC, with a total site area of approximately 2,284 square metres
“Taixing Land 2”	a parcel of land situated at the side of the high-grade highway along the river in the Circular Economy Industrial Park (循環經濟產業園沿江高等級公路側), Taixing City, Jiangsu Province, the PRC, with a total site area of approximately 44,608 square metres
“Taixing Land 3”	a parcel of land situated at the side of the high-grade highway along the river in the Circular Economy Industrial Park (循環經濟產業園西江路南側、長江北路西側), Taixing City, Jiangsu Province, the PRC, with a total site area of approximately 175,321 square metres
“Taizhou Jincheng”	Taizhou Jincheng Environmental Protection Technology Co., Ltd.* (泰州金成環保科技有限公司), a company established in the PRC and an indirect non-wholly owned subsidiary of the Company

“TCNRPB”

Taixing City Natural Resources and Planning Bureau\* (泰興市自然資源和規劃局)

“%”

per cent.

\* *English names of the PRC established companies or PRC government authorities in this announcement are only translations of their official Chinese names solely for identification purpose. In case of inconsistency, the Chinese names shall prevail.*

By order of the Board  
**Kimou Environmental Holding Limited**  
**Zhang Lianghong**  
*Chairman*

Hong Kong, 11 March 2024

*As at the date of this announcement, the Board comprises Mr. Zhang Lianghong (Chairman), Mr. Huang Qiyang (Chief Executive Officer), Mr. Lee Kin Ming and Mr. Huang Shaobo as executive Directors, and Mr. Li Xiaoyan, Mr. Kan Chung Nin, Tony SBS, JP and Mr. Liu Da as independent non-executive Directors.*