

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



## 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 ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

### FINANCIAL HIGHLIGHTS

	<b>For the year ended 31 December 2025 RMB'000</b>	For the year ended 31 December 2024 RMB'000
Revenue	<b>1,680,081</b>	1,394,084
Profit from operations	<b>295,407</b>	305,045
Profit attributable to equity shareholders of the Company	<b>134,779</b>	122,611
Basic earnings per share <sup>(Note)</sup> (RMB)	<b>0.12</b>	0.11
Diluted earnings per share <sup>(Note)</sup> (RMB)	<b>0.12</b>	0.11
Total assets	<b>5,662,318</b>	5,222,749
Net assets	<b>1,305,907</b>	1,375,091
Operating profit margin	<b>17.6%</b>	21.9%
Net profit margin	<b>7.3%</b>	7.6%

The Board of the Company recommends not to pay a final dividend for the year ended 31 December 2025 (2024: HK15 cents per share).

*Note:*

The calculation of earnings per share is based on the profit attributable to the equity shareholders of the Company for each of the years ended 31 December 2025 and 2024 and the weighted average number of ordinary shares during the respective year. The Company had no dilutive ordinary shares for each of the years ended 31 December 2025 and 2024.

## ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Kimou Environmental Holding Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Year**”), together with the comparative figures for the year ended 31 December 2024 as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Expressed in Renminbi)

		<b>For the year ended 31 December 2025</b>	For the year ended 31 December 2024
	<i>Note</i>	<b>RMB’000</b>	<b>RMB’000</b>
Revenue	2	<b>1,680,081</b>	1,394,084
Other revenue	3	<b>29,471</b>	29,315
Depreciation and amortisation	5(c)	<b>(311,226)</b>	(265,994)
Cost of inventories	5(c)	<b>(691,123)</b>	(474,897)
Staff costs	5(b)	<b>(185,815)</b>	(168,633)
Utility costs	5(c)	<b>(38,763)</b>	(40,096)
Other expenses		<b>(167,182)</b>	(166,487)
Other net (loss)/gain	4	<b>(7,123)</b>	6,921
Share of profit or loss of associates		<b>483</b>	367
Impairment losses on trade and other receivables		<b>(13,396)</b>	(9,535)
<b>Profit from operations</b>		<b>295,407</b>	305,045
Finance costs	5(a)	<b>(118,292)</b>	(138,968)
<b>Profit before taxation</b>	5	<b>177,115</b>	166,077
Income tax	6	<b>(53,670)</b>	(59,548)
<b>Profit for the year</b>		<b>123,445</b>	106,529
<b>Attributable to:</b>			
Equity shareholders		<b>134,779</b>	122,611
Non-controlling interests		<b>(11,334)</b>	(16,082)
<b>Profit for the year</b>		<b>123,445</b>	106,529
<b>Earnings per share (RMB)</b>	7		
Basic and diluted		<b>0.12</b>	0.11

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*(Expressed in Renminbi)*

	<b>For the year ended 31 December 2025 RMB'000</b>	For the year ended 31 December 2024 RMB'000
<b>Profit for the year</b>	<b>123,445</b>	106,529
<b>Other comprehensive income for the year</b>		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of entities not using Renminbi ("RMB") as functional currency	<u>2,842</u>	<u>(5,339)</u>
<b>Total comprehensive income for the year</b>	<u><u>126,287</u></u>	<u><u>101,190</u></u>
<b>Attributable to:</b>		
Equity shareholders	<b>137,621</b>	117,272
Non-controlling interests	<u>(11,334)</u>	<u>(16,082)</u>
<b>Total comprehensive income for the year</b>	<u><u>126,287</u></u>	<u><u>101,190</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*(Expressed in Renminbi)*

		At 31 December 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
	<i>Note</i>		
<b>Non-current assets</b>			
Property, plant and equipment	9	1,964,882	1,989,235
Investment property	10	1,785,265	1,443,269
Construction in progress		463,436	441,515
Right-of-use assets	11	572,175	499,257
Intangible assets		7,799	6,688
Interests in associates		5,024	3,741
Other financial assets		2,595	3,064
Other receivables	12	38,322	38,426
Deferred tax assets		45,316	44,095
		4,884,814	4,469,290
<b>Current assets</b>			
Inventories		41,152	28,840
Trade and other receivables	12	495,333	457,390
Restricted deposits with banks		47,837	47,824
Cash and cash equivalents		193,182	219,405
		777,504	753,459
<b>Current liabilities</b>			
Trade and other payables	13	704,282	622,679
Contract liabilities		22,364	13,532
Bank loans and other borrowings	14	822,362	864,857
Lease liabilities		5,982	1,882
Current taxation		16,959	14,975
		1,571,949	1,517,925
<b>Net current liabilities</b>		(794,445)	(764,466)
<b>Total assets less current liabilities</b>		4,090,369	3,704,824

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Renminbi)

(Continued)

		At 31 December 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
	<i>Note</i>		
<b>Non-current liabilities</b>			
Contract liabilities		37,022	–
Bank loans and other borrowings	14	2,602,300	2,210,861
Lease liabilities		29,654	11,564
Deferred income		110,483	99,808
Deferred tax liabilities		5,003	7,500
		<u>2,784,462</u>	<u>2,329,733</u>
<b>Net assets</b>		<u><u>1,305,907</u></u>	<u><u>1,375,091</u></u>
<b>CAPITAL AND RESERVES</b>			
Share capital		97,283	97,283
Reserves		<u>935,415</u>	<u>1,052,465</u>
<b>Total equity attributable to equity shareholders</b>		<b>1,032,698</b>	1,149,748
Non-controlling interests		<u>273,209</u>	<u>225,343</u>
<b>Total equity</b>		<u><u>1,305,907</u></u>	<u><u>1,375,091</u></u>

## NOTES TO THE FINANCIAL INFORMATION

*(Expressed in Renminbi unless otherwise indicated)*

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Statement of compliance

The consolidated results set out in this announcement do not constitute the consolidated financial statements of the Group for the year ended 31 December 2025 but are extracted from those consolidated financial statements.

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (collectively “**HKFRS Accounting Standards**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”). Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments during the current accounting periods.

#### (b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “**Group**”) and the Group’s interests in associates.

At 31 December 2025, the Group’s current liabilities exceeded its current assets by RMB794,445,000 (31 December 2024: RMB764,466,000). 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 its 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 fifteen months from the end of the reporting period of this annual financial statement, the Group has adequate resources to continue to operate as a going concern throughout the next fifteen 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 measurement basis used in the preparation of the financial statements is the historical cost basis except that financial assets at fair value through profit or loss are stated at fair value.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**(c) Changes in accounting policies**

**(i) Adoption of new or amendments to HKFRS Accounting Standards**

In the current year, the Group has applied for the first time the following standards and amendments issued by the HKICPA, which are effective for the Group's financial statements for the annual period beginning on 1 January 2025.

Amendments to HKAS 21	Lack of Exchangeability
-----------------------	-------------------------

The application of these new or amendments to HKFRS Accounting Standards has no material impact on the Group's results and financial position for the current or prior period.

The Group has not applied any new or amendments to HKFRS Accounting Standards that is not yet effective for the current accounting period.

**(ii) New or amendments to HKFRS Accounting Standards that have been issued but are not yet effective**

The following new or amendment to HKFRS Accounting Standards have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current plan is to apply these changes on the date they become effective.

Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>1</sup>
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11 <sup>1</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>2</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>2</sup>
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026;

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027;

<sup>3</sup> No mandatory effective date yet determined but available for adoption;

HKFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the HKICPA in July 2024, supersedes HKAS 1 and will result in significant amendments to HKFRS Accounting Standards, including HKAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Whilst HKFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items, including the classification and subtotals in the statement of profit or loss, aggregation/disaggregation and labelling of information, as well as disclosures on management-defined performance measures.

HKFRS 18 and the amendments to other standards are effective for reporting periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 will be applied retrospectively.

To date, the Group considers that the impact of these new and amended standards on the Group's results of operations and financial position is not material.

## 2. REVENUE AND SEGMENT REPORTING

### (a) Revenue

The principal activities of the Group are industrial park property development and management, electroplating wastewater treatment and sales of goods and ancillary business. Further details regarding the Group's principal activities are disclosed in note 2(b).

#### *Disaggregation of revenue*

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

	<b>For the year ended 31 December 2025 RMB'000</b>	For the year ended 31 December 2024 RMB'000
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Disaggregated by types of good or service		
— Facilities usage and management service		
Property management services	33,173	29,951
Environmental protection technical service fee	<u>283,896</u>	<u>293,464</u>
	<b>317,069</b>	323,415
— Wastewater treatment and utilities		
Wastewater treatment services	318,676	290,350
Utility services	<u>264,074</u>	<u>235,130</u>
	<b>582,750</b>	525,480
— Sales of goods and ancillary business	<u>634,695</u>	<u>406,767</u>
	<b>1,534,514</b>	1,255,662

<b>For the year ended 31 December 2025 RMB'000</b>	For the year ended 31 December 2024 RMB'000
--	---

**Revenue from other sources**

Gross rentals from investment properties	<u>145,567</u>	<u>138,422</u>
	<u><b>1,680,081</b></u>	<u><b>1,394,084</b></u>

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed in note 2(b)(i) and note 2(b)(iii), respectively.

The Group's customer base is diversified, and the Group did not have any customer with whom transactions have exceeded 10% of the Group's aggregate revenue for the year ended 31 December 2025 (2024: Nil).

**(b) 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 presented the following 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 materials and others.

*(i) Segment results, assets and liabilities*

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. However, other than reporting inter-segment rentals of properties and sales of raw materials, assistance provided by one segment to another, including sharing of assets, is not measured.

The Group's senior executive management is provided with segment information concerning segment revenue and profit. Segment assets and liabilities are not reported to the Group's senior executive management regularly.

The measure used for reporting segment profit is “**Adjusted EBITDA**” (i.e. “adjusted earnings before finance costs, interest income, taxes, 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.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as 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 years ended 31 December 2025 and 2024 are set out below.

For the year ended 31 December	Rental and facilities usage		Wastewater treatment and utilities		Sales of goods and ancillary business		Total	
	2025 RMB’000	2024 RMB’000	2025 RMB’000	2024 RMB’000	2025 RMB’000	2024 RMB’000	2025 RMB’000	2024 RMB’000
Revenue from external customers	462,635	461,837	582,751	525,480	634,695	406,767	1,680,081	1,394,084
Inter-segment revenue	18,961	54,422	1,135	1,779	39,601	28,242	59,697	84,443
<b>Reportable segment revenue</b>	<b>481,596</b>	<b>516,259</b>	<b>583,886</b>	<b>527,259</b>	<b>674,296</b>	<b>435,009</b>	<b>1,739,778</b>	<b>1,478,527</b>
<b>Reportable segment profit (Adjusted EBITDA)</b>	<b>427,335</b>	<b>413,624</b>	<b>164,956</b>	<b>157,173</b>	<b>51,861</b>	<b>24,675</b>	<b>644,152</b>	<b>595,472</b>
Depreciation and amortisation for the year	(271,168)	(230,343)	(36,941)	(33,307)	(3,117)	(2,344)	(311,226)	(265,994)

(ii) *Reconciliations of reportable segment profit*

	<b>For the year ended 31 December 2025 RMB’000</b>	For the year ended 31 December 2024 RMB’000
Reportable segment profit derived from the Group’s external customers	<b>644,152</b>	595,472
Depreciation and amortisation	<b>(311,226)</b>	(265,994)
Finance costs	<b>(118,292)</b>	(138,968)
Interest income	<b>4,429</b>	8,628
Unallocated head office and corporate expenses	<b>(41,948)</b>	(33,061)
<b>Consolidated profit before taxation</b>	<b>177,115</b>	166,077

(iii) *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").

(c) **Revenue expected to be recognised in the future arising from contracts in existence at the reporting date**

(i) *Contracts with customers within in the scope of HKFRS 15*

As at 31 December 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB795,550,000 (2024: RMB974,843,000). This amount represents revenue expected to be recognised in the future from contracts of property management, facilities usage and other services entered into by the customers with the Group. The Group will recognise the expected revenue in future when the services are rendered, which is mainly expected to occur over the next one to twenty years.

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its service and sales contracts of raw materials such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under these contracts that had an original expected duration of one year or less.

(ii) *Operating leases*

The Group leases out its investment property. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Less than 1 year	153,621	148,488
1 to 2 years	95,635	135,480
2 to 3 years	77,755	69,670
3 to 4 years	49,812	47,810
4 to 5 years	26,952	20,015
More than 5 years	70,178	99,772
	<hr/>	<hr/>
Total undiscounted lease payments	<b>473,953</b>	521,235
	<hr/> <hr/>	<hr/> <hr/>

### 3. OTHER REVENUE

	<b>For the year ended 31 December 2025 RMB'000</b>	For the year ended 31 December 2024 RMB'000
Interest income	4,429	8,628
Government grants ( <i>note a</i> )		
— Unconditional subsidies	7,994	8,851
— Conditional subsidies	10,644	10,099
Compensation income ( <i>note b</i> )	3,793	—
Others	2,611	1,737
	<u>29,471</u>	<u>29,315</u>

*Notes:*

- (a) Government grants represent various forms of incentives and subsidies granted to the Group by the local government authorities in the PRC.
- (b) Compensation income represents the amount arising from the cancellation of factory disposal in Tianjin Bingang park that occurred during 2025.

### 4. OTHER NET (LOSS)/GAIN

	<b>For the year ended 31 December 2025 RMB'000</b>	For the year ended 31 December 2024 RMB'000
Loss arising from disposal of property, plant and equipment and construction in progress	(8,925)	(5,945)
Gain arising from disposal of investment property, construction in progress, right-of-use assets and non-current assets held for sale	1,754	12,704
Changes in fair value of other financial assets through profit or loss	(469)	(850)
Net foreign exchange (loss)/gain	(5,268)	2,297
Rental deposit forfeiture income	4,162	—
Others	1,623	(1,285)
	<u>(7,123)</u>	<u>6,921</u>

## 5. PROFIT BEFORE TAXATION

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

### (a) Finance costs

	<b>For the year ended 31 December 2025 RMB'000</b>	For the year ended 31 December 2024 RMB'000
Interest on bank loans and other borrowings	<b>125,360</b>	138,525
Interest on lease liabilities	<b>1,201</b>	881
Less: interest expenses capitalised into properties and plant under development	<b>(8,269)</b>	(438)
	<b><u>118,292</u></b>	<u>138,968</u>

The borrowing costs have been capitalised at a rate of 3.20% to 3.66% per annum (2024: 3.20% to 4.25%).

### (b) Staff costs (including Directors' emoluments)

	<b>For the year ended 31 December 2025 RMB'000</b>	For the year ended 31 December 2024 RMB'000
Salaries, wages and other benefits	<b>171,570</b>	155,172
Retirement scheme contributions	<b>14,245</b>	13,461
	<b><u>185,815</u></b>	<u>168,633</u>

The PRC entities participate in defined contribution retirement benefit schemes (the “Schemes”) organised by the PRC municipal and provincial government authorities, whereby the PRC entities are required to make contribution at the rates required by different local government authorities. The local government authorities are responsible for the pension payable to the retired employees covered under the Schemes.

According to the Hong Kong Mandatory Provident Fund Scheme (the “MPF Scheme”), except for exempted persons under the MPF Scheme, employers and their employees are each required to contribute 5% of the employees’ relevant income to the MPF Scheme, and the relevant highest income (currently HK\$30,000 per month or HK\$1,000 per day) is used as the upper limit for calculating contributions.

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

(c) Other items

	<b>For the year ended 31 December 2025 RMB'000</b>	For the year ended 31 December 2024 RMB'000
Depreciation and amortisation		
— Property, plant and equipment	<b>195,461</b>	159,194
— Investment property	<b>100,451</b>	95,024
— Right-of-use assets	<b>13,839</b>	10,548
— Intangible assets	<b>1,475</b>	1,228
	<b>311,226</b>	265,994
Cost of inventories (i)		
— Cost of inventories — sold	<b>547,652</b>	343,242
— Cost of inventories — consumed	<b>143,471</b>	131,655
	<b>691,123</b>	474,897
Auditors' remuneration		
— Audit related	<b>1,540</b>	1,684
— Non-audit related	<b>338</b>	858
	<b>1,878</b>	2,542
Utility costs	<b>38,763</b>	40,096
Research and development expenses	<b>16,082</b>	14,458

- (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 consolidated statement of profit or loss represents:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Current tax — PRC income tax</b>		
Provision for the year	44,088	48,011
Withholding tax on distribution of dividends for the year	<u>13,300</u>	<u>6,000</u>
	----- 57,388	----- 54,011
<b>Deferred tax</b>		
Origination and reversal of temporary differences	9,582	11,537
Effect on distribution of dividends for the year	<u>(13,300)</u>	<u>(6,000)</u>
	----- (3,718)	----- 5,537
	<u><u>53,670</u></u>	<u><u>59,548</u></u>

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“**BVI**”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

No provision was made for Hong Kong Profits Tax as the Group did not earn income subject to Hong Kong Profits Tax for the year ended 31 December 2025 (2024: Nil).

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 year ended 31 December 2025.

- (ii) During the year ended 31 December 2025, Huizhou Jinmaoyuan, Tianjin Bingang, Jingzhou Jinyuan and Sichuan Jinmaoyuan Environmental Technology Co., Ltd. (“**Sichuan Jinmaoyuan**”) were eligible to claim additional deduction on research and development expenses when determined the assessable profits. Accordingly, the income tax was reduced by RMB8,674,000 in total for the year ended 31 December 2025 (2024: RMB9,820,000).

- (iii) 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 Mainland China-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. During the year ended 31 December 2023, the Group's subsidiary in Hong Kong has obtained the Certificate of Resident Status of the Hong Kong Special Administrative Region and therefore has adopted the withholding tax rate at 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 equity shareholders of the Company of RMB134,779,000 (2024: RMB122,611,000) and the weighted average number of 1,107,750,000 ordinary shares (2024: 1,107,750,000 shares) in issue during the year, calculated as follows:

	2025 '000	2024 '000
Issued ordinary shares at 1 January	1,107,750	1,109,176
Effect of shares repurchased	–	(1,426)
	<u>1,107,750</u>	<u>1,107,750</u>
Weighted average number of ordinary shares at 31 December	<u>1,107,750</u>	<u>1,107,750</u>

### (b) Diluted earnings per share

During the years ended 31 December 2025 and 2024, there were no dilutive potential ordinary shares issued.

## 8. DIVIDENDS

### (i) Dividends payable to equity shareholders of the Company attributable to the Year

	2025 RMB'000	2024 RMB'000
Final dividend proposed after the end of the reporting period: nil (2024: HK\$0.15)	–	153,866
	<u>–</u>	<u>153,866</u>

**(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the Year**

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Final dividend in respect of the previous financial year, approved and paid during the Year, of HK\$0.15 per ordinary share (2024: HK\$0.10)	<u>153,866</u>	<u>100,514</u>

**(iii) Dividends payable to equity shareholders of the Company attributable to this financial year, approved and paid during the year.**

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interim dividend in respect of this financial year, approved and paid during the year, of HKD0.10 per ordinary share (2024: nil)	<u>100,805</u>	<u>–</u>

## **9. PROPERTY, PLANT AND EQUIPMENT**

During the year ended 31 December 2025, the Group acquired items of property, plant and equipment with a cost of RMB123,489,000, RMB52,763,000 transferred from construction in progress and RMB4,395,000 transferred from investment property (2024: RMB13,271,000 and RMB164,092,000 transfer from construction in progress).

As at 31 December 2025, certain property, plant and equipment with carrying value of RMB1,186,727,000 (2024: RMB886,818,000) were pledged to secure the Group's bank loans and other borrowings (note 14(iii)).

## **10. INVESTMENT PROPERTY**

During the year ended 31 December 2025, additions to investment property RMB268,734,000, RMB216,485,000 transferred from construction in progress and RMB4,395,000 transferred to property, plant and equipment (2024: RMB13,154,000 and RMB2,873,000 transfer from construction in progress) mainly represented properties in the industrial parks. The Group's investment property are stated at cost less accumulated depreciation.

As at 31 December 2025, the fair value of the Group's investment property was approximately RMB2,818,546,000 (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 31 December 2025, certain investment property with carrying value of RMB939,283,000 (2024: RMB1,050,577,000) were pledged to secure the Group's bank loans and other borrowings (note 14(iii)).

## 11. RIGHT-OF-USE ASSETS

During the year ended 31 December 2025, the additions to right-of-use assets of RMB91,920,000 (2024: RMB153,957,000) were mainly due to the acquisition of land use right assets.

As at 31 December 2025, certain land-use rights with carrying value of RMB365,285,000 (2024: RMB309,873,000) were pledged to secure the Group's bank loans and other borrowings (note 14(iii)).

## 12. TRADE AND OTHER RECEIVABLES

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
<b>Current</b>		
Trade debtors	284,238	196,116
Bills receivables	28,341	18,500
Less: Allowance for expected credit losses	<u>(22,861)</u>	<u>(7,723)</u>
	<u>289,718</u>	<u>206,893</u>
Deductible input VAT	169,434	134,663
Prepayments	12,364	10,163
Other receivables	7,518	5,078
Advances to third parties	15,993	104,005
Less: Allowance for expected credit losses	<u>(774)</u>	<u>(4,188)</u>
	<u>15,219</u>	<u>99,817</u>
Amounts due from related parties	<u>1,080</u>	<u>776</u>
	<u>495,333</u>	<u>457,390</u>
<b>Non-current</b>		
Prepayments for purchase of property, plant and equipment and right of use assets	28,281	35,861
Prepayment of loan service fee	3,341	2,565
Deposits for other borrowings	<u>6,700</u>	<u>–</u>
	<u>38,322</u>	<u>38,426</u>
Total	<u>533,655</u>	<u>495,816</u>

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.

As at 31 December 2025, the Group endorsed certain bank acceptance bills totalling RMB10,793,000 (2024: RMB1,135,000) to suppliers and contractors for settling payables of the same amount on a full recourse basis. These bank acceptance bills had a maturity date of less than six months from the end of the reporting period. In the opinion of the directors, the Group have transferred substantially all the risks and rewards of ownership of these bills and has discharged its obligation of the payables to its suppliers, and the Group have limited exposure in respect of the settlement obligation of these bills receivable under the relevant PRC rules and regulations should the issuing banks fail to settle the bills on maturity date. The Group considered the issuing banks of the bills are of good credit quality and the non-settlement of these bills by the issuing banks on maturity is not probable. Accordingly, the Group has derecognised these bills receivable and the payables in their entirety.

### Ageing analysis

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

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 month	212,029	170,368
1 to 3 months	30,566	22,850
4 to 6 months	16,074	7,813
Over 6 months	31,049	5,862
	<u>289,718</u>	<u>206,893</u>

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

### 13. TRADE AND OTHER PAYABLES

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Trade payables	98,315	88,618
Deposits due to tenants	259,445	241,020
Payables for equipment and construction	276,003	217,819
Interest payable	2,780	3,926
Payroll payable	39,929	35,752
Amounts due to related parties	1,483	703
Consideration for acquisition of non-controlling interests	–	655
Other tax payables	5,208	10,949
Lease payment received in advance	206	26
Others	20,913	23,211
	<u>704,282</u>	<u>622,679</u>
Total	<u>704,282</u>	<u>622,679</u>

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, 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.

#### Ageing analysis

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

	At <b>31 December</b> 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Within 1 month	70,659	67,002
1 to 3 months	19,990	14,885
4 to 6 months	3,290	4,805
Over 6 months	4,376	1,926
	<u>98,315</u>	<u>88,618</u>

#### 14. BANK LOANS AND OTHER BORROWINGS

At 31 December 2025, the bank loans and other borrowings were as follows:

	At <b>31 December</b> 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Secured and guaranteed bank loans (iii)(iv)	3,012,016	2,801,241
Secured other borrowings (i)(iii)(iv)	411,502	273,333
Unsecured and unguaranteed other borrowings (ii)	1,144	1,144
	<u>3,424,662</u>	<u>3,075,718</u>

At 31 December 2025, the bank loans and other borrowings were repayable as follows:

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 year or on demand	822,362	864,857
After 1 year but within 2 years	653,399	493,581
After 2 years but within 5 years	1,179,221	1,285,987
After 5 years	769,680	431,293
Sub-total	2,602,300	2,210,861
Total	3,424,662	3,075,718

- (i) Secured other borrowings represent loans received from financial institutions other than banks in the PRC.
- (ii) 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) Secured bank loans and other borrowings as at 31 December 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 9), investment property (note 10), land-use rights (note 11), deposits for other borrowings (note 12) and pledged deposits. As at 31 December 2025, bank loans and other borrowings amounted to RMB3,423,518,000 (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.
- (iv) As at 31 December 2025, bank loans and other borrowings amounted to RMB3,424,662,000 (2024: RMB3,075,718,000) were 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 31 December 2025, none of the covenants relating to drawn down facilities had been breached.

## MANAGEMENT DISCUSSION AND ANALYSIS

### MARKET REVIEW

In 2025, the international security landscape remained complex and severe, with geopolitical conflicts erupting across multiple fronts. The Russia-Ukraine conflict and the Palestine-Israel situation fluctuated dramatically, deepening the global peace deficit. The global tariff war instigated by the United States severely disrupted the multilateral trading system, becoming a major source of uncertainty throughout the year. Amid trade frictions and geopolitical turbulence, the global economy demonstrated “fragile resilience.” The International Monetary Fund (IMF) projected annual global economy growth of approximately 3.3%, with major economies experiencing heightened divergence. Facing a rapidly changing external environment, China has remained committed to industrial upgrading, accelerating the growth of new quality productive forces. The Chinese economy has achieved both quantitative expansion and qualitative improvement, with artificial intelligence and green transformation emerging as core drivers of new growth opportunities. These shifts are reshaping industrial landscapes and impacting the production and profits of our Group and our clients.

### BUSINESS REVIEW

The Group develops and operates large-scale Surface Treatment Recycling Eco-industrial Parks (formerly described as “**Electroplating Industrial Park**”) in the PRC which are specifically designed for the electroplating industry providing electroplating wastewater treatment and other ancillary services. For the Year, the Group’s revenue was approximately RMB1,680.1 million (2024: RMB1,394.1 million), representing an increase of approximately 20.5% from that of 2024 and the profit attributable to the equity shareholders of the Company was approximately RMB134.8 million (2024: RMB122.6 million), representing an increase of approximately 9.9% from that of 2024.

### OUR SURFACE TREATMENT RECYCLING ECO-INDUSTRIAL PARKS

The Group currently operates five Surface Treatment Recycling Eco-industrial Parks which are strategically located in 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 its 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 31 December											
	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
Total leasable area (sq.m.) <sup>(Note)</sup>	501,000	320,000	158,000	94,000	307,000	1,380,000	501,000	316,000	141,000	97,000	127,000	1,182,000
Total leased area (sq.m.) <sup>(Note)</sup>	476,000	278,000	84,000	52,000	276,000	1,166,000	471,000	272,000	76,000	50,000	125,000	994,000
Occupancy Rate	95.0%	86.9%	53.2%	55.3%	89.9%	84.5%	94.0%	86.1%	53.9%	51.5%	98.4%	84.1%

*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 purchase single or multiple floors according to their operational needs. The Group can also lease land to customers to construct their own plants according to the requirements of the Group. As at 31 December 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., 320,000 sq.m., 158,000 sq.m., 94,000 sq.m. and 307,000 sq.m. respectively while their occupancy rates were 95.0%, 86.9%, 53.2%, 55.3% and 89.9%, respectively.

## Wastewater treatment capabilities

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

	For the year ended 31 December											
	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
Fresh water used (tonnes) <sup>(Note)</sup>	2,823,000	859,000	291,000	108,000	553,000	4,634,000	2,847,000	767,000	256,000	56,000	280,000	4,206,000
Daily wastewater treatment capacity (tonnes) <sup>(Note)</sup>	10,000	6,000	2,500	5,000	4,000	27,500	10,000	6,000	2,500	5,000	4,000	27,500
Annual average daily wastewater treatment handling capacity (tonnes)	7,842	2,387	807	299	1,536	12,871	7,909	2,102	702	156	778	11,647
Annual average utilisation rate of daily wastewater treatment capacity	78.4%	39.8%	32.3%	6.0%	38.4%	46.8%	79.1%	35.0%	28.1%	3.1%	19.5%	42.4%

*Note:* Rounded to the nearest thousand.

The factory premises of the Group's five Surface Treatment Recycling Eco-industrial Parks have pre-installed conduits which direct the electroplating wastewater generated by the customers to the Group's centralised wastewater treatment facilities. The Group has also built the systems for (i) recycling the treated wastewater to produce pure water for tenants to 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.

As at 31 December 2025, the total daily maximum wastewater treatment capacity of the Group reached 27,500 tonnes. The annual average daily wastewater treatment handling volume was approximately 12,871 tonnes and the annual average utilisation rate of wastewater treatment was approximately 46.8%. The Group's average annual wastewater utilisation rate increased by 4.4 percentage points compared to the 2024 level. This was primarily driven by increased production capacity of clients in Tianjin Bingang Park, Huazhong Park, and Qingshen Park, as well as higher fresh water consumption by clients in Huadong Park due to newly leased areas added in 2025.

## **RESEARCH AND DEVELOPMENT**

To keep enhancing the effectiveness of wastewater treatment process and reuse rate 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 212 registered patents and 57 patent applications were in the progress of registration as at 31 December 2025.

## **SALES AND MARKETING**

The Group conducts marketing and promotion activities and builds customers relationship through participation in domestic exhibitions and seminars. During the Year, the Group participated in seven exhibitions and eight seminars.

## **OUTLOOK**

In recent years, as the country's emphasis on the construction of ecological civilisation continues to rise, environmental protection policies have been continuously strengthened, placing higher demands on the electroplating while also welcomed new development opportunities. On the one hand, the environmental protection policy is becoming more and more stringent, forcing the electroplating industry to green transformation; on the other hand, electroplating environmental protection industrial park as an important carrier of the industry intensification, green development, the future will welcome a wide range of development space. Electroplating industrial park through centralised construction, unified management, can effectively solve the environmental pollution problems brought about by the scattered distribution of electroplating enterprises, to achieve the intensive use of resources and pollution centralised treatment, resource reuse, with the ability of the circular economy of the enterprises will be dominant in the market competition. At the same time, enterprises in the park can share infrastructure, technical services and market information, reduce operating costs and improve production efficiency.

The electroplating industrial park will develop towards greening, intelligence and high-end development. The park will adopt advanced clean production technology and pollution control facilities to achieve zero or ultra-low emission of wastewater, waste gas and solid waste to create a green and environmentally friendly modern electroplating industrial park; it will also introduce a new generation of information technology such as the Internet of Things, big data, cloud computing, Deepseek, etc., to achieve intelligent control of the production process and real-time monitoring of the environmental data, and to enhance the efficiency of the park's management and the efficiency of the enterprise's production. The park will also focus on the development of high-end plating technology and high value-added products to meet the demand for high-performance and high-reliability plating products from strategic emerging industries such as electronic information, aviation and aerospace, and new energy vehicles.

We will actively grasp the historical opportunity of the development of electroplating industrial park, increase the investment in environmental protection, enhance the technical level, and create a green, intelligent and high-end modern electroplating industrial park, so as to make positive contribution to the development of the industry and create greater value for our shareholders.

Circular economy and resource reuse mode will become the important development direction of electroplating industry. Through wastewater recycling, precious metal extraction and other technologies, electroplating enterprises can achieve efficient use of resources, reduce production costs, while reducing the impact on the environment. To this end, we are also actively exploring the hazardous solid waste resource recovery business to achieve green, low-carbon and circular development, thereby increasing the Group's revenue and rewarding to shareholders.

### **Increasing the gross floor area available for leasing**

As announced by the Company on 9 November 2025 and 6 February 2026, the Group further developed the factories in Huadong Park. It is estimated that there is an additional 215,000 sq.m of factory space available for lease by 31 December 2026. For details of the acquisition, please refer to the announcement of the Company dated 9 November 2025 and 6 February 2026.

### **Enhancing wastewater treatment capabilities**

During the year, the construction of the second phase of wastewater treatment plant in Huadong Park has been completed. It is estimated to commence full-scale operations on 30 June 2026, at which time the Group's daily wastewater treatment capacity has increased by 8,000 tonnes.

The increase in both lease areas and wastewater treatment capacity will further increase the revenue and profit of the Group as well as return to shareholders.

## RESULTS OF OPERATION

### Revenue

The Group's business mainly involves the provision of factory premises and centralised wastewater treatment services to the tenants 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. For the Year, the Group's total revenue amounted to approximately RMB1,680.1 million, representing an increase of 20.5% over that in 2024, primarily due to the increase in revenue for each of the three business segments of the Group.

	For the year ended 31 December											
	2025					2024						
	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
<b>Rental and facilities usage</b>												
Rental of factory premises	76,829	30,942	13,426	5,835	18,535	145,567	82,352	32,109	6,101	5,007	12,853	138,422
Property management fee	16,561	7,577	2,283	1,706	5,046	33,173	16,290	7,099	2,069	1,433	3,060	29,951
Environmental protection technical service fee	166,400	67,802	11,736	8,642	29,316	283,896	177,741	79,088	11,221	7,646	17,768	293,464
Sub-total	259,790	106,321	27,445	16,183	52,897	462,636	276,383	118,296	19,391	14,086	33,681	461,837
<b>Wastewater treatment and utilities</b>												
Wastewater treatment fee	190,990	58,588	28,310	6,728	34,060	318,676	193,292	52,092	24,619	3,309	17,038	290,350
Steam charge	75,501	46,119	10,682	4,451	17,607	154,360	76,169	39,875	8,695	2,081	8,534	135,354
Utility systems maintenance fee	58,745	29,161	5,930	1,779	14,099	109,714	59,607	28,568	4,603	931	6,067	99,776
Sub-total	325,236	133,868	44,922	12,958	65,766	582,750	329,068	120,535	37,917	6,321	31,639	525,480
<b>Sales of goods and ancillary business</b>												
Sales of consumables	522,910	27,314	5,634	5,698	16,898	578,454	353,192	15,538	3,062	2,052	23	373,867
Other income	32,562	16,532	3,067	337	3,743	56,241	18,711	11,346	1,660	107	1,076	32,900
Sub-total	555,472	43,846	8,701	6,035	20,641	634,695	371,903	26,884	4,722	2,159	1,099	406,767
<b>Total</b>	<b>1,140,498</b>	<b>284,035</b>	<b>81,068</b>	<b>35,176</b>	<b>139,304</b>	<b>1,680,081</b>	<b>977,354</b>	<b>265,715</b>	<b>62,030</b>	<b>22,566</b>	<b>66,419</b>	<b>1,394,084</b>

## **Revenue from rental and facilities usage service**

Revenue from rental and facilities usage service includes rental of factory premises, environmental protection technical service fee and property management fee, such fees are charged on its tenants based on the gross floor area of their leased factory premises.

The revenue from rental and facilities usage services increased by approximately RMB0.8 million or 0.2% from approximately RMB461.8 million for the year ended 31 December 2024 to approximately RMB462.6 million for the Year. The increase was primarily attributable to the increase in average daily leased area, offset by reductions in unit rental rates and environmental technology service fees at the Guangdong Huizhou Park and Tianjin Bingang Park.

## **Revenue from wastewater treatment and utilities**

Income 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 fresh water, steam and utility consumed, respectively.

### *(i) Wastewater treatment fee*

Wastewater treatment fee increased by approximately RMB28.3 million or 9.8% from approximately RMB290.4 million for the year ended 31 December 2024 to approximately RMB318.7 million for the Year. The increase was primarily attributable to the combined effects of the increase in volume of fresh water used by the customers in Tianjin Bingang Park, Huazhong Park, and Qingshen Park during the Year, as well as the addition of new customers in Huadong Park during the Year, which led to increased use of fresh water.

### *(ii) Steam charge*

Steam charge increased by approximately RMB19.0 million or 14.0% from approximately RMB135.4 million for the year ended 31 December 2024 to approximately RMB154.4 million for the Year. The increase was primarily attributable to the combined effects of the increase in volume of steam used by the customers in Tianjin Binhai Park, Huazhong Park, and Qingshen Park during the Year, as well as the addition of new customers in Huadong Park during the Year, which led to increased use of steam.

*(iii) Utility systems maintenance fee*

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

The utility systems maintenance fee increased by approximately RMB9.9 million or 10.0% from approximately RMB99.8 million for the year ended 31 December 2024 to approximately RMB109.7 million for the Year. The increase was primarily attributable to the combined effects of the increase in volume of electricity consumed and fresh water used by the customers in Tianjin Binhai Park, Huazhong Park, and Qingshen Park during the Year, as well as the addition of new customers in Huadong Park during the Year, which led to increased use of electricity.

**Revenue from sales of goods and ancillary business**

Sales of goods and ancillary business is mainly comprised of sales of consumables which accounted for 91.1% (2024: 91.9%) of this business segment.

Sales of consumables increased by approximately RMB204.6 million from approximately RMB373.9 million for the year ended 31 December 2024 to approximately RMB578.5 million for the Year. The increase was primarily attributable to the combined effects of (i) the increase in demand of tenants; and (ii) the rising prices of precious metal.

**Operating costs**

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

Operating costs increased by approximately RMB278.0 million or 24.9% from approximately RMB1,116.1 million for the year ended 31 December 2024 to approximately RMB1,394.1 million for the Year.

**Depreciation and amortisation**

The Group's depreciation and amortisation increased by approximately RMB45.2 million or 17.0% from approximately RMB266.0 million for the year ended 31 December 2024 to approximately RMB311.2 million for the Year. The increase was mainly attributable to the depreciation and amortization charged for the newly acquired and operated investment properties and property, plant and equipment for the Year, offset by a decrease in depreciation and amortization due to reaching useful life of some assets.

### **Cost of inventories**

Cost of inventories mainly consisted of materials for wastewater treatment and natural gas for production of steams and consumables for sale to the tenants. Cost of inventories increased by approximately RMB216.2 million or 45.5% from approximately RMB474.9 million for the year ended 31 December 2024 to approximately RMB691.1 million for the Year, primarily attributable to the combined effects of (i) the increased costs by selling more goods to tenants; (ii) the increase in material consumption due to the increase of waste water treatment and (iii) rising procurement costs for precious metal products in sales of goods and ancillary business.

### **Staff costs**

Staff costs is comprised of staff's salaries, bonus and other benefits as well as Directors' remuneration which amounted to approximately RMB185.8 million for the Year, representing an increase of 10.2% as compared with approximately RMB168.6 million for the year ended 31 December 2024. The increase in the Group's staff costs was mainly attributable to the increase in number of employees due to business development needs in Huadong Park during the Year.

### **Utility costs**

Utility costs mainly comprised of costs of electricity and water consumed throughout the Group's 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 RMB1.3 million or 3.3%, from approximately RMB40.1 million for the year ended 31 December 2024 to approximately RMB38.8 million for the Year. The decrease was mainly attributable to the decrease in comprehensive electricity prices during the Year, offset by the increase in electricity and water consumption resulting from increased wastewater treatment volumes.

## Other expenses

Other expenses primarily consisted of professional service fees, waste treatment expenses, other taxes and surcharges, security charges, maintenance and consumables expenses, research and development expenses and others.

	<b>For the year ended 31 December 2025 RMB'000</b>	For the year ended 31 December 2024 RMB'000
Professional service fees	<b>26,049</b>	20,201
Waste treatment expenses	<b>20,718</b>	18,925
Other taxes and surcharges	<b>42,712</b>	48,679
Security charges	<b>7,909</b>	7,539
Maintenance and consumables expenses	<b>14,638</b>	13,276
Research and development expenses	<b>16,082</b>	14,458
Consultancy and services fee	<b>3,584</b>	2,984
Business entertainment fees	<b>8,305</b>	11,120
Cleaning expenses	<b>6,037</b>	5,596
Travelling expenses	<b>4,452</b>	4,388
Office and seminar expenses	<b>5,596</b>	5,633
Landscaping expenses	<b>1,701</b>	1,488
Advertising and promotion expenses	<b>1,853</b>	3,502
Insurance	<b>1,011</b>	433
Others	<b>6,535</b>	8,265
	<hr/>	<hr/>
Total	<b>167,182</b>	166,487
	<hr/> <hr/>	<hr/> <hr/>

Other expenses increased by approximately RMB0.7 million from approximately RMB166.5 million for the year ended 31 December 2024 to approximately RMB167.2 million for the Year, primarily attributable to (i) comprehensive loan fees charged by the bank; (ii) higher insurance premiums due to the increase in property and assets; (iii) the increase in waste treatment expenses resulting from the increase in wastewater treatment handling volume; which were offset by the decrease in business entertainment fees and advertising and promotion expenses.

## **Other revenue**

Other revenue primarily consisted of (i) bank interest income, (ii) government grants and (iii) other income. Other revenue increased by approximately RMB0.2 million or 0.5%, from approximately RMB29.3 million for the year ended 31 December 2024 to approximately RMB29.5 million for the Year.

## **Profit from operations and operating profit margin**

The Group's profit from operations decreased by approximately RMB9.6 million or 3.2%, from approximately RMB305.0 million for the year ended 31 December 2024 to approximately RMB295.4 million for the Year. The decrease in operating profit was mainly attributable to the reduced gains from disposal of investment properties and non-current assets held for sale, as well as foreign exchange losses incurred. The operating profit margin decreased from 21.9% for the year ended 31 December 2024 to 17.6% for the Year. The decline in operating profit margin was mainly due to the decrease in gross profit margin of sales of the precious metal products in the Group's goods and ancillary business.

## **Finance costs**

Finance costs primarily comprised of interest in bank loans and other borrowings. Finance cost decreased by approximately RMB20.7 million or 14.9%, from approximately RMB139.0 million for the year ended 31 December 2024 to approximately RMB118.3 million for the Year. The decrease in finance costs was attributable to the decrease in the interest rate on average bank loans and other borrowings, which was offset by the increase in interest expense resulting from the increase in average balance of bank loans and other borrowings.

## **Profit before taxation**

The Group's profit before taxation increased by approximately RMB11.0 million from approximately RMB166.1 million for the year ended 31 December 2024 to approximately RMB177.1 million for the Year which was primarily attributable to the factors as described above in this section.

## **Income tax expense**

Income tax expense decreased by approximately RMB5.9 million from approximately RMB59.5 million for the year ended 31 December 2024 to approximately RMB53.7 million for the Year, which was primarily attributable to the reduction in the impact of the Group's unused tax losses not yet recognised during the Year, which was offset by the combined effects of the increase in income tax due to the increase in the Group's taxable income during the Year and the increase in withholding tax arising from the distribution of dividends by a PRC subsidiary to a Hong Kong subsidiary.

## **Profit attributable to the equity shareholders of the Company**

Profit attributable to the equity shareholders of the Company increased by approximately RMB12.2 million from approximately RMB122.6 million for the year ended 31 December 2024 to approximately RMB134.8 million for the Year, which was mainly attributable to the factors as described above in this section.

## **Net current liabilities and sufficiency of working capital**

The table below sets out our current assets, current liabilities and net current liabilities as at 31 December 2025.

	<b>31 December 2025 RMB'000</b>	31 December 2024 RMB'000
Current assets	<b>777,504</b>	753,459
Current liabilities	<b>1,571,949</b>	1,517,925
Net current liabilities	<b>(794,445)</b>	(764,466)

As at 31 December 2025 and 31 December 2024, the net current liabilities of the Group amounted to approximately RMB794.4 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 requirements and for the next 12 months.

## Borrowings and gearing ratio

During the Year, the Group's cash and cash equivalents was mainly used in the development of plants and wastewater treatment facilities of the Guangdong Huizhou 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 31 December 2025, the total interest-bearing borrowings amounted to RMB3,424.7 million were due for repayment as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year or on demand	<b>822,362</b>	864,857
After 1 year but within 2 years	<b>653,399</b>	493,581
After 2 years but within 5 years	<b>1,179,221</b>	1,285,987
After 5 years	<b>769,680</b>	431,293
	<hr/>	<hr/>
Total	<b>3,424,662</b>	3,075,718
	<hr/> <hr/>	<hr/> <hr/>

As at 31 December 2025, the Group's gearing ratio is approximately 262.2% (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%.

## Capital Management

The Group's primary objectives when 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 levels of borrowings and the advantages and security afforded 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-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes bank loans and other borrowings and lease liabilities) less cash and cash equivalents and restricted deposits with banks.

The Group's adjusted net debt-to-equity ratio as at 31 December 2025 was as follows:

	<b>At 31 December 2025 RMB'000</b>	At 31 December 2024 RMB'000
Current liabilities:		
Bank loans and other borrowings	<b>822,362</b>	864,857
Lease liabilities	<b>5,982</b>	1,882
	<b>828,344</b>	866,739
Non-current liabilities:		
Bank loans and other borrowings	<b>2,602,300</b>	2,210,861
Lease liabilities	<b>29,654</b>	11,564
	<b>3,460,298</b>	3,089,164
Less: Cash and cash equivalents	<b>(193,182)</b>	(219,405)
Restricted deposits with banks	<b>(47,837)</b>	(47,824)
Adjusted net debt	<b>3,219,279</b>	2,821,935
Total equity	<b>1,305,907</b>	1,375,091
Adjusted net debt-to-equity ratio	<b>2.47</b>	2.05

### Capital Expenditure

The Group funded its capital expenditure with cash generated from operating activities and bank loans. During the Year, the Group's capital expenditure amounted to approximately RMB777.9 million (for the year ended 31 December 2024: RMB669.4 million), mainly attributable to the expenditures on acquisition of investment property, property, plant and equipment, right-of-use assets and other intangible assets.

## **Pledged assets**

As at 31 December 2025, certain property, plant and equipment and investment property with carrying value of approximately RMB1,186.7 million and RMB939.3 million, respectively (31 December 2024: approximately RMB886.8 million and RMB1,050.6 million, respectively), land-use rights with carrying value of approximately RMB365.3 million (31 December 2024: approximately RMB309.9 million) and restricted deposits with banks with carrying value of RMB47.8 million (31 December 2024: RMB47.8 million) were pledged as security for the bank loans and other borrowings with carrying amount of approximately RMB3,423.5 million (31 December 2024: approximately RMB3,074.6 million).

Please refer to note 14(iii) of the Notes to the Financial Information set out in this announcement for particulars of guarantees made by the connected persons of the Company in favour of the lenders 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.

## **Contingent liabilities**

The Group did not have any material contingent liabilities as at 31 December 2025.

## **Significant investments, acquisitions and disposals and other material transactions**

On 7 November 2025, 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 RMB234,030,891.93. For further details, please refer to the Company's announcement dated 9 November 2025.

Save as disclosed above, there was no other significant investment, material acquisition and disposal of subsidiaries, associates and joint ventures during the Year.

## **EMPLOYEE AND REMUNERATION POLICIES**

As at 31 December 2025, the Group had 1,079 full-time employees (2024: 1,030 full-time employees) responsible for management, operation, property management, procurement, testing, maintenance, customer services, research and development, finance and administrative matters. The staff costs (including the Directors' remuneration) were approximately RMB185.8 million for the Year, which was an increase of approximately 10.2% as compared with approximately RMB168.6 million for the year ended 31 December 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 familiarise 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, customer 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 Year and up to the date of this announcement, no share option under the share option scheme has been granted.

## **CAPITAL COMMITMENTS**

As at 31 December 2025, the Group's total capital expenditure which have been contracted for but not incurred were approximately RMB267.6 million (31 December 2024: RMB408.1 million) for the development of the ancillary facilities of Guangdong Huizhou Park and Huazhong Park and the development of factory premises and wastewater treatment facilities of the Tianjin Bingang Park, Qingshen Park and Huadong Park. These capital expenditures were mainly financed by internal resources and bank loans and other borrowings.

## **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 Year, 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, restricted deposits with banks and deposits with a bank with original maturity over three months 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 Board when the borrowings exceed certain predetermined amount 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.

## **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 (“**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 (“**CG Code**”) contained in the Appendix C1 to the Listing Rules, 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 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 Part 2 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.

As always, the Directors will use their best endeavours to procure the Company to comply with the requirements under the CG Code and make disclosure of deviation from such code in accordance with the Listing Rules.

## **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**”) as 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 Year.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the Year. On 31 December 2025, the Company did not hold any treasury shares (as defined under the Listing Rules).

## **REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE**

The Board established the audit committee (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, Mr. Li Xiaoyan and Ms. Pong Scarlett Oi Lan. Mr. Liu Da was 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 published 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 report 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 auditor on the audit procedures and accounting issues. The Audit Committee has reviewed the annual results of the Group for the Year.

## **SUBSEQUENT EVENTS AFTER THE YEAR**

As the Group is aware after having made reasonable enquiries, there were no material subsequent events affecting the Group after 31 December 2025 and up to the date of this announcement.

## **REVIEW OF PRELIMINARY ANNUAL RESULTS ANNOUNCEMENT**

The financial figures in respect of the Group’s consolidated statement of financial position as at 31 December 2025, consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been compared by the Group’s auditor, BDO Limited, Certified Public Accountants, to the amounts set out in the Group’s audited consolidated financial statements for the Year and the amounts were found to be in agreement. The work performed by BDO Limited in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

## **FINAL DIVIDEND**

The Board of the Company recommends not to pay a final dividend for the year ended 31 December 2025 (2024: HK15 cents per share) to reserve more funds for the construction and operation of the Huadong Park.

## **ANNUAL GENERAL MEETING AND CLOSURE OF THE REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 19 May 2026 to Friday, 22 May 2026, both days inclusive and during which period no transfer of shares will be registered, for the purpose of ascertaining Shareholders' entitlement to attend and vote at the annual general meeting of the Company (the "AGM") to be held on Friday, 22 May 2026. In order to be eligible to attend and vote at the AGM, all transfer shares accompanied by 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 Monday, 18 May 2026. Shareholders whose names appear on the register of members of the Company on Friday, 22 May 2026 are entitled to attend and vote at the AGM.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and of the Company ([www.kimou.com.cn](http://www.kimou.com.cn)). The annual report of the Company for the Year containing all the information required by the Listing Rules will be despatched to the Shareholders who request for 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 our valued Shareholders and various stakeholders of the Company 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  
**Kimou Environmental Holding Limited**  
**Zhang Lianghong**  
*Chairman*

Hong Kong, 27 March 2026

*As at the date of this announcement, the Board comprises Mr. Zhang Lianghong (Chairman of the Board 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.*

\* *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.*