



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



2026

INTERIM REPORT

CONTENTS

- 2** Corporate Information
- 4** Management Discussion and Analysis
- 19** Corporate Governance and Other Information
- 23** Report on Review of Interim Financial Information
- 24** Condensed Consolidated Statement of Profit or Loss
- 25** Condensed Consolidated Statement of Profit or Loss and
Other Comprehensive Income
- 26** Condensed Consolidated Statement of Financial Position
- 28** Condensed Consolidated Statement of Changes in Equity
- 30** Condensed Consolidated Statement of Cash Flows
- 32** Notes to the Unaudited Interim Financial Report

CORPORATE INFORMATION

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited
(the “**Stock Exchange**”)

STOCK CODE

6805

BOARD OF DIRECTORS

Executive Directors

Mr. Zhang Lianghong (*Chairman and Chief Executive Officer*)
Mr. Huang Qiyang
Mr. Lee Kin Ming
Mr. Huang Shaobo
Mr. Cheung Ka Tsun

Independent Non-Executive Directors

Mr. Li Xiaoyan
Mr. Liu Da
Ms. Pong Scarlett Oi Lan *BBS, JP*

AUDIT COMMITTEE

Mr. Liu Da (*Chairperson*)
Mr. Li Xiaoyan
Ms. Pong Scarlett Oi Lan *BBS, JP*

NOMINATION COMMITTEE

Mr. Zhang Lianghong (*Chairman*)
Mr. Li Xiaoyan
Ms. Pong Scarlett Oi Lan *BBS, JP*

REMUNERATION COMMITTEE

Ms. Pong Scarlett Oi Lan *BBS, JP* (*Chairperson*)
Mr. Zhang Lianghong
Mr. Li Xiaoyan

COMPANY SECRETARY

Mr. Chung Ming Fai

AUTHORISED REPRESENTATIVES

Mr. Zhang Lianghong
Mr. Lee Kin Ming

PRINCIPAL BANKER

Dongguan Rural Commercial Bank Joint Stock Company Limited
No. 44, Nancheng Section
Guantai Road, Dongguan
Guangdong Province
the PRC

REGISTERED OFFICE

Campbells Corporate Services Limited
Floor 4, Willow House
Cricket Square
Grand Cayman KY1-9010
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE’S REPUBLIC OF CHINA (THE “PRC”)

Longhua Road, Longxi Street, Boluo County
Huizhou City
Guangdong Province, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

20th Floor, Grandion Plaza
932 Cheung Sha Wan Road, Cheung Sha Wan
Kowloon
Hong Kong

LEGAL ADVISORS AS TO HONG KONG LAWS

Tian Yuan Law Firm LLP
Suite 3304–3309, 33/F
Jardine House
One Connaught Place, Central
Hong Kong

AUDITOR

BDO Limited, *Certified Public Accountants and Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance*
25th Floor
Wing On Centre
111 Connaught Road
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Campbells Corporate Services Limited
Floor 4, Willow House
Cricket Square
Grand Cayman KY1-9010
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

COMPANY WEBSITE

www.kimou.com.cn

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In the first half of 2026, the global economy demonstrated resilience in the face of multiple headwinds, but growth momentum disparities were evident. Whilst inflationary pressures eased somewhat in major economies in Europe and the United States, and monetary policy gradually shifted toward loosening, high energy prices resulting from geopolitical conflicts continued to constrain the recovery. Emerging markets, however, were affected by fluctuations in commodity prices and geopolitical factors, resulting in a slowdown in growth momentum, with pronounced regional divergence. The domestic economy remained optimistically stable, as policy measures continued to produce results. Accelerated infrastructure investment, manufacturing upgrades, and consumption recovery became the main drivers of growth, with gross domestic product growth in the second quarter slightly higher than that in the first quarter, representing a relatively strong performance among the world's major economies.

BUSINESS REVIEW

Kimou Environmental Holding Limited (the **"Company"**) and its subsidiaries (collectively, the **"Group"**) develops and operates large-scale Surface Treatment Recycling Eco-industrial Parks in the PRC which are specifically designed for the electroplating industry. For the six months ended 30 June 2026 (the **"Period under Review"**), the Group's revenue was approximately RMB1,060.1 million (six months ended 30 June 2025: approximately RMB754.0 million), representing an increase of approximately RMB306.1 million from that of the corresponding period in 2025. The profit attributable to the equity shareholders of the Company was approximately RMB77.0 million (six months ended 30 June 2025: approximately RMB59.0 million), representing an increase of approximately RMB18.0 million from that of the corresponding period in 2025, and an increase of approximately 30.5% from that of the corresponding period in 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

OUR SURFACE TREATMENT RECYCLING ECO-INDUSTRIAL PARKS

The Group currently operates five Surface Treatment Recycling Eco-industrial Parks which are strategically located in Huizhou, Guangdong Province (“**Guangdong Huizhou Park**”), Tianjin (“**Tianjin Bingang Park**”), Jingzhou, Hubei Province (“**Huazhong Park**”), Qingshen, Sichuan Province (“**Qingshen Park**”) and Taixing, Jiangsu Province (“**Huadong Park**”) in order to enjoy convenient transportation network and be in close proximity to our customers where most of the PRC electroplating enterprises are located.

Total leasable area and occupancy rate

Set out below is the total leasable area and occupancy rate of the Group’s five Surface Treatment Recycling Eco-industrial Parks:

	As at 30 June											
	2026						2025					
	Guangdong	Tianjin					Guangdong	Tianjin				
	Huizhou	Bingang	Huazhong	Qingshen	Huadong	Total	Huizhou	Bingang	Huazhong	Qingshen	Huadong	Total
	Park	Park	Park	Park	Park		Park	Park	Park	Park	Park	
Total leasable area (sq.m.) ^(note)	501,000	317,000	159,000	104,000	292,000	1,373,000	501,000	288,000	154,000	97,000	125,000	1,165,000
Total leased area (sq.m.) ^(note)	485,000	242,000	102,000	57,000	285,000	1,171,000	467,000	248,000	91,000	53,000	125,000	984,000
Occupancy Rate	96.8%	76.3%	64.2%	54.8%	97.6%	85.3%	93.2%	86.1%	59.1%	54.6%	100.0%	84.5%

Note: Rounded to the nearest thousand. The total leased area includes the area for which a formal lease agreement has been signed and the area for which a reservation agreement has been made.

The Group offers factory premises in standard floor areas in which the customers can choose to lease or buy single or multiple floors according to their operational needs. The Group also leases land to customers to construct their own plants according to the requirements of the Group. As at 30 June 2026, the total leasable area of Guangdong Huizhou Park, Tianjin Bingang Park, Huazhong Park, Qingshen Park and Huadong Park were approximately 501,000 sq.m., 317,000 sq.m., 159,000 sq.m., 104,000 sq.m. and 292,000 sq.m., respectively while their occupancy rates were 96.8%, 76.3%, 64.2%, 54.8% and 97.6%, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Wastewater treatment capabilities

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

2026	Six months ended 30 June					
	Guangdong Huizhou Park	Tianjin Bingang Park	Huazhong Park	Qingshen Park	Huadong Park	Total
Fresh water used (tonnes) ^(note)	1,399,000	433,000	169,000	78,000	432,000	2,511,000
Daily wastewater treatment capacity (tonnes) ^(note)	10,000	6,000	2,500	5,000	4,000	27,500
Average daily wastewater treatment handling capacity (tonnes)	7,772	2,405	940	435	2,400	13,952
Average utilisation rate of daily wastewater treatment capacity	77.7%	40.1%	37.6%	8.7%	60.0%	50.7%

2025	Six months ended 30 June					
	Guangdong Huizhou Park	Tianjin Bingang Park	Huazhong Park	Qingshen Park	Huadong Park	Total
Fresh water used (tonnes) ^(note)	1,326,000	396,000	129,000	44,000	216,000	2,111,000
Daily wastewater treatment capacity (tonnes) ^(note)	10,000	6,000	2,500	5,000	4,000	27,500
Average daily wastewater treatment handling capacity (tonnes)	7,365	2,200	719	245	1,202	11,731
Average utilisation rate of daily wastewater treatment capacity	73.7%	36.7%	28.8%	4.9%	30.1%	42.7%

Note: Rounded to the nearest thousand.

The factory premises of the five Surface Treatment Recycling Eco-industrial Parks of the Group have pre-installed conduits which direct the electroplating wastewater generated by the parks' customers to the Group's centralised wastewater treatment facilities. The Group has also built the systems for (i) recycling the treated wastewater back to the customers for reuse; and (ii) discharging the rest of the treated wastewater through channels. These facilities are fundamental and of core importance to the daily operations of the customers.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Period under Review, the total daily wastewater treatment capacity of the Group reached 27,500 tonnes. The average daily actual wastewater treatment handling capacity was approximately 13,952 tonnes and the average utilisation rate of daily wastewater treatment capacity was approximately 50.7%. The Group's average utilisation rate of daily wastewater treatment capacity has increased by 8.0 percentage points compared to the corresponding period in 2025, primarily as a result of the combined effects of an increase in the number of customers across our parks and a rise in customers' production capacity, these factors drove higher freshwater usage; in particular, the commencement of production and operations by customers at the second phase of Huadong Park resulted in a significant increase in freshwater usage.

RESEARCH AND DEVELOPMENT

To keep enhancing the effectiveness of wastewater treatment process and reuse rate of the processed wastewater is the long-term objective and the social responsibility of the Group. With our experienced and knowledgeable research and development team and the cooperation of Tsinghua Shenzhen International Graduate School, the Group has been gradually transforming itself into an integrated wastewater treatment service provider. During the Period under Review, the Group had obtained 217 registered patents, and 49 patent applications were in the progress of registration.

SALES AND MARKETING

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

OUTLOOK

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

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF OPERATION

The Group's business mainly involves the provision of factory premises and centralized wastewater treatment services to the customers at the Guangdong Huizhou Park, the Tianjin Bingang Park, the Huazhong Park, the Qingshen Park and the Huadong Park. The Group's main business can be categorised into three business segments, namely, (1) rental and facilities usage; (2) wastewater treatment and utilities; and (3) sales of goods and ancillary business.

Revenue

For the Period under Review, the Group's revenue amounted to approximately RMB1,060.1 million, representing an increase of approximately 40.6% over that of the corresponding period in 2025, primarily due to the increase in revenue from the segments of wastewater treatment and utilities and sales of goods and ancillary business.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue from rental and facilities usage service

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

Revenue from wastewater treatment and utilities

Revenue from this business segment comprises of wastewater treatment fee, steam charge and utility systems maintenance fee, which are chargeable on our customers based on the actual volume of freshwater, steam and utility consumed, respectively.

(i) Wastewater treatment fee

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

(ii) Steam charge

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

(iii) Utility systems maintenance fee

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

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

Revenue from sales of goods and ancillary business

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

Sales of raw materials and goods increased by approximately RMB228.6 million or 100.7% from approximately RMB227.1 million for the six months ended 30 June 2025 to approximately RMB455.7 million for the Period under Review. The increase was primarily attributable to the combined effects of the growth in the selling price of precious metal products and the increase in demand of customers during the Period under Review.

Operating costs

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

Operating costs increased by approximately RMB287.1 million or 46.5% from approximately RMB617.1 million for the six months ended 30 June 2025 to approximately RMB904.2 million for the Period under Review. The increase in operating costs was primarily attributable to higher depreciation and amortisation and higher cost of inventories incurred by the Group.

Depreciation and amortisation

The Group's depreciation and amortisation increased by approximately RMB19.3 million or 12.8% from approximately RMB150.6 million for the six months ended 30 June 2025 to approximately RMB170.0 million for the Period under Review. The increase was mainly attributable to the depreciation and amortisation charged on newly acquired investment properties and property, plant and equipment at the second phase of Huadong Park during the Period under Review, which was offset by the decrease in depreciation and amortisation as some assets reached or adjusted their useful lives.

Cost of inventories

Cost of inventories mainly consisted of raw materials for wastewater treatment and natural gas for production of steam and goods for sale to the customers.

Cost of inventories increased by approximately RMB252.1 million or 87.6% from approximately RMB287.8 million for the six months ended 30 June 2025 to approximately RMB540.0 million for the Period under Review, primarily attributable to the combined effects of (i) the increase of costs due to the increase in goods sold to tenants; (ii) the rise in procurement price of precious metal products amongst the goods sold and (iii) the increase in materials used due to the increase in wastewater treatment.

MANAGEMENT DISCUSSION AND ANALYSIS

Staff costs

Staff costs comprised of staff's salaries, bonuses and other benefits as well as Directors' remuneration. For the Period under Review, the staff costs amounted to approximately RMB92.9 million, representing an increase of 8.3% as compared with approximately RMB85.8 million for the six months ended 30 June 2025. The increase was mainly due to the effect of the increase in number of employees due to business development needs in Huazhong Park, Huadong Park during the Period under Review.

Utility costs

Utility costs mainly comprised of costs of electricity and water consumed throughout the wastewater treatment processes, production of steam and for other activities such as lighting and gardening inside the Surface Treatment Recycling Eco-industrial Parks. Utility costs increased by approximately RMB1.0 million or 5.3%, from approximately RMB19.0 million for the six months ended 30 June 2025 to approximately RMB20.0 million for the Period under Review. The increase was mainly attributable to the combined effect of the increase in electricity and water consumption resulting from the increase in wastewater treatment during the Period under Review, partially offset by a decrease in the aggregate electricity price during the same period.

Other expenses

Other expenses primarily consisted of professional service fees, waste treatment expenses, other taxes and surcharges, research and development fees and others, as set out below:

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Professional service fees	5,670	10,684
Waste treatment expenses	15,391	8,219
Other taxes and surcharges	23,401	20,568
Cleaning, security and landscaping charges	8,470	7,581
Maintenance and consumables expenses	7,338	5,253
Research and development fees	9,300	8,242
Consultancy service fee	811	1,457
Business entertainment fees	4,011	4,762
Travelling expenses	1,804	2,023
Others	5,196	5,154
Total	81,392	73,943

MANAGEMENT DISCUSSION AND ANALYSIS

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

Other revenue

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

Finance costs

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

Income tax

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

Profit attributable to the equity shareholders of the Company

Profit attributable to the equity shareholders of the Company increased by approximately RMB18.0 million from approximately RMB59.0 million for the six months ended 30 June 2025 to approximately RMB77.0 million for the Period under Review, the increase was mainly attributable to the factors as described above.

MANAGEMENT DISCUSSION AND ANALYSIS

Bank loans and other borrowings and gearing ratio

The Group's cash and cash equivalents were mainly used in the development of plants and wastewater treatment facilities of the Guangdong Huizhou Park, Tianjin Bingang Park, Huazhong Park, Qingshen Park and Huadong Park. The Group financed its funding requirements mainly through a combination of cash generated from operating activities and bank loans. As at 30 June 2026, the total amount of bank loans and other borrowings of the Group was approximately RMB3,433.3 million (31 December 2025: RMB3,424.7 million), in which 98.8% (31 December 2025: 98.8%) were denominated in RMB and 1.2% (31 December 2025: 1.2%) were denominated in HKD.

As at 30 June 2026, the Group's gearing ratio was approximately 241.5% (31 December 2025: 262.2%). The ratio is calculated based on the total debts (including all borrowings) as of the respective dates divided by the total equity as of the respective dates and multiplied by 100%.

Net current liabilities and sufficiency of working capital

The table below sets out the Group's current assets, current liabilities and net current liabilities as at 30 June 2026.

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

As at 30 June 2026 and 31 December 2025, the total net current liabilities of the Group amounted to approximately RMB653.2 million and RMB794.4 million, respectively. In light of the Group's current liquidity position, the unutilised banking facilities available to the Group and our projected cash inflows to be generated from operations, the Directors believe that the Group has adequate resources to meet the Group's present capital requirements and for the next 12 months.

Capital management

The Group's primary objectives in managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for the shareholders and benefits for other stakeholders of the Company, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher level of borrowings and the advantages and security offered by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-equity ratio (net debt divided by total equity). For this purpose, net debt is defined as the remaining balance of bank loans, other borrowings and lease liabilities less cash and cash equivalents, deposits with a bank with original maturity date over three months and restricted deposits with banks.

The Group's adjusted net debt-to-equity ratio was as follows:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Current liabilities:		
Bank loans and other borrowings	803,510	822,362
Lease liabilities	6,119	5,982
	809,629	828,344
Non-current liabilities:		
Bank loans and other borrowings	2,629,790	2,602,300
Lease liabilities	27,639	29,654
	3,467,058	3,460,298
Less: Cash and cash equivalents	(187,100)	(193,182)
Restricted deposits with banks	(47,189)	(47,837)
Net debt	3,232,769	3,219,279
Total equity	1,421,708	1,305,907
Adjusted net debt-to-equity ratio	2.27	2.47

MANAGEMENT DISCUSSION AND ANALYSIS

Capital Expenditure

During the Period under Review, the Group funded its capital expenditure with cash generated from operating activities and bank loans and other borrowings. For the Period under Review, the Group's capital expenditure amounted to approximately RMB251.1 million (six months ended 30 June 2025: RMB276.7 million), mainly attributable to the acquisition of investment property, property, plant and equipment, and other intangible assets.

Pledged assets

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

Please refer to note 16(iv) of the Notes to the Unaudited Interim Financial Information of this report for particulars of guarantees made by the connected persons of the Company for securing the Group's liabilities. Such guarantees are conducted on normal commercial terms or better and are not secured by the assets of the Group.

Capital commitments

As at 30 June 2026, the Group's total capital expenditure which has been contracted for but not incurred was approximately RMB233.3 million (31 December 2025: RMB267.6 million) for the development of the factory premises and ancillary facilities of Guangdong Huizhou Park, Huazhong Park and Tianjin Bingang Park, and the development of factory premises and wastewater treatment facilities of the Qingshen Park and Huadong Park. These capital expenditures were mainly financed by internal resources and bank loans and other borrowings.

Contingent liabilities

The Group did not have any material contingent liabilities as at 30 June 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN EXCHANGE RISK

Individual companies within the Group have limited foreign currency risk as most of the transactions are denominated in the same currency as the functional currency of the operations in which they relate. However, as the principal subsidiaries mainly carried out transactions in RMB, any appreciation or depreciation of Hong Kong dollar against RMB will affect the Group's financial position and be reflected in the exchange reserve.

During the Period under Review, the Group did not use any financial derivatives to hedge against any foreign exchange risks.

INTEREST RATE RISK

The Group's interest rate risk arises primarily from bank loans issued at variable rates that expose the Group to interest rate risk. The Group's management closely monitored the Group's loan portfolio in order to manage the Group's interest rate risk exposure.

CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables. The Group's exposure to credit risk arising from cash and cash equivalents, deposits with a bank with original maturity date over three months and restricted deposits with banks is limited because the counterparties are banks and financial institutions, for which the Group considers having low credit risk.

LIQUIDITY RISK

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's Board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realizable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Cash and cash equivalents held by the Group are mainly denominated in RMB.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL AND OTHER MATERIAL TRANSACTION

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

MANAGEMENT DISCUSSION AND ANALYSIS

On 18 June 2026, Kimou Environmental Protection Group (Huizhou) Co., Ltd.* (金茂源環保集團(惠州)有限公司) and Hubei Jinmao Environmental Technology Co., Ltd.* (湖北金茂環保科技有限公司), the indirect wholly-owned subsidiaries of the Company, entered into an agreement with Guangdong Jinjunda Construction Engineering Co., Ltd.* (廣東金竣達建設工程有限公司) ("**Guangdong Jinjunda**"). Pursuant to the 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 was RMB472,579,480. For further details, please refer to the Company's announcement dated 18 June 2026.

Save as disclosed above, there was no other significant investment, material acquisition or disposal of subsidiaries, associates or joint ventures or other material transaction during the Period under Review.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

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

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

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

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

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

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2026, the Group had 1,083 full-time employees (30 June 2025: 1,063 full-time employees) responsible for management, operation, property management, procurement, testing, maintenance, customer services, research and development, finance and administrative matters. The employee costs (including the Directors' remuneration) were approximately RMB92.9 million for the Period under Review, which was an increase of approximately 8.3% as compared with approximately RMB85.8 million for the six months ended 30 June 2025. The remuneration for the Directors and senior management members is based on their qualifications, work experience, job duties and position with the Group. The Group has implemented an annual review system to assess the performance of its employees, which forms the basis of the determinations on salary raises, discretionary bonuses and promotion.

The Group has also established various welfare plans including the provision of basic medical insurance, unemployment insurance and other relevant insurance to its employees pursuant to the PRC rules and regulations and the existing policy requirements of the local government. The Group has also made contributions to statutory mandatory provident fund scheme for its employees in Hong Kong.

The Group puts great emphasis on staff training. The Group arranges orientation programs for newly hired staff to familiarize them with the Company's working environment and culture. The Group also regularly provides employees with on-the-job trainings so as to ensure their work performances will meet the Group's strategic goals, operating standards, customers and regulatory requirements.

The Company adopted a share option scheme on 18 June 2019 (the "**Share Option Scheme**") and a share award scheme on 23 May 2025 (the "**Share Award Scheme**") for the purpose of providing incentives and rewards to eligible directors and employees of the Group. During the period from the date of adoption of the Share Option Scheme and Share Award Scheme and up to the date of this report, no share option or share award under the Share Option Scheme and Share Award Scheme was granted.

EVENTS AFTER THE REPORTING PERIOD

So far as the Company is aware after having made reasonable enquiries, there were no other significant events affecting the Group which have occurred since 30 June 2026 and up to the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTOR'S AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "**SFO**"), which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules, were as follows:

Name of Director/Chief Executive	Capacity/Nature of interest	Number of Shares or underlying Shares held ⁽¹⁾	Approximate percentage of shareholding interest in the Company ⁽¹⁾
Mr. Zhang Lianghong (" Mr. Zhang ")	Interest in a controlled corporation and other ⁽²⁾	533,040,000	48.12%
Mr. Huang Shaobo (" Mr. Huang ")	Interest in a controlled corporation ⁽³⁾	29,278,000	2.64%
Mr. Huang Qiyang	Beneficial owner and interest of spouse ⁽⁴⁾	6,096,000	0.55%
Mr. Lee Kin Ming	Beneficial owner	10,000,000	0.90%

Notes:

- (1) All interests stated above are long positions. The approximate percentage of shareholding interest in the Company was calculated based on the total number of 1,107,750,000 shares in issue (including treasury shares) as at 30 June 2026.
- (2) Such shares were registered in the name of Flourish Investment International Limited, a company wholly owned by Mr. Zhang. By virtue of Part XV of the SFO, Mr. Zhang is deemed to be interested in all the shares held by Flourish Investment International Limited. Meanwhile, an aggregate of 512,000 Shares repurchased by the Company on the open market pursuant to the repurchase mandate passed by the Shareholders at the annual general meetings on 21 May 2026 were held by the Company as treasury shares as of 30 June 2026. Since Flourish Investment International Limited controls one-third or more of the voting power at the general meetings of the Company, Mr. Zhang (the controlling person of Flourish Investment International Limited) is taken to have an interest in such 512,000 treasury shares of the Company under the SFO.
- (3) Such shares were registered in the name of Dakson Assets Management Limited, a company wholly owned by Mr. Huang. By virtue of Part XV of the SFO, Mr. Huang is deemed to be interested in all the shares held by Dakson Assets Management Limited.
- (4) Such shares consist of 468,000 shares directly held by Mr. Huang Qiyang and 5,628,000 shares directly held by his spouse, Ms. Wang Meiqi. By virtue of Part XV of the SFO, Mr. Huang Qiyang is deemed to be interested in all the shares held by Ms. Wang Meiqi.

Save as disclosed above, as at 30 June 2026, none of the Directors and/or chief executive of the Company nor their associates had or were deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them has taken or deemed to have taken under the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein or which would be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Period under Review was the Company or its holding company (if applicable), subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors or the chief executives of the Company or their associates to acquire benefits by means of acquisitions of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, to the best knowledge of the Directors, the table below listed the persons (other than the Directors or chief executives of the Company), who had interests in the shares and underlying shares of the Company which would fall to be disclosed to the Company pursuant to provision of Division 2 and 3 of Part XV of the SFO, or as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO:

Name of shareholder	Capacity/Nature of interest	Number of Shares or underlying Shares held ⁽¹⁾	Approximate percentage of shareholding interest in the Company ⁽¹⁾
Flourish Investment International Limited ⁽²⁾	Beneficial owner and other	533,040,000	48.12%
Premier Investment Worldwide Company Limited ⁽³⁾	Beneficial owner	239,400,000	21.61%
Mr. Lee Yuk Kong ⁽⁴⁾	Interest in a controlled corporation and beneficial owner	241,920,000	21.84%

Notes:

- (1) All interests stated above are long positions. The approximate percentage of shareholding interest in the Company was calculated based on the total number of 1,107,750,000 shares in issue (including treasury shares) as at 30 June 2026.
- (2) Flourish Investment International Limited is a company wholly owned by Mr. Zhang, an executive Director, and the chairman of the Board. By virtue of Part XV of the SFO, Mr. Zhang is deemed to be interested in all the Shares held by Flourish Investment International Limited. Meanwhile, an aggregate of 512,000 Shares repurchased by the Company on the open market pursuant to the repurchase mandate passed by the Shareholders at the annual general meetings on 21 May 2026 were held by the Company as treasury shares as of 30 June 2026. Since Flourish Investment International Limited controls one-third or more of the voting power at the general meetings of the Company, Flourish Investment International Limited is taken to have an interest in such 512,000 treasury shares of the Company under the SFO.
- (3) Premier Investment Worldwide Company Limited is a company wholly owned by Mr. Lee Yuk Kong, a former executive Director who resigned on 26 July 2022 and is the father of Mr. Lee Kin Ming, an executive Director. By virtue of Part XV of the SFO, Mr. Lee is deemed to be interested in all the Shares held by Premier Investment Worldwide Company Limited.
- (4) Mr. Lee Yuk Kong is interested in aggregate of 241,920,000 shares via 239,400,000 shares held by Premier Investment Worldwide Company Limited and 2,520,000 shares held by him personally.

Save as disclosed above, as at 30 June 2026, the Directors and the senior management of the Company are not aware of any other person who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of Part XV of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SHARE OPTION SCHEME AND SHARE AWARD SCHEME

The Company adopted the Share Option Scheme on 18 June 2019 and the Share Award Scheme on 23 May 2025. The purpose of the Share Option Scheme and the Share Award Scheme is to (i) recognise and acknowledge the contributions that the eligible participants had or may have made to our Group; (ii) provide the selected participants with an opportunity to obtain a proprietary interest in the Company; (iii) provide incentives to selected participants to contribute to the Company; and (iv) enable the Company to recruit high-calibre employees and attract human resources that are valuable to the Group. Further details of the rules of the Share Option Scheme and Share Award Scheme are set out in the section headed “Statutory and General Information — D. Other Information — 2. Share Option Scheme” in Appendix V to the prospectus of the Company dated 29 June 2019 and the announcement of the Company dated 26 May 2025, respectively.

No share option or share award has been granted, exercised, vested, expired, cancelled or lapsed since the adoption of the Share Option Scheme and the Share Award Scheme during the Period under Review.

The number of options available for grant under the Share Option Scheme at the beginning and the end of the Period under Review are both 112,000,000.

The number of share awards over existing shares available for grant under the Share Award Scheme at the beginning and the end of the Period under Review are both 55,387,500. The number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the Period under Review divided by the weighted average number of Shares in issue for the Period under Review was nil.

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 its 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 (the “**CG Code**”) contained in Appendix C1 to the Listing Rules. During the Period under Review, the Company has complied, to the extent applicable and permissible, with all the code provisions as set out in the then prevailing CG Code (the “**code provision**”), 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 as its code of conduct regarding its Directors' securities transactions. The Directors are reminded of their obligations under the Model Code on a regular basis. Following specific enquiry, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the Period under Review.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Board established the Audit Committee (the "**Audit Committee**") on 18 June 2019. As at the date of this report, the Audit Committee comprises three independent non-executive Directors, namely Mr. Liu Da, Ms. Pong Scarlett Oi Lan *BBS, JP* and Mr. Li Xiaoyan. Mr. Liu Da is the chairman of the Audit Committee. None of them is a member of the former or existing auditors of the Company. Details of the terms of reference of the Audit Committee are set out on the Company's website and the website of the Stock Exchange.

The primary duties of the Audit Committee are to review and supervise the Group's financial reporting process and internal control and risk management systems, and to formulate or review policies relating to anti-bribery compliances by ensuring regular management review of relevant corporate governance measures and its implementation and to communicate with external auditors on the audit procedures and accounting issues. The Audit Committee has reviewed the unaudited condensed consolidated interim financial information of the Group for the Period under Review, which has also been reviewed by the Company's external auditor, BDO Limited, Certified Public Accountants, in accordance with Hong Kong Standard on Review Engagement 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the Hong Kong Institute of Certified Public Accountants.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float during the Period under Review as required under the Listing Rules.

APPRECIATION

The Company would like to take this opportunity to thank all of its valued shareholders and various stakeholders for their continuous support. Also, the Company would like to express its appreciation to all the staff for their efforts and commitments to the Group.

On behalf of the Board

Zhang Lianghong

Chairman

21 August 2026

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

TO THE BOARD OF DIRECTORS OF KIMOU ENVIRONMENTAL HOLDING LIMITED

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 24 to 50, which comprises the interim condensed consolidated statement of financial position of Kimou Environmental Holding Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) as at 30 June 2026 and the related interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of profit or loss and other comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and notes to the interim condensed consolidated financial statements, including material accounting policy information (the “**interim financial information**”). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with HKAS 34.

BDO Limited

Certified Public Accountants

IP, Ka Ming

Practising Certificate no. P08322

Hong Kong, 21 August 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

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

The notes on pages 32 to 50 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 17(a).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Profit for the period	73,831	53,402
Other comprehensive income for the period		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of entities not using Renminbi ("RMB") as functional currency	8,520	3,462
Total comprehensive income for the period	82,351	56,864
Attributable to:		
Equity shareholders of the Company	85,505	62,441
Non-controlling interests	(3,154)	(5,577)
Total comprehensive income for the period	82,351	56,864

The notes on pages 32 to 50 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2026 — unaudited
(Expressed in Renminbi)

	Notes	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Non-current assets			
Property, plant and equipment	8	1,966,545	1,964,882
Investment property	9	1,707,309	1,785,265
Construction in progress	10	587,809	463,436
Right-of-use assets	11	560,049	572,175
Intangible assets		8,717	7,799
Interests in associates		6,981	5,024
Other financial assets		—	2,595
Other receivables	12	50,698	38,322
Deferred tax assets		39,218	45,316
Total non-current assets		4,927,326	4,884,814
Current assets			
Inventories		45,658	41,152
Trade and other receivables	12	523,466	495,333
Restricted deposits with banks	13	47,189	47,837
Cash and cash equivalents	14	187,100	193,182
Total current assets		803,413	777,504
Current liabilities			
Trade and other payables	15	610,012	704,282
Contract liabilities		19,235	22,364
Bank loans and other borrowings	16	803,510	822,362
Lease liabilities		6,119	5,982
Current taxation		17,688	16,959
Total current liabilities		1,456,564	1,571,949
Net current liabilities		(653,151)	(794,445)
Total assets less current liabilities		4,274,175	4,090,369

The notes on pages 32 to 50 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2026 — unaudited
(Expressed in Renminbi)

	Notes	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Non-current liabilities			
Other payables	15	47,714	–
Contract liabilities		40,847	37,022
Bank loans and other borrowings	16	2,629,790	2,602,300
Lease liabilities		27,639	29,654
Deferred income		106,477	110,483
Deferred tax liabilities		–	5,003
Total non-current liabilities		2,852,467	2,784,462
Net assets		1,421,708	1,305,907
Capital and reserves			
Share capital		97,283	97,283
Reserves		1,019,510	935,415
Total equity attributable to equity shareholders of the Company		1,116,793	1,032,698
Non-controlling interests		304,915	273,209
Total equity		1,421,708	1,305,907

Approved and authorised for issue by the board of directors on 21 August 2026.

Zhang Lianghong
Chairman and Chief Executive Officer

Cheung Ka Tsun
Executive Director

The notes on pages 32 to 50 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

	Equity attributable to equity shareholders of the Company								Total equity RMB'000
	Share capital	Share premium	Treasury share	Statutory and other reserve	Exchange reserve	Retained profits	Sub-total	Non-controlling interests	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Balance at 1 January 2026	97,283	435,351	-	257,354	722	241,988	1,032,698	273,209	1,305,907
Changes in equity for the six-months ended 30 June 2026									
Profit/(loss) for the period	-	-	-	-	-	76,985	76,985	(3,154)	73,831
Other comprehensive income	-	-	-	-	8,520	-	8,520	-	8,520
Total comprehensive income	-	-	-	-	8,520	76,985	85,505	(3,154)	82,351
Repurchase of shares	-	-	(1,410)	-	-	-	(1,410)	-	(1,410)
Contributions from non-controlling interests	-	-	-	-	-	-	-	34,860	34,860
Safety fund provision	-	-	-	64	-	(64)	-	-	-
Balance at 30 June 2026	97,283	435,351	(1,410)	257,418	9,242	318,909	1,116,793	304,915	1,421,708

The notes on pages 32 to 50 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

	Equity attributable to equity shareholders of the Company								
	Share capital	Share premium	Shares repurchased for cancellation	Statutory and other reserve	Exchange reserve	Retained profits	Sub-total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2025	97,283	435,351	–	211,976	(2,120)	407,258	1,149,748	225,343	1,375,091
Changes in equity for the six-months ended 30 June 2025									
Profit/(loss) for the period	–	–	–	–	–	58,979	58,979	(5,577)	53,402
Other comprehensive income	–	–	–	–	3,462	–	3,462	–	3,462
Total comprehensive income	–	–	–	–	3,462	58,979	62,441	(5,577)	56,864
Dividends approved in respect of the previous year	–	–	–	–	–	(153,866)	(153,866)	–	(153,866)
Contributions from non-controlling interests	–	–	–	–	–	–	–	10,000	10,000
Safety fund provision	–	–	–	27	–	(27)	–	–	–
Balance at 30 June 2025	97,283	435,351	–	212,003	1,342	312,344	1,058,323	229,766	1,288,089

The notes on pages 32 to 50 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

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

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Operating activities		
Cash generated from operations	264,508	200,470
Income tax paid	(23,158)	(31,681)
Net cash generated from operating activities	241,350	168,789
Investing activities		
Interest received	1,349	470
Payment for purchase of property, plant and equipment, investment property, construction in progress, and lease prepayments	(252,067)	(328,573)
Payment for purchase of intangible assets	(1,440)	(1,643)
Proceeds from disposal of property, plant and equipment	386	47
Proceeds from disposal of investment property	26,914	10,262
Proceed from disposal of financial assets measured at FVTPL	5,300	–
Payment for investment in an associate	(1,600)	(800)
Cash receipts from repayment of advances to third parties	–	61,676
Release of pledged deposits with banks	648	220
Net cash used in investing activities	(220,510)	(258,341)

The notes on pages 32 to 50 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

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

	Notes	Six months ended 30 June	
		2026 RMB'000	2025 RMB'000
Financing activities			
Proceeds from bank loans and other borrowings		574,047	961,785
Repayment of bank loans and other borrowings		(565,409)	(530,256)
Interest paid		(59,884)	(59,790)
Payment for loan service fee		(527)	—
Payment of deposits for other borrowings		(5,680)	(6,700)
Capital injection from non-controlling interests		34,860	10,000
Payment for repurchase of share		(1,410)	—
Lease payments		(2,632)	(1,323)
Dividends paid to equity shareholders of the Company		—	(153,866)
Net cash (used in)/generated from financing activities		(26,635)	219,850
Net (decrease)/increase in cash and cash equivalents		(5,795)	130,298
Cash and cash equivalents at the beginning of the period		193,182	219,405
Effect of foreign exchange rate changes on cash and cash equivalents		(287)	730
Cash and cash equivalents at the end of the period	14	187,100	350,433

The notes on pages 32 to 50 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34, *Interim Financial Reporting*, issued by the HKICPA. It was authorised for issue on 21 August 2026.

The interim financial report comprises the Kimou Environmental Holding Limited (the “**Company**”) and its subsidiaries (together referred to as the “**Group**”) and the Group’s interest in associates.

At 30 June 2026, the Group’s current liabilities exceeded its current assets by RMB653,151,000 (31 December 2025: RMB794,445,000). This condition may cast significant doubt on the Group’s ability to continue as a going concern. The directors of the Company consider that, based on the projection of the Group’s future cash flows from operations and the anticipated ability of the Group to renew or rollover its banking facilities and other financing sources to finance its continuing operations and its planned and/or committed capital expenditure for the next twelve months from the end of the reporting period of this interim financial report, the Group has adequate resources to continue to operate as a going concern throughout the next twelve months and that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Group’s ability to continue as a going concern.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by BDO in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the HKICPA. BDO’s independent review report to the Board of Directors is included on page 23.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA to this interim financial report for the current accounting period:

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

The application of these amendments has no material impact on the Group's results and financial position for the current or prior periods. The Group has not early applied any new or amendments to standards and interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Rental and facilities usage: this segment conducts industrial park property development and management business.
- Wastewater treatment and utilities: this segment operates electroplating wastewater treatment plants and provides services of utilities.
- Sales of goods and ancillary business: this segment includes sales of chemicals and others.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING (Continued)

(a) Disaggregation of revenue

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

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

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment profit

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

For the six months ended 30 June 2026	Rental and facilities usage	Wastewater treatment and utilities	Sales of goods and ancillary business	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers	245,798	323,836	490,429	1,060,063
Inter-segment revenue	14,428	313	21,180	35,921
Reportable segment revenue	260,226	324,149	511,609	1,095,984
Reportable segment profit (adjusted EBITDA)	240,198	103,249	11,275	354,722
Depreciation and amortisation for the period	(147,362)	(21,159)	(1,431)	(169,952)

For the six months ended 30 June 2025	Rental and facilities usage	Wastewater treatment and utilities	Sales of goods and ancillary business	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers	229,220	272,438	252,322	753,980
Inter-segment revenue	18,961	1,135	9,717	29,813
Reportable segment revenue	248,181	273,573	262,039	783,793
Reportable segment profit (adjusted EBITDA)	216,089	77,656	22,781	316,526
Depreciation and amortisation for the period	(131,369)	(17,853)	(1,382)	(150,604)

The measure used for reporting segment profit is "adjusted EBITDA" i.e. "adjusted earnings before finance costs, interest income, income tax, depreciation and amortisation". To arrive at adjusted EBITDA, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as directors' and auditors' remuneration and other head office or corporate administration costs.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(c) Reconciliations of reportable segment profit

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

(d) Geographic information

Substantially all of the Group's revenue and non-current assets are generated and located in the People's Republic of China ("the PRC").

4 OTHER REVENUE

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Interest income	1,349	470
Government grants		
— Unconditional subsidies	1,115	807
— Conditional subsidies	5,410	5,313
Other income	1,055	744
	8,929	7,334

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

5 PROFIT BEFORE TAXATION

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

(a) Finance costs

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

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

(b) Staff costs (including directors' emoluments)

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

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

5 PROFIT BEFORE TAXATION (Continued)

(c) Other items

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

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

6 INCOME TAX

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

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

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.
- (ii) No provision was made for Hong Kong Profits Tax and Vietnam Corporate Income Tax as the Group did not earn income subject to Hong Kong Profits Tax and Vietnam Corporate Income Tax for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).
- (iii) Taxable income for the subsidiaries of the Company in the PRC is subject to PRC income tax rate of 25%, unless otherwise specified below.

Huizhou Jinmaoyuan Environmental Technology Co., Ltd. ("**Huizhou Jinmaoyuan**"), Tianjin Bingang Electroplating Enterprises Management Co., Ltd. ("**Tianjin Bingang**") and Jinyuan (Jingzhou) Environmental Technology Co., Ltd. ("**Jingzhou Jinyuan**") were qualified as High and New Technology Enterprises and entitled to the preferential income tax rate of 15% from December 2024 to December 2027, November 2025 to November 2028 and November 2025 to November 2028, respectively.

Huizhou Jinmaoyuan was engaged in the operation of environmental protection, energy and water conservation, related taxable income was qualified for income tax exemption for the six months ended 30 June 2026 and 2025.

- (iv) Pursuant to the relevant law in the PRC, from 1 January 2008, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business in the PRC but whose relevant income is not effectively connected with the establishment or a place of business in the PRC, will be subject to withholding tax at the rate of 10% (unless reduced by tax treaty) on various types of passive income such as dividends derived from sources within the PRC. Pursuant to the Sino-Hong Kong Double Tax Arrangement and the related regulations, a qualified Hong Kong tax resident will be liable to a reduced withholding tax rate of 5% on dividends from a PRC enterprise if the Hong Kong tax resident is the "beneficial owner" and holds 25% or more of the equity interest of the PRC enterprise. As at 30 June 2026, the Group's subsidiary in Hong Kong had obtained the Certificate of Resident Status of the Hong Kong Special Administrative Region and therefore had adopted the withholding tax rate at 5% (six months ended 30 June 2025: 5%) for PRC withholding tax.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB76,985,000 (six months ended 30 June 2025: RMB58,979,000) and the weighted average number of 1,107,238,000 ordinary shares (six months ended 30 June 2025: 1,107,750,000 ordinary shares) in issue during the interim period.

(b) Diluted earnings per share

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

8 PROPERTY, PLANT AND EQUIPMENT

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

As at 30 June 2026, certain property, plant and equipment with carrying value of RMB1,214,360,000 (31 December 2025: RMB1,186,727,000) were pledged to secure the Group's bank loans and other borrowings (note 16(iv)).

9 INVESTMENT PROPERTY

During the six months ended 30 June 2026, additions to investment property RMB760,000, RMB18,261,000 transferred from construction in progress and RMB2,477,000 transferred from property, plant and equipment (six months ended 30 June 2025: RMB25,397,000) mainly represented properties in the industrial parks, and leased apartments to earn rental income.

The Group's investment properties are stated at cost less accumulated depreciation.

As at 30 June 2026, the fair value of the Group's investment property was approximately RMB2,748,869,000 (31 December 2025: RMB2,818,546,000). The fair value is determined by the directors of the Company with reference to mainly the valuation performed, using the income capitalisation approach with reference to the term value and the reversionary value calculated by discounting the contracted annual rent at the capitalisation rate over the existing lease period, and the sum of average unit market rent at the capitalisation rate after the existing lease period, by an independent qualified professional valuer.

As at 30 June 2026, certain investment property with carrying value of RMB1,261,815,000 (31 December 2025: RMB939,283,000) were pledged to secure the Group's bank loans and other borrowings (note 16(iv)).

10 CONSTRUCTION IN PROGRESS

During the six months ended 30 June 2026, additions to construction in progress held for own use and held for rental was approximately RMB106,939,000 and RMB111,837,000 (six months ended 30 June 2025: RMB148,310,000 and RMB87,945,000) respectively mainly represented properties and facilities under construction in industrial parks.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

11 RIGHT-OF-USE ASSETS

During the six months ended 30 June 2026, additions to right-of-use assets of land-use-rights held for own use, office and dormitories held for own use and land-use-rights held for rental was approximately RMB276,000 (six months ended 30 June 2025: nil) respectively.

As at 30 June 2026, certain land-use-rights with carrying value of RMB304,686,000 (31 December 2025: RMB365,285,000) were pledged to secure the Group's bank loans and other borrowings (note 16(iv)).

12 TRADE AND OTHER RECEIVABLES

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Current		
Trade debtors	310,873	284,238
Bills receivables	20,449	28,341
Less: Allowance for expected credit losses	(32,362)	(22,861)
	298,960	289,718
Deductible input value-added tax ("VAT")	185,307	169,434
Prepayments	17,713	12,364
Other receivables	5,952	7,518
Advances to third parties	15,993	15,993
Less: Allowance for expected credit losses	(1,669)	(774)
	14,324	15,219
Amounts due from related parties (note 21(c))	1,210	1,080
	523,466	495,333
Non-current		
Prepayments for purchase of property, plant and equipment and right-of-use assets	34,450	28,281
Prepayment of loan service fee	3,868	3,341
Deposits for other borrowings (note 16(iv))	12,380	6,700
	50,698	38,322
Total	574,164	533,655

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

12 TRADE AND OTHER RECEIVABLES *(Continued)*

All of the trade and other receivables, apart from those classified as non-current portion, are expected to be recovered or recognised as expense within one year.

Ageing analysis

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

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

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

13 RESTRICTED DEPOSITS WITH BANKS

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Pledged deposits (i)	47,189	47,837
	47,189	47,837

(i) As at 30 June 2026, the deposits with banks have been pledged as securities for bank loans (note 16(iv)).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

14 CASH AND CASH EQUIVALENTS

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Cash on hand	186	41
Cash at bank	181,378	193,141
Other cash and cash equivalents	5,536	–
	187,100	193,182

As at 30 June 2026, cash and cash equivalents included RMB171,307,000 (31 December 2025: RMB170,758,000) situated in Mainland China, HKD17,240,000 situated in Hong Kong and VND2,439,060,000 situated in Vietnam. Remittance of funds out of Mainland China is subject to the relevant rules and regulations of foreign exchange control.

15 TRADE AND OTHER PAYABLES

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Current		
Trade payables	98,797	98,315
Deposits due to tenants	250,932	259,445
Payables for equipment and construction	195,122	276,003
Interest payables	3,035	2,780
Payroll payables	22,855	39,929
Amounts due to related parties (note 21(c))	2,645	1,483
Other tax payables	9,241	5,208
Lease payments received in advance	2,192	206
Others	25,193	20,913
	610,012	704,282
Non-current		
Lease payments received in advance	47,714	–
Total	657,726	704,282

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

15 TRADE AND OTHER PAYABLES *(Continued)*

Deposits due to tenants represented the rental and facilities usage deposits, which might be repayable to customers after more than one year. All of the other trade payables, other payables apart from those classified as non-current portion, accruals and amounts due to related parties are expected to be settled within one year or are repayable on demand.

The credit period granted by the suppliers is 30 to 90 days.

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

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Within 1 month	73,853	70,659
1 to 3 months	16,622	19,990
4 to 6 months	2,103	3,290
Over 6 months	6,219	4,376
	98,797	98,315

16 BANK LOANS AND OTHER BORROWINGS

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

16 BANK LOANS AND OTHER BORROWINGS *(Continued)*

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

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

- (i) Secured other borrowings represent loans received from financial institutions other than banks in the PRC.
- (ii) As at 30 June 2026, unsecured and unguaranteed other borrowings represented loan from a non-controlling shareholder of a subsidiary with a fixed-interest rate at 6% per annum, and are repayable in December 2028.
- (iii) As at 30 June 2026, bank loans amounted to RMB2,705,757,000 (31 December 2025: RMB2,609,757,000) were floating-interest rate loans with interest rates ranged from 3.00% to 5.71% (31 December 2025: 3.00% to 4.00%). Bank loans and other borrowings amounting to RMB727,543,000 (31 December 2025: RMB814,905,000) were fixed-interest rate borrowings with interest rates ranged from 2.80% to 6.00% (31 December 2025: 3.20% to 6.00%).
- (iv) Secured bank loans and other borrowings as at 30 June 2026 and 31 December 2025 were secured by certain of the Group's charge rights of rental income, equity interests of certain subsidiaries of the Group in the PRC, property, plant and equipment (note 8), investment property (note 9), land-use rights (note 11), deposits for other borrowings (note 12), and pledged deposits (note 13). As at 30 June 2026, bank loans and other borrowings amounted to RMB3,432,156,000 (31 December 2025: RMB3,423,518,000) were guaranteed by certain directors of the Company, close family members of directors, non-controlling shareholders of the Company or non-controlling shareholders of certain subsidiaries of the Group in the PRC.
- (v) Bank loans and other borrowings amounted to RMB3,433,300,000 as at 30 June 2026 (31 December 2025: RMB3,424,662,000) are subject to the fulfillment of covenants, which are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. In addition, pursuant to the terms of the bank loan agreements, certain subsidiaries are not allowed to distribute profit and/or to obtain other external financing prior to the lenders' approval. As at 30 June 2026, none of the covenants relating to drawn down facilities had been breached (31 December 2025: Nil).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

17 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

- (i) Dividends payable to equity shareholders of the Company attributable to the period.

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

The interim dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

- (ii) Dividend payables to equity shareholders attributable to the previous financial year, approved and paid during the period.

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

(b) Repurchase of shares

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

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

18 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3: Fair value measured using significant unobservable inputs.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

18 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

Financial assets and liabilities measured at fair value *(Continued)*

Fair value hierarchy *(Continued)*

	Fair value at	Fair value measurements as at		
	31 December	31 December 2025 categorised into		
	2025	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000

Recurring fair value measurement

Other financial assets:

Unlisted equity securities	2,595	–	2,595	–
----------------------------	-------	---	-------	---

During the six months ended 30 June 2026, the Group disposed of all unlisted equity securities classified as financial assets at fair value through profit or loss. Accordingly, the Group did not hold any financial assets measured at fair value on a recurring basis as at 30 June 2026.

As at 31 December 2025, the fair value of unlisted equity instruments in level 2 is determined by the directors of the Company with reference to the valuation performed, using the price/net assets ratios of comparable listed companies adjusted for lack of marketability discount.

19 COMMITMENTS

Commitments outstanding at 30 June 2026 not provided for in the interim financial report as follows:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Contracted for		
— Construction of industrial parks	233,304	267,594

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

20 CONTINGENT LIABILITY

As at 30 June 2026 the Group did not have material contingent liability (31 December 2025: Nil).

21 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group is as follows:

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Salaries and other benefits	3,048	2,899
Retirement scheme contributions	107	111
	3,155	3,010

Total remuneration is included in "staff costs" (note 5(b)).

(b) Related parties transactions

During the six months ended 30 June 2026, the Group entered into the following material related party transactions:

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Purchase of rental service from related parties	531	–
Renovation cost paid to fellow subsidiaries	–	72
Provision of consulting service to associates	276	665
Purchase of photovoltaic power from associates	5,392	4,732
Purchase of cleaning service	–	73
Purchase of good from related parties	47	–
Sale of property, plant and equipment to a fellow subsidiary	–	31

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

21 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(c) Balance with related parties

(i) Amounts due from related parties

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Trade receivables from:		
— Related parties	—	32
— Associates	309	147
	309	179
Other receivables from:		
— Related parties	696	696
— Associates	205	205
	901	901

(ii) Amounts due to related parties

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Trade payables to:		
— Related parties	32	15
— Associates	2,325	879
	2,357	894
Other payables to:		
— Related parties	288	589

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

21 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(d) Leasing arrangement

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Short-term lease paid/payable to subsidiaries (i)	339	1,392

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Lease liabilities due to related parties (i)	11,423	12,876

- (i) As at 30 June 2026, the Group entered into two lease agreements with two related parties (six months ended 30 June 2025: two lease agreement with two related parties) for use of buildings and warehouses. The amounts of rent payable (excluding taxes) by the Group under the lease are RMB639,000 per quarter and RMB5,000 per month, respectively (six months ended 30 June 2025: RMB639,000 per quarter, RMB4,000 per month respectively), which were determined with reference to amounts charged by the fellow subsidiaries to third parties.