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**Kimou Environmental Holding Limited**

**金茂源環保控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6805)**

**DISCLOSEABLE TRANSACTION IN RELATION TO —  
(1) THE PURCHASE OF MOBILE PHONES  
AND  
(2) THE SALE OF MOBILE PHONES**

The Board is pleased to announce that Huizhou Jinzefeng, an indirect wholly-owned subsidiary of the Company, entered into the Purchase Agreement with the Vendor on 5 March 2024 (after trading hours), pursuant to which the Vendor agreed to sell and Huizhou Jinzefeng agreed to purchase refurbished mobile phones at a total consideration of RMB20,058,000.

Huizhou Jinzefeng also entered into the Sales Agreement with the Purchaser on 5 March 2024 (after trading hours), pursuant to which Huizhou Jinzefeng agreed to sell and the Purchaser agreed to purchase refurbished mobile phones at a total consideration of RMB20,178,000.

**LISTING RULES IMPLICATIONS**

As the Group entered into the Previous Purchase Agreements within a 12-month period prior to and inclusive of the date of entering into of the Purchase Agreement and they together led to substantial involvement by the Group in a business activity (selling refurbished mobile phones) which did not previously form part of the Group's principal business activities, the transactions as contemplated under the Previous Purchase Agreements and the Purchase Agreement shall be aggregated pursuant to Rules 14.22 and 14.23(4) of the Listing Rules. For a similar reason, the transactions as contemplated under the Previous Sales Agreements and the Sales Agreement shall be aggregated pursuant to Rules 14.22 and 14.23(4) of the Listing Rules.

The transaction contemplated under the Purchase Agreement, when aggregated with the Previous Purchase Agreements, constitutes a discloseable transaction for the Company under the Listing Rules as one or more of the applicable percentage ratios (as defined under the Listing Rules) for the transactions contemplated under the Purchase Agreement and the Previous Purchase Agreements, on an aggregated basis (and not either of them singly), is more than 5% but less than 25%, and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The transaction contemplated under the Sales Agreement, when aggregated with the Previous Sales Agreements, constitutes a discloseable transaction for the Company under the Listing Rules as one or more of the applicable percentage ratios (as defined under the Listing Rules) for the transactions contemplated under the Sales Agreement and the Previous Sales Agreements, on an aggregated basis (and not either of them singly), is more than 5% but less than 25%, and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **PRINCIPAL TERMS OF THE PURCHASE AGREEMENT**

The principal terms of the Purchase Agreement are summarized below:

### **Date**

5 March 2024 (after trading hours)

### **Parties involved**

- (i) the Vendor as the vendor; and
- (ii) Huizhou Jinzefeng as the purchaser.

### **Assets to be purchased by Huizhou Jinzefeng**

Refurbished mobile phones

### **Consideration and payment terms**

The consideration under the Purchase Agreement is RMB20,058,000, which was determined based on normal commercial terms after arm's length negotiations between the parties after taking into account, among others, the then market unit prices of similar products, and shall be fully paid by Huizhou Jinzefeng to the Vendor by bank transfer within two working days from the effective date of the Purchase Agreement.

## THE PREVIOUS PURCHASE AGREEMENTS

Within a 12-month period prior to and inclusive of the date of the Purchase Agreement, Huizhou Jinzefeng has entered into the Previous Purchase Agreements with certain vendors, pursuant to which Huizhou Jinzefeng has purchased refurbished mobile phones with the total purchase amount of approximately RMB44,597,000. The breakdown of consideration paid to vendors for the purchases under Previous Purchase Agreements is as follows:

<b>Name of vendors</b>	<b>Consideration paid (tax inclusive) RMB</b>
Gouyou Interactive Technology (Shenzhen) Co., Ltd.* (狗遊互動科技(深圳)有限公司)	12,619,450
Jiaxing iFengPai Trading Co., Ltd.* (嘉興愛鋒派商貿有限公司)	21,207,455
Beijing Xiakehui Information Technology Co., Ltd.* (北京俠客匯資訊技術有限責任公司)	4,859,250
Fujian Wandou Jianjian Network Technology Co., Ltd.* (福建豌豆尖尖網路技術有限公司)	3,299,655
Zhuanzhuang (Shenzhen) Network Technology Co., Ltd.* (轉轉(深圳)網路科技有限公司)	2,611,000

Main terms of the Previous Purchase Agreements are substantially the same as those set out in the Purchase Agreement as described above, save as purchase quantity and the unit price (which were also determined based on normal commercial terms after arm's length negotiations between the parties after taking into account, among others, the then market unit prices of similar products).

## PRINCIPAL TERMS OF THE SALES AGREEMENT

The principal terms of the Sales Agreement are summarized below:

### **Date**

5 March 2024 (after trading hours)

### **Parties involved**

- (i) Huizhou Jinzefeng as the vendor; and
- (ii) the Purchaser as the purchaser.

### **Assets to be sold by Huizhou Jinzefeng**

Refurbished mobile phones

### **Consideration and payment terms**

The consideration under the Sales Agreement is RMB20,178,000, which shall be fully payable by the Purchaser to Huizhou Jinzefeng by bank transfer within 60 days after delivery of the refurbished mobile phones.

## THE PREVIOUS SALES AGREEMENTS

Within a 12-month period prior to and inclusive of the date of entering into of the Sales Agreement, Huizhou Jinzefeng has entered into the Previous Sales Agreements with certain purchasers, pursuant to which Huizhou Jinzefeng has sold refurbished mobile phones with the total sales amount of approximately RMB40,784,000. The breakdown of sales amount by purchasers of Previous Sales Agreements is as follows:

<b>Name of purchasers</b>	<b>Sales amount (tax inclusive) RMB</b>
Huizhou Caiyi Technology Co., Ltd.* (惠州市財意科技有限公司)	20,210,420
Yifeng Trading (Guangdong) Co., Ltd.* (逸峰貿易(廣東)有限公司)	20,573,459

Main terms of the Previous Sales Agreements are substantially the same as those set out in the Sales Agreement as described above, save as purchase quantity and the unit price (which were also determined based on normal commercial terms after arm's length negotiations between the parties after taking into account, among others, the then market unit prices of similar products).

## INFORMATION ON THE PARTIES

### Huizhou Jinzefeng and the Group

Huizhou Jinzefeng is a company established in the PRC with limited liability on 1 July 2015, which is principally engaged in selling chemical materials and electronic products services. As at the date of this announcement, Huizhou Jinzefeng is an indirect wholly owned subsidiary of the Company.

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

### The Vendor

The Vendor, Shenzhen Nanqi Technology Co., Ltd.\* (深圳市南起科技有限公司), is a company established in the PRC with limited liability on 18 July 2017, which is principally engaged in sales of digital products, electronic products, and communication devices. The ultimate beneficial owner of the Vendor is Ning Jinhui (寧金輝). To the best of the Directors' knowledge, information and belief, the Vendor and its ultimate beneficial owner are independent third parties of the Company.

## **The Vendors of the Previous Purchase Agreements**

Gouyou Interactive Technology (Shenzhen) Co., Ltd.\* (狗遊互動科技(深圳)有限公司) is a company established in the PRC on 24 July 2017, which is principally engaged in e-commerce, domestic trade, sales of second-hand mobile phones and second-hand mobile phone accessories. The ultimate beneficial owners of Gouyou Interactive Technology (Shenzhen) Co., Ltd.\* are Wen Da (溫達) and Ning Tieyan (寧鐵燕). To the best of the Directors' knowledge, information and belief, Gouyou Interactive Technology (Shenzhen) Co., Ltd.\* and its ultimate beneficial owners are independent third parties of the Company.

Jiaying iFengPai Trading Co., Ltd.\* (嘉興愛鋒派商貿有限公司) is a company established in the PRC on 25 June 2014, which is principally engaged in the sales of household appliances, electronic products and accessories. To the best of the Directors' knowledge, information and belief, Jiaying iFengPai Trading Co., Ltd.\* and its ultimate beneficial owner are independent third parties of the Company.

Beijing Xiakehui Information Technology Co., Ltd.\* (北京俠客匯資訊技術有限責任公司) is a company established in the PRC on 22 October 2019, which is principally engaged in sales of communication devices. To the best of the Directors' knowledge, information and belief, Beijing Xiakehui Information Technology Co., Ltd.\* and its ultimate beneficial owner are independent third parties of the Company.

Fujian Wandou Jianjian Network Technology Co., Ltd.\* (福建豌豆尖尖網路技術有限公司) is a company established in the PRC on 9 April 2014, which is principally engaged in e-commerce, domestic trade, and import and export of goods. The ultimate beneficial owners of Fujian Wandou Jianjian Network Technology Co., Ltd.\* are Ding Wenhua (丁文華) and Liu Jie (劉傑). To the best of the Directors' knowledge, information and belief, Fujian Wandou Jianjian Network Technology Co., Ltd.\* and its ultimate beneficial owner are independent third parties of the Company.

Zhuanzhuan (Shenzhen) Network Technology Co., Ltd.\* (轉轉(深圳)網路科技有限公司) is a company established in the PRC on 28 August 2023 and is principally engaged in sales of electronic products and communication devices. To the best of the Directors' knowledge, information and belief, Zhuanzhuan (Shenzhen) Network Technology Co., Ltd.\* and its ultimate beneficial owner are independent third parties of the Company.

## **The Purchaser**

The Purchaser, Yifeng Trading (Guangdong) Co., Ltd.\* (逸峰貿易(廣東)有限公司) is a company established in the PRC on 28 September 2023 and is principally engaged in sales of electronic products and communication devices. To the best of the Directors' knowledge, information and belief, the Purchaser and its ultimate beneficial owner are independent third parties of the Company.

## **The Purchaser of the Previous Sales Agreements**

Huizhou Caiyi Technology Co., Ltd.\* (惠州市財意科技有限公司) is a company established in the PRC on 17 April 2023 and is principally engaged in sales of mobile terminal devices. The ultimate beneficial owners of the Huizhou Caiyi Technology Co., Ltd.\* are Zhang Jiasheng (張家勝), Zhang Jianqing (張建慶) and Zhang Daiming (張帶明). To the best of the Directors' knowledge, information and belief, Huizhou Caiyi Technology Co., Ltd.\* and its ultimate beneficial owners are independent third parties of the Company.

## **INFORMATION ON THE ASSETS WHICH ARE SUBJECT OF THE TRANSACTIONS**

The assets which are subject to the transactions contemplated under the Purchase Agreement, the Previous Purchase Agreements, the Sales Agreement and the Previous Sales Agreement are refurbished mobile phones.

The book value of the assets which are subject to transactions under the Purchase Agreement and the Previous Purchase Agreements, when aggregated together, is approximately RMB57,217,000.

The book value of the assets which are subject to transactions under the Sales Agreement and the Previous Sales Agreements, when aggregated together, is approximately RMB53,633,000.

## **FINANCIAL EFFECT OF THE SALES AGREEMENT AND THE PREVIOUS SALES AGREEMENT**

It is expected that the Group will record unaudited net gains of approximately RMB316,000 as a result of the transactions contemplated under the Sales Agreement and the Previous Sales Agreements, being the total sales amount (tax exclusive, being approximately RMB53,949,000) minus the cost of purchase (tax exclusive, being approximately RMB53,633,000).

The proceeds to be received by the Group from the Sales Agreement and the Previous Sales Agreements will be applied towards continuous development of the new business of purchasing and selling second-hand mobile phones.

## **REASONS FOR AND BENEFITS OF THE PURCHASE AGREEMENT AND SALES AGREEMENT**

To further improve resource recycling and utilization, protect the environment, save resources and energy consumption, we are actively exploring opportunities in the hazardous solid waste business and waste material recycling and utilization business, including purchasing and selling second-hand mobile phones, in order to achieve green, low-carbon, and circular development, thereby increasing the Company's revenue and returns to the Shareholders. As such, the Board believes that the entering into of the Purchase Agreement, the Sales Agreement, the Previous Purchase Agreements and the Previous Sales Agreements would provide the Group with a good opportunity to commence the business of purchasing and selling second-hand mobile phones, enable the Group to make profits from the price difference between purchasing and selling refurbished mobile phones, and provide the Company with sustainable and stable returns.

In light of the above, the Directors are of the view that the terms of the Purchase Agreement, the Sales Agreement, the Previous Purchase Agreements and the Previous Sales Agreements are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the Group entered into the Previous Purchase Agreements within a 12-month period prior to and inclusive of the date of entering into of the Purchase Agreement and they together led to substantial involvement by the Group in a business activity (selling refurbished mobile phones) which did not previously form part of the Group's principal business activities, the transactions as contemplated under the Previous Purchase Agreements and the Purchase Agreement shall be aggregated pursuant to Rules 14.22 and 14.23(4) of the Listing Rules. For a similar reason, the transactions as contemplated under the Previous Sales Agreements and the Sales Agreement shall be aggregated pursuant to Rules 14.22 and 14.23(4) of the Listing Rules.

The transaction contemplated under the Purchase Agreement, when aggregated with the Previous Purchase Agreements, constitutes a discloseable transaction for the Company under the Listing Rules as one or more of the applicable percentage ratios (as defined under the Listing Rules) for the transactions contemplated under the Purchase Agreement and the Previous Purchase Agreements, on an aggregated basis (and not either of them singly), is more than 5% but less than 25%, and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The transaction contemplated under the Sales Agreement, when aggregated with the Previous Sales Agreements, constitutes a discloseable transaction for the Company under the Listing Rules as one or more of the applicable percentage ratios (as defined under the Listing Rules) for the transactions contemplated under the Sales Agreement and the Previous Sales Agreements, on an aggregated basis (and not either of them singly), is more than 5% but less than 25%, and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Company may purchase or sell more refurbished mobile phones in the course of developing the new business of purchasing and selling second-hand mobile phones for its own development. If and when the Company purchases or sells more refurbished mobile phones and such transactions, upon aggregation in accordance with Rules 14.22 and 14.23 of the Listing Rules, constitute a major transaction for the Company pursuant to Rule 14.06(3) of the Listing Rules, the Company will comply with all applicable requirements under the Listing Rules and further announcements will be made by the Company as and when appropriate.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Company”	Kimou Environmental Holding Limited (金茂源環保控股有限公司), a company incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huizhou Jinzefeng”	Huizhou Jinzefeng Trading Co., Ltd.* (惠州金澤豐貿易有限公司), a company established in the PRC with limited liability on 1 July 2015 and an indirect wholly owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the sole purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Previous Purchase Agreements”	collectively, the agreements entered into between the Group (as the purchaser) and certain vendors, namely Gouyou Interactive Technology (Shenzhen) Co., Ltd.* (狗遊互動科技(深圳)有限公司), Jiaxing iFengPai Trading Co., Ltd.* (嘉興愛鋒派商貿有限公司), Zhuanzhuan (Shenzhen) Network Technology Co., Ltd.* (轉轉(深圳)網絡科技有限公司), Fujian Wandou Jianjian Network Technology Co., Ltd.* (福建豌豆尖尖網絡技術有限公司) and Beijing Xiakehui Information Technology Co., Ltd.* (北京俠客匯資訊技術有限責任公司), details of which are set out in the section headed “THE PREVIOUS PURCHASE AGREEMENTS” in this announcement
“Previous Sales Agreements”	collectively, the agreements entered into between the Group (as the seller) and certain purchasers, namely Huizhou Caiyi Technology Co., Ltd.* (惠州市財意科技有限公司) and the Purchaser, details of which are set out in the section headed “THE PREVIOUS SALES AGREEMENTS” in this announcement



“Purchase Agreement”	the purchase agreement dated 5 March 2024 entered into between Huizhou Jinzefeng and the Vendor, pursuant to which the Vendor agreed to sell and Huizhou Jinzefeng agreed to purchase refurbished mobile phones at a total consideration of RMB20,058,000
“Purchaser”	Yifeng Trading (Guangdong) Co., Ltd.* (逸峰貿易(廣東)有限公司), a company established in the PRC with limited liability on 28 September 2023 and an independent third party of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sales Agreement”	the sales agreement dated 5 March 2024 entered into between Huizhou Jinzefeng and the Purchaser, pursuant to which Huizhou Jinzefeng agreed to sell and the Purchaser agreed to purchase refurbished mobile phones at a total consideration of RMB20,178,000
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Shenzhen Nanqi Technology Co., Ltd.* (深圳市南起科技有限公司), a company established in the PRC with limited liability on 18 July 2017 and an independent third party of the Company
“%”	per cent.

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

Hong Kong, 5 March 2024

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

\* For identification purposes only