This summary aims to give you an overview of the information contained in this document and should be read in conjunction with the full text of this document. As this is only a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to invest in the **[REDACTED]**. *There are risks associated with any investment. Some of the particular risks in investing in the* **[REDACTED]** *are set out in "Risk Factors." You should read that section carefully before you decide to invest in the* **[REDACTED]**. *Various expressions used in this section are defined or explained in "Definitions" and "Glossary of Technical Terms" in this document.*

OVERVIEW

We are a solid waste and hazardous waste recycling company in China with comprehensive product portfolios and broad service coverages. Our product portfolios include a wide range of metal products comprising base metals, precious metals and critical metals. In 2025, we recycled 14 types of metal elements and sold more than 15 types of products. According to Frost & Sullivan, in terms of revenue of 2024, we ranked third in the hazardous waste recycling market in China for each copper and platinum-group metals, with a market share of 9.2% and 6.7%, respectively. According to the same source, in terms of revenue in 2024, we ranked first in the hazardous waste recycling market in China for each bismuth and antimony, with a market share of 33.9% and 18.4%, respectively.

Our origins could be traced back to the Institute of High Energy Physics of the Chinese Academy of Sciences* (中科院高能物理研究所), making us one of the pioneers in China's resources recycling and utilization sector with specialty in solid waste and hazardous waste pollution prevention technology research, commercialization of scientific achievements and provision of integrated solutions. Established in 1992, we have driven industrial transformation and upgraded through technological innovation leveraging over three decades of industry immersion. We have established a comprehensive business portfolio anchored in three core segments, namely resources recycling and utilization, environmental services projects operation and environmental engineering services.

Resources Recycling and Utilization segment focuses on metal resources recycling. This involves the extraction of valuable elemental resources from solid waste or hazardous waste through physical or chemical processes and processing them into marketable products to achieve resource circularity. Our key metal products include electrolytic copper, electrolytic lead, refined bismuth, antimony oxide, gold ingots, silver ingots, platinum-group metals and nickel-based products. Moreover, our resources recycling and utilization segment also involves non-metal resources recycling. Our non-metal products are primarily generated from recycling and utilization of plastic wastes and rubber tire wastes.

Environmental Services Projects Operation segment primarily includes operation of waste-to-energy incineration projects, where we utilize incineration methods to convert primarily household waste into thermal energy and furnace slag as the by-products. The generated thermal energy can be used for electricity and steam generation and the furnace slag can be further used as construction materials, thereby achieving resources recycling. Moreover, this segment also involves harmless treatment of solid waste and hazardous waste, which refers to the process of reducing the volume and toxicity of waste through incineration and landfilling, ultimately eliminating its pollution attributes. We operate our environmental services projects primarily under concession models, namely, build-operate-transfer (BOT) or transfer-operate-transfer (TOT).

Environmental Engineering Services segment involves us undertaking environmental engineering projects including landfill construction, soil and groundwater remediation, wastewater treatment, organic waste treatment and flue gas treatment. We provide efficient and sustainable solutions for environmental management and pollution control, facilitating environmental compliance and enhancing environmental quality, thereby contributing to a green and sustainable future.

We continuously strengthen our competitive edge through technological innovation. We have cultivated long-term strategic partnerships with renowned domestic and international research institutes and environmental enterprises. Notably, we established a post doctoral research station in Zhongguancun Science Park Haidian Park. Several of our subsidiaries have been recognized as National Green Factories and National Specialized and Sophisticated 'Little Giant' Enterprises. As of December 31, 2025, our Company and our major subsidiaries held 493 patents and 37 software copyrights. See "History, Development and Corporate Structure – Our Major Subsidiaries" for details of our major subsidiaries. As of the same date, we have spearheaded or participated in the formulation of 103 international, national, industry, and group standards and technical specifications. Our commitment to excellence has garnered nearly 100 national and provincial-level honors, including the Second Prize of the State Scientific and Technological Progress Award and the Second Prize of the National Technological Invention Award.

In 2023, 2024 and 2025, our revenue reached RMB10,580.4 million, RMB14,499.5 million and RMB14,732.3 million, respectively. During the same years, our gross profit was RMB1,859.0 million, RMB1,989.8 million and RMB2,684.3 million, respectively, at gross profit margins of 17.6%, 13.7% and 18.2%, respectively.

OUR BUSINESS MODEL

We are a solid waste and hazardous waste recycling company in China with comprehensive product portfolios and broad service coverages. Centering on the circular economy, we established a comprehensive business portfolio anchored in three core segments: (i) resources recycling and utilization; (ii) environmental services projects operation; and (iii) environmental engineering services. The following table sets forth a breakdown for the years indicated:

	For the year ended December 31,					
	2023		**2024**		**2025**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Resources Recycling and Utilization						
Revenue from sales of products derived from recycling of metal resources	5,557,080	52.5	9,976,392	68.8	10,923,400	74.2
Revenue from sales of products derived from recycling of non-metal resources	911,283	8.6	1,160,501	8.0	975,727	6.6
Subtotal	**6,468,363**	**61.1**	**11,136,893**	**76.8**	**11,899,127**	**80.8**
Environmental Services Projects Operation						
Revenue from waste-to-energy incineration projects	1,077,358	10.2	1,153,409	8.0	1,181,651	8.0
Revenue from harmless treatment of solid waste and hazardous waste projects	412,151	3.9	377,504	2.6	392,028	2.7
Others[1]	138,075	1.3	198,471	1.3	147,219	1.0
Subtotal	**1,627,584**	**15.4**	**1,729,384**	**11.9**	**1,720,898**	**11.7**
Environmental Engineering Services	**2,484,419**	**23.5**	**1,633,268**	**11.3**	**1,112,232**	**7.5**
Total	**10,580,366**	**100.0**	**14,499,545**	**100.0**	**14,732,257**	**100.0**

Note:

1. Mainly including three water treatment projects, as well as services provided by the Neijiang Project other than waste-to-energy incineration and organic waste treatment. See "Business – Our Business – Operation of Environmental Services Projects – Our Projects" for details.

Resources Recycling and Utilization

The resources recycling and utilization segment is our core business and the foundation of resources recycling and circular economy strategy. This segment encompasses the recycling of metal and non-metal resources, with a primary focus on recycling of metal resources. Over the years, we have three independent and synergistically closed-loop full cycle operations focusing on recycling of industrial waste containing copper, lead and nickel. Our advanced capabilities enable us to produce a diverse range of metal products, through physical or chemical processes, such as smelting, extraction, electrolysis and purification to extract valuable metals.

Our metal resources recycling and utilization business generates revenue primarily from the sales of three categories of metal products:

(i) base metals and their alloy, mainly including electrolytic copper, electrolytic lead, copper alloy, lead alloy and nickel-based products primarily comprising low-grade nickel matte and nickel sulfate.

(ii) precious metals, mainly including gold ingots, silver ingots and gold and silver alloy as well as platinum-group metals comprising platinum, palladium, rhodium, iridium and ruthenium. According to Frost & Sullivan, we are among the few companies in the industry capable of recycling and selling key metals of platinum-group metals.

(iii) critical metals, mainly including refined bismuth and antimony oxide.

Among our product portfolios, electrolytic copper, electrolytic lead, silver ingots, gold ingots, refined bismuth and platinum group metals are standard products and others are non-standard products. In addition to our metal products, we also recycled and sold non-metal products primarily generated from recycling and utilization of plastic wastes and rubber tire wastes during the Track Record Period.

The table below sets forth the revenues, sales volumes and average selling prices of the core products derived from recycling of metal resources for the years indicated.

	For the year ended December 31,		
	2023	**2024**	**2025**
Standard Products			
Electrolytic copper			
Revenue *(RMB'000)*	2,034,040	3,666,356	2,228,628
Sales volume *(tons)*	34,790	53,683	30,571
Average selling price(1) *(RMB/ton)*	58,466	68,296	72,900
Electrolytic lead			
Revenue *(RMB'000)*	385,653	379,262	294,650
Sales volume *(tons)*	28,996	26,690	19,808
Average selling price(1) *(RMB/ton)*	13,300	14,210	14,875
Gold ingots			
Revenue *(RMB'000)*	565,713	1,189,935	1,593,909
Sales volume *(gs)*	1,218,020	2,158,940	1,985,598
Average selling price(1) *(RMB/g)*	464	551	803
Silver ingots			
Revenue *(RMB'000)*	101,837	304,826	360,153
Sales volume *(gs)*	19,942,972	47,028,457	40,107,734
Average selling price(1) *(RMB/g)*	5	6	9

	For the year ended December 31,		
	2023	2024	2025
Refined bismuth			
Revenue *(RMB'000)*	188,543	303,335	319,118
Sales volume *(tons)*	3,978	4,791	3,290
Average selling price[1] *(RMB/ton)*	47,396	63,314	96,996
Platinum-group metals[2]			
Revenue *(RMB'000)*	105,411	535,492	1,005,272
Sales volume *(gs)*	489,040	2,237,910	3,533,210
Average selling price *(RMB/g)*	216	239	285
Non-standard Products			
Copper alloy			
Revenue *(RMB'000)*	727,069	1,534,166	2,501,739
Sales volume *(tons)*	37,447	80,206	120,806
Average selling price[1] *(RMB/ton)*	19,416	19,218	20,709
Gold and silver alloy			
Revenue *(RMB'000)*	476,429	1,453,068	1,119,123
Sales volume *(gs)*	52,621,668	75,396,593	48,550,000
Average selling price[1] *(RMB/g)*	9	19	23
Low-grade nickel matte			
Revenue *(RMB'000)*	130,804	161,494	128,578
Sales volume *(tons)*	7,124	6,387	5,701
Average selling price[1] *(RMB/ton)*	18,361	25,285	22,554
Nickel sulfate			
Revenue *(RMB'000)*	14,222	142,579	141,291
Sales volume *(tons)*	667	7,144	8,387
Average selling price[1] *(RMB/ton)*	21,322	19,958	16,846
Antimony oxide			
Revenue *(RMB'000)*	33,512	67,802	89,689
Sales volume *(tons)*	758	855	839
Average selling price[1] *(RMB/ton)*	44,211	79,301	106,900

Notes:

1. Average selling price is calculated as revenue for the year divided by sales volume for the same year.

2. Platinum-group metals include platinum, palladium, rhodium, iridium and ruthenium.

We strategically locate our production bases near main sites of metal and non-metal resources in China covering provinces and municipalities such as Jiangxi, Gansu, Hubei, Guangdong, Chongqing, Zhejiang and Anhui.

Environmental Services Projects Operation

Our environmental services projects focus on waste-to-energy incineration. As of December 31, 2025, we operated 13 waste-to-energy plants across China with a total designed processing capacity of 11,800 tons per day, alongside one plant under construction in Hailar city. With advanced technologies, including AI-powered smart incineration systems, we are able to enhance combustion stability, increase efficiency and reduce emissions and consumables for our waste-to-energy incineration plants. As a testament to our operational efficiency, in 2024, all of our waste-to-energy incineration projects operated for more than 8,000 hours, and we were the only company in the waste-to-energy incineration market in China with such record in the same year, according to Frost & Sullivan. In addition to sales of electricity, our waste-to-energy projects also supply steam in response to the growing market demand for integrated energy services. We recover the thermal energy generated during the power generation process and utilize the same for supply of steam as our additional stream of income. In 2025, we generated over 1.52 billion kWh of green electricity and 594,457.3 tons of steam in China. Moreover, we also generate revenue from organic waste treatment and sludge treatment under our waste-to-energy incineration projects, achieving high utilization of our capacities. In 2023, 2024 and 2025, revenue generated from our waste-to-energy incineration projects accounted for 66.2%, 66.7% and 68.7% of total revenue from the operation of environmental services projects segment, respectively. In addition, we also generated revenue from harmless treatment of solid waste and hazardous waste projects as well as water treatment from the same segment.

Environmental Engineering Services

We provide comprehensive environmental engineering services, including, among other things, landfill construction, soil and groundwater remediation, wastewater treatment, organic waste treatment and flue gas treatment. These services offer efficient and sustainable solutions to our customers, ensuring improved regulatory compliance and environmental quality. In 2023, 2024 and 2025, revenue generated from our environmental engineering services accounted for 23.5%, 11.3% and 7.5% of our total revenue, respectively.

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths contribute to our success and continued growth:

- A leader in the solid waste and hazardous waste recycling industry in China;
- Vertically integrated operations along the industry value chain as well as strategic deployment of production bases strengthening our market position;
- Industry-leading technological breakthroughs underpinned by unwavering commitment to R&D investment;
- Enhanced operational efficiency and safety empowered by AI-enabled operations and digital transformation;
- Visionary leadership and a future-oriented talent structure; and
- Long-term commitment to ESG responsibilities and sustainable development.

OUR STRATEGIES

We plan to further strengthen our leading position by implementing the following business strategies:

- Strengthen technological capabilities and further to enhance metal recovery rates and improve profitability of our recycled products;
- Enhance operational excellence through integrated, lean value-chain management; and
- Accelerate our global expansion focusing on markets with high-growth potentials.

RISK FACTORS

Our business and the **[REDACTED]** involved certain risks, which are set out in "Risk Factors" in this document. You should read that section in its entirety before you decide to invest in the **[REDACTED]**. Some of the major risks we face include: (i) our business is exposed to price fluctuations in raw materials; (ii) our business is exposed to price fluctuation in our products; (iii) we face intense competition in the solid waste and hazardous waste recycling market; (iv) our business operations and reputation are subject to risks relating to ESG; (v) our R&D efforts may not yield the benefits that we expect; (vi) we may be subject to liabilities and disruption in operations in connection with accidents that occur during the manufacturing process at production facilities; (vii) we may face risks associated with enhancing our manufacturing capabilities, including production difficulties and fluctuations in utilization rates, any of which may materially and adversely affect our business, financial condition and results of operations.

CUSTOMERS AND SUPPLIERS

Our Customers

During the Track Record Period, our customers primarily included companies engaging in non-ferrous metal smelting and advanced processing and sales of metal products as well as government agencies and state-owned electricity companies. Revenue from our five largest customers in each year during the Track Record Period accounted for approximately 33.8%, 30.8% and 26.1%, respectively, of our total revenue for the respective year. Revenue from our largest customer in each year during the Track Record Period accounted for approximately 9.8%, 11.8% and 6.9% of our total revenue for the respective year. See "Business – Customers" in this document.

Our Suppliers

During the Track Record Period, our suppliers primarily consisted of (i) companies in the metal production and smelting, electroplating, electronics and chemical industries; and (ii) independent contractors, equipment vendors and service firms specializing in environmental testing, repair and maintenance. Purchases from our five largest suppliers in each year during the Track Record Period accounted for approximately 18.0%, 16.2% and 22.4% of our total purchases for the respective year. Purchases from our largest supplier in each year during the Track Record Period accounted for approximately 7.2%, 5.0% and 7.2% of our total purchases for the respective year. See "Business – Supply Chain Management " in this document.

OUR INDUSTRY AND COMPETITIVE LANDSCAPE

In the metal resources recycling industry, we compete with a number of large-scale and well-established domestic participants in the metal resources recycling market in China. The metal resources recycling market in China increased at a CAGR of 7.2% from 2020 to 2024, primarily due to the implementation of national strategies for green development and strategic resource security. In the future, the landscape will be shaped by innovation-led high-quality development as well as supply-demand integration. The metal resource recycling market in China is expected to reach RMB2,653.9 billion in 2029, representing a CAGR of 10.6% from 2025 to 2029. According to Frost & Sullivan, the key barriers to enter into the metal resources recycling industry include licensing and regulatory, technical, capital, and supply chain obstacles. We ranked first among companies in the hazardous waste recycling market in China in the recycling of bismuth and antimony resources in terms of revenue in 2024. We ranked third among companies in the hazardous waste recycling market in China in the recycling of copper and platinum-group metals resources in terms of revenue in 2024. In the environmental services operation industry, according to Frost & Sullivan, the waste-to-energy incineration in China has seen dramatic growth, supported by policy imperatives to market size of eliminate urban waste landfills and build foundational disposal capacity. We are well positioned in the waste-to-energy environmental services market through our stable operational capabilities, proven project operation experience and technology-driven efficiency improvements. See "Business – Competition" in this document.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables present our summary of consolidated financial information during the Track Record Period. We have derived this summary from our audited financial information set forth in the Accountants' Report set out in Appendix I to this document. The summary financial data set forth below should be read together with our consolidated financial statements and the related notes, as well as "Financial Information" in this document. Our financial statements were prepared in accordance with IFRS.

Summary of Consolidated Statements of Results of Operation

	For the Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	10,580,366	14,499,545	14,732,257
Cost of sales	(8,721,412)	(12,509,746)	(12,047,999)
Gross profit	1,858,954	1,989,799	2,684,258
General and administrative expenses	(572,058)	(580,871)	(620,655)
Selling and marketing expenses	(143,587)	(97,683)	(106,424)
Research and development expenses	(324,018)	(509,082)	(458,549)
Net impairment losses on financial assets	(69,700)	(74,881)	(40,611)
Other income	133,011	162,264	131,175
Other gains/(losses), net	45,422	138,387	(204)
Operating profit	928,024	1,027,933	1,588,990
Finance income	1,546	2,493	3,146
Finance costs	(447,580)	(463,121)	(465,089)
Finance costs, net	(446,034)	(460,628)	(461,943)
Share of profit or loss of investments accounted for using the equity method	77,651	41,249	(6,536)
Profit before income tax	559,641	608,554	1,120,511
Income tax expenses	(51,477)	(65,336)	(80,879)
Profit for the year	508,164	543,218	1,039,632

Revenue

During the Track Record Period, we generated a majority of the revenue from sales of products derived from recycling of metal resources. In addition, we also generated revenue from (i) environmental services projects operation, which primarily includes electricity and steam sales and waste treatment services from our waste-to-energy incineration projects; and (ii) environmental engineering services. In 2023, 2024 and 2025, our revenue amounted to RMB10,580.4 million, RMB14,499.5 million and RMB14,732.3 million, respectively.

Cost of Sales

Our cost of sales primarily consist of materials, fuel and power costs, employee compensation expenses, civil engineering and subcontracting costs, depreciation and amortization, equipment and installation costs, equipment usage fees and manufacturing overheads. In 2023, 2024 and 2025, our cost of sales was RMB8,721.4 million, RMB12,509.7 million and RMB12,048.0 million, respectively.

Gross Profit and Gross Profit Margin

Our gross profit represents revenue less cost of sales. Our gross profit margin represents gross profit divided by revenue. In 2023, 2024 and 2025, our gross profit was RMB1,859.0 million, RMB1,989.8 million and RMB2,684.3 million. During the same years, our gross profit margin was 17.6%, 13.7% and 18.2%, respectively.

The table below sets forth the breakdown of our gross profit and gross profit margin by business segments for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Resources Recycling and Utilization	480,250	7.4	945,778	8.5	1,704,251	14.3
Environmental Services Projects Operation	745,004	45.8	833,486	48.2	782,299	45.5
Environmental Engineering Services	633,700	25.5	210,535	12.9	197,708	17.8
Total	1,858,954	17.6	1,989,799	13.7	2,684,258	18.2

Profit for the Year

Our profit for the year amounted to RMB508.2 million, RMB543.2 million, and RMB1,039.6 million, respectively, at a net profit margin of 4.8%, 3.7% and 7.1% in 2023, 2024 and 2025, respectively.

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Total non-current assets	13,573,497	13,169,794	12,418,962
Total current assets	13,109,411	14,097,979	14,539,518
Total current liabilities	11,166,592	11,324,130	10,827,758
Total non-current liabilities	5,392,127	6,047,665	5,457,106
Net current asset	1,942,819	2,773,849	3,711,760
Net assets	10,124,189	9,895,978	10,673,616

Our net current assets increased by 42.8% from RMB1,942.8 million as of December 31, 2023 to RMB2,773.8 million as of December 31, 2024, primarily due to the increase in inventories, prepayments and other receivables, trade and notes receivables, cash and cash equivalent, which were attributable to our business growth, as well as decrease in trade and notes payables, accruals and other payables as a result of settling the relevant liabilities, and was partially offset by the decrease in derivative financial instruments and the increase in borrowings and current income tax liabilities.

Our net current assets increased by 33.8% from RMB2,773.8 million as of December 31, 2024 to RMB3,711.8 million as of December 31, 2025, primarily due to the increases in inventories and trade and notes receivables attributable to our business growth, as well as the decreases in trade and notes payables and borrowings, and was partially offset by the decreases in contract assets and other financial assets at fair value through profit or loss and the increase in accruals and other payables.

Summary of Consolidated Statements of Cash Flows

The following table sets forth selected cash flow data from our consolidated statements of cash flows for the years indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Net cash (used in)/generated from operating activities	(1,001,481)	689,181	1,164,371
Net cash (used in)/ generated from investing activities	(1,174,029)	(437,652)	210,792
Net cash generated from/(used in) financing activities	2,267,371	(110,626)	(1,259,471)
Net increase in cash and cash equivalents	91,861	140,903	115,692
Cash and cash equivalents at beginning of the year	**1,201,762**	**1,293,451**	**1,430,529**
Effects of exchange rate changes on cash and cash equivalents	(172)	(3,825)	(480)
Cash and cash equivalents at the end of the year	**1,293,451**	**1,430,529**	**1,545,741**

Key Financial Ratios

The following table set forth our key financial ratios as of the date or for the years indicated:

	As of/for the year ended December 31,		
	2023	**2024**	**2025**
Return on equity(1)	5.4%	5.3%	8.7%
Return on assets(2)	1.9%	1.8%	3.1%
Gearing ratio(3)	118.2%	132.5%	116.3%
Gross profit margin(4)	17.6%	13.7%	18.2%
Net profit margin(5)	4.8%	3.7%	7.1%

Notes:

(1) Return on equity is calculated based on the profit for the year attributable to owners of our Company divided by equity attributable to owners of our Company at of the relevant year end and multiplied by 100%.

(2) Return on assets is calculated based on the profit for the year attributable to owners of our Company divided by total assets as of the relevant year end and multiplied by 100%.

(3) Gearing ratio is calculated based on total indebtedness (including borrowings and lease liabilities) divided by total equity and multiplied by 100%.

(4) Gross profit margin equals gross profit for the year divided by revenue for the year and multiplied by 100%.

(5) Net profit margin equals net profit for the year divided by revenue for the year and multiplied by 100%.

[REDACTED] STATISTICS[1]

	Based on an [REDACTED] of HK$[REDACTED] per H Share
Market capitalization of our H Shares after completion of the **[REDACTED]**[2]	HK$**[REDACTED]** million
Market capitalization of our Shares after completion of the **[REDACTED]**[3]	HK$**[REDACTED]** million
Unaudited **[REDACTED]** adjusted net tangible assets per Share[4]	HK$**[REDACTED]**

Notes:

(1) All statistics in this table are presented based on the assumption that the **[REDACTED]** is not exercised.

(2) The calculation of market capitalization of our H Shares is based on the assumption that **[REDACTED]** H Shares will be in issue immediately upon completion of the **[REDACTED]**.

(3) The total market capitalization of the Company is calculated based on (i) 1,523,234,457 A Shares in issue as of the Latest Practicable Date at the average closing price of the A Shares of the Company for the five trading days immediately preceding the Latest Practicable Date at RMB14.71 (or approximately HK$16.73) per Share, and (ii) the expected market capitalization of our H Shares at **[REDACTED]** (assuming the **[REDACTED]** is not exercised).

(4) The unaudited **[REDACTED]** adjusted consolidated net tangible asset of our Group attributable to owners of our Company per H Share is calculated after the adjustments referred to in "Appendix II – Unaudited **[REDACTED]** Financial Information" to this document and on the basis that **[REDACTED]** H Shares were in issue assuming that the **[REDACTED]** had been completed on December 31, 2025 and without taking into account of any H Shares which may be allotted and issued upon the exercise of the **[REDACTED]**.

OUR SINGLE LARGEST SHAREHOLDER

As of the Latest Practicable Date, Mr. Li held approximately 16.33% of the issued share capital of our Company and was our single largest Shareholder. Mr. Li confirmed that as of the Latest Practicable Date, he did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Mr. Li will hold approximately **[REDACTED]**% of the enlarged issued share capital of our Company and will remain as our single largest Shareholder. Accordingly, our Company will not have any controlling shareholder immediately after **[REDACTED]**. For further details about our single largest Shareholder, see "Relationship with our Single Largest Shareholder" in this document.

DIVIDEND

Pursuant to PRC laws and regulations, including the PRC Company Law (《中華人民共和國公司法》) and the No. 3 Guideline for the Supervision of Listed Companies – Cash Dividend Distribution of Listed Companies (2025 Revision) (《上市公司監管指引第3號 – 上市公司現金分紅(2025年修訂)》) and Articles of Association, within any three consecutive years, our distributed cumulative profits in cash shall not be less than 30% of the average net profits realized in the latest three years. The specific dividend pay-out ratios shall be determined by our Board according to relevant regulations and our operating conditions, and shall be considered and resolved at our general meeting.

Future profit distributions may be carried out in the form of cash dividends or stock dividends or a combination of cash dividends and stock dividends. Any proposed distribution of dividends is subject to the discretion of our Board and the approval at our Shareholders' meetings. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders' interests and any other conditions that our Board may deem relevant.

During the Track Record Period, we declared and paid dividends of RMB76.3 million, RMB656.4 million and RMB106.6 million in 2023, 2024 and 2025, respectively. See "Financial Information – Dividend and Dividend Policy."

WORKING CAPITAL SUFFICIENCY

Taking into account the financial resources available to us, including cash and cash equivalents, available banking facilities, cash flows from operating activities and estimated **[REDACTED]** from the **[REDACTED]**, our Directors are of the view that we have sufficient working capital to meet our present requirements and for at least the next 12 months from the date of this document.

[REDACTED]

[REDACTED] represent professional fees, **[REDACTED]** commission and other fees incurred in connection with the **[REDACTED]**. Assuming the **[REDACTED]** is not exercised and based on the **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, **[REDACTED]** are estimated to be approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million), comprising: (i) **[REDACTED]** fees of RMB**[REDACTED]** million (HK$**[REDACTED]** million); and (ii) non-**[REDACTED]**-related expenses of RMB**[REDACTED]** million (HK$**[REDACTED]** million), which are further categorized into: (a) fees and expenses of legal advisers and accountants of RMB**[REDACTED]** million (HK$**[REDACTED]** million); and (b) other fees and expenses of RMB**[REDACTED]** million (HK$**[REDACTED]** million), approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million) of which had been or is expected to be recognized in our consolidated statements of profit or loss, and approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million) of which is expected to be deducted from equity upon the completion of the **[REDACTED]**. The **[REDACTED]** are expected to represent approximately **[REDACTED]**% of the **[REDACTED]** of the **[REDACTED]**, assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** and that the **[REDACTED]** is not exercised. The **[REDACTED]** above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

USE OF [REDACTED]

We estimate that we will receive **[REDACTED]** from the **[REDACTED]** of approximately HK$**[REDACTED]** million after deducting the **[REDACTED]** fees and expenses payable by us in the **[REDACTED]**, assuming an **[REDACTED]** of HK$**[REDACTED]** per Share. We intend to use the **[REDACTED]** from the **[REDACTED]** for the following purposes and in the amounts set out below, subject to changes in light of our evolving business needs and changing market conditions:

- approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]** million, in the next three years, will be used to strengthen our competitiveness in the resources recycling and utilization segment.

- approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]** million, in the next three years, will be used for our upstream integration strategy by establishing a new business segment in developing and supplying mineral resources such as gold and copper.

- approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]** million, in the next three years, will be used for our future waste-to-energy incineration projects overseas. Such overseas deployment will primarily be based in Southeast Asia in order to leverage potential high growth in the local markets;

- the remaining approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]** million, will be used to provide funding for our working capital and general corporate purposes.

See "Future Plans and Use of **[REDACTED]**" in this document.

OUR LISTING ON THE SHANGHAI STOCK EXCHANGE AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

Save for the warning letters issued by the Beijing Regulatory Bureau of the CSRC (中國證券監督管理委員會北京監管局) and the Shanghai Stock Exchange to our Company, Mr. Li (our executive Director and chairman of the Board), Mr. Ling Jinming (our executive Director) and Ms. Wu Xiujiao (the then financial officer of our Company) in May 2025, our Directors confirmed that as of the Latest Practicable Date, we had no instance of non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects since our listing on the Shanghai Stock Exchange and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the Shanghai Stock Exchange. Based on the filings on the website of the Shanghai Stock Exchange and the information available in the public domain, our PRC Legal Advisor is of the view that the above confirmation of our Directors with regard to our compliance record is accurate and reasonable. Based on the independent due diligence conducted by the Sole Sponsor and our PRC Legal Advisor's view above, nothing has come to the Sole Sponsor's attention that would cause them to cast reasonable doubt on our Directors' confirmation with regard to the compliance records of the Company on the Shanghai Stock Exchange in any material respect. See "History – Our Listing on the Shanghai Stock Exchange" in this document for further details of the warning letters.

Our Company is seeking a **[REDACTED]** of the H Shares on the Stock Exchange in order to utilize the overseas financing platform to enhance our competitive strengths and our brand image internationally, advance our international strategies and further expand our capital structure and gain direct access to the international capital markets for financing to support our operations and business expansion. See "Future Plans and Use of **[REDACTED]**" in this document for further details.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period up to the Latest Practicable Date, our business continued to grow. In January 2026, we won a tender of a food waste treatment project in Jinzhou city, Liaoning province with a contract price of RMB71.5 million for construction of the project. Subject to the execution of the formal agreement, we expect this project to have a positive impact on our future operating results.

Our Directors confirm that, up to the Latest Practicable Date, there had been no material adverse change in our business, financial condition and results of operation since December 31, 2025, which is the end date of the year reported in the Accountants' Report set out in Appendix I to this document, and there is no event since December 31, 2025, which would materially affect the information in the Accountants' Report set out in Appendix I to this document.