
BUSINESS

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 primarily 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 resource 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, BOT or 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.

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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 – 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 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

Tracing our origins to the Institute of High Energy Physics of the Chinese Academy of Sciences (中科院高能物理研究所), we are one of pioneers in China’s resource recycling and utilization sector with specialty in solid waste and hazardous waste pollution prevention in technology research, commercialization of scientific achievements and provision of integration solutions. With over 30 years of accumulation, we have strategically established our comprehensive business portfolio anchored in three business segments, namely resource recycling and utilization, environmental services projects operation and environmental engineering services. We are one of the leading players in China’s solid waste and hazardous waste recycling market. 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. We offer products and services that cover the integrated industrial chain spanning metal and non-metal recycling, waste-to-energy incineration, harmless treatment of solid waste and hazardous waste, wastewater treatment, organic waste treatment, landfill construction and soil and underground water treatment and remediation. Our market leadership is substantiated by our achievements as follows:

As a pioneer in China’s resource recycling and utilization sector, we are a holder of various scarce licenses. As of Latest Practicable Date, we held several hazardous waste operation licenses with annual capacity exceeding one million tons, as well as several other licenses, including hazardous chemicals operation license and pollutant discharge permit. Given the tightening regulatory landscape and increasingly stringent approval process, the acquisition of necessary permits and licenses has become a significant barrier for new market participants. Concurrently, China’s advancement of its Zero-Waste City and Dual Carbon initiatives has elevated the strategic value of our comprehensive portfolio of operation licenses. These licenses, which are scarce in the industry, constitute a durable competitive moat and key differentiator for our business.

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We are a solid waste and hazardous waste recycling company in China with comprehensive product portfolios. In 2024, we recycled 14 types of metal elements and sold more than 15 types of products. We recycled and utilized metal elements including copper, nickel, lead, zinc, gold, silver, platinum, palladium, ruthenium, rhodium, iridium, bismuth and antimony and sold products including electrolytic lead, copper alloy, gold ingots, silver ingots, gold and silver alloy, platinum-group metals, refined bismuth, antimony oxide, low-grade nickel matte, and nickel sulfate.

We achieved industry-leading recovery rates for our metal recycling. In particular, we achieved the recovery rates of approximately 99% for platinum-group metals, gold and silver and attained a recovery rate of approximately 98.7% for copper and over 95% for bismuth, antimony, lead and nickel, respectively. All such rates surpass industry averages in China, according to Frost & Sullivan. Our capabilities of high-performance recovery of a wide range of metals enhance the economic returns on metal recycling and reinforce our commitment to sustainable manufacturing, contributing to a resilient competitive advantage.

We possess industry-leading production capability in recycling precious metals and critical metals. Precious metals and critical metals are key inputs for advanced manufacturing, healthcare and high-tech industries. In particular, bismuth, one of our recycled critical metals, is an important raw material in the pharmaceuticals, electronics and semiconductors sectors. In 2024 and 2025, we produced refined bismuth of 4,469 tons and 4,021 tons, respectively, and platinum-group metals of 1,849 kilogram and 3,695 kilogram, respectively. Our established production capacity for precious and critical metals strategically positions us to capitalize on the sustained, long-term demand for these essential raw materials to serve the accelerated growth of advanced manufacturing, healthcare and high-tech industries.

We are one of the industry leaders in waste-to-energy incineration projects operation in terms of 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. This high efficiency in operation of waste-to-energy incineration projects, supported by our strength in operational management and the technical reliability of our platform, eventually driving the asset returns on our projects.

We are a leading environmental engineering services provider in China, with extensive industry experience in specific segments of environmental engineering. We have accumulated substantial experience in specific areas such as landfill projects and remediation engineering, and received a number of industry recognitions and awards, including the “Luban Prize for China Construction Engineering” (中國建設工程魯班獎) and the “National Municipal Golden Cup Demonstration Engineering Award” (全國市政金杯示範工程). In addition, the Liulitun Project stands as our landmark showcase. This municipal solid waste sanitary landfill features a perimeter flexible vertical pollution control barrier system spanning 2,722 meters with an average depth of 41 meters and maximum depth of 54 meters. It marks Beijing’s first flexible vertical pollution control project and represents the deepest isolation barrier implemented in a municipal solid waste landfill in China. This system received the Second Prize Huaxia Construction Science and Technology Awards (華夏建設科學技術獎二等) in 2024. See “- Our Businesses – Environmental Engineering Services.”

Our established market leadership has fostered strong recognition among customers and industry peers, enhancing our commercial reach and ability to secure new opportunities. In an environment of increasing market consolidation, these first-mover advantages and our entrenched market position are expected to provide a robust platform for capturing a greater share of future growth.

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Vertically Integrated Operations along the Industry Value Chain as well as Strategic Deployment of Production Bases Strengthening Our Market Position

We differentiated ourselves through a vertically integrated operation model that strengthens our competitiveness in cost management, resilience to raw material price fluctuations and stable access to metal resources. Leveraging nearly a decade of deep industry experience, we became one of the few companies in China possessing large-scale capacity for both multi-metal recycling and deep processing. Some of the intermediate products generated at the front-end recycling, which mainly comprise various alloys, become raw materials for downstream deep processing of high value metals, such as electrolytic copper, gold ingots, silver ingots and platinum-group metals. Leveraging our internal upstream-downstream synergies, we recycled and produced metal products with higher purity and commercial value, thereby significantly enhancing our profitability. Currently, we have three independent and synergistical closed-loop full cycle operations focusing on recycling of industrial waste containing copper, lead and nickel. Moreover, with the closed-loop full cycle operation focusing on the recycling of industrial waste containing copper, we also recycled other metal resources including nickel, tin, gold, silver, platinum and palladium. With the closed-loop full cycle operation focusing on the recycling of industrial waste containing lead, we also recycled other metal resources including copper, bismuth, antimony, gold, silver and tellurium. With the closed-loop full cycle operation focusing on the recycling of industrial waste containing nickel, the recycled products ranged from low-grade nickel matte to deep-processed nickel-based products, such as nickel carbonate and nickel sulfate.

Our processing facilities for resources recycling are strategically located in primary hubs for non-ferrous metals, such as Jiangxi and Gansu provinces. This geographic positioning provides us a fundamental competitive advantage through proximate access to raw material sources and alignment with supportive regional industrial policies. These factors enable us to construct a resilient market moat via reliable supply chains and superior customer responsiveness, which in turn fosters strong, long-term customer relationships. For example, Jiangxi province possesses significant reserves of strategic and high-value-added metals, supported by substantial smelting and processing capacity. It has established a sophisticated circular economy for copper, further enhanced by its strategic geographic proximity to major downstream customer markets in the Yangtze River Delta and Pearl River Delta regions. Moreover, Jinchang city in Gansu province is known as China’s nickel capital, with an undisputed leading position in the smelting and processing of nickel and cobalt in China. The ore deposits in Gansu province often feature polymetallic associations, such as copper-nickel and lead-zinc paragenesis. Traditional manufacturers within the region, including us, possess deep-seated expertise in the integrated recovery of complex polymetallic ores. This capability, honed through decades of accumulated production experience, allows for the cost-effective extraction of multiple valuable metals from a single ore source. Capitalizing on the strategic location of our production facilities, we achieved distinct advantage in production capacity of our metal products.

Industry-Leading Technological Breakthroughs Underpinned by Unwavering Commitment to R&D Investment

With nearly a decade of experience in the solid waste and hazardous waste recycling industry, we have gained deep and interdisciplinary insight across physics, chemistry, material science and metallurgical engineering, which forms the foundation of our fundamental research. Leveraging on these, we have achieved significant breakthroughs in recycling and utilization of solid waste and hazardous waste, waste-to-energy incineration, treatment of wastewater and environmental restoration. At the same time, these commercial applications in turn strengthens our fundamental research, creating a virtuous cycle of technological advancement.

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Unwavering Commitment to R&D Investment and Development of Proprietary Intellectual Property

We prioritize R&D investment to maintain our competitive edge. In each year during the Track Record Period, our R&D expenses amounted to RMB324.0 million, RMB509.1 million, and RMB458.5 million, representing 3.1%, 3.5% and 3.1% of our total revenue, respectively. As of December 31, 2025, we had a dedicated team of 577 technology and R&D personnel. We established long-term strategic collaboration with a number of leading research institutions in China and worldwide. For instance, we entered into talent training cooperation agreements with more than ten universities including Huazhong University of Science and Technology (華中科技大學), Zhongnan University (中南大學) and Nankai University (南開大學). We also entered into joint technology development agreements with premier institutes and corporations, including Chinese Research Academy of Environmental Sciences (中國環境科學研究院), and China ENFI Engineering Corporation (中國恩菲工程技術有限公司).

As of December 31, 2025, our Company and our major subsidiaries had 493 patents and 37 software copyrights and led or participated in the formulation of 103 international, national, and industry standards and technical specifications. Moreover, we hold several national-level accreditations. In particular, we were awarded National High-Tech Enterprise (國家級高新技術企業) in 2009, National Enterprise Technology Centre (國家級企業技術中心) in 2016, National Technological Innovation Demonstration Enterprise (國家技術創新示範企業) in 2018 and National Intellectual Property Demonstration Enterprise (國家知識產權示範企業) in 2019. In 2017, we were awarded the Second Prize State Scientific and Technological Progress Award (國家科學技術進步獎二等獎). Furthermore, Tianjin GeoEnviron, one of our subsidiaries, was awarded National Specialized and Sophisticated ‘Little Giant’ Enterprises (國家專精特新「小巨人」企業) in 2023. All these awards demonstrate our leading R&D and innovation capabilities.

Industry-leading Technological Breakthroughs Underpinned by Strong R&D Capabilities

Underpinned by robust R&D capabilities, we have achieved industry-leading technology breakthroughs, including:

- We have demonstrated industry-leading capabilities in metal resources recycling across diverse categories, including copper, nickel, lead, zinc, tin, bismuth, antimony, gold, silver, platinum, palladium, rhodium, iridium, ruthenium. According to Frost & Sullivan, we are among few companies in China with comprehensive product portfolios in the solid waste and hazardous waste recycling industry in China.
- We were one of the pioneers in establishing a closed-loop full-cycle operation for recycling of platinum-group metals in China. Through the coordinated processing capabilities of our subsidiaries, we are capable of separating and extracting all five types of major platinum-group metals, namely platinum, palladium, rhodium, ruthenium and iridium.
- Utilizing our proprietary “pyrometallurgical enrichment – hydrometallurgical refining – centrifugal extraction” technology, we have achieved an overall recovery rate of approximately 99% for platinum-group metals, gold and silver, and over 95% for bismuth, antimony, lead and nickel. Following recent technical upgrades in separation and extraction technologies, our copper recovery rate has reached 98.7%.

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- We achieved high purity for our recycled metals. Our platinum-group metal products, comprising platinum, palladium, rhodium, ruthenium and iridium, all achieve purity levels of not less than 99.99%, satisfying the strict requirements of high-end manufacturing. Our refined bismuth reaches a purity of not less than 99.9% and is used in pharmaceuticals, healthcare and semiconductor industries as well as high-end alloys. The purity of our other major products including gold ingots, silver ingots, electrolytic copper and electrolytic lead also reaches not less than 99.99%. Such high purity enables us to charge premium pricing and achieve higher profitability than our competitors, according to Frost & Sullivan.
- We successfully reduced our costs in the recycling and production of electrolytic lead and refined bismuth in 2024 through a series of improvements including process and ingredient optimization, enhanced lean workshop management, and other technical and administrative upgrades. In 2024, the production costs of electrolytic lead and refined bismuth declined on a year-on-year basis by 4.3% and 3.6%, respectively. In 2025, the production cost of electrolytic lead further declined a year-on-year basis by 12.5%.
- In our waste-to-energy incineration sector, we adopt “third-generation blue incineration technology” and “ultra-clean flue gas emission technology.” As a result, our emission indicators consistently outperform both national standards and EU 2010 standards, demonstrating our leading position in clean and compliant waste-to-energy operations.

Enhanced Operational Efficiency and Safety Empowered by AI-enabled Operations and Digital Transformation

Leveraging on our technological achievements, we are actively facilitating a transition toward intelligent manufacturing by integrating AI and industrial automation across our operations to enhance efficiency, improve safety and reduce operating costs:

AI industrial brain and intelligent incineration system. In collaboration with a well-known third party cloud service provider, we implemented an AI control system for waste-to-energy incineration operations. This system automates over 90% of our operation, resulting in a combustion stability improvement of over 10% and increased power generation efficiency. Furthermore, process optimization has reduced the consumption of environmental protection consumables by approximately 5% in 2025.

AI-based intelligent inspection system replacing traditional manual inspections. We have transitioned from manual protocols to AI-enabled intelligent inspection systems. This implementation has reduced labor costs in relevant operational areas by approximately 8.7% in 2025. Additionally, we utilize an AI behavior recognition system to monitor high-value inventory. Since the system’s deployment, we have recorded zero economic losses attributed to material theft or mishandling, effectively enhanced operating efficiency strengthened on-site safety control.

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Visionary Leadership and a Future-Oriented Talent Structure

Our chairman of the Board and executive Director, Mr. Li, has over 20 years of experience in corporate management and environmental protection industry. Serving as the vice president of the China Association of Environmental Protection Industry on behalf of our Company, Mr. Li has established a corporate culture focusing on technological innovation and quality management. Our core management team possesses rich experience in resources recycling and utilization industry and environmental governance. For example, Mr. Ling Jinming, our vice chairman of the Board executive Director and CEO, brings profound industry insight to our strategic operations. Serving as the vice president of the China Urban Environmental Sanitation Association on behalf of our Company, Mr. Ling contributes rich expertise in the environmental services and business strategy. To support our technological advancement, we have built a high caliber talent pool with our technology and R&D team consisting of 577 professionals, which provides a strong intellectual foundation for our continuous innovation.

In 2018, we promulgated the “GeoEnviron Corporate Charter” (高能環境約法). The charter serves as the foundation of our corporate governance, defining our core values, culture and standards. It guides our corporate actions and decisions, with the goal to establish us as industry benchmark for social responsibility and ensure our sustainable and long-term growth. We also position ourselves as a technology-led enterprise where innovation is the primary engine of growth, whereby we uphold a people-centric approach that prioritizes employee value and development.

We maintain a multi-tiered compensation and incentive framework designed to motivate our staff, recognize individual and team contributions, and align employee objectives with corporate performance. This structure ensures that compensation is directly correlated with achievement, fostering a shared commitment to the company’s success. It covers three distinct tiers: (i) for senior management, we foster an intrapreneurship culture and collaborate with our senior management for long-term contributions to our development and success; (ii) for core management and technical personnel, we align their interests with shareholders, through performance-linked equity incentive schemes, which we may adopt from time to time in accordance with applicable rules and regulations; and (iii) for junior staff, we operate on a performance-based reward system that directly links individual contributions to immediate compensation, incentivizing greater effort with proportionally higher rewards.

Long-Term Commitment to ESG Responsibilities and Sustainable Development

We are committed to implementing ESG management throughout all aspects of corporate governance, manufacturing operations and industrial cooperation, striving to build a low-carbon, environmentally friendly and sustainable ecosystem.

Environmental Investment and Resource Recycling

We made continuous investments in environmental protection. We have invested a cumulative total of RMB234.6 million in environmental protection, with over 46,715 participants attending our environmental trainings in 2025. In the same year, we processed approximately 2,728,566.68 tons of solid waste and hazardous waste, extracting valuable metals, including copper, lead, nickel and silver. We operated 13 clean waste-to-energy incineration plants, generating 1.52 billion kWh of electricity and supplying approximately 594,457.33 tons of steam from waste-to-energy projects operations and treated a total of approximately 0.8 million cubic meters of sewage in 2025.

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Green Operation

In 2025, we actively increased the proportion of clean energy usage, introducing natural gas to replace traditional fuels in high-energy consumption processes like smelting. This optimization shortened reaction time, significantly reducing energy consumption, greenhouse gas emissions, and volatile organic compounds (VOCs). Consequently, we achieved a greenhouse gas emission reduction of approximately 358.9 tons of CO₂ equivalent during the same year.

We also strengthened the utilization of renewable energy. In 2025, we consumed approximately 2,399.1 tons of standard coal equivalent in renewable energy, with our new energy facilities generating approximately 9.4 million kWh of electricity. We also actively participated in the Green Electricity Certificate market. As of December 31, 2025, our Xinyi Project, Yining Project, and Hezhou Project have successfully realized such transactions.

Safety Management and Corporate Governance

In terms of safety management, we invested RMB67.87 million in 2025, conducting approximately 1,847 safety training sessions and rectified approximately 3,527 identified safety hazards. Regarding corporate governance, we conducted 16 special risk trainings covering 600 participants, further strengthening risk awareness and internal control capabilities across our Group.

OUR STRATEGIES

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

Strengthen Technological Capabilities, Further Enhance Metal Recovery Rates and Improve Profitability of Our Recycled Products

We plan to reinforce our technological capability to enhance our operational efficiency while deepening the application of advanced technologies in the field of resource utilization of solid waste and hazardous waste and expanding our metal product portfolios. Emerging technologies such as artificial intelligence will be deployed to optimize critical processes, including intelligent sorting and resource recovery. Furthermore, we will accelerate the deployment of big data and the Internet of Things (IoT) to support the transition toward smart operations and digitalized management. Simultaneously, we will introduce biotechnological approaches to develop efficient and eco-friendly treatment solutions to ensure compliance with pollutant emission control.

Building upon this technological platform, we aim to maximize economic returns by systematically replicating our core separation and purification technologies to extend our value chain and diversify our product portfolios. Our strategy focuses on deepening value through downstream processing to extract and separate more products during recycling. We will upgrade our capabilities to transform basic recycled streams into high-performance materials; for example, we apply our technologies to extract bismuth from recycled streams and deep-process it into high-purity bismuth oxide for the semiconductor industry, thereby significantly elevating product value. In parallel, we plan to enhance our multi-metal extraction capabilities to recover a wider array of rare and precious elements from the same waste stream, while actively expanding into non-metal segments such as recycled plastics and rubber. This dual approach not only enhances the monetization potential of our intellectual property but also strengthens the scalability and flexibility of our core operations.

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To capitalize on the accelerated consolidation of the resource recycling industry, we plan to pursue a targeted acquisition strategy designed into a three-pillar dimension: vertical integration, adjacent category expansion, and geographic and segment diversification. This approach is intended to construct a more resilient, comprehensive value chain and a highly efficient, synchronized production ecosystem, thereby securing a structural competitive advantage.

- First, through vertical integration, we target acquisitions within our core metal resources utilization value chain. By securing upstream suppliers and downstream processors, we aim to optimize our industrial footprint and enhance control over raw material supply, thereby enhancing capacity utilization.
- Secondly, via adjacent category expansion, we will actively pursue targets such as domestic recycling enterprises in high-value segments, including rare earth and metals used in the semiconductor and power battery energy industries. We believe that with adjacent category expansion, we are able to broaden our revenue portfolio, leverage on our established operational and procurement infrastructure and capture tangible synergies with our existing production base.
- In addition, our geographic and segment diversification pillar involves pursuing strategic overseas acquisitions in adjacent non-metal resource sectors, including waste plastic and rubber recycling. This initiative is focused on creating new, high-margin revenue streams and building a more balanced, future-proof business portfolio, thereby delivering incremental profit growth and reducing cyclical exposure.

Enhance Operational Excellence Through Integrated and Lean Value-Chain Management

We intend to systematically integrate emerging technologies, such as artificial intelligence and the Internet of Things (IoT), into our daily operational workflows. This strategic adoption is designed to streamline processes, reduce manual intervention and optimize resource allocation, thereby driving significant reductions in operational costs while enhancing overall efficiency. These strategic initiatives include further implementing lean management discipline across our entire value chain. An AI-driven intelligent procurement platform will be deployed together with cross-cycle price-locking mechanisms for bulk raw materials. These efforts are designed to accelerate our inventory turnover, optimize working capital and enhance cash conversion efficiency, thereby strengthening our competitive cost structure and balance sheet resilience. Moreover, we intend to implement a series of lean management initiatives to reduce costs and improve operational efficiency. We will focus on lean production and energy efficiency, including streamlining production workflows, adjusting equipment into energy saving mode and optimizing the usage of auxiliary materials and fuels. We will further reduce procurement costs by attending centralized tendering and joint procurement. We believe the widespread implementation of these technologies as well as our lean management will not only strengthen our competitive positioning but also support scalable and sustainable growth in the long term.

Accelerate Our Global Expansion Focusing on Markets with High-growth Potentials

We are committed to building a diversified global ecosystem that integrates resources recycling and utilization, environmental services projects operation and environmental engineering services. Our global expansion strategy targets resource-abundant markets where evolving environmental standards create a compelling need for our services and solutions specifically Southeast Asia, where we can address the critical shortfall in environmental infrastructure. In addition, we will strategically focus on acquiring mining assets to enhance integration across our value chain to achieve industrial synergy.

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In the resource recycling and utilization segment, we will leverage our established strategic footprint and stable feedstock channels in key regions to export our successful business model and leading technologies. Our strategic focus remains on precious metals of high value or as key inputs for advanced manufacturing, healthcare and high-tech industries, such as platinum-group metals, bismuth and antimony, as our core profit growth driver. We intend to implement flexible processing arrangements, including (i) conducting primary processing overseas with further downstream processing in the PRC, or (ii) completing the full processing chain overseas, depending on commercial feasibility and regulatory considerations.

To expand our international waste-to-energy incineration footprint, we plan to execute a dual-path growth strategy. We will actively secure development rights for greenfield projects, applying our proven capabilities in engineering, construction, and operations to build and own a new generation of high-quality facilities. In parallel, we intend to provide operational services to established environmental services projects by leveraging our technical expertise and operational experience. This balanced approach is designed to build a robust and sustainable international profit pipeline.

Furthermore, we plan to execute an upstream integration strategy through the selective acquisition of strategic metal mining assets, both domestically and internationally. This vertical expansion serves a dual strategic purpose: first, to secure a cost-advantaged and reliable supply of critical raw materials for our core resources recycling and utilization business, thereby enhancing operational resilience; and second, to establish a new, high profit margin segment with long-term growth potential. We target strategic stakes in greenfield projects to secure future resource reserves and underpin sustained and long-term development, while also pursuing cash-generating operating mines to achieve near-term earnings accretion.

OUR BUSINESSES

We are a solid waste and hazardous waste recycling company in China with comprehensive product portfolios and broad service coverages. Our core business comprises (i) resources recycling and utilization; (ii) operation of environmental services projects; and (iii) environmental engineering services.

Resources recycling and utilization segment focuses on the recycling of metal resources. This involves the process of dehydration, mixing, smelting, refining and purification of solid waste and hazardous waste to extract metals, which yields alloy products such as copper alloys, lead alloys and nickel alloys. Certain alloy products such as blister copper and crude lead can be further processed into metal products such as electrolytic copper, electrolytic lead, gold ingots, silver ingots, platinum-group metals, refined bismuth and antimony oxide. By-products generated during the refining process, such as water-quenched slag which can be sold as construction materials. On the other hand, the recycling of non-metal resources primarily involves the process of deriving (i) polymer materials from rubber waste such as discarded tires and (ii) nylon raw materials from plastic waste such as airbag fabrics and textiles of end-of-life vehicles.

Environmental services projects operation segment primarily includes operation of waste-to-energy incineration projects. The waste-to-energy incineration starts with the collection and delivery of household waste to our incineration plants, where it is converted into electricity and steam. The electricity generated is supplied to the local grid, while the steam produced is ultimately provided to local steam users, thereby reducing reliance on traditional fossil fuels. The incineration process also produces fly ash and furnace slag. Treated fly ash residues are disposed of at landfill, while furnace slag is generally reused as construction materials, contributing to resource recycling. In addition, we provide harmless treatment services for solid waste and hazardous waste (including industrial waste, medical waste and organic waste), as well as landfill operation services.

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We also provide environmental engineering services such as constructing landfills, soil and underground water treatment and remediation and sewage treatment, which are efficient and sustainable solutions to our customers to enhance regulatory compliance and environmental quality.

By interlinking different stages of the waste industry chain, from waste collection, and treatment to energy generation and resource utilization, we create value across the entire industry chain. This approach not only minimizes environmental impact but also transforms waste into valuable resources, reinforcing our role as a key contributor to a more sustainable and circular economy.

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 facilities; and (ii) environmental engineering services. The following table sets forth such a breakdown during 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	<u>911,283</u>	<u>8.6</u>	<u>1,160,501</u>	<u>8.0</u>	<u>975,727</u>	<u>6.6</u>
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⁾	<u>138,075</u>	<u>1.3</u>	<u>198,471</u>	<u>1.3</u>	<u>147,219</u>	<u>1.0</u>
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	<u>10,580,366</u>	<u>100.0</u>	<u>14,499,545</u>	<u>100.0</u>	<u>14,732,257</u>	<u>100.0</u>

Notes:

- 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.

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Resource 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. During the Track Record Period, we derived revenue primarily from the production and sales of (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 and their alloy mainly including gold ingots, silver ingots and gold and silver alloy as well as platinum-group metals comprising platinum, palladium, rhodium, iridium and ruthenium; and (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 metal products, we also recycled and sold non-metal products primarily comprising rubber and plastic products during the Track Record Period. The pictures below set forth our core products under the resources recycling and utilization business.

Our Products

Standard Products:



Electrolytic copper



Electrolytic lead



Gold ingots



Silver ingots



Refined bismuth



Palladium



Rhodium



Platinum



Iridium

BUSINESS

Non-standard Products:



Copper alloy



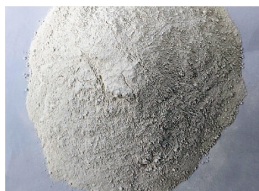
Gold and silver alloy



Low-grade nickel matte



Nickel sulfate



Antimony oxide

The table below sets forth the revenues, sales volumes and average selling prices of the core products derived from recycling of metal resources during 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
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 ⁽¹⁾ (RMB/g)	216	239	285

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	For the year ended December 31,		
	2023	2024	2025
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	19,128	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. The average selling price of non-standard products does not directly correlate with the market trend of metal prices as the metal content varies across each non-standard products.
2. Platinum-group metals include platinum, palladium, rhodium, iridium and ruthenium.

Over the years, we have established an integrated production system covering the entire process of recovery and recycling of various alloy and metal products. We first recover alloy products mainly including blister copper, crude lead and nickel from waste residue purchased from upstream manufacturers in metal smelting, electroplating, electronics, chemicals and other related industrial sectors. Leveraging our closed-loop full cycle operation and advanced processing techniques, we further refine such alloy products into standard products or higher-purity alloy products.

BUSINESS

Base Metals and Their Alloys

Our base metals and their alloys products mainly include electrolytic copper, electrolytic lead, copper alloy, lead alloy and nickel-based products. During the Track Record Period, we produce and sell electrolytic copper and copper alloy as our main products. The revenue generated from the sales of electrolytic copper and copper alloy accounted for 26.1%, 35.9% and 32.1% of our total revenue in each year during the Track Record Period. We first recover copper alloy and lead alloy such as blister copper and crude lead at our melting workshops. A portion of these alloys is further refined into electrolytic copper and electrolytic lead at our electrolysis workshops. We sell copper alloy externally primarily to customers in the non-ferrous metal, mining, resource recycling and utilization industries. We sell electrolytic copper and electrolytic lead primarily to downstream copper processors and battery manufacturers, respectively. On the other hand, our nickel-based products primarily include nickel sulfate. Through close collaboration among our upstream and downstream subsidiaries, we established a closed-loop full cycle operation for the recycling of industrial waste containing nickel. We sell our nickel-based products primarily to automotive manufacturers, battery manufacturers and non-ferrous metal processors.

Precious Metals

Our precious metal products primarily include gold ingots, silver ingots and platinum-group metal products. We recover our precious metals from alloy products at our precious metal workshops. We sell our gold ingots and silver ingots primarily to enterprises in the non-ferrous metal smelting and processing industry and platinum-group metals primarily to chemical products manufacturers. Platinum-group metals are key inputs for automotive, electronics and semiconductor, healthcare and biochemistry and new energy sectors. According to Frost & Sullivan, we are among the few companies in the industry capable of recycling and selling all key metals of platinum-group metals. Moreover, the phase II of our Jinchang GeoEnviron production base in Gansu province commenced full operation in July 2024, which significantly improved our production capacity of platinum-group metals, thereby strengthening our market competitiveness. According to Frost & Sullivan, in terms of revenue of 2024, we ranked third in the hazardous waste recycling market in China for platinum-group metals, with a market share of 6.7%.

Critical Metals

Our critical metal products mainly include refined bismuth and antimony oxide. Critical metals, as a national strategic reserve materials, are widely used in key industries such as semiconductors, superconductors, pharmaceuticals and new energy materials. Our refined bismuth is sold primarily to customers engaged in the semiconductor value chain. We recover bismuth primarily from lead alloy as intermediate products generated during the smelting of non-ferrous metal waste. Our antimony is sold primarily to the downstream processor of high-purity antimony products. We recover antimony mainly from antimony-bearing anode slime generated at our melting workshops. According to Frost & Sullivan, 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.

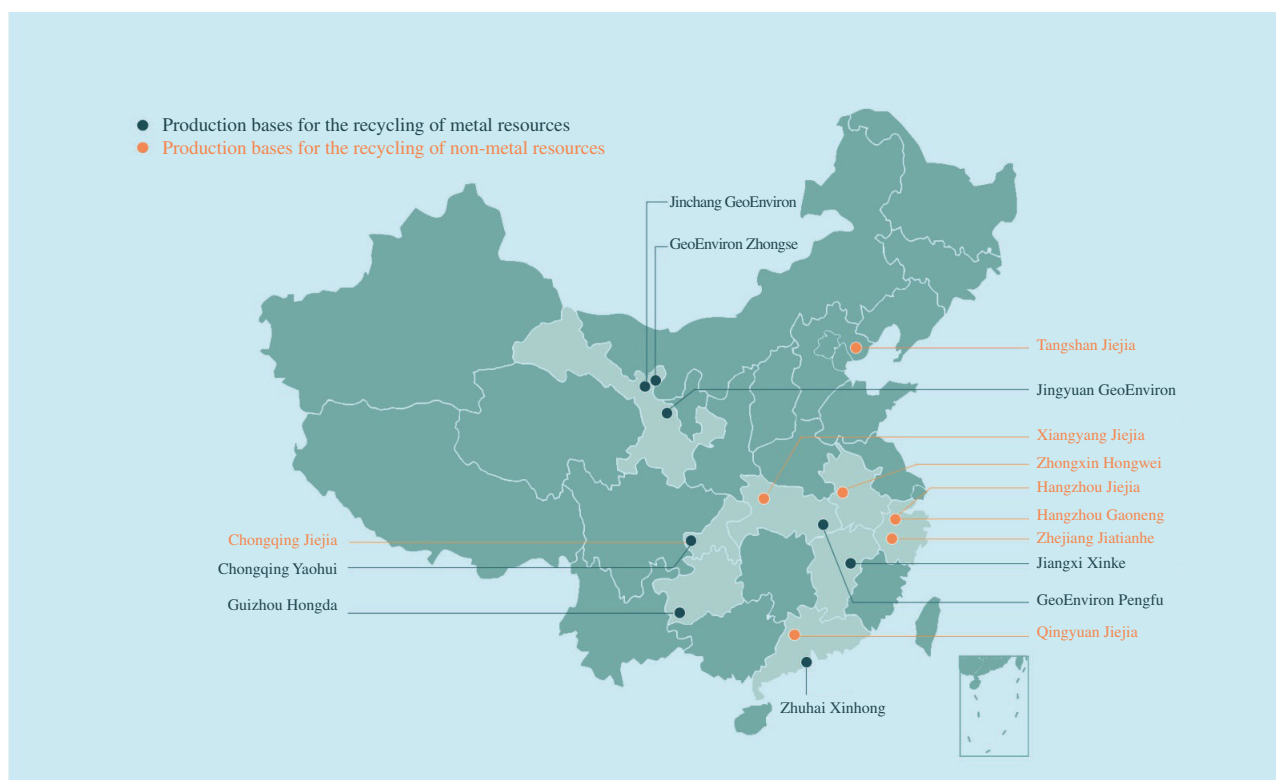
Non-metal Products

Moreover, in addition to metal products, we also recycled and sold non-metal products, which primarily include (i) rubber waste mainly derived from discarded tires into polymer materials and (ii) plastic waste mainly derived from airbag fabrics and textiles of end-of-life vehicles into primarily nylon raw materials. In each year during the Track Record Period, the revenue we generated from the recycling and sale of products from non-metal resources represented 8.6%, 8.0% and 6.6% of our total revenue, respectively.

BUSINESS

Our Production Facilities

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. The following map illustrates the geographical location of our production bases for the resources recycling and utilization as of the Latest Practicable Date:



The following table summarizes the location and primary products of our key production bases in operation as of the Latest Practicable Date:

Location	Production Base	Primary Products
Jiangxi, China	Jiangxi Xinke production base	Electrolytic copper, gold ingots, silver ingots, platinum, palladium and nickel sulfate
Gansu, China	Jinchang GeoEnviron production base	Gold ingots, silver ingots, platinum, palladium, ruthenium, iridium and rhodium, copper matte, copper and nickel alloy
Gansu, China	Jingyuan GeoEnviron production base	Electrolytic lead, refined bismuth, bismuth oxide, antimony oxide and gold and silver alloy
Chongqing, China	Chongqing Yaohui production base	Blister copper and copper matte
Guangdong, China	Zhuhai Xinhong production base	Blister and copper matte
Hubei, China	GeoEnviron Pengfu production base	Blister copper and copper matte

BUSINESS

Location	Production Base	Primary Products
Gansu, China	GeoEnviron Zhongse production base	Low-grade nickel matte
Zhejiang, China	Zhejiang Jiatianhe production base	Plastic pellets
Zhejiang, China	Hangzhou Gaoneng production base	Polymeric materials (such as rubber-modified powder), steel drums and plastic drums
Anhui, China	Zhongxin Hongwei production base	Polyamide 6 (PA6), polyamide 66 (PA66) and plastic pellets

The following table sets forth a brief description of the production operating data of our core standard and non-standard products for the recycling of metal resources segment:

	For the year ended December 31,		
	2023	2024	2025
Standard Products			
Electrolytic copper			
Production Capacity ⁽¹⁾ (ton)	45,000	68,000	35,000
Production Volume (ton)	34,925	53,587	31,032
Utilization Rate ⁽²⁾ (%)	77.6	78.8	88.7
Electrolytic lead			
Production Capacity ⁽¹⁾ (ton)	35,000	30,000	25,000
Production Volume (ton)	29,170	26,490	20,071
Utilization Rate ⁽²⁾ (%)	83.3	88.3	80.3
Gold ingots			
Production Capacity ⁽¹⁾ (g)	1,500,000	2,500,000	2,500,000
Production Volume (g)	1,244,440	2,143,910	1,995,185
Utilization Rate ⁽²⁾ (%)	83.0	85.8	79.8
Silver ingots			
Production Capacity ⁽¹⁾ (g)	21,000,000	55,000,000	40,000,000
Production Volume (g)	19,943,002	50,866,853	36,963,265
Utilization Rate ⁽²⁾ (%)	95.0	92.5	92.4
Refined bismuth			
Production Capacity ⁽¹⁾ (ton)	4,500	5,500	5,000
Production Volume (ton)	3,548	4,469	4,021
Utilization Rate ⁽²⁾ (%)	78.8	81.3	80.4
Platinum group metals⁽³⁾			
Production Capacity ⁽¹⁾ (g)	1,000,000	2,000,000	4,000,000
Production Volume (g)	961,720	1,848,950	3,694,745
Utilization Rate ⁽²⁾ (%)	96.2	92.4	92.4

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	For the year ended December 31,		
	2023	2024	2025
<i>Non-standard Products</i>			
Copper alloy			
Production Capacity ⁽¹⁾ (ton)	80,000	100,000	150,000
Production Volume (ton)	66,348	81,430	122,321
Utilization Rate ⁽²⁾ (%)	82.9	81.4	81.5
Gold and silver alloy			
Production Capacity ⁽¹⁾ (g)	55,000,000	78,000,000	50,000,000
Production Volume (g)	52,453,908	75,686,347	48,558,307
Utilization Rate ⁽²⁾ (%)	95.4	97.0	97.1
Low-grade nickel matte			
Production Capacity ⁽¹⁾ (ton)	9,000	8,800	5,000
Production Volume (ton)	7,340	7,910	4,142
Utilization Rate ⁽²⁾ (%)	81.6	89.9	82.8
Nickel sulfate			
Production Capacity ⁽¹⁾ (ton)	1,500	6,000	4,000
Production Volume (ton)	1,250	5,224	3,368
Utilization Rate ⁽²⁾ (%)	83.3	87.1	84.2
Antimony oxide			
Production Capacity ⁽¹⁾ (ton)	1,200	1,000	1,500
Production Volume (ton)	1,098	899	1,217
Utilization Rate ⁽²⁾ (%)	91.5	89.9	81.1

Notes:

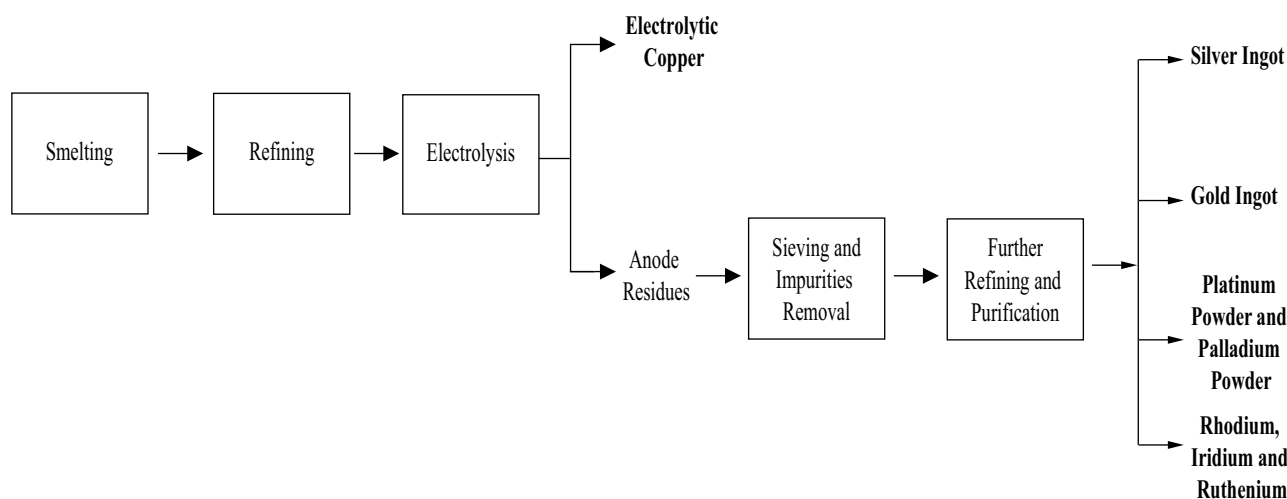
1. The production capacity is calculated with reference to the formulated production plan by type of the products. To maximize production efficiency, we adjust the production capacity of each type of products based on market conditions.
2. The utilization rate is calculated by dividing production volume by the planned capacity for the same year.
3. Platinum-group metals include platinum, palladium, rhodium, iridium and ruthenium.

BUSINESS

Production and Processing of Metal Resources

During the Track Record Period, we generated a majority of the revenue from sales of products derived from recycling of metal resources, representing 52.5%, 68.8% and 74.2% of our total revenue for the respective year. The following chart illustrates the production processing for each main metal product:

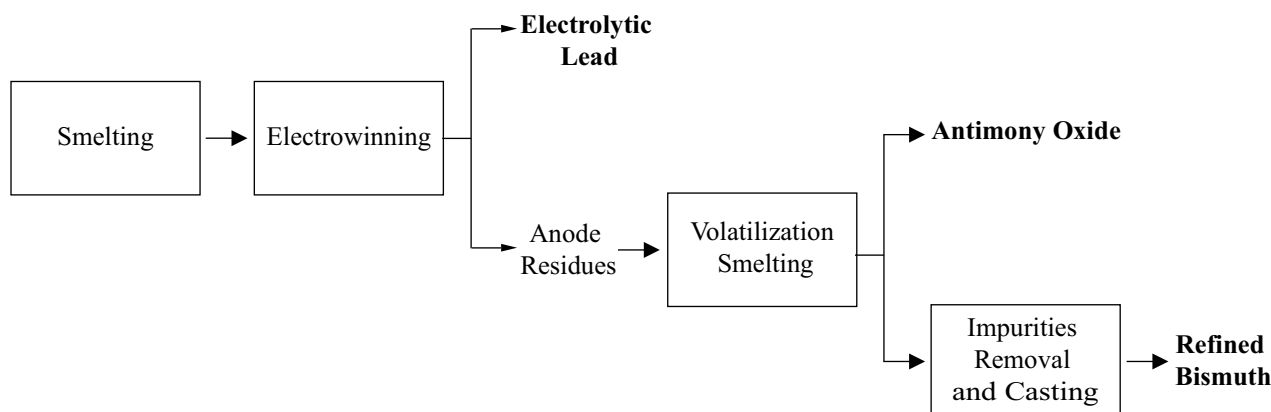
Production Process of Electrolytic Copper and Precious Metals



1. *Mixing:* Industrial waste containing copper and precious metals is mixed in accordance with our process requirements prior to being fed into the furnace.
2. *Smelting:* The mixed materials are smelted in an oxygen-enriched side-blown furnace to remove iron and certain impurities and to produce copper matte, which is then transferred to converters for blowing operations to further remove impurities and produce blister copper for subsequent refining.
3. *Refining:* The blister copper is subsequently refined in an anode furnace to further remove residual impurities and to produce anode plates with a copper content of approximately 98.5% suitable for electrolytic processing.
4. *Electrolysis:* Anode plates undergo an electrolytic process to produce electrolytic copper, while anode residues comprising residual copper, nickel and insoluble precious metals are collected for further treatment.
5. *Sieving and Impurities Removal:* Anode slime is processed through sieving, separation and impurity removal procedures to eliminate base metals and impurities, including copper, nickel, tin and lead.
6. *Further Refining and Purification:* Following impurity removal, precious metals, including silver, gold, platinum and palladium, are recovered through subsequent refining processes, either sequentially or in parallel, to produce silver ingots, gold ingots, platinum powder (or platinum ingots) and palladium powder (or palladium ingots). Precious metals, such as rhodium, iridium and ruthenium, are further recovered through stepwise separation and refining processes.

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Production Process of Electrolytic Lead, Antimony Oxide and Refined Bismuth



1. *Mixing and Drying:* Industrial waste containing lead, antimony and bismuth are mixed in accordance with our process requirements, compacted into briquettes and air-dried to reduce the moisture content prior to smelting.
2. *Smelting:* The dried briquettes, together with auxiliary materials, are charged into an oxygen-enriched side-blown furnace for smelting, producing the lead alloy. The lead alloy is subsequently refined to remove impurities (such as copper and tin) and cast into anode plates for further electrolytic processing.
3. *Electrowinning:* The anode plates are placed into electrolytic cells, where lead is deposited onto the cathodes to produce electrolytic lead, while insoluble residues (such as antimony and bismuth) remaining on the anodes are collected as anode slime for further processing.
4. *Volatilization Smelting:* Anode slime is mixed with auxiliary materials, including reducing coal and soda ash, and processed through volatilization smelting, during which volatile components are oxidized and recovered via dust collection systems to produce antimony oxide.
5. *Impurities Removal and Casting:* The remaining alloy is further purified to remove residual impurities and subsequently cast to produce refined bismuth.

Production Equipment and Maintenance

We are strategically committed to equipping our production lines with highly reliable equipment. We self-design our production process based on production requirements, and undertake customized technical modifications to optimize process flows to reduce manufacturing costs and enhance recovery rates. We conduct pilot production trials and drive innovation in our technology, which is fundamental to boosting automation, enhancing reliability, and maintaining crucial cost competitiveness in the market. This highly automated and digitalized setup allows us to significantly minimize manual operations and reduce labor costs, with on-site personnel primarily dedicated to essential equipment maintenance and inspection. Through bespoke design and customization, we seamlessly integrate a range of digital technologies throughout the entire manufacturing workflow. Furthermore, the average service life of our core production equipment is approximately 10 to 20 years.

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We maintain comprehensive equipment maintenance and repair protocols, implementing strict inspection and maintenance schedules that include both routine and periodic checks. Our production facilities are subject to rigorous inspections in accordance with our strict requirements, ensuring the stable and reliable operation of our core production equipment. Furthermore, for certain specialized components, we arrange third-party technical inspections as needed.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material or prolonged suspension of operations due to failures of our machinery, equipment or other facilities.

Quality Control

We implement integrated quality management across all operational stages from design and procurement through to production and sales of our products. Our comprehensive quality assurance system is anchored in proactive risk prevention and continuous improvement, and is validated by globally recognized certifications, including ISO 9001, ISO 14001, ISO 45001 and ISO 50001. The following are our key assurance measures.

- **Product Design and Development:** We maintain comprehensive quality control requirements for product design and development, ensuring all new projects adhere strictly to our internal standards. We conduct rigorous inspections at each stage, including polymerized raw materials, intermediate products and final metal products, to verify compliance with national and industry standards. For new products, we carry out performance testing and validation to ensure that product quality is consistent with current market applications and anticipated customer requirements. We also maintain close communication with our customers to promptly identify market trends and customer expectations, thereby enabling us to enhance customer satisfaction and establish a closed-loop quality feedback mechanism.
- **Supplier Qualification and Material Validation:** We have established a dedicated quality inspection center to conduct rigorous metal testing and analysis on incoming raw materials, in-process intermediates, and finished products. All raw materials undergo compositional analysis and impurity screening against our internal control standards. We typically procure raw materials from suppliers who have passed our quality and reliability assessment. Furthermore, we conduct periodic on-site inspections of critical suppliers to assess their production and supply operations.
- **Production Process Control:** We strictly follow our customers’ quality requirements and specifications and all relevant industry standards for the production of our products, including national standards and our internal quality standards. At designated checkpoint stages on our product lines, our quality control team conducts periodic tests and inspections of semi-finished products in accordance with our internally designed quality control processes, ensuring that our products meet the quality standards and compliance requirements of both us and our customers. In terms of production safety, we have employed a safety inspection policy, where our respective production manager, facility manager and production department staff regularly inspect the processing workshops and production workshops to ensure production safety. We have taken several initiatives in recent years to improve our production efficiency, including developing new production technologies, installing advanced equipment and optimizing the production processes and techniques.
- **Pre-delivery Verification and Packaging:** Finished products are subject to rigorous, certification-based testing, including verification of metal impurity level in accordance with applicable national standards or customer-specified requirements. To prevent critical defects, samples are provided to customers for final approval prior to bulk shipment. We implement real-time delivery tracking to minimize the risk of damage during transit.

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During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material product returns from customers due to quality issues.

Inventory Management and Logistics

- ***Inventory Management:*** Our inventory primarily comprises raw materials, work-in-progress, finished goods, goods in transit, materials for consigned processing and packaging materials, all of which are managed under a unified inventory system. With group-wide inventory management policies, we have established standardized procedures for the receipt, storage, transfer and counting of inventory. We monitor and update inventory levels on a routine basis based on production needs and order forecasts and arrange for procurement accordingly. We also conduct inventory aging analysis periodically to reduce the risk of inventory obsolescence. We proactively manage our inventory-related risks arising from fluctuations in market demand and commodity prices through precautionary hedging activities.
- ***Logistics:*** We maintain rigorous oversight of our logistics and outsource logistics services to qualified and experienced independent third-party suppliers selected through competitive bidding processes. We implement dynamic route planning and transport method selection to optimize efficiency and reduce expenses. To mitigate our transit risks, all shipments are covered by customary cargo and transit insurance and we conduct real-time monitoring throughout the entire delivery cycle. Our third-party logistics service providers are subject to regular performance evaluations through a graded assessment system taking into account both operational qualifications and historical KPIs.

During the Track Record Period and up to the Latest Practicable Date, there were no incidents of significant delay or inappropriate handling of goods that materially or adversely affected our business operations.

Environmental Services Projects Operation

Our environmental services projects primarily 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. In addition, we have one waste-to-energy plant under construction in Hailar city, with a designed processing capacity of 600 tons per day. 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 approximately 594,457.33 tons of steam in China. Moreover, under our waste-to-energy incineration projects, we also charge waste treatment fees and generate additional revenue from the treatment of sludge, achieving high utilization of our capacities. During the Track Record Period, we did not experience any material safety incidents within our operations.

In 2023, 2024 and 2025, the 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.

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Our Projects

As of December 31, 2025, we had 13 waste-to-energy incineration projects, 12 harmless treatment of solid waste and hazardous waste projects and three water treatment projects. The following table sets forth the operating revenue from such projects for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Revenue from waste-to-energy incineration projects						
Yueyang Project	138,554	8.5	142,287	8.2	143,748	8.4
Tianjin Project	133,008	8.2	126,575	7.3	127,894	7.4
Hezhou Project	94,889	5.8	95,724	5.5	99,731	5.8
Jingmen Project	97,317	6.0	130,402	7.5	134,679	7.8
Puyang Project	104,083	6.4	106,184	6.1	110,472	6.4
Yining Project	92,532	5.7	113,595	6.6	105,724	6.1
Hetian Project	95,811	5.9	102,900	6.0	101,636	5.9
Neijiang Project – power plant ⁽¹⁾	78,641	4.8	85,163	4.9	87,389	5.1
Sihong Project	81,625	5.0	89,281	5.2	94,869	5.5
Xinyi Project	69,857	4.3	71,722	4.1	68,784	4.0
Other projects ⁽²⁾	91,040	5.6	89,575	5.2	106,725	6.2
Subtotal	1,077,358	66.2	1,153,409	66.7	1,181,651	68.7
Revenue from harmless treatment of solid waste and hazardous waste projects						
Ningbo Hazardous Waste Project	131,919	8.1	93,001	5.4	85,233	5.0
Yulin Project	62,843	3.9	79,992	4.6	72,561	4.2
Tengzhou Hazardous Waste Project	58,736	3.6	46,342	2.7	58,682	3.4
Leshan Hazardous Waste Project	37,075	2.3	18,567	1.1	32,120	1.9
Neijiang Project – organic waste treatment ⁽¹⁾	31,662	1.9	33,763	2.0	29,876	1.7
Other projects ⁽³⁾	89,916	5.5	105,839	6.1	113,556	6.6
Subtotal	412,151	25.3	377,504	21.8	392,028	22.8
Others⁽⁴⁾	138,075	8.5	198,471	11.5	147,219	8.6
Total revenue from environmental services projects operation	1,627,584	100.0	1,729,384	100.0	1,720,898	100.0

Notes:

1. Neijiang Project is an integrated solid waste treatment complex located in Neijiang city, Sichuan province. The project provides comprehensive waste management services for the local municipality and comprises multiple functions, including a waste-to-energy incineration power plant, a landfill site, multiple waste transfer stations and a organic waste treatment facility.
2. Including Linyi project, Taizhou project and Shunyi project, each of which contributed less than 5% of the total revenue from the segment of environmental services projects operation in each year during the Track Record Period.
3. Including Shaoyang sludge treatment project, Guilin Medical Waste Project, Hezhou medical waste project, Xinyi organic waste project, Changchun organic waste project, Erdos landfill project and Mingshui landfill project, each of which contributed less than 2% of the total revenue from the segment of our environmental services projects operation in each year during the Track Record Period.
4. 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. Our water treatment projects include Yunnan water treatment project, Xinjiang water treatment project and Wenxi water treatment project, each of which contributed less than 2% of the total revenue from operation of our environmental services projects in each year during the Track Record Period.

BUSINESS

Our Major Waste-to-energy Incineration Projects

I. Yueyang Project

The Yueyang Project stands as a flagship waste-to-energy incineration project developed under a BOT agreement, comprising Phase I with a concession period from 2018 to 2048 and Phase II with a concession period from 2022 to 2052. This project is located in Yunxi district, Yueyang city. The project was successfully connected to the grid in November 2019. The plant is equipped with three mechanical grate-furnace incinerators, three waste-heat boiler and two steam turbine generator units. As of the Latest Practicable Date, the Yueyang Project had a treatment capacity of 2,000 tons of household waste per day. Furthermore, our Yueyang Project also comprises a sludge treatment facility. This project was recognized as an AAA-Grade Municipal Solid Waste Incineration Plant (AAA級生活垃圾焚燒廠) in 2022, which represents the highest grade accreditation granted by the Ministry of Housing and Urban-Rural Development of the PRC to municipal solid waste incineration plants.

The following is a photo of this project:



BUSINESS

II. *Tianjin Project*

The Tianjin Project is a waste-to-energy incineration project developed under a BOT agreement with a concession period from 2018 to 2048. The project is located in Jinghai district, Tianjin city. The project incorporates advanced waste-to-energy technology and is equipped with two mechanical grate furnaces, two waste heat boilers and one steam turbine generator unit. The project was successfully connected to the grid in 2020. As of the Latest Practicable Date, this project had a treatment capacity of 1,000 tons of household waste per day.

The following is a photo of this project:



BUSINESS

III. Hezhou Project

The Hezhou Project is a waste-to-energy incineration project developed under a BOT agreement with a concession period from 2019 to 2048. The project is located in Hezhou city, Guangxi Zhuang autonomous region. The project is equipped with two mechanical grate furnaces, two waste heat boilers and two steam turbine generator units. The project was successfully connected to the grid in March 2019. As of the Latest Practicable Date, this project had a treatment capacity of 1,000 tons of household waste per day.

The following is a photo of this project:



BUSINESS

IV. Jingmen Project

The Jingmen Project is a waste-to-energy incineration project developed under a BOT agreement, with a concession period running from 2018 to 2048. The project is located in the Jingmen Vein industrial park, Jingmen city. The project was successfully connected to the grid in 2020. The project is equipped with two mechanical grate incinerators, two waste heat boilers and one steam turbine generator unit. As of the Latest Practicable Date, the Jingmen Project had a treatment capacity of 700 tons of household waste per day. As a testament to our technological capabilities and operational expertise, we were recognized as a Hubei Provincial Smart Manufacturing Pilot Demonstration Enterprise (湖北省智慧製造試點示範企業) in 2023.

The following is a photo of this project:



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Our Major Harmless Treatment of Solid Waste and Hazardous Waste Projects

V. Ningbo Hazardous Waste Project

The Ningbo Hazardous Waste Project is located in Zhenhai district, Ningbo city. The project officially commenced operations in 2008, and we acquired a controlling interest in the project through an equity acquisition in 2017. Differentiating from most of our other environmental services projects which are operated under BOT or TOT model, the Ningbo Hazardous Waste Project is owned and operated by us. The project is equipped with two industrial hazardous waste incineration furnace, together with hazardous waste pre-treatment workshops and an automated guided vehicle (“AGV”) warehouse system, enabling the safe, efficient and standardized treatment of hazardous waste.

As of the Latest Practicable Date, the Ningbo Hazardous Waste Project had a waste treatment capacity of 46,800 tons of hazardous waste per year. As a testament to our technological capabilities and operational expertise, we were accredited as a High and New Technology Enterprise (高新技術企業) in 2024 and the Ningbo Hazardous Waste Project was recognized as a Ningbo Municipal Green Factory (寧波市綠色工廠) in 2023.

The following is a photo of this project:

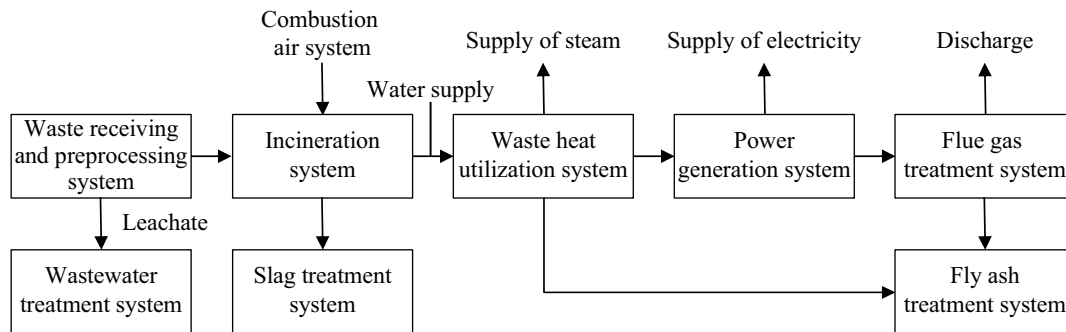


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Our Treatment Processes

I. Waste-to-energy Incineration

The following flowchart and summary illustrate the processes involved at our waste-to-energy incineration projects:



The process of waste-to-energy incineration engages multiple systems, each playing a critical role in turning solid waste into energy while minimizing environmental impact. These systems include:

1. **Waste receiving and preprocessing system:** For our waste-to-energy incineration project, vehicles transporting waste from collection points are directed to the designated receiving areas. This allocation is systematically managed based on real-time storage capacity, with necessary adjustments made proactively to accommodate any scheduled maintenance or repair activities affecting facility availability.

Upon arrival, waste is first weighed and deposited into a sealed storage pit, where it undergoes a controlled fermentation process lasting seven to ten days. This critical step facilitates leachate discharge, which in turn significantly improves subsequent combustion efficiency. To strictly prevent odor emissions, the unloading area is equipped with air curtains and negative pressure ventilation, ensuring that all exhaust gases are safely captured and directed into the incinerator for thermal combustion.

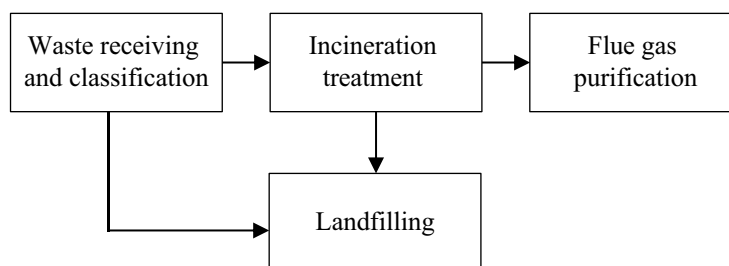
2. **Incineration system:** The actual incineration occurs on a mechanical grate system, engineered to ensure thorough and stable combustion of the material. The resulting residue, known as slag (or bottom ash), is efficiently discharged via a slag extractor and temporarily stored in a designated pit for subsequent specialized handling.
3. **Waste heat utilization system:** The high-temperature flue gases produced during incineration pass through a waste heat boiler, where they heat water to produce steam. A portion of the steam, after appropriate treatment, is supplied to customers through pipelines for heating.
4. **Power generation system:** The remaining portion of the steam generated from the waste heat boiler is used to drive a turbine generator, converting thermal energy into electrical energy. A portion of the electricity generated is used to power the facility, while the surplus is supplied to the public grid.

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5. *Flue gas purification system:* To ensure compliance with environmental standards, the flue gas undergoes a multi-stage purification process. This includes SNCR for nitrogen oxide removal, quenching and dry acid gas neutralization, activated carbon adsorption for dioxins and heavy metals, and baghouse filtration for particulate matter. The treated flue gas is then safely released into the atmosphere via a chimney.
6. *Slag treatment system:* After waste incineration, the resulting slag is safely transported to an off-site slag processing plant for comprehensive resources utilization.
7. *Fly ash treatment system:* Fly ash is subject to integrated solidification and stabilization treatment on-site, and once meeting the required standards, it is transported to designated landfill facilities for disposal.
8. *Wastewater treatment system:* The wastewater generated by the project is treated using a combined process that includes an anaerobic system, an external two-stage denitrification and nitrification system, nanofiltration membranes and reverse osmosis membranes, together with a dedicated treatment system for the volume reduction of nanofiltration and reverse osmosis concentrates. Once the treatment meets the required standards, all the water is reused. The concentrated liquid is re-injected into the incinerator as slurry.

II. Harmless Treatment of Solid Waste and Hazardous Waste

The following flowchart and summary illustrate the processes involved at our Leshan Hazardous Waste Project:



1. *Waste receiving and classification:* Upon arrival at the facility, hazardous waste undergoes laboratory testing and is classified based on its properties and characteristics before being directed to the appropriate core treatment line.
2. *Incineration treatment:* Following pretreatment and feeding, the waste is introduced into the rotary kiln and secondary combustion chamber for high-temperature destruction.
3. *Flue gas purification:* The resulting flue gas is treated through a purification system comprising SNCR denitrification, rapid quenching, acid gas neutralization, activated carbon adsorption and baghouse filtration, ensuring compliant emission.
4. *Landfilling:* Certain categories of hazardous waste are disposed of directly at designated hazardous waste landfill facilities. In addition, residues generated from the incineration process, including fly ash and slag, are collected, treated with required standards and subsequently disposed of at designated landfill facilities.

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Mode of Operation

We primarily enter into long-term and exclusive BOT or TOT concession agreements for our environmental services operation projects with municipal authorities and other project owners. This enables us to deliver large-scale, capital-intensive infrastructure projects with long-term revenue visibility and operational autonomy, and in the meantime align our business with national sustainability goals. We also entered into long-term exclusive cooperation agreements with the relevant municipal authorities, pursuant to which we are entitled to receive fees calculated based on the guaranteed household waste treatment volume, irrespective of the actual volumes processed. In addition, we entered into stable power purchase agreements with electricity off-takers, which ensure that electricity generated by our projects is fully offtaken. Our concession-based model, together with the minimum guaranteed household waste treatment volume, offers significant advantages. The long-term duration of our concession rights, combined with guaranteed baseline quantities, ensures predictable and stable cash flows, supporting long-term financial planning and investment returns. Concession agreements grant us full authority to design, build, operate, and maintain facilities, allowing us to implement advanced technologies and optimize performance. Meanwhile, minimum guaranteed treatment arrangements substantially mitigate demand-fluctuation risks and provide a more robust foundation for long-term operational and financial planning.

The following sets forth our major projects with concession agreements entered under the BOT or TOT model as of December 31, 2025:

Project name	Granting authority/company	Operation model	Concession term/contract term	Handover methods
Yueyang Project (phase I)	Yueyang Municipal Administration and Comprehensive Law Enforcement Bureau	BOT	2018 – 2048	Free transfer upon expiration
Yueyang Project (phase II)	Yueyang Municipal Administration and Comprehensive Law Enforcement Bureau	BOT	2022 – 2052	Free transfer upon expiration
Tianjin Project	Jinghai District Urban Appearance and Landscaping Administration Committee of Tianjin Municipality	BOT	2018 – 2048	Free transfer upon expiration
Hezhou Project	Hezhou Municipal Administration Bureau	BOT	2019 – 2048	Free transfer upon expiration
Jingmen Project	Jingmen Municipal Administration Bureau	BOT	2018 – 2048	Free transfer upon expiration
Neijiang Project	Neijiang Municipal City Management and Administrative Law Enforcement Bureau	BOT	2018 – 2046	Free transfer upon expiration
Puyang Project	Puyang Municipal City Management Bureau	BOT	2021 – 2051	Free transfer upon expiration
Yining Project	Yining Municipal Administration Bureau	BOT	2020 – 2050	Free transfer upon expiration
Hetian Project	Hetian Municipal Administration Bureau	BOT	2016 – 2046	Free transfer upon expiration
Guilin Medical Waste Project	A company principally engaged in the solid waste treatment	TOT	2014 – 2042	Free transfer upon expiration

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BOT

The BOT model refers to a project delivery method in which a government authority or original asset owner grants a private enterprise the concession rights to finance, design, construct, operate, and maintain infrastructure for a defined period. During the concession term, the enterprise recovers its investment and earns a reasonable return by charging service fees or user tariffs. Upon expiry of the concession period, the ownership and operational rights of the facility are transferred back to the government or original owner. This is the predominant model employed by us and is widely used across many of our projects. We believe that this BOT model allows us to combine public oversight with private sector efficiency, ensuring high-quality infrastructure delivery while maintaining alignment with public service objectives. It can also provide a structured framework for long-term investment recovery and performance accountability.

Below are certain key terms under our BOT contracts with our government customers:

<i>Duration:</i>	For BOT contracts, the concession period is about 22 to 30 years.
<i>Construction of facilities and land use right:</i>	These agreements would typically include a construction timeline. We would be responsible for financing, designing, and building the facilities, with actual construction timelines varying by location and project type. The government may assist in securing land use rights, construction permits, and other necessary approvals to facilitate project development.
<i>Government support:</i>	Certain agreements with local governments may outline the fee structure for our services. These agreements may also include commitments from the government to support the establishment of certain facilities, facilitate grid connection, assist in securing electricity offtake agreements with local power grid companies, and also support the construction of water supply infrastructure.
<i>Termination:</i>	The local government may terminate concession or investment agreements under certain conditions, which can vary by project. Throughout the Track Record Period and up to the Latest Practicable Date, we remained in compliance with all relevant terms of our concession and investment agreements in material aspects. As of the Latest Practicable Date, we have not received any notice from local government partners indicating any material breach that could lead to termination of these agreements.
<i>Arrangement at the end of the concession period:</i>	BOT concession agreements may impose on us an additional requirement to transfer ownership of the BOT facilities to the local government at the end of the concession period with nil consideration.

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TOT

The TOT model is a project structure in which the government, the state-owned enterprise or original asset owner transfers the operational rights or limited-term ownership of an already constructed facility to a private enterprise. The enterprise is responsible for operating and maintaining the facility during the concession period, during which it recoups its investment and earns a return. At the end of the term, the facility is returned to the government or original owner. We believe that this model is particularly effective for revitalizing underutilized or legacy infrastructure. It enables us to bring in operational expertise, upgrade systems where necessary, and optimize performance without the need for new construction. The TOT model also allows for rapid deployment of services and efficient use of existing public assets, while ensuring that long-term control remains with the public sector.

Below are certain key terms under our TOT contracts with our government customers:

<i>Duration:</i>	For TOT contracts, the concession period is about 28 years.
<i>Government support:</i>	The local government or the local state-owned enterprise would typically transfer the operational rights or limited-term ownership of an already constructed facility to a private enterprise.
<i>Termination:</i>	The local government or the local state-owned enterprise may terminate concession or investment agreements under certain conditions, which can vary by project. Throughout the Track Record Period and up to the Latest Practicable Date, we have remained in material compliance with all relevant terms of our concession and investment agreements. As of the Latest Practicable Date, we have not received any notice from local government or the local state-owned enterprise partners indicating any material breach that could lead to termination of these agreements.
<i>Arrangement at the end of the concession period:</i>	TOT concession agreements may impose on us an additional requirement to transfer ownership of the TOT facilities to the local government or the local state-owned enterprise at the end of the concession period.

Project Lifecycle

The following illustrates the typical lifecycle of our projects:

Stage 1	Stage 2	Stage 3	Stage 4
1. Initiative from government through negotiations or public tender 2. Budgeting and proposal review 3. Project acquisition and negotiation 4. Funding and capital structure	5. Obtain approval and proceed with construction (not applicable to TOT projects) 6. Trial operations and operational readiness	7. Project operations and maintenance 8. Facility-specific practices	9. Project transfer

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1. **Initiative from government through negotiations or public tender.** The starting point of a project, typically begins with a government initiative either through investment procedures, or via public tender. The government would conduct certain preliminary work, such as acquiring the land rights, conducting early stage feasibility studies, and devising the technical specifications of the new project in alignment with its goals. Should such information become available to us either via public tender, or through direct communications or invitation to tender, we will then conduct an internal assessment to evaluate a potential project’s economic viability and environmental impact. Key considerations include resource availability, applicable on-grid tariffs, transportation logistics, zoning and planning conditions, government and community relationships, construction costs, projected revenue, and overall profitability. For waste-to-energy and waste treatment projects, we prioritize regions with strong industrial activity or environmental challenges, where government support is typically more robust.
2. **Budgeting and proposal review.** Once a project is identified, we initiate a detailed budgeting process by studying project specifications, such as expected power output, waste treatment capacity, and site location, from the local government. Based on these inputs, we would prepare a technical plan and estimates on the total construction costs, including land, buildings, equipment, labor, and ancillary expenses. We would then adjust financial assumptions, such as interest rates, and forecasts project returns based on expected tariffs, treatment fees, and raw material costs. These projections are discounted to present value to calculate the internal rate of return.
3. **Project acquisition and negotiation.** As of the Latest Practicable Date, a majority of our projects were secured through local government procedures.
4. **Funding and capital structure.** We are responsible for securing financing for the development and construction of our BOT projects. During the Track Record Period, we financed our projects through a combination of internal resources and loans.
5. **Obtain approval and proceed with construction.** Before construction begins, each project must obtain a series of regulatory approvals, including feasibility assessments, environmental impact evaluations, land planning and use permits, construction planning approvals, and permits to commence construction. Local governments generally assist in securing these approvals. Prior to commercial operation, projects must pass completion inspections, obtain construction completion certificates, and complete environmental and fire safety acceptance procedures. Additional licenses, such as electricity generation and operation permits, must also be secured before operations can officially begin. We will oversee the entire construction process, ensuring safety, quality, progress, and cost control. We are responsible for selecting independent contractors and equipment suppliers, implementing centralized procurement policies, and managing the installation and testing of systems. We would engage third-party contractors for design, construction, and supervision, while equipment suppliers handle manufacturing, delivery, and commissioning. Government authorities may conduct inspections and audits throughout the construction phase to ensure compliance with regulatory and quality standards. It is important to note that the construction and commissioning stages described above do not apply to TOT projects. These facilities are already built and transferred to us in operational condition, allowing us to focus solely on operation and maintenance without the need for initial development or construction activities.

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6. **Trial operations and operational readiness.** Once construction and equipment installation are complete, we conduct trial operations to evaluate performance against environmental, technical, and capacity benchmarks outlined in the concession or investment agreements. During this phase, we also recruit and train operational staff, establish standard operating procedures, and prepare documentation. If the facility meets all performance and compliance requirements, commercial operations commence upon receipt of the final approvals and licenses. Revenue may be recorded during the trial operation period.
7. **Project operations and maintenance.** We operate and maintain our facilities in accordance with the technical specifications of the equipment and the operational requirements of each project. Our approach emphasizes safety, reliability, and compliance with regulatory standards. We engage third-party service providers to perform routine inspections, monitoring, and maintenance of critical systems. In addition to regular upkeep, we plan and execute major overhauls and technical upgrades as needed to ensure long-term operational stability. These activities are scheduled based on equipment condition and performance trends, and are funded directly by us as part of our ongoing commitment to asset integrity.
8. **Facility-specific practices.** For waste-to-energy incineration projects, we implement continuous monitoring systems and conduct regular maintenance on core components such as incinerators, boilers, turbines, and emission control units. Predictive overhauls may also be initiated when monitoring data indicates potential issues, and targeted repairs are carried out promptly in the event of unexpected failures or damage. Maintenance is typically performed on specific equipment components when faults occur or when they reach the end of their service life, allowing for continued operation with minimal disruption. Across all projects, we ensure that gas emissions and wastewater discharge remain within permitted limits through periodic inspections, system upgrades, and adherence to regulatory standards.
9. **Project transfer.** Under our BOT project agreements, we are contractually obligated to transfer the completed facilities to the local government at the end of the concession period. This transfer must occur with the facilities in proper working condition, and we are also required to provide operational manuals, technical documentation, and training to ensure a smooth handover. In the case of TOT projects, the facilities are already constructed and transferred to us at the outset. We are responsible for operating and maintaining them during the agreed period, after which they are returned to the government. While we do not build these facilities, we are still required to ensure they are returned in good condition, often with restoration, replacement and maintenance made during our operational tenure.

Environmental Engineering Services

We also provide environmental engineering services such as landfill construction, soil and groundwater remediation, wastewater treatment, organic waste treatment and flue gas treatment, which provides efficient and sustainable solutions to our customers with improved regulatory compliance and environmental quality. In 2023, 2024 and 2025, the revenue generated from our environmental engineering services accounted for 23.5%, 11.3% and 7.5% of our total revenue, respectively.

Our services are provided with highest national and international standards. Our Suzhou Qizishan project, for example, was recognized with the prestigious National Municipal Golden Cup Demonstration Engineering Award (全國市政金杯示範工程) in 2015 by the China Municipal Engineering Association (中國市政工程協會). Internationally, our Myanmar Letpadaung Copper Mine project was honored with the Luban Prize for China Construction Engineering (中國建設工程魯班獎) in 2021 by the China Construction Industry Association (中國建築業協會), which is the country’s premier construction award. Moreover, our projects such as the Tengger Desert Environmental Restoration project, the Xiawan Port Ecological Governance project underscored our excellence in high-quality construction, environmental compliance, and operational reliability.

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The following sets out the showcase projects of our environmental engineering services during the Track Record Period:

I. Liulitun Project

Liulitun Project is a landmark risk mitigation project implemented at the Liulitun solid waste sanitary landfill site in Beijing. We are responsible for the design and construction of an integrated vertical seepage prevention and risk control system, including the implementation of a vertical cut-off barrier system, demolition and reinstatement of perimeter fencing, river channel restoration, and landscaping and soil restoration works, to prevent the migration of contaminants from the Liulitun landfill site and mitigate adverse impacts on the surrounding environment.

Under this project, we adopted the flexible vertical pollution control barrier system, an advanced pollution prevention and control technology included in the 2020 National Catalogue of Advanced Pollution Prevention and Control Technologies (國家先進污染防治技術名錄) issued by the Ministry of Ecology and Environment of the PRC. The system has a total length of approximately 2,722 meters, an average depth of approximately 41 meters and a maximum depth of 54 meters, forming an integrated vertical seepage control plane to effectively prevent the migration of contaminants. We provide our services under an engineering and construction agreement with a total contract value of RMB267.9 million.

The Liulitun Project marks Beijing’s first flexible vertical pollution control project and represents the deepest isolation barrier implemented in a municipal solid waste landfill in China. The key technologies applied in the Liulitun Project were awarded the Second Prize Huaxia Construction Science and Technology Awards (華夏建設科學技術獎二等) in 2024.

II. Xinyi Project

Xinyi Project is a waste remediation and utilization project, which is located in Xinyi city, Guangdong province. The Xinyi Project serves as a demonstration of comprehensive engineering-services of stockpile landfill remediation, resource recovery and deep leachate treatment in the region. We provide design and construction services under this project. In particular, our principal design and construction work include the excavation and screening of approximately 400,000 m³ of stockpiled waste, the treatment and disposal of all screened fractions, the collection and treatment of approximately 40,000 tons of leachate and the subsequent restoration and reuse of the site.

The Xinyi Project is supported by a series of integrated remediation and advanced treatment technologies. For stockpiled waste, we adopt a “classified screening and resource utilization” process to separate and recover different fractions of stockpiled waste. For leachate, we apply a “pre-treatment plus dual-stage disk-tube-reverse-osmosis plus mechanical-vapor-recompression evaporation system plus residue solidification” process to achieve full-volume treatment and minimize secondary pollution.

RESEARCH AND DEVELOPMENT

We are dedicated to technological innovation and the continuous development of new products and services. In 2023 and 2024 and 2025, our R&D expenses amounted to RMB324.0 million, RMB509.1 million, and RMB458.5 million, representing 3.1%, 3.5%, and 3.1% of our total revenue, respectively, in the each year during the Track Record Period. We plan to maintain substantial investment in R&D to drive continuous innovation and strengthen our core competitiveness.

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R&D Collaboration

We collaborate with prestigious academic institutions and research academies to jointly develop core technologies that address critical industry challenges. We successfully led eight major national and provincial-level research projects covering key areas such as soil restoration, underground water treatment, and solid waste resource utilization.

Specifically, at the provincial level, our key projects include the “Key Technology Breakthrough and Industrialization for Collaborative Efficient Green Smelting of Lead-based Solid Waste Resources” (甘肅省科技重大專項計畫-鉛基固廢資源協同高效綠色冶煉關鍵技術攻關及產業化) in partnership with the Northwest Research Institute of Mining and Metallurgy; the “R&D and Demonstration of In-situ Microwave Thermal Desorption Technology and Equipment for Complex Organic Contaminated Sites” (天津市科技計畫-複合有機污染場地原位微波熱脫附技術與裝備研發及示範) with Nankai University; and the “Deep Processing of Fine Bismuth and Production of Ultra-pure Micron-level 4N Bismuth Trioxide Project” (精銻精深加工生產超純微米級4N三氧化二銻項目) with Lanzhou University of Technology.

Under the National Key R&D Program (國家重點研發計劃), we are conducting the “Full-scale Demonstration of Enhanced Multi-phase Extraction and Purification Technology for Typical Sites” (典型場地強化多相抽提與淨化技術全流程規模化示範) in collaboration with Shanghai University and Nanjing University. We are also undertaking the “Research on In-situ Collaborative Restoration Technologies for Heavily Polluted Areas in Large Complex Petrochemical Sites” (大型複雜石化場地重污染區原位協同修復技術研究) with the Chinese Research Academy of Environmental Sciences. We are also working on the “Optimization and Verification of Collaborative Restoration Mechanisms for Multi-media Soil-Water Pollution” (場地土壤-水污染多介質組合技術優化協同整治機制與驗證) with the CAS Nanjing Institute of Soil Science, Nanjing University, and China University of Geosciences; the “Engineering Demonstration of In-situ Synchronous Restoration of Underground Water in Organic Contaminated Sites” (有機污染場地地下水原位同步修復工程示範) with Chengdu University of Technology; as well as the “Application Demonstration and Safety Evaluation of Selective Detoxification using Nano-photocatalytic Materials” (納米光催化材料選擇性脫毒的應用示範與安全性評價) with the University of Science and Technology of China, East China University of Science and Technology, and Tongji University.

In addition, we have also established a recognized research base, which have been approved to operate our own Postdoctoral Research Station in Zhongguancun Science Park (中關村科技園區海澱園博士後工作站分站). We have a highly capable team with strong problem-solving abilities. We have also established a postdoctoral innovation and entrepreneurship base to promote the industrialization of advanced technologies. As of December 31, 2025, our Company and our major subsidiaries had 493 patents, 37 software copyrights, 55 trademarks and three domain names in China. Furthermore, we made significant contribution in formulating industry standards by either leading or participating in the drafting of 103 international, national, industry, and organizational standards and technical specifications. We led the development and application of new technologies in project construction, ensuring quality and timely delivery.

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Key Technologies

Through continuous research and technical breakthroughs, we have addressed complex challenges in resources recycling and utilization, environmental services projects and environmental engineering services, contributing significantly to technological progress in the industry. After years of continuous R&D investment, our key technologies are listed below:

Key Technologies	Achievements
In-situ Monitoring and Control Technology and Equipment for Gas-Liquid Induced Disasters in Solid Waste Landfills	We have achieved a significant breakthrough in the safety and long-term service of solid waste landfills. By developing core technologies such as “source regulation and long-term inhibition of gas-liquid induced disasters,” we have fundamentally shifted from passive remediation to active prevention and control. Through precise identification and systematic regulation of the generation, migration, and accumulation processes of gases and leachate within the landfill body, we suppress gas-liquid coupled disaster risks from the source. This technology possesses forward-looking regulation and long-term protection capabilities, which can reduce the probability of disasters such as leakage, landslides, and explosions, enhance structural stability, extend the safe service life of landfills, and provide reliable assurance for the long-term safe operation of large-scale and aged landfills. It meets the industry’s urgent demand for high-standard environmental safety. This technology was awarded the Second Prize of the National Technology Invention Award (國家技術發明獎二等獎) in 2024.
Key Technologies and Applications for Systematic Prevention, Control, and Enhanced Remediation of Groundwater Pollution in Landfills	We have achieved a significant breakthrough in the prevention, control, and remediation of groundwater pollution in landfills, successfully developing a vertical flexible composite barrier system and a precise source extraction and treatment technology for pollutants. This technology effectively addresses long-standing engineering challenges such as deep insertion of flexible membranes, sealed system connections, and pollutant bypass flow, thereby enhancing the overall performance and reliability of the anti-seepage system. While achieving the goal of “approaching zero infiltration,” it also reduces comprehensive engineering costs. This technology was awarded the Second Prize of the National Science and Technology Progress Award (國家科學技術進步獎二等獎) in 2017.
Development and Application of Key Technologies for Synergistic Utilization of Multi-Source Solid Waste from Copper-Lead-Zinc Smelting	We have achieved major breakthroughs in key technologies such as precision sorting of precious metals and synergistic control of multi-media pollution, enabling the precise and coordinated smelting of multi-source solid waste. This technology has significantly increased the recovery rate of recycled metals and addresses critical industry challenges, including low metal recovery rates, difficulties in controlling hazardous components, and high costs of resource-based disposal. Leveraging this innovation, we have established a closed-loop operation for recycling copper-, lead-, and zinc-containing waste, which has been implemented across our production bases in Gansu, Hubei, Jiangxi, and other regions in China. This technology was awarded the First Prize of Gansu Provincial Science and Technology Progress Award (甘肅省科技進步一等獎) in 2022.

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Key Technologies

Achievements

Development and Engineering
Application of Resource
Recovery and Environmentally
Sound Treatment Technology for
Complex Zinc-Bearing Lead-
Based Solid Waste

We have made significant breakthroughs in the resource utilization of complex zinc-containing lead-based solid waste, successfully developing an integrated treatment process covering intensified smelting, efficient dust collection, and hydrometallurgical purification. This technology effectively addresses common industry challenges such as the complex composition of zinc-containing lead-based solid waste, high pollution risks, and difficulties in resource recovery. Through the synergistic application of specialized additives, precise kiln control, and an efficient flue gas purification system, it achieves the integration of high-efficiency extraction of valuable metals and environmentally harmless treatment throughout the entire process. Leveraging this technology, we have successfully constructed and stably operated an industrial production line, establishing a comprehensive technology and equipment system along with standardized protocols. This provides reliable technical support and a demonstration effect for the green transformation and upgrading of related industries. The technology was awarded the Second Prize of the China Non-ferrous Metals Industry Science and Technology Award (中國有色金屬工業科學技術二等獎) in 2023.

Optimization and Application of
Multimetallic Cascade Recovery
Process in Hydrometallurgical
Zinc Purification

To address the enrichment and recovery of rare and precious metals during the hydrometallurgical zinc process, we systematically investigated the occurrence states of these metals in smelting slag and flue dust, elucidated the physicochemical mechanisms governing their volatilization and enrichment, and developed a novel multi-stage high-efficiency enrichment process along with a complete set of technologies. This enables the efficient and synergistic recovery of multiple valuable metals during zinc hydrometallurgy. By integrating multi-stage directional separation and enrichment methods during the purification phase, the process significantly improves overall metal recovery efficiency and product purity, while effectively controlling pollutant emissions and reducing environmental risks. It also enhances the overall stability and adaptability of the system, providing viable technical support for the resource utilization of complex polymetallic materials. This technology was awarded the Third Prize of the Gansu Provincial Technology Invention Award (甘肅省技術發明獎三等獎) in 2023.

BUSINESS

Key Technologies

Achievements

Development and Application of Key Technologies for Low-Carbon Smelting and High-Efficiency Resource Recovery of Heavy Metal-Bearing Hazardous Waste

We have systematically investigated the physicochemical reactions involved in the oxygen-enriched smelting of heavy metal hazardous waste. Through innovations in the smelting system and process control, we have achieved low-carbon treatment and multi-component resource synergistic recovery of heavy metal hazardous waste. Focusing on energy consumption optimization and emission control during smelting, key breakthroughs have been made in pre-treatment, molten-state reduction, and flue gas purification, significantly improving the recovery rate of valuable metals while reducing the risk of secondary pollution. This technology effectively integrates resource recycling with carbon emission reduction, enhances the stability and environmental friendliness of the entire process, and provides critical technical support for the large-scale and clean resource utilization of heavy metal hazardous waste. The technology was honored with the Third Prize of the Hubei Provincial Science and Technology Progress Award (湖北省科學進步獎三等獎) in 2024.

Key Technologies and Demonstration Applications for Pollution Barrier and Ecological Remediation of Non-ferrous Metallurgical Solid Waste Dump Sites

We have successfully developed and scaled up the application of an integrated barrier technology system featuring “flexible vertical anti-seepage + horizontal barrier anti-seepage.” This system focuses on the environmental risk prevention and control of waste dumps. Through dump reshaping and stabilization, combined with flexible vertical barriers and surface horizontal sealing, and complemented by rainwater drainage and leachate collection and treatment systems, it constructs an integrated aboveground-underground barrier. This effectively blocks pollution sources and intercepts migration pathways, ultimately achieving ecological Remediation through soil covering and revegetation. This technology was awarded the First Prize of the China Non-ferrous Metals Industry Science and Technology Award (中國有色工業科學技術獎一等獎) in 2022.

Research and application of precise detection technologies for key risk sources of hazardous waste leakage and long-term remediation technologies for groundwater pollution

We have successfully developed “segmented slow-pressure in-situ reagent injection technology and equipment,” addressing industry challenges in deep groundwater pollution remediation such as low reagent transport efficiency, long cycles, and high costs. This technology targets complex conditions of low temperature, low oxygen levels, and significant variability in pollutant mobility in groundwater. Through innovative injection mechanisms, it enhances the uniform distribution of reagents in the stratum and their targeted removal capability, avoiding issues of remediation tailing and unstable effectiveness. The technology exhibits good deep adaptability and process controllability, achieving efficient remediation while reducing treatment costs and secondary risks. This technology was awarded the Second Prize of the Environmental Protection Science and Technology Award (環境保護科學技術獎二等獎) in 2023.

BUSINESS

Key Technologies

Achievements

Key Technologies and Applications for Comprehensive Management and Control of Heavy Metal Pollution in Historically Accumulated Solid Waste from Electronic Waste Dismantling Areas

We have achieved a significant technological breakthrough in the remediation of historically accumulated heavy metal solid waste, successfully developing an “efficient risk management and control technology system.” This system systematically addresses multiple industry challenges in the containment, sealing, and stabilization treatment of solid waste from electronic dismantling and lead-zinc solid waste. The technology effectively overcomes issues such as poor in-situ injection performance of traditional barrier materials in rock fissures, the inability of cement to solidify in high-sulfate environments, and the high ecological toxicity of chemical grouts. It also resolves problems associated with conventional heavy metal stabilization technologies, including high costs, large volume increase ratios, complex processes, and insufficient long-term stability. This provides a reliable overall solution for the safe management and green remediation of historically heavy metal-contaminated sites. This technology was awarded the Second Prize of the Environmental Protection Science and Technology Award (環境保護科學技術獎二等獎) in 2022.

Combined Chemical Leaching and Chemical Reduction Technology for Remediating Contaminated Soil

We have achieved a significant technological breakthrough in the remediation of heavily hexavalent chromium-contaminated soil, developing a combined chemical leaching-reduction remediation technology based on intelligent monitoring and stage switching. This technology, through precise control of the leaching and reduction processes, combined with low liquid-to-solid ratio spraying and reagent recycling, reduces water consumption, reagent dosage, and operational costs, while improving the removal and reduction efficiency of hexavalent chromium. It effectively addresses engineering challenges in traditional methods, such as incomplete reactions and difficulties in solid-liquid separation, providing an efficient solution for the rapid and safe redevelopment of contaminated sites. This technology has been included in the 2023 List of Practical Technologies and Demonstration Projects for Ecological and Environmental Protection (2023生態環境保護實用技術與示範工程名錄).

BUSINESS

SALES AND CUSTOMERS

Sales Network

We maintain a dedicated sales team, primarily based in the PRC, which is responsible for direct communication with our customers. Our sales personnel engage with customers to obtain their specific product or service requirements and negotiate the terms of sales. Our selling and marketing expenses amounted to RMB143.6 million, RMB97.7 million and RMB106.4 million in 2023, 2024 and 2025, respectively, accounting for 1.4%, 0.7%, and 0.7% of total revenue, respective, in each year during the Track Record Period.

Our Customers

During the Track Record Period, our customers primarily include 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. The salient terms of standard sales agreements are set out as below.

Resources Recycling and Utilization

- **Quality of the products.** The quality of the products shall comply with the specific standards agreed between us and our customers.
- **Delivery.** We are usually responsible for delivering the goods to the location designated by the customers or, where agreed, the customers arrange for self-pickup. The allocation of risks during transportation is determined in accordance with the relevant contractual arrangements.
- **Price.** Prices of the product are usually determined by reference to SMM/SHFE prices.
- **Payment Terms.** Customers usually pay us by bank transfer with an advance payment before shipping, and the remaining balance after the goods are delivered and accepted.
- **Product Return/Exchange.** We offer return and exchange services in case of quality issues with our products.
- **Confidentiality.** We usually set confidentiality clauses with customers and such obligation shall continue to exist regardless of the termination of the agreement.

Environmental Services Projects Operation

- **Term.** Generally 22 to 30 years.
- **Scope of Service.** We are responsible for building the facilities, as well as operating and maintaining the project.
- **Price.** Prices of the project are usually comprise service fees for sales of electricity, sales of steam and treatment of waste.
- **Payment Method.** Customers usually pay us by bank transfer after we submit a valid invoice and upon acceptance of the service, as detailed in the payment schedule in the specific concession or service agreement.

BUSINESS

Environmental Engineering Services

- **Scope of Service.** We are responsible for providing full-process design, procurement and construction services, and assume overall responsibility for project quality, safety, progress and cost control.
- **Price.** Prices of the project usually comprise design fees, material and equipment procurement costs, construction and installation expenses, as well as other relevant charges.
- **Payment Method.** Customers generally pay us by bank transfer and payments are usually structured as an advance payment followed by periodic installment payments.
- **Performance Bond.** A performance bond is usually required from us, which generally does not exceed 3% of the total contract value.

Pricing

For the recycling of metal resources, we primarily price our products by referencing to the SMM/SHFE prices over an agreed period as the metal pricing benchmark, together with the applicable procurement coefficients; while for the recycling of non-metal resources, we primarily price our products by referencing to estimated production costs, our integrated competitive advantages, the prevailing competitive landscape, payment risks and settlement terms.

For the operation of environmental services projects, we primarily price our projects by referencing to expected project returns, the local population and waste-generation scale, potential incremental revenue beyond the BOT or TOT scope, the payment capacity and credit profile of the relevant municipal authorities or project owners, the likelihood of subsequent expansion phases and other project-specific conditions.

For the environmental engineering services, we primarily price our projects by referencing to the costs, profit margin, intensity of competition, tendering requirements and other project-specific conditions.

Furthermore, we periodically review our operating costs to ensure our prices are up-to-date and reflective of current market conditions. This allows us to adjust prices as necessary to meet our business needs and maintain our competitive edge. We do not consider ourselves to be heavily exposed to credit risks and payment collection risks from our customers. As our standard practice, we generally request advance payment from our customers, while also providing them with a credit period up to 90 days. This credit period is subject to various factors, including their background, reputation within the industry, payment history, creditworthiness, and the duration of our business relationship with them.

During the Track Record Period, most of our environmental services projects and environmental engineering projects were secured by tender or quotations. In 2023, 2024 and 2025, we submitted 117, 90 and 53 tenders and quotations and were awarded 59, 33 and 25 projects, respectively. Our overall success rate for the tenders and quotations submitted was approximately 50.4%, 36.7% and 47.2% in 2023, 2024 and 2025, respectively.

BUSINESS

After-sales

We value customer experience and are dedicated to offering attentive customer service to our customers. We employ a comprehensive system and our sales personnel are committed to ensuring that our customers receive prompt and effective assistance. We offer after-service support and operational assistance in case of quality issues with our products or services. During the Track Record Period, we have not received any material complaints or product returns from our customers. We believe that we have provided satisfying products and customer services to our customers.

Major Customers

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. 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.

The tables below set out the basic information of our top five customers during the Track Record Period.

For the year ended December 31, 2025

Customer	Product sold provided by us	Customer background	Revenue (RMB'000)	% of total revenue %	Year of commencing business relationship
Customer A	Metal products	A company that is primarily engaged in the sale of metal products	1,011,281	6.9	2024
Customer B	Metal products	A state-owned enterprise that is primarily engaged in the processing of copper products, currently listed on the Shanghai Stock Exchange	877,409	6.0	2023
Customer C	Metal products	A company that is primarily engaged in the sale of metal products, currently listed on the Shanghai Stock Exchange	720,886	4.9	2023
Customer D	Metal products	A company that is primarily engaged in the sale of metal products	683,827	4.6	2018
Customer E	Electricity	A state electricity corporation that is primarily engaged in the generation and supply of electricity and heat	544,343	3.7	2018
Total			<u>3,837,746</u>	<u>26.1</u>	

BUSINESS

For the year ended December 31, 2024

Customer	Product sold provided by us	Customer background	Revenue (RMB'000)	% of total revenue %	Year of commencing business relationship
Customer B	Metal products	A state-owned enterprise that is primarily engaged in the processing of copper products, currently listed on the Shanghai Stock Exchange	1,714,816	11.8	2023
Customer F	Metal products	A company that is primarily engaged in the sale of metal products	941,646	6.5	2023
Customer D	Metal products	A company that is primarily engaged in the sale of metal products	728,080	5.0	2018
Customer I	Polymer materials, packaging materials and equipment	A company that is primarily engaged in the provision of construction materials and construction services, currently listed on the Shenzhen Stock Exchange	554,032	3.8	2016
Customer G	Metal products	A company that is primarily engaged in the sale of metal products	533,777	3.7	2024
Total			4,472,350	30.8	

For the year ended December 31, 2023

Customer	Product sold provided by us	Customer background	Revenue (RMB'000)	% of total revenue %	Year of commencing business relationship
Customer B	Metal products	A state-owned enterprise that is primarily engaged in the processing of copper products, currently listed on the Shanghai Stock Exchange	1,035,075	9.8	2023
Customer D	Metal products	A company that is primarily engaged in the sale of metal products	795,530	7.5	2018
Customer I	Polymer materials, packaging materials and equipment	A company that is primarily engaged in the provision of construction materials and construction services, currently listed on the Shenzhen Stock Exchange	632,132	6.0	2016
Customer E	Electricity	A state electricity corporation that is primarily engaged in the generation and supply of electricity and heat	558,255	5.3	2018
Customer H	Metal products	A company that is primarily engaged in the sale of metal products	551,204	5.2	2023
Total			3,572,196	33.8	

BUSINESS

As of the Latest Practicable Date, Mr. Li, chairman of the Board, our executive Director and our single largest Shareholder, held approximately 20.2% interest in Customer I. Save as disclosed, to the knowledge of our Directors, as of the Latest Practicable Date, none of our Directors and their respective associates or any Shareholders holds more than 5% of our issued share capital had any interests in any of our five largest customers in each year of the Track Record Period.

SUPPLY CHAIN MANAGEMENT

We place great importance on our supply chain management in enhancing our competitive edge. We aim to procure goods and services that meet production and operational needs in a timely, location-appropriate, quality-assured, and cost-effective manner. Our supply chain management ensures that product quality, delivery times and services consistently meet our requirements.

Our suppliers primarily consist 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.

Raw Materials

For the recycling of metal resources, we source a diverse range of raw materials from suppliers located primarily in regions with concentrated non-ferrous metals industries and abundant upstream and downstream resources, such as Gansu province and Jiangxi province. The key raw materials for our products include metal-bearing industrial waste and residues generated during industrial production. For the recycling of non-metal resources, the key raw materials for our products include discarded tires, airbag fabrics and textiles of end-of-life vehicles and used medical infusion containers.

For our environmental services projects, the primary feedstock comprises household waste collected through local government collection systems and delivered to our waste-to-energy facilities in accordance with the relevant concession or service agreements. For our environmental engineering services, the principal materials used include construction materials such as geomembrane, bentonite, waterproof blankets and other project-specific engineering supplies sourced from qualified suppliers.

Supplier Selection and Procurement Control

We select our suppliers based on various factors, including but not limited to product or service quality, pricing, delivery time and supply chain traceability, to ensure the quality of the goods and services. We have a list of approved suppliers, which is maintained and updated on a periodical basis by our procurement team. In addition, we also regularly review and evaluate our suppliers and their product quality to ensure they abide by our quality standard and will continue to satisfy our production and future development needs. We procure different raw materials and services from multiple suppliers in mitigating the risk of single supplier reliance and ensuring the timely delivery of our products, thereby enhancing customer satisfaction.

In addition, we also follow a structured process in selecting subcontractors, which typically involves competitive tendering, qualification review, and technical and safety assessments. Only subcontractors that meet our requirements in terms of experience, licensing, project track record, financial stability and quality assurance capabilities are shortlisted. We further monitor their performance through ongoing on-site supervision, periodic evaluations and strict quality-control measures to ensure that subcontracted works comply with our engineering, safety and environmental standards.

BUSINESS

To enhance the integrity of our supply chain network, we have established anti-kickback policies and procedures. These measures include a zero-tolerance policy, supply agreements strictly prohibiting bribery and kickbacks, and severe penalties including termination for any breaches. We have established a reporting mechanism involving a code of conduct with suppliers, allowing both suppliers and employees to report instances of bribery or kickbacks directly to management.

The goods and services are primarily determined by negotiation based on the market price and the quantity of our procurement. In the event of significant price fluctuations in the market, prices may be adjusted, subject to both parties’ mutual agreement, with reference to the market prices.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any quality and delivery issues, significant shortages or delays with the goods and services that materially affected our operations. The salient terms of standard procurement agreements are set out as below.

Resources Recycling and Utilization

- ***Quality assurance.*** The quality of products shall comply with the specific standards agreed between us and our suppliers.
- ***Delivery.*** Our suppliers are usually responsible for delivering the goods to the location designated by us.
- ***Price.*** Prices of the product are usually determined by reference to the SMM/SHFE prices.
- ***Payment Terms.*** We typically pay our suppliers by bank transfer, with an advance payment made before delivery. The remaining balance is settled after the goods are received, inspected, and quality is confirmed and upon receipt of the full-value VAT invoice.
- ***Return/Exchange.*** We are entitled to return and exchange services in case of quality issues with our products.

Operation of Environmental Services Projects

- ***Scope of Service.*** Our suppliers are engaged to provide environmental-related services and products, such as environmental testing and monitoring services and the supply, transportation and handling of waste-related materials, in accordance with the specifications, standards and requirements set out in the relevant contracts.
- ***Payment Method.*** We usually pay our suppliers by bank transfer on a quarterly basis, following the completion of the relevant services or delivery of products and acceptance by us, and subject to the receipt of valid invoices in accordance with the relevant contracts.
- ***Termination.*** Contract may terminate for force majeure, material breach or changes in laws governmental policies, with rights and obligations settled per contract.

BUSINESS

Environmental Engineering Services

- **Scope of Service.** Suppliers are responsible for providing full-process design, procurement and construction services, and assume overall responsibility for project quality, safety, progress and cost control.
- **Price.** Prices of the project usually comprise design fees, material and equipment procurement costs, construction and installation expenses, as well as other relevant charges.
- **Payment Method.** We usually settle payments to our suppliers by bank transfer in instalments.
- **Performance Bond.** A performance bond is usually withheld by us, which generally does not exceed 5% of the total contract value.

Major Suppliers

Purchases from our five largest suppliers for each year during the Track Record Period accounted for approximately 18.0%, 16.2% and 22.4% of our total purchases. Purchases from our largest supplier for each year during the Track Record Period accounted for approximately 7.2%, 5.0% and 7.2% of our total purchases.

For the year ended December 31, 2025

Supplier	Product procured by us	Supplier background	Purchase amount (RMB'000)	% of total purchase amount %	Year of commencing business relationship
Supplier A	Metal containing waste	A company that is primarily engaged in the production of non-ferrous metals	966,180	7.2	2022
Supplier B	Metal containing waste	A large state-owned enterprise that is primarily engaged in the production of non-ferrous metals	720,549	5.4	2017
Supplier C	Metal containing waste	A company that is primarily engaged in the production of non-ferrous metals	714,109	5.3	2023
Supplier D	Metal containing waste	A company that is primarily engaged in the production of non-ferrous metals	365,308	2.7	2022
Supplier E	Electricity	A state electricity corporation that is primarily engaged in the generation and supply of electricity and heat	243,791	1.8	2003
Total			<u>3,009,937</u>	<u>22.4</u>	

BUSINESS

For the year ended December 31, 2024

Supplier	Product procured by us	Supplier background	Purchase amount (RMB'000)	% of total purchase amount %	Year of commencing business relationship
Supplier A	Metal containing waste	A company that is primarily engaged in the production of non-ferrous metals	627,600	5.0	2022
Supplier B	Metal-containing materials	A large state-owned enterprise that is primarily engaged in the production of non-ferrous metals	548,250	4.3	2017
Supplier F	Metal-containing materials	A company that is primarily engaged in the production of non-ferrous metals	314,782	2.5	2023
Supplier C	Metal-containing materials	A company that is primarily engaged in the production of non-ferrous metals	292,268	2.3	2023
Supplier D	Metal-containing materials	A company that is primarily engaged in the production of non-ferrous metals	265,044	2.1	2022
Total			<u>2,047,944</u>	<u>16.2</u>	

For the year ended December 31, 2023

Supplier	Product procured by us	Supplier background	Purchase amount (RMB'000)	% of total purchase amount %	Year of commencing business relationship
Supplier B	Metal-containing materials	A large state-owned enterprise that is primarily engaged in the production of non-ferrous metal	779,248	7.2	2017
Supplier F	Metal-containing materials	A company that is primarily engaged in the production of non-ferrous metal	327,126	3.1	2023
Supplier G	Metal-containing materials	A company that is primarily engaged in the production of non-ferrous metal	310,725	2.9	2021
Supplier H	Metal-containing materials	A company that is primarily engaged in the production of non-ferrous metal	305,835	2.9	2022
Supplier E	Electricity	A state electricity corporation that is primarily engaged in the generation and supply of electricity and heat	207,875	1.9	2003
Total			<u>1,930,809</u>	<u>18.0</u>	

To the knowledge of our Directors, as of the Latest Practicable Date, none of our Directors and their respective associates or any Shareholders holding more than 5% of our issued share capital had any interests in any of our five largest suppliers in each year of the Track Record Period.

BUSINESS

OVERLAPPING OF CUSTOMERS AND SUPPLIERS

Customer B was one of our five largest customers in 2023, 2024 and 2025. Meanwhile, Customer B was also a supplier of our Company in each year during the Track Record Period. Customer B is a company engaged in the processing of copper products in China. We primarily sold metal products to Customer B and primarily procured metal-containing materials from it. In 2023, 2024 and 2025, our sales to Customer B amounted to RMB1,035.1 million, RMB1,714.8 million and RMB877.4 million, respectively, accounting for 9.8%, 11.8% and 6.0% of our total revenue for the same years, respectively. In 2023, 2024 and 2025, our purchases from Customer B amounted to RMB19.2 million, RMB23.4 million and RMB27.4 million, accounting for 0.2%, 0.2% and 0.2% of our total purchases for the same years, respectively.

Customer E was one of our five largest customers in 2023 and 2025 and a customer of our Company in 2024. Meanwhile, Customer E was also one of our five largest suppliers, namely Supplier E in 2023 and 2025 and a supplier of our Company in 2024. Customer E is a state electricity corporation engaged in the generation and supply of electricity and heat in China. We primarily sold electricity generated by our waste-to-energy incineration projects to Customer E and primarily use electricity supplied by Customer E to support our operations. In 2023, 2024 and 2025, our sales to Customer E amounted to RMB558.3 million, RMB530.9 million and RMB544.3 million, respectively, accounting for 5.3%, 3.7% and 3.7% of our total revenue for the same years, respectively. In 2023, 2024 and 2025, our purchases from Customer E amounted to RMB207.9 million, RMB256.7 million and RMB243.8 million, accounting for 1.9%, 2.0% and 1.8% of our total purchases for the same years.

Supplier B was one of our five largest suppliers in 2023, 2024 and 2025 and a customer of our Company during the Track Record Period. Supplier B is a company engaged in the manufacturing of non-ferrous metals in China. We primarily sold copper matte and gold ingots to Supplier B and primarily procured metal-containing materials from it. In 2023, 2024 and 2025, our purchases from Supplier B amounted to RMB779.2 million, RMB548.3 million and RMB720.5 million, respectively, accounting for 7.2%, 4.3% and 5.4% of our total purchases for the same years, respectively. In 2023, 2024 and 2025, our sales to Supplier B amounted to RMB126.9 million, RMB155.7 million and RMB163.7 million, accounting for 1.2%, 1.1% and 1.1% of our total revenue for the same years, respectively.

Customer I was one of our top five customers in 2023 and 2024. Meanwhile, Customer I was also our supplier throughout the Track Record Period. Customer I is a company listed on the Shenzhen Stock Exchange and primarily engaged in the provision of construction materials and construction services. We primarily sold polymer materials, packaging materials and equipment to Customer I and primarily procured waterproofing engineering services from it. In 2023, 2024 and 2025, our sales to Customer I amounted to RMB632.1 million, RMB554.0 million and RMB541.6 million, respectively, accounting for 6.0%, 3.8% and 3.7% of our total revenue for the same years, respectively. In 2023, 2024 and 2025, our purchases from Customer I amounted to RMB38.0 million, RMB21.2 million and RMB6.9 million, accounting for 0.4%, 0.2% and 0.1% of our total purchases for the same years, respectively.

BUSINESS

As of the Latest Practicable Date, Mr. Li, chairman of the Board, our executive Director and our single largest Shareholder, held approximately 20.2% interest in Customer I. Save as disclosed above and save for the purchases and sales transactions, we do not have any other past or present relationships (including, without limitation, financing, family, employment, trust or otherwise) with each of Customer B, Customer E (also Supplier E), Customer I, Supplier A and Supplier B, its respective substantial shareholders, directors or senior management, or any of its respective associates.

Save as disclosed above, to the best of our knowledge, none of our five largest customers/suppliers in each year during the Track Record Period was a supplier/customer of us.

INTELLECTUAL PROPERTY

Intellectual property rights are important to our business. Our future commercial success depends, in part, on our ability to obtain and maintain patents and other intellectual property and proprietary protections for commercially important technologies, inventions and know-how related to our business, defend and enforce our patents, preserve the confidentiality of our trade secrets and operate without infringing, misappropriating or otherwise violating the valid, enforceable intellectual property rights of third parties.

As of December 31, 2025, our Company and our major subsidiaries had 493 patents, 37 software copyrights, 55 trademarks and three domain names in China. See “Appendix VI – Statutory and General Information – Further Information about our Business – Intellectual Property Rights.” We rely on a combination of intellectual property protections laws in the jurisdictions in which we operate and contractual arrangements (including confidentiality provisions) to establish and protect our proprietary technologies, know-how and other intellectual property rights.

We proactively manage and expand our intellectual property portfolio and use confidentiality and non-compete agreements to protect our intellectual properties and trade secrets. Despite any measures taken to protect our intellectual property, unauthorized parties may attempt to or successfully copy aspects of our products or to obtain or use information that we regard as proprietary without our consent. See “Risk Factors – Risks Relating to Our Business and Industry – We may not be able to adequately protect our intellectual property rights, and uncertainty regarding the validity, enforceability or scope of our intellectual property rights may undermine our competitive position, and litigation to protect our intellectual property rights may be costly.”

During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge, we were not aware of any legal proceedings preventing us from exploiting our intellectual property rights in a manner that would materially and adversely affect our business, or legal proceedings brought against us for infringement of intellectual property rights that would have a material adverse effect on our business, financial condition or results of operations.

COMPETITION

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.

BUSINESS

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 addition, we are among the few companies in the industry that are able to recycle all key metals of the platinum-group metals. Our competitive strengths, such as robust R&D capabilities, our sustainable recycling solutions, and our integrated operations along the industry value chain, enable us to compete effectively with other market players.

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 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.

EMPLOYEES

As of December 31, 2025, we had a total of 4,834 full-time employees. The following table sets out a breakdown of our employees by business function as of the same date:

Function/department	<i>Number of employees</i>	<i>% of total employees</i>
Sales	260	5.4
Technology and R&D	577	11.9
Project management	221	4.6
Administrative and support	1,041	21.5
Production and operations	<u>2,735</u>	<u>56.6</u>
Total	<u>4,834</u>	<u>100.0</u>

We believe that our employees contribute to the success of our Group and we are committed to providing competitive compensation and benefits. We recruit employees based on a number of factors such as their industry experience in the industries which we operate, their educational background and our business needs. Our employees would also undergo training to enhance their technical skills, knowledge of industry quality standards, occupational health and safety standards and applicable laws and regulations from time to time. We enter into standard employment contracts and confidentiality agreements with our employees. We also enter into non-competition agreements with our key employees.

We participate in social security plans, including pension, unemployment insurance, childbirth insurance and medical insurance and housing funds. In addition to traditional employee compensation plans and allowance scheme, we also adopt various share incentive plans to motivate and award the qualifying employees.

We invest heavily in our employees and have developed sophisticated and systematic training programs to improve their skills and knowledge. We provide a variety of professional training to our employees at various levels according to their career development stages. The topics of our training programs include R&D, engineering, sales and marketing and leadership.

As of the Latest Practicable Date, we have established our labor union. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any major labor dispute or disturbance that had interfered with our operations and we believe we maintain good employee relations.

BUSINESS

PROPERTIES

We own and lease properties in the PRC for the use of manufacturing, R&D, office, and staff accommodation purposes. As of the Latest Practicable Date, our headquarters are located in Haidian district, Beijing, China.

Owned Properties

As of December 31, 2025, our Company and our major subsidiaries owned 15 parcels of land in China with a total site area of approximately 780.9 thousand sq.m., primarily located in Beijing, Hubei, Gansu and Jiangxi provinces. These parcels of land are primarily used for industrial purposes. As of December 31, 2025, our Company and our major subsidiaries owned 100 properties in China with a total gross floor area of approximately 300.2 thousand sq.m.. These properties are primarily used for production facilities, R&D centers, offices, and staff dormitories. See “History, Development and Corporate Structure – Our Major Subsidiaries” for details of our major subsidiaries. As of the Latest Practicable Date, we had obtained the relevant building ownership certificates for substantially all of our owned properties listed above. Our PRC Legal Advisor is of the view that we have legal title to these properties and the land use rights for the land occupied by these buildings. Certain properties located in Gansu province owned by our subsidiary, GeoEnviron Zhongse, were subject to mortgage.

Leased Properties

As of December 31, 2025, our Company and our major subsidiaries leased seven properties in the PRC from Independent Third Parties with a total gross floor area of approximately 6.9 thousand sq.m., which are used as staff housing and office spaces to support our operations. As of the Latest Practicable Date, the lease agreement for the aforementioned leased properties had not been registered with the relevant government authorities. Our Company and our major subsidiaries did not experience any material difficulties in negotiating a renewal of our leases with our landlords during the Track Record Period and up to the Latest Practicable Date. As advised by our PRC Legal Advisor, failure to complete the registration of lease agreements does not affect the validity of the lease contracts. However, we may be ordered by the relevant government authorities to rectify such non-compliance within a prescribed time limit. If we fail to do so, we may be subject to a fine ranging from RMB1,000 to RMB10,000 per lease agreement. During the Track Record Period and up to the Latest Practicable Date, neither our Company nor our major subsidiaries have been penalized or fined by the relevant authorities regarding the non-registration of lease agreements. Our PRC Legal Advisor is of the view that the failure to complete the registration of the lease agreement will not have a material adverse impact on our business operations.

Valuation Exemption

As of December 31, 2025, we did not have any single property with a carrying amount of 15% or more of our consolidated total assets. According to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

BUSINESS

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time be subject to various legal or administrative claims and proceedings arising from the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management’s time and attention. For further information, see “Risk Factors – Risks Relating to our Business and Industry – We may from time to time be subject to claims, disputes, lawsuits and other legal and administrative proceedings.” in this document. During the Track Record Period and up to the Latest Practicable Date, there was no material litigation or arbitration pending or threatened against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition, or results of operations. For details of contingent liabilities arising from the claims and other legal procedures as of December 31, 2025, see Note 42 of the Accountants’ Report set out in Appendix I to this document.

Environmental Pollution Incident

Background and Reasons for Non-compliance

During the Track Record Period, one of our operating subsidiaries, Chongqing Yaohui, was involved in a non-compliance incident in relation to environmental protection laws and regulations in the PRC. Chongqing Yaohui has a production base in Chongqing City and is primarily engaged in the recycling and utilization of waste containing copper. According to a judgment issued by the People’s Court of Yubei District of Chongqing* (重慶市渝北區人民法院) (the “**Court**”) in December 2025 (the “**Judgment**”), Chongqing Yaohui was found to have discharged untreated arsenic-containing wastewater exceeding applicable pollutant discharge standards during certain periods, which constituted a violation of provisions of pollution of environment of the Criminal Law of the People’s Republic of China (《中華人民共和國刑法》) (the “**Environmental Incident**”). On December 31, 2025, the Court imposed a fine of RMB4 million against Chongqing Yaohui, and eight personnels involved in this incident (including the former general manager of Chongqing Yaohui) were sentenced to imprisonment for periods ranging from one year and three months to four years.

As of the Latest Practicable Date, the fine imposed on Chongqing Yaohui had been fully settled. The Environmental Incident was mainly attributable to oversight of former management personnel in Chongqing Yaohui and their failure to comply with our Group’s relevant requirements regarding equipment maintenance, equipment failure handling, and factory management. The former management of Chongqing Yaohui were not familiar with our Group’s requirements at the material time and, thus, did not report the incident to our Company in a timely manner. In September 2024, Chongqing Yaohui’s operation was suspended for maintenance work. During the period, the investigation of Chongqing environmental authorities took place in October 2024. Such incident was then reported by the management of Chongqing Yaohui to our Company closer to end of October 2024. We suspended the operation of Chongqing Yaohui completely from November 2024 and resumed operation in August 2025.

The Directors confirm that the Environmental Incident was attributable to the individual misconduct and management failures of certain former managerial and operational personnel at the subsidiary level and occurred without the knowledge of the Directors or the involvement of our Company at the Group level. Upon becoming aware of the Environmental Incident, we promptly took corrective actions to address the issue.

BUSINESS

Latest Status and Remedial Measures

Following the identification of the Environmental Incident, we immediately suspended the relevant operations of Chongqing Yaohui, replaced its entire senior management team and cooperated fully with the competent authorities. We carried out constructions fixing parts that causes the pollution and leakage, installed security cameras monitoring certain areas to ensure compliance, completed risk assessment of sudden environmental incidents and revised corresponding emergency plan, and implemented a series of enhanced internal control measures, such as (i) review of subsidiaries’ environmental-related performance as led by management and environmental department personnel of the respective subsidiaries, (ii) enhanced reporting structure of the environment department in each subsidiary so that we can be informed of environmental risks immediately, (iii) replaced the management of Chongqing Yaohui (including the general manager who was involved in this Incident), (iv) provided training in relation to environmental issues to our management, (v) included environmental-related incidents as a performance review of subsidiaries, and (vi) unified the environmental management system among subsidiaries and enhanced relevant accountability mechanism, to prevent the recurrence of similar non-compliance incidents and we have not experienced any other incident similar to the abovementioned incident. The rectification of Chongqing Yaohui was led by its current general manager and his assistant. We assigned a supervising personnel stationed at the factory of Chongqing Yaohui since the resumption of operation of Chongqing Yaohui to monitor its discharge. A rectification report in relation to the above dated March 31, 2025 had been submitted to the relevant authority.

Based on internal control inspection conducted by our internal control consultant, namely Tianjian Management Consultation (Hangzhou) Company Limited* (天健管理諮詢(杭州)有限公司) (the “**IC Consultant**”), the IC Consultant is of the view that we had established the Standard (高能環境HSE管理制度), which includes corresponding management requirements and inspection measures for the implementation in the subsidiary’s safety and environmental protection domain. Meanwhile, during this sampling test, reports were obtained from our Safety and Environmental Supervision Department (總部安環監管部) on the safety and environmental supervision services for selected subsidiaries, including Chongqing Yaohui. Inspection revealed that we recorded issues found during safety and environmental inspections, proposed corrective measures, and supervised the implementation of these measures, no material deficiencies have been identified in our current internal control measures in relation to the said non-compliance. Based on the work performed, the IC Consultant confirmed that relevant rectification measures have been adopted by our Group and is also of the opinion that the internal control measures are adequate and effective. Considering the above, the Directors are of the view that the enhanced internal control measures are adequate and effective.

Having considered that (i) Chongqing Yaohui has completed rectifications and paid the fine, (ii) the Court has rendered its judgment and (iii) Chongqing Yaohui is not a major subsidiary of our Company, our PRC Legal Advisor is of the view that there will be no further possible consequences and such incident has no material adverse impact on our Company. Having considered the nature and reasons for the Environmental Incident and the enhanced internal control measures adopted by us, our Directors are of the view that the Environmental Incident is an isolated incident and would not have material adverse impact on our operations and financial performance. Based on the independent due diligence undertaken by the Sole Sponsor, and the views of our PRC Legal Advisor, nothing material has come to the attention of the Sole Sponsor that would reasonably cause them to disagree with the aforementioned view of our Directors.

Legal Compliance

Our Directors confirm that our Group has complied, in all material respects, with substantially all relevant laws and regulations in the PRC and overseas, and there was no non-compliance incident that had materially and adversely affected our business, financial position, or results of operations during the Track Record Period and up to the Latest Practicable Date.

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See “– Properties” in this section for a description of legal matters relating to our compliance with PRC real property related laws and regulations which we consider would not have a material adverse effect on our business, financial condition, or results of operations. We are of the view that we have in place adequate internal control measures to ensure ongoing compliance with applicable laws and regulations.

LICENSES, APPROVAL AND PERMITS

During the Track Record Period and up to the Latest Practicable Date, we have obtained all licenses, approvals, permits and certificates that are necessary for our business operations in jurisdictions where we operate, and such licenses, permits, approvals and certificates are valid and subsisting.

We had not experienced any material difficulties in renewing our necessary licenses, permits or approvals during the Track Record Period and do not expect there to be any material difficulties in renewing them upon their expiry.

The following table sets forth details of our necessary licenses and permits:

License/Permit	Holder	Issuing Authority	Grant Date	Expiration Date
Safety Production License	The Company	Beijing Municipal Commission of Housing and Urban-Rural Development	July 17, 2015	July 16, 2028
Hazardous Waste Operation License	Jingyuan GeoEnviron	Department of Ecology and Environment of Gansu Province	September 6, 2012	May 13, 2027
	Jiangxi Xinke	Department of Ecology and Environment of Jiangxi Province	October 11, 2025	October 10, 2030
	GeoEnviron Pengfu	Department of Ecology and Environment of Hubei Province	November 18, 2021	November 17, 2026
	GeoEnviron Zhongse	Department of Ecology and Environment of Gansu Province	August 28, 2015	July 28, 2028
	Jinchang GeoEnviron	Department of Ecology and Environment of Gansu Provincial	September 12, 2023	October 28, 2029
Pollutant Discharge Permit	Jingyuan GeoEnviron	Baiyin Ecology and Environment Bureau	February 8, 2023	February 7, 2028
	Neijiang GeoEnviron	Neijiang Ecology and Environment Bureau	July 21, 2021 ⁽¹⁾	January 17, 2029 ⁽¹⁾
	Jiangxi Xinke	Fuzhou Ecology and Environment Bureau	June 15, 2023	June 14, 2028
	GeoEnviron Pengfu	Huangshi Ecology and Environment Bureau	March 10, 2022	March 09, 2027
	GeoEnviron Zhongse	Jinchang Municipal Ecology and Environment Bureau	April 30, 2024	April 29, 2029
Power Generation Business License	Jinchang GeoEnviron	Jinchang Municipal Ecology and Environment Bureau	April 30, 2025	April 29, 2030
	Neijiang GeoEnviron	National Energy Administration Sichuan Regulatory Office	September 29, 2021	September 28, 2041
	Jiangxi Xinke	Fuzhou Emergency Management Bureau	July 10, 2023	July 9, 2026
Hazardous Chemicals Operation License	Jinchang GeoEnviron	Jinchang Economic and Technological Development Zone Management Committee	May 12, 2025	May 11, 2028
Service License for Urban Domestic Waste Disposal	Neijiang GeoEnviron	Neijiang Urban Management Administration and Law Enforcement Bureau	August 15, 2024	August 14, 2026
Service License for Urban Domestic Waste Sweeping, Collecting and Transport	Neijiang GeoEnviron	Neijiang Urban Management Administration and Law Enforcement Bureau	August 15, 2024	August 14, 2026

Note:

- the earliest grant date and the latest expiration date of 13 pollutant permits held by Neijiang GeoEnviron.

BUSINESS

INSURANCE

During the Track Record Period, we provided mandatory social insurance for our employees as required by PRC social insurance regulations, such as pension insurance, unemployment insurance, work injury insurance and medical insurance. During the Track Record Period, we had not been the subject of any project liability claims. Our Directors consider our insurance policy as a whole is in line with the general market practice and complies with the relevant rules and regulation in China. See “Risk Factors – Risks Relating to Our Business and Industry – Our insurance coverage may not be sufficient to cover all the losses associated with our business operations.” As of the Latest Practicable Date, we had not experienced any business interruptions that had a material adverse effect on our business.

AWARDS AND RECOGNITION

The following table sets forth notable awards and recognition in respect of our business achievements, technology, and innovation:

Year	Award/Recognition	Awarding Institution/Authority
2025	Science and Technology Award (First Prize)	All-China Environment Federation
2025	Hebei Provincial Science and Technology Award (First Prize)	People’s Government of Hebei Province
2025	Environmental Protection Science and Technology Award (Second Prize)	Environmental Protection Science and Technology Award Committee
2024	National Technological Invention Award	Central Committee of the Communist Party of China State Council of the PRC
2024	2023 List of Practical Technology Equipment and Demonstration Projects for Ecological Environmental Protection	China Association of Environmental Protection Industry
2024	Typical Case of “Zero-Waste City” Construction	All-China Environment Federation
2023	Environmental Protection Science and Technology Award (Second Prize)	Chinese Society for Environmental Sciences
2022	China Non-ferrous Metals Industry Science and Technology Award (First Prize)	China Non-ferrous Metals Industry Association; The Non-ferrous Metals Society of China

BUSINESS

ENVIRONMENT, SOCIAL AND GOVERNANCE MATTERS

We have fully embedded ESG principles into our operations. We received an A rating in the Wind ESG Rating for three consecutive years from 2023 to 2025, were upgraded by SynTao Green Finance from B+ to A- and maintained an A rating from CCXI Green Finance. We were also included in the 2025 China Corporate ESG 100 Index and recognized by the Ministry of Ecology and Environment as an exemplary case in the 2025 Compilation of Typical Enterprise ESG Cases. In addition, we were named one of the Top 50 Chinese Environmental Enterprises for four consecutive years from 2022 to 2025 and received the Second Prize of the 2023 National Technological Invention Award.

Following the [REDACTED], we will comply with Appendix C2 to the Listing Rules and publish an ESG report annually to disclose material ESG issues, risk management measures and progress against performance targets.

ESG Governance

We believe that strong ESG governance is fundamental to achieving our sustainable development goals. We have embedded sustainability into our corporate strategy, established regular stakeholder engagement as a core mechanism and continuously improved our ESG management practices by benchmarking against leading domestic and international disclosure standards.

ESG Governance Structure

Governance level	Responsible body	Primary responsibilities
Decision-making level	Board ESG Committee	Review and approve ESG strategies and policies; oversee ESG risks and opportunities; review the annual ESG report
Management level	Sustainability management team	Assist with materiality assessments; formulate detailed ESG work plans; coordinate the preparation of the annual ESG report
Implementation level	Sustainability implementation teams	Implement ESG policies and action plans; collect and report ESG performance data; conduct day-to-day stakeholder engagement

BUSINESS

Stakeholder Concerns and Communication

We place great importance on the expectations and concerns of our stakeholders and established a structured, multi-channel communication mechanism to gather feedback extensively and incorporate the same effectively into our ESG strategy formulation and operational decision-making.

Stakeholder	Key concerns and expectations	Communication channels and response
Government and regulatory authorities	Compliance, anti-corruption, operational safety and environmental management	Government meetings, information disclosure and training activities
Shareholders and investors	Corporate governance, ESG governance and technological innovation	Shareholders’ meetings, results presentations and roadshows
Customers	Service quality, supply chain and technological innovation	Satisfaction surveys and telephone and email communication
Employees	Rights protection, training and development, and occupational health	Training, satisfaction surveys and operational meetings
Suppliers	Supply chain management	Tendering and bidding, and satisfaction surveys
Universities and research institutions	Technological innovation and industry collaboration	Scientific research cooperation and joint teaching bases
Communities and public welfare organizations	Environmental management and charitable activities	Community services and site visits

BUSINESS

Assessment of Material Issues

We adopt a “double materiality” approach to assess ESG issues from two perspectives, namely, the impact on our financial position (financial materiality) and the impact on stakeholders (impact materiality), to define our management and disclosure priorities comprehensively. Based on domestic and international sustainability-related disclosure standards and guidelines, benchmarking of peer disclosure practices and research on industry sustainability trends, we identified 22 sustainability issues that are closely relevant to our development, among which five are double material, five are financially material and 17 are impact material.

Dimension	Issue name
Environmental (8 issues)	Environmental compliance, climate change response, energy and resource utilization management, resources recycling and utilization, water resources management, pollutant management, waste management, and ecosystem and biodiversity conservation
Social (9 issues)	Compliant employment and employee rights protection, employee training and development, occupational health and safety in production, supply chain management, customer service and quality assurance, community development and philanthropy, technological innovation and patent management, industry development and collaboration, and data security and privacy protection
Governance (5 issues)	Corporate governance, ESG governance, risk management and compliance, anti-commercial bribery and anti-corruption, and anti-unfair competition

The financial material issues include climate change response, occupational health and safety in production, customer service and quality assurance, technological innovation and patent management, and anti-commercial bribery and anti-corruption. For these financial material issues, we conduct in-depth analysis of their potential impact on stakeholders, identify risks and opportunities comprehensively and formulate corresponding management measures and response strategies.

Integrity and Compliance

We regard integrity and compliance as fundamental to our business and strictly comply with the Company Law of the PRC, the Environmental Protection Law, the Securities Law and the regulatory requirements of our listing venue. With a focus on three objectives, namely driving cost efficiency through rigorous anti-fraud controls, ensuring the effective execution of performance management strategies and mitigating major systemic compliance risks, we have established an anti-corruption governance structure overseen directly by the Board and implemented by our audit and supervision department, integrating audit, supervision, internal control and compliance functions. From 2023 to 2025, we received a total of 73 reports, and the acceptance and closure rate for all reported cases was 100%.

We strictly prohibit any form of monopolistic conduct or unfair competition in compliance with laws and regulations, including the Anti-Monopoly Law of the PRC and the Anti-Unfair Competition Law of the PRC. From 2023 to 2025, we were not involved in any litigation relating to unfair competition.

BUSINESS

Strategy and Risk Management

We have deeply embedded sustainable development into our corporate strategy. Centering on resources recycling and utilization as our core development strategy, we combine technological innovation and operational excellence to create commercial value while addressing global challenges such as climate change and environmental pollution. We focus on the impact of climate-related risks and opportunities on our business model, value chain, financial position, financial performance and cash flows, and continue to manage such risks and opportunities through identification, assessment, response, review and improvement.

Category	Specific risk/opportunity	Time horizon ⁽¹⁾	Financial impact	Mitigation measures
Transition risk	Policy and legal risk	Short to medium term	Increase in operating costs and capital expenditure	Participate in carbon markets; plan environmental upgrades
Transition risk	Technology risk	Medium to long term	High technology upgrade costs	Increase R&D investment; strengthen industry-academia-research collaboration
Transition risk	Market risk	Short to medium term	Lower product profit margins; higher financing costs	Strengthen marketing of low-carbon products; enhance climate-related disclosures
Physical risk	Acute risk	Short term	Revenue loss due to business interruption	Improve climate resilience of facilities; establish emergency response plans
Physical risk	Chronic risk	Medium to long term	Higher energy and water costs	Improve energy and water efficiency
Opportunity	Resource efficiency and energy transition	Short to long term	Lower operating costs; growth in new energy business	Implement an energy management system; promote circular utilization
Opportunity	Product innovation and financing opportunities	Medium to long term	Premium pricing for low-carbon products; lower financing costs	Establish a low-carbon product R&D team; pursue green financing

Note:

(i) short term refers to one to three years, medium term refers to three to five years and long term is over 5 years.

Environment

We consistently place environmental protection at the core of our corporate development, strictly comply with the PRC Environmental Protection Law (《中華人民共和國環境保護法》) and other applicable laws and regulations, and actively respond to the national strategy set out in the 14th Five-Year Plan for the Development of the Circular Economy (《‘十四五’循環經濟發展規劃》) and other relevant policy initiatives. Guided by our mission to create a safe and sustainable environment for humanity and society, we integrate green and low-carbon principles into every aspect of our production and operations. As of 31 December 2025, a number of our branches and subsidiaries had obtained ISO 14001 and GB/T 24001 environmental management system certifications.

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Environmental Protection Investment

Item	Unit	2023	2024	2025
Total environmental protection investment	RMB'000	483,000.0	338,922.0	234,573.0

Note: Historical investments were mainly related to equipment procurement and were incurred on a phased basis. After such equipment was commissioned, our investment focus shifted to daily operation and maintenance, process optimization and compliance testing. The decline in total investment reflects a more appropriate structure aligned with operational needs, which continues to support compliance with environmental standards.

Greenhouse Gas Emission

Indicator	Unit	2023	2024	2025
Scope 1: Direct emissions	tons CO ₂ e	279,062.2	235,041.8	248,273.7
Scope 2: Indirect emissions	tons CO ₂ e	181,140.1	227,791.1	223,734.5
Total greenhouse gas emissions	tons CO ₂ e	460,202.2	462,832.9	472,008.2
Greenhouse gas emission intensity	tons CO ₂ e per million in revenue	43.5	31.9	32.0

Note: Scope 1 emissions arise from coal combustion, natural gas, liquefied petroleum gas and fuel consumption by transport vehicles. Scope 2 emissions arise from the consumption of purchased electricity and heat. We have not yet started Scope 3 carbon accounting because Scope 3 accounting would require substantial additional cost and we have not yet reached consensus with our customers and suppliers. We will advance our Scope 3 carbon disclosure at an appropriate time.

Air Pollutant Emissions

Indicator	Unit	2023	2024	2025
NO _x emissions	kg	2,184,800.0	2,214,000.0	2,530,050.0
NO _x emission intensity	kg per million in revenue	206.5	152.7	172.0
SO ₂ emissions	kg	677,060.0	647,400.0	726,350.0
Other SO _x emissions (excluding SO ₂)	kg	/	140.0	10.0
SO _x emission intensity	kg per million in revenue	64.0	45.0	49.0
Particulate matter emissions	kg	73,430.0	91,290.0	93,170.0
Suspended particles and particulate matter (PM) emission intensity	kg per million in revenue	7.0	6.0	6.0
Volatile organic compounds (VOCs) emissions	kg	13,550.0	15,520.0	17,140.0
Volatile organic compounds (VOCs) emission intensity	kg per million in revenue	1.3	1.1	1.2

BUSINESS

Wastewater Discharge

Indicator	Unit	2023	2024	2025
Total wastewater discharge	tons	772,077.0	721,547.6	772,628.0
Wastewater discharge intensity	tons per million in revenue	73.0	49.8	52.4
NH3-N in discharged wastewater	kg	2,660.0	1,650.0	2,250.0
NH3-N emission intensity	kg per million in revenue	0.3	0.1	0.2
COD in discharged wastewater	kg	65,790.0	53,070.0	49,050.0
Chemical oxygen demand emission intensity	kg per million in revenue	6.2	3.7	3.3

Waste Management

Indicator	Unit	2023	2024	2025
Total hazardous waste generated	tons	129,120.7	139,917.9	123,835.2
Hazardous waste generated intensity	tons per million in revenue	12.2	9.7	8.4
Total non-hazardous waste generated	tons	960,416.4	960,051.6	957,125.7
Non-hazardous waste generated intensity	tons per million in revenue	90.8	66.2	65.0

Energy Consumption

Indicator	Unit	2023	2024	2025
Total energy consumption	tons of standard coal equivalent	/	230,722.1	243,265.9
Total energy intensity	tons of standard coal equivalent per RMB10,000 of revenue	/	0.2	0.2
Coal usage	tons of standard coal equivalent	66,427.2	89,113.1	95,516.4
Gasoline consumption	litres	337,787.2	367,079.8	433,133.9
Diesel consumption	litres	3,459,038.7	4,378,673.2	3,427,102.2
Natural gas consumption	m ³	37,442,765.1	31,256,931.7	33,294,706.2
Liquefied petroleum gas consumption	tons	4.4	1.4	2.4
Total electricity consumption	kWh	526,550,200.0	634,269,678.1	645,253,265.7
Purchased electricity	kWh	316,828,200.0	413,059,266.3	409,489,972.8
Total purchased thermal energy	GJ	43,001.0	55,849.6	58,719.0

We have actively promoted distributed photovoltaic power generation projects. In 2025, electricity generated by our new energy facilities reached 9,384,987.0 kWh, and our use of renewable energy amounted to 2,399.1 tons of standard coal equivalent.

BUSINESS

Water Resource Utilization

We place high importance on water resources management and regard water conservation as a key priority. Our total water consumption decreased by 11.7% from 7.384 million tons in 2024 to 6.516 million tons in 2025, reflecting our ongoing efforts in water conservation.

Social

Guided by our core value of being people-oriented, we regard our employees, customers, supply chain partners and the communities in which we operate as a shared community and as our most valuable assets. We are committed to creating a safe, healthy and respectful working environment in which employees can fully realize their potential, and to building fair, transparent and mutually trusting partnerships with our supply chain partners.

Compliance Employment and Employee Rights

We adhere to the principles of fairness, impartiality and transparency in recruitment and are committed to fostering a diverse, equitable and inclusive working environment. As of December 31, 2025, we had 4,834 employees, 18.7% of whom were female. In terms of age profile, 17.9% of our employees were aged 30 or below, 66.1% were aged 31 to 50 and 16.0% were aged 50 or above. We also place particular emphasis on Board diversity. Our Board comprises ten Directors, including three female Directors.

Occupational Health and Safety

We strictly follow the safety principle of ‘safety first, prevention first and comprehensive control’ and have obtained ISO 45001 occupational health and safety management system certification covering 100% of our employees. During the year, we organized 1,847 safety training sessions with a total of 46,715 participants, representing an average of 12.6 training hours per employee. We also carried out 3,527 safety inspections, and the rectification rate for identified safety hazards was nearly 100%.

Talent Development and Training

We believe employee growth is the cornerstone of corporate development and are committed to building a leading learning organization by providing employees with a broad platform for career development and ample opportunities for systematic training. We have established a three-tier training management framework that clearly allocates responsibilities among senior management, the Human Resources Department and all business units. In 2025, we conducted 183 employee training sessions for 14,936 participants, with aggregate training hours of 96,247. Average training hours per employee were 24, and employee training coverage was 100%.

We have set employee training targets through 2030. Management personnel are required to complete at least one learning task per quarter, each lasting at least two hours, with a minimum of eight hours annually. Frontline employees are required to complete at least one learning task per month, each lasting at least one hour, with a minimum of 12 hours annually. These targets take into account employees’ actual training hours in previous years, our ESG development goals and our financial condition. This system is designed to improve employees’ professional skills, managers’ leadership capabilities and team compliance and collaboration.

BUSINESS

Labour Standards and Supply Chain Management

We strictly comply with the Labour Law of the PRC (《中華人民共和國勞動法》) and the core standards of the International Labour Organization, and strictly prohibit all forms of child labour and forced labour. From 2023 to 2025, no violations were identified in our internal reviews. In relation to supply chain management, we have adopted and strictly implemented the Procurement Management Policy (《採購管理制度》), the Tendering Management Policy (《招標管理制度》) and the Supplier Management Policy (《供應商管理制度》) to standardise supplier management on a full-process basis. We require all newly admitted and existing suppliers to sign an Integrity Agreement (《廉政協議書》). As of December 31, 2025, the signing rate of Integrity Agreements among our major suppliers was 100%.

Product Responsibility and Technological Innovation

We have established a quality management system covering the entire lifecycle of product design, raw material procurement, manufacturing, engineering construction and after-sales service, and have obtained ISO 9001 quality management system certification. In terms of information security and data privacy protection, we did not experience any material information security breach or customer data loss during the reporting year. Our technological innovation metrics from 2023 to 2025 are set out below:

Indicator	Unit	2023	2024	2025
R&D investment	'000	324,018.0	509,082.0	458,549.0
Number of R&D employees	persons	648	801	577

Community Investment

While pursuing commercial success, we actively fulfil our corporate citizenship responsibilities and view giving back to society and supporting community development as part of our mission. Through public welfare and charitable initiatives, community services, support for education and contributions to rural revitalization, among other efforts, we have created positive social impact. From 2023 to 2025, we donated more than RMB1.5 million in aggregate to community development and rural revitalization. By leveraging our professional expertise in the environmental protection sector, we promote environmental awareness among the public and generate positive social impact.

INTERNAL CONTROL AND RISK MANAGEMENT

Our Board of Directors and senior management of the Company shoulder the responsibility for devising and supervising the execution and efficacy of our internal control framework. This framework is meticulously structured to guarantee continuous adherence to pertinent legal and regulatory mandates that govern our business activities and corporate governance, thereby averting any reoccurrence of compliance failures. Our conviction stands firm that the existing internal control mechanisms and procedures epitomize adequacy in scope, feasibility, and operational effectiveness.

In the regular progression of our business activities, we are inherently subject to a spectrum of risks, encompassing operational, market, and financial risks. Recognizing these exposures, we hold the conviction that the implementation of robust and adaptable risk management strategies is essential to our enduring success. It is through this lens that we approach risk mitigation, ensuring that our operations are safeguarded against potential adversities, thereby securing our competitive edge and financial stability. For details of such risks, see “Risk Factors – Risks Relating to our Business and Industry.

BUSINESS

For the purpose of effective risk management, we will adopt or have put in place the following measures:

- Through the cultivation of strong, positive relationships with our established suppliers and customers, we aim to periodically broaden our customer and supplier base, thereby mitigating operational risks associated with dependency on a singular entity;
- In alignment with our Group’s interests and where it proves economically feasible, we proactively seek to forge diverse agreements that expand our supplier network;
- Our management team is committed to vigilantly observing market trends, including fluctuations in raw materials and components pricing, to consistently benchmark our procurement expenses against prevailing market rates, ensuring competitive access to raw materials;
- We uphold stringent IT controls to significantly reduce the likelihood of IT system failures, safeguarding our business continuity and data integrity;
- To attract and retain skilled professionals, we regularly evaluate and adjust our compensation structures for management and staff, ensuring they remain competitive and congruent with our strategic growth;
- Our Directors maintain diligent oversight of our Group’s liquidity and financial health, prepared to secure financing to support our business activities and expansion initiatives when deemed necessary and advantageous; and
- We have established an audit committee which is composed of a majority of our independent non-executive Directors to review and supervise our financial reporting process and internal control system.

Data Privacy and Information Security Risk Management

We maintain a commitment to data privacy and information security. Private information is not collected through public channels such as operational websites or apps and data collection is minimal. In conducting business operations, the only personal data collected relates to employee information, customer and supplier contact details and other necessary operational and management data. Adequate authorization and consent are obtained from employees, customers and suppliers prior to collecting and processing their private information.

Comprehensive protective measures have been implemented for all collected private data. This includes establishing internal control systems with data security management protocols. These systems define requirements for data confidentiality, approval authorities, classification and grading standards, backup and recovery procedures and encryption strategy management, all of which are consistently enforced. Access to and circulation of private information is strictly minimized, with system authorization required for any usage. Technical protections such as encryption and anti-leakage measures are employed to secure information. An information security management system further ensures ongoing data protection. Specifically regarding employee data, access to personal information databases is restricted to designated personnel only, preventing unauthorized internal access.