

CONCH VENTURE
中国海螺创业控股有限公司

中國海螺創業控股有限公司 2024年環境、社會及管治(ESG)報告

CHINA CONCH VENTURE HOLDINGS LIMITED
2024 ENVIRONMENTAL, SOCIAL AND
GOVERNANCE (ESG) REPORT



(於開曼群島註冊成立的有限公司)
Incorporated in the Cayman Islands with limited liability

STOCK CODE 股份代號:586

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About the Report

■ Overview

The Report is the ninth Environmental, Social and Governance Report published by China Conch Venture Holdings Limited ("Conch Venture", "the Company", or "We"), reflecting the environmental, social and governance (the "ESG") strategies, policies, measures and achievements of the Company and its subsidiaries (the "Group") in 2024 and focusing on disclosing the information about the Company's ESG performance.

■ Reporting Period

The reporting period is from 1 January 2024 to 31 December 2024 (the "Reporting Period").

■ Basis of Preparation

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix C2 to Hong Kong Exchanges and Clearing Limited ("HKEX").

■ Scope of this Report

The policies and data provided in the Report cover the Group, and the scope of the Report is consistent with the Annual Report. Unless otherwise stated, the currencies involved in the Report are RMB.

■ Report Access

The Report has been prepared in both Chinese and English and its electronic version is available on the websites of the HKEX and the Company (<http://www.conchventure.com/>) under the "Investor Relations" section – "ESG Report".

■ Materials Source and Reliability Assurance

The data and cases in the Report are mainly derived from the Group's statistical reports and related documents. The Board of Directors of the Company promises that the Report does not contain any false records or misleading statements, and is responsible for the authenticity, accuracy and completeness of its contents.

■ Contact Information

Through the publication of this Report, we hope to strengthen communication, cooperation, responsiveness and mutual understanding among all parties, thereby enhancing the alignment in terms of interests, emotions and value, and working together for the sustainability of the enterprises and the society. For any suggestions and comments on this Report, please contact us as follows:
E-mail: hlcy@conchventure.com, telephone: 0860553-8398329

■ Verification and Approval

After being verified by the management, the Report was approved by the Board of the Company on 26 March 2025.

Chairman's Statement

2024 is the beginning year of Conch Venture's third five-year plan. The Group has deepened its strategic layout, taken its main business of energy conservation and environmental protection as the foundation, pursued "green" development and moved towards "innovation". The Group has actively expanded the boundaries of green development and constructed the framework of the new energy industry. In the practice of environmental, social and corporate governance, we have continuously made breakthroughs, driving the high-quality development of the enterprise with our core competitiveness and stepping towards a broader green future.



Optimize the governance structure and practice responsible operation >>

Adhering to compliant and stable operation, the Group continuously improves the ESG governance structure, and strengthens the construction of the corporate governance system. Through strict internal control and audit mechanisms, the Group ensures that the enterprise operates in a compliant and orderly manner. We are well aware of the importance of communication with stakeholders. We actively carry out the identification and evaluation of material issues, widely listen to the opinions of all parties, respond to the expectations of all parties with standardized governance practices, and earnestly fulfill the ESG responsibilities of the Company.



Deeply engage in green development to develop a cycled ecology >>

The Group adheres to the concept of "Green Mountains and Rivers Creating a Green Home", and takes the lead as an environmental protection pioneer to establish a scientific environmental management and control mechanism. We set quantifiable environmental goals and dynamically track their implementation, systematically identifying and managing potential environmental risks in the operation process. Relying on the monitoring of "three types of wastes" emissions, the carbon management platform, and the resource-intensive utilization plan, we fully unleash the new driving force for green development. At the same time, we have established a gradual emission reduction plan, comprehensively explored the potential for energy conservation and emission reduction and continuously enhanced the resilience of sustainable development.



Gather development momentum with a focus on people-oriented management >>

Always putting the safety and health of employees first, the Group establishes a comprehensive occupational health protection mechanism and strictly adheres to the safety bottom line. We continuously optimize the salary incentive system, improve the multi-level welfare protection, and enhance employees' sense of belonging. We uphold the concept of openness and inclusiveness, create a fair and diverse workplace environment, and stimulate employees' potential through a scientific talent evaluation and promotion mechanism, thereby achieving a virtuous interaction between talent development and enterprise growth.



Move towards the future through innovation and achieve excellence with quality >>

The Group adheres to driving development through innovation, takes root in the construction of the scientific and technological innovation system, and deepens the innovation layout. Relying on a complete quality management system and strict quality control measures, we meticulously create excellent product standards and continuously improve service quality. Adhering to the customer-first concept, we widely listen to and quickly respond to market demands, continuously improving the recognition and satisfaction of our products and services. We also focus on promoting the protection of intellectual property rights and the transformation of innovation achievements. Through a complete innovation management and incentive mechanism, we stimulate employees' innovation potential and jointly create new heights in product and service quality.



Practice social responsibility and jointly promote industry progress >>

The Group has deeply engaged in areas such as educational assistance and targeted poverty alleviation, actively giving back to society and fulfilling corporate responsibilities with practical actions. Leveraging on our professional advantages, we collaborate with industry partners to explore the innovative development path of the environmental protection industry and jointly build a green ecological future. At the same time, we actively participate in community construction and public welfare undertakings and work hand in hand with partners from all sectors in an open and win-win manner, continuously striving to achieve the mission of "Creating a Better Home for the Future of Mankind".

Based on the new journey, Conch Venture adheres to innovation as the leading factor, continuously improves the quality of its products and services, creates a win-win situation together with customers, employees, and partners, deepens the concept of green and low-carbon development, and takes energy conservation and environmental protection as its responsibility, so as to promotes the sustainable development of the enterprise and society.

Performance Highlights



In 2024

Rating Performance

MSCI



MSCI ESG rating of

A

Environmental Protection

16.12 million tonnes of domestic waste were disposed of throughout the year

0.512 million MWh electricity was connected to the grid

14 waste incineration power generation projects have been connected to the grid for operation

15 companies obtained ISO 14001 certificates



Corporate Governance

Operating income

RMB

6,271 million

Coverage of business ethics code and conduct among employees

100%

Conducted

35

internal audits



Social Responsibility

14 companies obtained ISO 45001 certificates

Coverage of employees' physical examinations

100%

Coverage of employees' training

100%

Awarded Grade

A

for Labor Security

Law-abiding Integrity Level

Total investment in research and development

RMB **46.46** million

A total of

486 patents have been granted

Average customer satisfaction rate

97%

Complaint handling rate

100%

Awards and Honors



Environmental Protection



Asia Corporate Social
Responsibility Awards



Provincial-level
Water-saving Enterprise



Excellent Member of
Environmental Protection Industry
Association

Social Responsibility



Popular Science
Education Base



Annual Healthy Enterprise



Ecological Environment Publicity
and Education Practice Base

Corporate Governance



Beijixing Cup for 2024 ESG
Excellent Practicing Enterprise
in the Waste Incineration
Power Generation Industry



High-tech Enterprise



Science and
Technology-based
Small and
Medium-sized Enterprise



Innovative Small
and Medium-sized
Enterprise

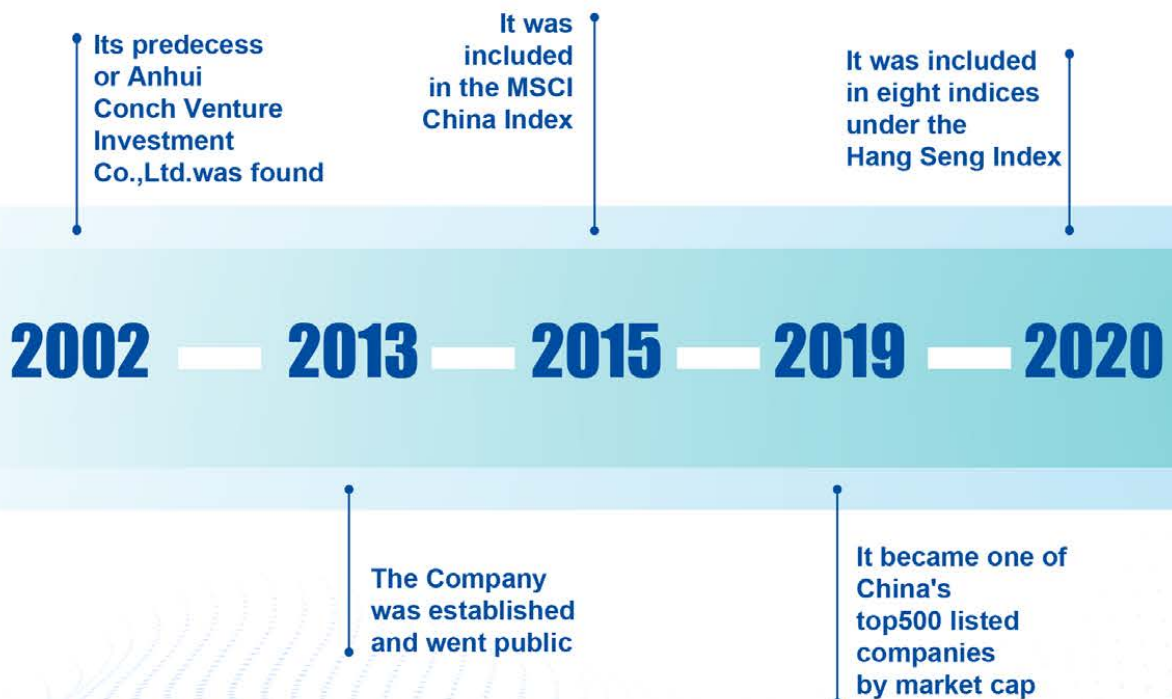
01 Introduction to Conch Venture

As a practitioner in the environmental protection industry, Conch Venture has always adhered to the concept of sustainable development and made every effort to promote the construction of ecological civilization. We are deeply aware that environmental protection is closely related to the destiny of mankind. While focusing on the main business of pollution control, we are actively deploying in the new energy field and exploring clean and efficient energy solutions. We continue to innovate and drive technological breakthroughs and are committed to contributing to the construction of a beautiful China, working together to create a green and sustainable future.

1.1 Company Profile

Listed on The Stock Exchange of Hong Kong Limited Main Board on December 19, 2013(stock code: 00586.HK), the Group focuses on energy conservation and environmental protection and provides “package” solutions for customers. As a leading comprehensive service provider in the environmental protection industry, we engaged in extensive businesses, which involve waste disposal, new energy materials, lithium battery recycling, new building materials, port logistics and other industries.

Seizing the historical opportunity of the country's green development, Conch Venture has ranked among the top in the environmental protection industry. Relying on the industrial advantages of new energy battery cathode and



anode materials and resource-based recycling, it also has established an integrated new energy industry chain from upstream to downstream, creating a unique development engine of "environmental protection + new energy". Looking ahead, we will continue to grasp the pulse of the country's green industry development through deeply cultivating the track of new materials for energy conservation and environmental protection, exploring in-depth the segmented fields of environmental protection, and accelerating the layout of the new energy battery industry. We have always adhered to the concept that "clear waters and green mountains are as good as mountains of gold and silver" and taken "creating a better home for humanity" as our mission. Through continuous innovation and industrial upgrading, our business has spread across the country and is gradually expanding into overseas markets.

In 2024, Conch Venture adhered to the concept of high-quality development, continuously deepened refined management, strengthened cost control, increased investment in technological innovation, and was committed to building an environmental protection industry group with coordinated development of multiple industries. As of the end of the Reporting Period, the Group promoted and signed 131 projects in 23 provinces, municipalities, autonomous regions across the country and Vietnam. Among them, there are 101 projects for grate furnace-based waste incineration power generation, two projects for fly ash treatment, two projects for independent food waste treatment, 10 projects for waste treatment by cement kilns, one project for waste transfer, two projects for new energy materials, 10 projects for lithium battery recycling and comprehensive utilization, two projects for new building materials, and one project for port logistics.

During the Reporting Period, Conch Venture achieved operating revenue of RMB6.271 billion.

Conch Environment
Protection was spun
off and listed

Steady improvement
in the operational quality of
the main environmental
protection business;
MSCI ESG rating was
awarded an A again

2021

2022

2023

2024

MSCI ESG
rating upgraded
to BBB

MSCI ESG rating
upgraded to A

1.2 Business Pulse

The Group's business layout covers four major sectors: environmental protection industry, new energy materials industry, recycling industry and port logistics.

Conch Venture, guided by the Group's five-year development plan and leveraging its strengths in the new energy industry chain, is committed to building a distinctive dual-driven industrial cluster integrating environmental protection and new energy. With determination and innovation, it strives to pioneer new development opportunities and become a leading large-scale comprehensive environmental protection enterprise group in China and a world-class player.

Environmental protection industry

The Group is committed to improving project operational quality, promoting professional and refined management, encouraging project companies to expand waste sourcing, increase on-grid power generation, and ensure high-quality operations. The Group has also enhanced operational efficiency by diversifying its business activities. During the Reporting Period, 14 waste power generation projects, including those in Liangping, Chongqing, and Qingzhen, Guizhou, were successfully connected to the grid. As of the end of the Reporting Period, a total of 17 projects had achieved external steam sales, 32 projects had implemented co-disposal of sludge and distiller's grains, and 28 projects had undertaken external leachate treatment and other wastewater treatment services. In addition, the Group actively advanced efforts to increase waste disposal fees, completing price adjustments for 6 projects, and made significant progress in green certificate trading.

New energy materials industry

Relying on technological innovation, Conch Venture has been deeply involved in the new energy materials field, aiming to become an industry-leading "intelligent manufacturer". During the Reporting Period, the Group continues to closely monitor development trends in the new energy industry. For the lithium iron phosphate positive electrode material project, the Group adheres to a "production based on sales" strategy, strengthens market development, accelerates new product R&D and certification, and steadily improves capacity utilization. The annual capacity utilization rate reached 70%, exceeding the industry average of 50%. The Group also established its first energy storage power station, achieving energy conservation and consumption reduction through peak shaving and valley filling, as well as self-storage and self-use mechanisms. Meanwhile, the Group is steadily advancing the construction of its anode material project and actively expanding the supply and sales market.

Recycling industry

Conch Venture continues to rely on the resource advantages of Conch-affiliated cement kilns and fully promotes the lithium-ion battery recycling and utilization model of "front-end disassembly and sorting in cement plants + back-end wet extraction", planning and laying out the recycling industry nationwide. Meanwhile, in line with the economic environment and industry development rhythm, we reasonably adjust the investment strategy for lithium battery recycling projects. During the Reporting Period, the Group successfully signed the Changshan project in Zhejiang, achieving a strategic layout in the Zhejiang region.

Port logistics

The Group's port logistics business mainly provides coal transition and warehousing services for customers along the Yangtze River and in the canal basin and is equipped with value-added services such as coal washing, coal blending, and mechanized sampling. The port is equipped with various advanced professional equipment, fully meeting the diverse needs of various enterprises. During the Reporting Period, the port has expanded its port service functions through opening up, deeply explored foreign trade customers, and taken foreign trade business as a new driving force to accelerate the increase in its proportion and achieve growth.

| 02 *Laying the Foundation for Development Together*

Conch Venture is well aware that a sound governance structure is the cornerstone of a corporate's stable development. We adhere to responsible business operations, follow business ethics and compliance standards, and deepen the concept of sustainable development in our daily operations. We strengthen communication with stakeholders, strive to build a responsible corporate image, and achieve common prosperity. Meanwhile, we continuously optimize our governance structure, enhance management efficiency, ensure that the rights and interests of all relevant parties are protected, and drive the continuous improvement of the corporate's competitiveness.

2.1 ESG Management

Conch Venture integrates the ESG development concept throughout all aspects of corporate operations and firmly combines ESG goals with business objectives. We continuously optimize the ESG management framework, actively strengthen the functions and roles of the Board of Directors in ESG management and enhance communication with internal and external stakeholders to jointly create a new chapter in the Company's sustainable development.



2.1.1 ESG Governance Structure

Conch Venture incorporates the concept of sustainable development into all levels of the Company's operations, takes ESG factors into comprehensive consideration in decision-making and daily management, and effectively promotes sustainable development practices.

The Company focuses on enhancing the intensity and efficiency of ESG management and has established a clear-structured ESG governance framework with well-defined responsibilities. The Board of Directors bears the highest responsibility for ESG-related matters and assigns the Strategy, Sustainable Development and Risk Management Committee to assist in supervision. The Group's ESG Working Group is led by Mr. Li Daming, a company leader, and its members include the heads of various professional departments. Through coordination with functional departments and subsidiaries, it effectively implements ESG policies and ensures the effective execution of various measures.

To strengthen the ESG responsibility awareness of management personnel and promote the ESG process, the Group incorporates ESG performance indicators such as environmental liability accidents, environmental protection penalties, and work safety accidents into the annual target assessment, directly linking to the performance-related pay of the management. At the same time, rewards or punishments are implemented for relevant personnel based on the ESG performance.

02 Laying the Foundation for Development Together



2.1.2 Board Statement

Board Duties

The Board of Directors of Conch Venture serves as the highest decision-making and management entity for the Group's ESG governance and is fully responsible for its ESG-related matters. The Board approves and monitors the Group's ESG policies, strategies, objectives and performance in strict accordance with the regulatory requirements of the HKEX, including key issues such as employee health and safety and environmental management, so as to ensuring the compliance with regulatory standards and best practices.

The Board has a Strategy, Sustainability and Risk Management Committee that is responsible for assisting the Board in managing and supervising ESG-related matters. This committee is also responsible for providing suggestions on the planning of the Group's sustainability policies and strategies, cooperating with the Board to conduct the annual review of major ESG issues, and analyzing and evaluating corporate risks to ensure that the Company's management and risk control system covers all major ESG issues.

The Strategy, Sustainability and Risk Management Committee is led by Mr. Guo Jingbin, the chairman of the Board, and its members include Mr. Ji Qinying, an executive director, Mr. Lyu Wenbin, a non-executive director, and Mr. Chan Chi On (alias Derek CHAN), an independent non-executive director. For detailed information on the Strategy, Sustainability and Risk Management Committee, please refer to the Terms of Reference of the Strategy, Sustainability and Risk Management Committee of the Board of Directors¹.

Daily Implementation

During the Reporting Period, Conch Venture carried out three major measures on ESG performance enhancement to integrate the ESG management into daily work and continuously enhance sustainability performance:

- 1.Strengthening ESG system: The Board and the Strategy, Sustainability and Risk Management Committee reviewed the annual ESG report, and guided the ESG Working Group to carry out specific work. Our ESG Working Group played the leading role in strengthening occupational health and safety management and enhancing the Company's performance on key ESG issues.
- 2.Tracking sustainability goals: We keep tracking annual progress against established environmental and social objectives and evaluate the sustainability performance of Conch Venture.
- 3.Deep involvement in ESG related activities: The Board actively participates in the Company's ESG related activities, including strategy discussions, target reviews, external training and experience exchange sessions, industry exchange activities, etc., to promote in-depth understanding of ESG issues by members of the Board and strengthen communication with investors and stakeholders.

¹ https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0329/2021032901451_c.pdf

Risk
Management

Conch Venture regularly evaluate ESG-related risks and identified such risks based on stakeholders' concerns, and incorporates ESG factors into the overall risk management framework of the Company. The Group's Strategy, Sustainability and Risk Management Committee is responsible for the overall supervision on the Group's risk management, paying sustained attention to risk factors, including ESG issues, and regularly reviewing the Group's risk management programme.

Materiality
Analysis

Conch Venture attaches importance to the communication with external stakeholders and regularly evaluates ESG issues. Based on the developments of the industry in conjunction with the opinions of stakeholders, the Board and the Strategy, Sustainability and Risk Management Committee regularly identify key ESG issues and develop the Group's ESG strategies, objectives and management guidelines, while adjusting the Company's ESG practices in a timely manner based on various stakeholders' needs, the international ESG development trends and the performance of peers, thus promoting the long-term and sustainable development of the Company.

The materiality analysis results will be expounded in Section 2.1.4 - Materiality Assessment.

ESG
Goals Follow-up

The Board is responsible for regularly evaluating the achievement of the ESG goals, strictly monitoring the progress of the goals, and adjusting strategies based on such information to ensure that the goals can be achieved. In addition, the Board has established a transparent communication mechanism to ensure that all stakeholders have a good understanding of the progress of the Company's ESG goals and encourage all parties to work together to contribute to achieving these goals.



2.1.3 Stakeholder Engagement

Conch Venture fully recognizes the importance of communication with stakeholders and considers it as a key factor when formulating ESG strategies and management objectives. Based on our business layout and development strategies and through internal and external analysis, department interview and other means, we have identified and ascertained six categories of major stakeholders and the core issues of concern to them, and established corresponding communication channels to promptly respond to the reasonable requests from stakeholders. During the Reporting Period, we continue to carry out frequent and multi-form communication with stakeholders to promote win-win cooperation and build a responsible corporate.

Stakeholders	Topics of Concern	Engagement Methods
Shareholders and investors	● Anti-corruption ● Compliance Operations ● Greenhouse Gas Emissions ● Energy Efficiency ● Climate Change Risks ● Clean Technology Opportunities ● Occupational Health and Safety	● Face-to-face meetings for annual and interim reports and other results publication ● General Meeting of Shareholders ● Exchanges with listed companies ● Daily communication and exchanges ● Questionnaire surveys
Employees	● Occupational Health and Safety ● Staff Training and Development ● Employee Welfare ● Child Labor and Forced Labor	● Employee Training and Activities ● Employee Satisfaction Survey ● Internal magazines and information sharing platforms

02 Laying the Foundation for Development Together

Government and regulatory authorities	● Occupational Health and Safety ● Air Emissions ● Wastewater Discharge ● Hazardous Waste Discharge ● Non-hazardous Waste Discharge ● Environmental Protection Education ● Anti-corruption ● Child Labor and Forced Labor ● Product Quality and Safety ● Water Resource Management	● Government-organized meetings ● Announcements, press releases ● Annual reports, ESG report ● Regular communication ● Report approval
Partners and suppliers	● Supply Chain Management ● Use of Materials	● Surveys and research ● Supplier assessments ● Supplier training ● Supplier audit ● Technical training ● Daily/online communication
Customers	● Customer Privacy ● Customer Service	● Professional academic exchanges ● Customer satisfaction survey ● Customer service hotline ● Strategic cooperation
Social organization	● Community Building ● Product Quality and Safety ● Compliance Operations ● Air Emissions ● Wastewater Discharge ● Hazardous Waste Discharge ● Non-hazardous Waste Discharge ● Environmental Protection Education ● Greenhouse Gas Emissions ● Climate Change Risks ● Clean Technology Opportunities ● Water Resources Management	● Press releases, announcements ● Public welfare activities ● Corporate public conference ● Official website and WeChat public account ● Media interviews and communication



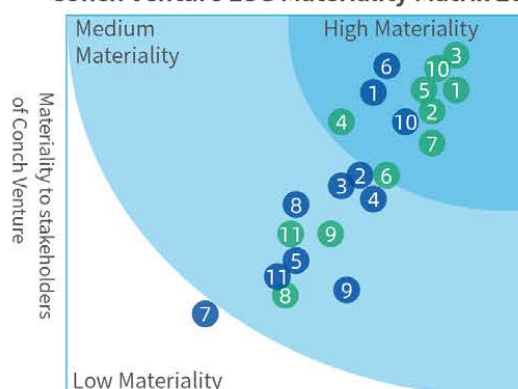
2.1.4 Materiality Assessment

In order to efficiently and systematically manage stakeholders' issue of concern, Conch Venture has identified 22 core ESG issues based on the actual operation circumstance of the Company and stakeholders' recommendations.

Based on industry standards, consultation with experts and management opinions, we have assessed and ranked the materiality of these issues, drew a matrix of issues, and such matrix has been confirmed and approved by the Board.

The results of the matrix can provide directional guidance for the sustainable development of the Company. We have identified a total of 10 high-materiality issues, 11 medium-materiality issues and 1 low-materiality issue. The core issues will be analyzed and disclosed in the Report.

Conch Venture ESG Materiality Matrix 2024



Materiality to sustainable development of Conch Venture

Environmental Issues*

1. Greenhouse Gas Emissions
2. Air Emissions
3. Clean Technology Opportunities
4. Water Resources Management
5. Hazardous Waste Discharge
6. Wastewater Discharge
7. Energy Efficiency
8. Use of Materials
9. Non-hazardous Waste Discharge
10. Climate Change Risks
11. Environmental Protection Education

Governance and Social Issues*

1. Anti-corruption
2. Employee Training and Development
3. Employee Welfare
4. Child Labor and Forced Labor
5. Supply Chain Management
6. Occupational Health and Safety
7. Community Building
8. Product Quality and Safety
9. Customer Privacy
10. Compliance Operations
11. Customer Service

* Bold font for topics of high materiality

2.2 Corporate Governance

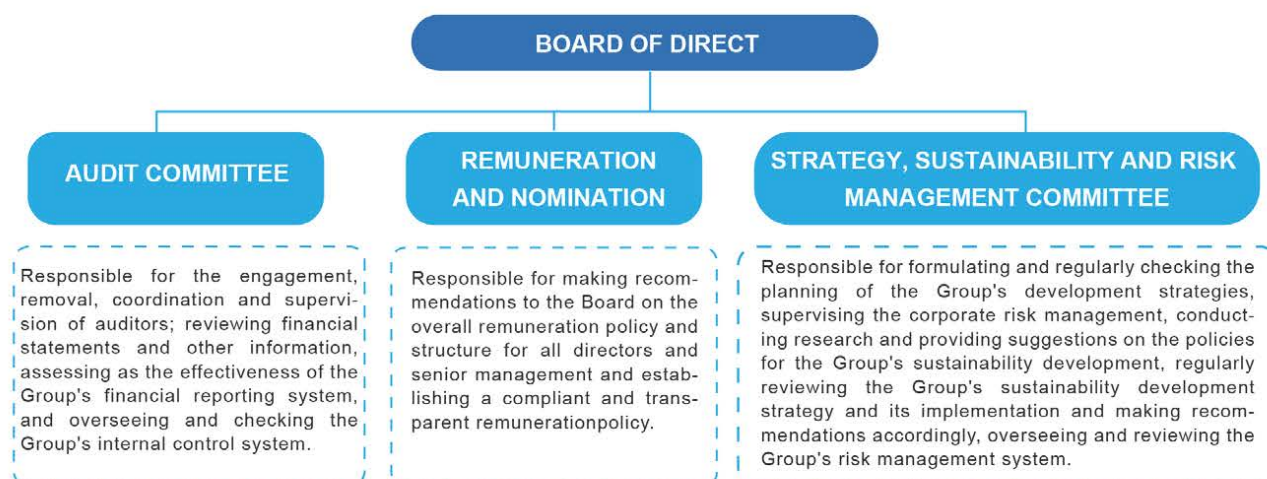
Conch Venture continuously optimizes its corporate governance system, continuously maintains the Board's diversity and professionalism, and focuses on enhancing decision-making ability and engagement of management. At the same time, we give high priority to risk management through strengthening internal control and audit mechanism, timely identify and effectively respond to potential risks in the Company's operations, safeguarding the Company's long-term and steady development.

02 Laying the Foundation for Development Together



2.2.1 Board Governance Structure

Conch Venture has strictly complied with the relevant regulatory requirements such as the Corporate Governance Code as set out in Appendix C1 of the Listing Rules, formulated the basic criteria of corporate governance, and established a governance structure with clear responsibilities and coordinated operations. The Board of the Group consists of the Audit Committee, the Remuneration and Nomination Committee and the Strategy Sustainability and Risk Management Committee. Each of these committees, in accordance with its professional functions, assists the Group in achieving standardized management and works together to ensure the sound operation of the Group.



Board Governance Structure



2.2.2 Board Diversity

Conch Venture is committed to building a professional and diversified Board, has formulated the Board Diversity Policy.² Conch Venture takes full consideration of various aspects of members including skills, industry experience, knowledge, cultural background, independence, age and gender to ensure that the members of the Board provide scientific and comprehensive insights into the decision-making and governance of the Company, meeting the Group's strategic development requirements.

Name of Director ³	Committee	Duty	Experience
Guo Jingbin	Strategy, Sustainability and Risk Management Committee	Non-executive Director and Chairman of the Board	Industry Experience, Risk Management
Ji Qinying	Strategy, Sustainability and Risk Management Committee	Executive Director, Vice Chairman of the Board, Chief Executive Officer	Industry Experience, Risk Management
Wang Xuesen	-	Executive Director and Executive Deputy General Manager	Industry Experience
He Guangyuan	-	Executive Director, Deputy General Manager	Industry Experience
Wan Changbao	-	Executive Director, Deputy General Manager	Industry Experience
Lyu Wenbin	Audit Committee, Remuneration and Nomination Committee, Strategy, Sustainability and Risk Management Committee	Non-Executive Director	Industry Experience
Chan Chi On	Audit Committee, Remuneration and Nomination Committee, Strategy, Sustainability and Risk Management Committee	Independent Non-Executive Director	Risk Management, Financial Management
Han Kai Wing	Audit Committee, Remuneration and Nomination Committee	Independent Non-Executive Director	Risk Management, Financial Management
Cheng Yanlei	Audit Committee, Remuneration and Nomination Committee	Independent Non-Executive Director	Risk Management, Legal Management

² The Board Diversity Policy http://www.conchventure.com/Public/Uploads/uploadfile/files/20191220/20191220145336_5dfc6ff01cdca.pdf

³ Please refer to Section Eight of the Annual Report for detailed biographies of board members.



2.2.3 Risk Internal Control

Conch Venture has established and continuously enhanced a comprehensive suite of internal control and compliance management systems, including the Administrative Measures for Comprehensive Risk Management, Administrative Measures for Internal Risk Control Work, and Internal Risk Control Deficiency Handling Protocols. The Risk Management Manual is regularly updated to reflect operational realities, ensuring systematic governance of risk management practices. In strict compliance with the requirements of the Listing Rules of HKEX on corporate risk management, we take "Structural Development, Foundation Consolidation, Standardization, Prioritization, Vertical and Horizontal Coordination, and Quantified Controls" as the risk management goal, and establish a three-tier risk management structure led by the Board of Directors and senior management. We continuously optimize the three-tier risk management implementation mechanism of "departments, regional committees and subsidiaries" and enhance the efficiency of the Company's risk management. During the reporting period, we optimized the organizational structure and management functions of some of our subsidiaries and incorporated these subsidiaries into the corresponding departments of Conch Venture for unified management, thereby reducing the number of management levels and enhancing management efficiency.

Board of Directors

Reviewing and approving annual implementation plans for internal risk control and assessment reports of the Company

Manager Department

Reviewing annual implementation plans for internal risk control and assessment reports
Coordinating in solving major issues in the internal risk control

Internal Risk Control Assessment Team

Supervising the rectification of internal risk control deficiencies
Conducting tests and formulating annual internal risk control assessment reports
Guiding and inspecting the progress of internal risk control in various regions and subsidiaries

Three-Tier Risk Management Structure

Building upon the strengthened risk management framework, Conch Venture has implemented a series of risk management and internal control measures to ensure operational resilience and security of the Company. According to the Administrative Measures for Comprehensive Risk Management, we developed an internal control self-assessment program to promote the self-assessment of the Company's internal control and effectively identify and manage various risks. We conducted regular risk management training programs to enhance employees' risk awareness and incident response capabilities. In addition, we conducted internal control audits and performed financial inspections for Bac Ninh Province, Vietnam to potential risks and standardize overseas business governance. We implement a strict litigation case management system and internal control measures to systematically manage legal affairs and effectively reduce legal risks.

During the reporting period, Conch Venture initiated a self-assessment of internal controls, focusing on 18 major business categories such as capital management and organizational structure, and prepared internal control reports on risk management, which were submitted to the Audit Committee and the Board on a regular basis. With respect to the major risks and issues revealed by the self-assessment, the Company has formulated a list of corrective actions and regularly tracked the progress of the corrective actions to verify the effectiveness of the corrective actions in a timely manner.

In 2024, the Group conducted 35 audits, of which 26 off-office audits and 9 special audits, during which 154 problems were found. The rectification completion rate reached 95%. In response to the problems identified in the off-office audits, we provided specialized training in the form of lectures for employees, to strengthen their awareness of risk management.

02 Laying the Foundation for Development Together

Training on Risk Management and Internal Control Capability

During the Reporting Period, Conch Venture has carried out trainings on risk management and internal control for relevant personnel of the Group's financial department at the first quarter financial working meeting. For the personnel of financial departments of all subsidiaries in Wanjiang, Guizhou, Shandong, North-east China and other regions, we have carried out specific risk management and internal management and control trainings with an aim to enhance risk prevention and control capability for internal staff, thereby enhancing the Group's capability to manage respond to risks in its operations. In addition, we also provide on-site guidance on the internal control self-assessment work of some subsidiaries to ensure the effective implementation of internal control mechanisms.



2.3 Integrity of Governance

Adhering to the principle of operations of integrity, Conch Venture incorporates its ethics into the daily operation, management and decision-making of the Company. The Company continues to optimize the business ethics supervision system, promotes the development of integrity and compliance culture and conducts whistleblower protection strictly, building a clean and honest business environment jointly with stakeholders.



2.3.1 Business Ethics

Conch Venture strictly abides by the Criminal Law of the People's Republic of China, the Company Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China and other laws and regulations. We have formulated policies and systems such as the Implementation Guidelines for Anti-Fraud Work, the Management Measures of Money-laundering applicable to all subsidiaries, suppliers and contractors. Through the process of complaint and reporting system, regular anti-corruption trainings and specific audits for high-risk areas, we further enhance the supervision and management for subsidiaries and partners, to prohibit the corruption. The management of the Group regularly reviews and assesses the effectiveness of relevant internal policies to guide the Directors, all employees, contractors, suppliers, part-time employees, contract workers and other relevant personnel to strictly abide by business ethics.

The Board of Directors of the Group is responsible for improving management systems on anti-corruption and incorporates the anti-corruption governance into strategies planning and monitors the implementation. The board-level Strategy, Sustainability and Risk Management Committee is responsible for assessing the risks of anti-corruption and monitors implementation of anti-corruption measures applicable to high-risk business areas.

MANAGEMENT MEASURES OF MONEY-LAUNDERING

- In accordance with Anti-Money Laundering Law of the People's Republic of China and taking into account the actual situation of the Company, we have formulated the Management Measures of Money-laundering, aiming to prevent and control money-laundering activities, safeguard financial order and prevent money-laundering crimes and other unlawful acts.
- The measures cover systems for customer identification, maintenance of customer's identity information, management of transaction record and reporting of large and suspicious transactions.

IMPLEMENTATION GUIDELINES FOR ANTI- FRAUD WORK

- By clearly stipulating the concept, forms and preventive measures of fraud, bribery and corruption, Implementation Guidelines for Anti-Fraud Work aims to establish and improve anti-fraud and anti-bribery mechanisms, standardize the Company's governance and internal control and safeguard the lawful interest of the Company and shareholders.
- The guidelines stipulate the liabilities for anti-fraud and anti-bribery, prevention and control measures, reporting and investigation process, remedies and penalties, and whistleblower protection mechanisms in detail.

We continue to improve management systems for business ethics and enhance monitoring for anti-corruption and anti-fraud from three dimensions such as governance structure, compliance audit and integrity culture training to enhance the group-wide standard of business ethics. We regularly conduct promotion of integrity culture for Directors and all employees. During the Reporting Period, all employees of the Group have signed the Letter of Responsibility for Integrity and the Letter of Commitment to Integrity, and the proportion of employees covered by the Group's code of conduct on business ethics has reached 100%. There is no litigation cases related to corruption.

Governance structure

- The Board of Directors is responsible for overseeing the effectiveness of self-assessment on the risk of corruption and fraud within the Group, and monitoring the anti-fraud review conducted by each department in an orderly manner.
- The Strategy, Sustainability and Risk Management Committee is responsible for researching and formulating anti-corruption policies and strictly monitoring the compliance of business ethics within the Group.
- As the standing institution for the Company's anti-corruption and anti-fraud work, the Legal Affairs Office guides the anti-fraud work of cross-departments of the Company in the daily operation, and reports to the Strategy, Sustainability and Risk Management Committee.

Compliance audit

- We conduct annual compliance audits across all operational locations, including resignation audit and daily specific audit. We focus on issues of business ethics and anti-corruption during the audit, and provide integrity reporting channels for employees, monitor and check the compliance operations of relevant management personnel and in operation processes and strictly implement policies of the Company's business ethics and requirements of laws and regulations.
- During the Reporting Period, no violation of business ethics and corruption was found in the Company's annual audit.

Integrity culture education

- For entrants, the Company conduct education of integrity culture during the introduction training and continues to enhance professional ethics of employees.
- For part-time workers and contractors, we convey the Company's business ethics standards and conduct integrity education to them when signing contracts.
- For suppliers and contractors, the Company conducts integrity culture promotion and risk assessment in the bidding process, and requires them to sign the Letter of Commitment to Integrity when signing contracts, clarifies the behavioral standards and strengthen cooperation management to jointly create a clean and honest cooperation environment.

Training on Integrity and Compliance

At the first quarter financial working meeting, Conch Venture conducted anti-corruption and integrity promotion for all financial departments of the Company. Meanwhile, we specifically provided contents related to integrity and anti-corruption in special training on internal risk control for financial personnel of subsidiaries in Wanjiang, Guizhou, Shandong and other regions, to strengthen the employees' awareness of integrity and adhere to the red line of conducts.

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2.3.2 Whistleblower Protection

Conch Venture is committed to establishing transparent and fair reporting and complaint mechanisms to strengthen anti-fraud management. The Company has formulated and implemented internal systems such as the Management Measures of Complaints and Whistleblowing and the Measures for Handling Complaints and Whistleblowing, to ensure that all stakeholders such as employees, suppliers, customers and contractors can report problems related to corruption, bribery, fraud and other violations in the form of letters, e-mails, faxes, phone calls, text messages, and on-site visits, either with real names or anonymously. We strictly keep the information of whistleblower confidential and prohibit intervention and retaliation in any form. For received whistleblowing, the Group's Legal Affairs Office will task with categorizing and handling them in accordance with actual situation, and the implementation will be monitored by the Audit Committee of the Board of the Group.

For general issues that do not constitute violations of laws and regulations, the personnel being reported shall be instructed to make a clarification on the reported issues and be given criticism and education according to the specific circumstances.

Reports with specific problems and clear clues, which need to be investigated for legal responsibility and political disciplinary sanctions, shall be investigated and dealt with in accordance with the case-filing procedure. If a criminal case is involved, it shall be transferred to the judicial authority for handling in accordance with the law.

Reports with no clear clues and specific facts, which are not investigative, shall be registered and recorded, and the investigation shall be carried out after there are clear clues.

Whistleblowing Grading Principle

Conch Venture firmly supports anonymous reporting and commits to strictly upholding principles of confidentiality and non-retaliation, ensuring full confidentiality of the whistleblower's information and materials throughout the reporting and investigation process. The Group adopts a zero-tolerance attitude against retaliatory actions towards whistleblowers and implements a series of measures to effectively safeguard their rights and interests. Meanwhile, it is strictly prohibited for any unit or individual to interfere, hinder or retaliate against the informant, and violators will be held accountable.

When handling complaints and reported cases, an investigation team consisting of at least two staff members will be set up. No member of the team or their relatives shall have an interest in the complaints and reported cases.

The investigation team is responsible for investigating and verifying the reported cases, collecting relevant evidence and making interview records.

The investigation team shall issue a written investigation report and handling opinions according to the investigation results, and submit them to the leaders of the company for review and signature.

Whistleblowing Handling Process



2.3.3 Information Security

Conch Venture attaches great importance to information security and commercial information protection and continues to improve systems and adopts a series of measures to prevent any potential information security risks. We established and implemented internal management systems such as the Internal Information Security Management Measures and the Extranet Publicity Management Measures, to ensure effective implementation of work related to information protection.

We continue to improve information security technologies and security operation systems. By leveraging the internal office platform and operation monitoring platform, we manage the production data and office information in cloud and establish an archive for offline backup and unified management of commercial information to enhance data confidentiality. In addition, we focus on enhancing the information security awareness of our employees, and help implement information protection. During the Reporting Period, the Group did not experience any significant information security breaches or leaks of business secrets.

PROMOTING AWARENESS OF INFORMATION SECURITY

The Company regularly issues notices to remind employees to be cautious about cybersecurity threats and urge them to learn about cybersecurity, strengthen the management of accounts and passwords of the Company and protect the security of network equipment and software.

We organize online cybersecurity training for our subsidiaries, covering instructions on the use of the OA network and precautions for the use of the Company's internal conference system.

DEVELOPING EMERGENCY RESPONSE PLAN

The Company formulated emergency plans for information security. The emergency plans will be activated and corresponding measures will be proposed in the event of cybersecurity emergency to reduce the impact of cybersecurity incidents.



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Upholding the green development philosophy, Conch Venture actively implements national energy conservation and emission reduction strategy and promotes development of low-carbon recycling economy. We fully acknowledge that environmental protection is an inevitable choice for the long-term development of enterprises. Accordingly, while deeply engaging in the principal business of environmental protection, we continue to expand diversified businesses and explore green environmental protection technologies to cope with challenges and opportunities brought by climate change and make unremitting efforts to realize the wonderful vision of “green mountains and rivers creating a green home”.

3.1 Environmental Protection Development

Conch Venture has been dedicated to upgrading its principal business of environmental protection and continued to improve low-carbon energy-saving technologies for decades since its listing. We vigorously invest in clean technologies by exploring the construction of battery's anode and cathode material projects, and diligently promote the resource recycling industry, achieving a resource recycling solution that integrates upstream and downstream. In 2024, as the opening year of the Company's third five-year plan, we will continue to focus on waste power generation, new energy and recycling segments to start a new journey of clean technology development and environmental protection.

Segments	Specific Targets
Waste power generation industry	The domestic waste treatment capacity of 25.0 million tonnes/year by the end of 2028
New energy industry	The production capacity of new energy anode and cathode material of 0.2 million tonnes/year by the end of 2028
Recycling industry	The scale of CKB projects of 1.0 million tonnes/year by the end of 2028



3.1.1 Waste Power generation Industry

Conch Venture has been deeply engaged in the environmental protection industry. Based on the characteristics of China's domestic waste, such as high moisture content, low calorific value, and complex composition, it has developed a grate furnace incineration power generation technology that is suitable for China's waste treatment scenarios. This technology has been optimized for China's domestic waste, forming unique advantages including a wide calorific value range, strong load regulation capacity, excellent controllability, and a high degree of automation. Furthermore, the high-temperature flue gas generated after complete waste combustion can be used for turbine power generation, fly ash can be solidified and landfilled, slag can be repurposed as construction materials, and treated landfill leachate can be reused as cooling water supplement, demonstrating significant comprehensive utilization benefits.

During the Reporting Period, the Group disposed of a total of 16.12 million tonnes of domestic waste, and connected 14 new waste incineration power generation project to the grid.

Huayin Domestic Waste Incineration Power Generation Project Connected to Grid

The Huayin domestic waste incineration power generation project was officially connected to the grid and commenced power generation on 24 November 2024. Equipped with a mechanical grate furnace and steam turbine generator set, the project effectively promotes the reduction, resource recovery, and harmless treatment of waste in Huayin city. It holds significant importance for transforming urban solid waste disposal methods and promoting the development of a green circular economy.



3.1.2 New Energy Industry

The Group has been actively expanding its presence in the new energy sector, with a strong focus on anode materials and new materials. It continues to increase R&D and innovation investments, explores collaboration opportunities across the upstream and downstream industrial chain, and accelerates the development of the new energy industry.

During the year, Conch Venture produced 35,000 tonnes of lithium iron phosphate positive electrode material. By formulating scientific production plans, we prioritized work on the optimization of various magnetic particles, iron phosphate development, and product innovation. During the Reporting Period, it applied for 7 patent applications, with 3 authorized. Additionally, the anode material project with an annual production capacity of 100,000 tonnes offers a diverse product portfolio, including single particles, secondary particles, and carbon-coated secondary particles. The anode material project is currently progressing steadily toward completion, while efforts are being actively made to expand supply and sales markets.



3.1.3 Recycling Industry

Conch Venture has always been committed to the investment and construction of the recycling industry, actively building an industrial chain for the resource utilization of new energy batteries. Leveraging its back-end smelting and extraction center projects, it advances the layout of the battery recycling business, thereby facilitating resource recycling and green and low-carbon development.

CV Recycling's Presence in Lithium Battery Recycling Industry

Driven by innovation, CV Recycling has been leading the industrial development. It has applied for 30 patents with 16 granted, gradually establishing a complete patent protection system. Meanwhile, CV Recycling has also contributed to industry standardization by participating in drafting 3 association standards and 2 industry standards, and leading in compiling 1 association standard.

In addition, the Cement Kiln Co-Disposal Technology (CKB) of CV Recycling demonstrates distinctive advantages through its fully automated control system without any manual operation. It effectively mitigates safety risks through discharge without pre-soaking and manual disassembly at the initial stage. No chemical agents are used throughout the process, and the generated waste gas can be harmlessly treated in the cement kiln. The waste air of the cement kiln is used for preheating and discharging, saving energy and reducing consumption. Furthermore, this project occupies a small area, allowing deployment within existing cement plants, and possesses the technical capability to process multiple lithium battery types, providing a safe, efficient and innovative solution for the new energy battery recycling industry.

3.2 Green Management

Amid the wave of green transformation, Conch Venture has positioned sustainable operations as a core responsibility. We have established a scientific and comprehensive environmental management mechanism and regulations. While ensuring the compliance of environmental protection operations, we implement strict process control and continuous monitoring and evaluation, effectively reducing the environmental impact during the operation process.



3.2.1 Environmental system management

We strictly abide by the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Air Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution, the Law of the People's Republic of China on the Prevention and Control of Environment Pollution by Solid Waste, the Law of the People's Republic of China on Prevention and Control of Soil Pollution, the Environmental Impact Assessment Law of the People's Republic of China, and other relevant national laws and regulations, and pay close attention to the environmental protection policy requirements of the places where it operates. In order to ensure the effective implementation of various regulations, we have established a dynamic tracking mechanism, including regular interpretation, discussion, training and assessment, so as to continuously improve the management system, laying a solid foundation for sustainable development.

To ensure the environmental compliance of its operations, we have formulated multi-level management systems such as the Dangerous Waste Management System, the Environmental Facilities Operation Management System, the Standardized Sewage Outfall Management System, the Management System for Environmental Self-monitoring and Supervisory Monitoring, and the Pollutant Discharge Management System etc., in accordance with national environmental laws and regulations.

Additionally, we have set long-term environmental objectives in four aspects, including water resource management, energy utilization, waste disposal, and greenhouse gas emissions. Through systematic layout and continuous investment, we are promoting the green transformation of the company.

Four Environmental Objectives

Water resource management

Reduce water consumption and strictly control sewage discharge

Energy utilization

Reduce the use of traditional energy, improve energy efficiency, and promote the continuous reduction of unit energy consumption

Waste disposal

Strengthen solid waste management and implement standardized disposal processes

Greenhouse gas emissions

Control greenhouse gas emissions and enhance the effectiveness of carbon reduction

In addition, Conch Venture has continuously improved its environmental management system through environmental permit management, auditing and supervision and employees training. As of the end of the Reporting Period, 15 subsidiaries of Conch Venture had obtained ISO14001 environmental management system certification.

Environmental Management Measures

Environmental permit management

- ◆ Project construction must strictly follow the principle of "assessment before construction", and construction can only commence until it receives approval of EIA.
- ◆ Adhere to the principle of "qualified acceptance and operation with a certificate" to ensure that the project is put into production in compliance with relevant regulations.

Daily environmental management

- ◆ Implement self-monitoring, standardize the submission of environmental management ledger data.
- ◆ Entrust a qualified third party to deal with solid waste on time and ensure the compliance disposal data.
- ◆ Regularly inspect the operation status of environmental protection equipment and establish ledger management.

Environmental Awareness Training

- ◆ Continue to carry out environmental awareness education to improve the environmental awareness of all employees.
- ◆ Provide professional environmental skills training for relevant employees to improve their skills.

Environmental Risk Control Measures

Risk of fly ash solidification

- ◆ Compile the "Guiding Opinions on Fly Ash Solidification and Stabilization Treatment and Landfill Operation (Trial)"

Risk of flue gas disposal

- ◆ Strictly control the dosage of denitrification ammonia water, and conduct accurate measure to ensure treatment effectiveness
- ◆ Strengthen the inspection of the injection system to ensure the stable operation

Risk of solid waste storage

- ◆ Compile the "Emergency Procedure for Sudden Fire in the Garbage Pit", putting forward specific requirements for source control, on-site fixed-point storage, and inspections

Risk of liquid material leakage

- ◆ Strengthen the management of the unloading process and install collection devices at the unloading ports

Risk of leachate disposal

- ◆ Configure a dual power supply system to ensure reliability, with key facilities adopting dual-machine backups
- ◆ Strictly implement the anti-seepage requirements of groundwater zoning and strengthen the groundwater environmental monitoring management
- ◆ Implement a regular equipment maintenance mechanism

Risk of waste storage and transportation

- ◆ Regulate the scientific capacity of the storage tank and set load-bearing markings
- ◆ Equip with a protection system and conduct regular maintenance
- ◆ Optimize the arrangement of transportation routes and strictly implement acceptance standards

03 Creating a Green Chapter Together

Conch Venture pays close attention to changes in environmental risks. Through continuous inspections and evaluations, it conducts risk identification with higher standards and stricter requirements to effectively prevent environmental incidents. In the early stage of new projects, we clarify the environmental protection responsibilities of the construction units, and strictly implement various environmental protection measures to reduce the environmental impact during the construction period. At the same time, we entrust a third-party environmental supervision unit to conduct environmental impact supervision at the construction site during the construction period. In the course of operation, we strictly monitor the environmental quality of the surrounding noise, atmosphere, groundwater, soil, etc. in accordance with national requirements, and exert every effort to reduce the probability of environmental risks and minimize the adverse environmental impacts of operations. In addition to practicing green management, Conch Venture also focuses on cultivating the culture of environmental protection. Through systematic training, it enhances the environmental protection awareness of all employees, so that the green concept takes root in the hearts of every employee.

"6.5 World Environment Day" Publicity Activity

In order to better educate our employees in the safety and environmental protection knowledge, Conch Venture organized a series of publicity activities for the "6.5 World Environment Day". A total of 101 safety and environmental protection training courses and knowledge lectures were carried out, with 2,490 employee participants trained and over 3,000 copies of the Environmental Protection Publicity Manual distributed to guide all employees to actively participate in the eco-environment protection. During the activity, 39 companies including Yanshan Engineering and Bole Engineering actively cooperated with local environmental protection departments in organizing public open days, and invited relevant communities, students, residents, and relevant government departments to visit their sites, aiming to build a green and beautiful home together.



3.2.2 Environmental Impact Regulation

In response to the continuous update and improvement in national policies, Conch Venture revised and improved 13 environmental management systems in accordance with the Hazardous Waste Storage and Pollution Control Standard, the Technical Specification for Setting Identification Signs of Hazardous Waste and the Technical Guide-line for Field Supervision and Inspection of Domestic Waste Incineration Plants with Power Generation, which further enhanced the standardized level of the environmental management of the Company. During the Reporting Period, all of the Group's projects had obtained discharge permits, and the compliance rate reached 100%.

Self-monitoring

With great emphasis on the control of emissions, the Group requires all of its subsidiaries to identify all pollution sources, determine the main monitoring indicators, and formulate an accurate monitoring program, so as to minimize the environmental impacts.

Conch Venture Pollutant Discharge Self-Monitoring Requirements

Identification at the source: Making systematical analysis of discharge milestones and evaluating their potential impacts on the surroundings, in order to realize accurate management and control;

Location arrangement: Setting the monitoring locations in a scientific manner, and covering key parts including the main discharge, treatment facility inlet and outlet, etc.;

Standard implementation: Strictly enforcing national standards, local requirements and specific management and control requirements, and ensuring that the emissions reach relevant standards;

Project management: Detailing the list of the monitoring project in accordance with national standards, industrial specifications and EIA approvals, and strictly implementing the highest standards;

Frequency arrangement: Reasonably determining the frequency of monitoring in combination with the characteristics of pollutants, emission conditions, permit requirements and EIA approvals;

Methods and specifications: Standardizing monitoring methods and ensuring the accuracy and reliability of data in strict accordance with technical standards.

Standardization of the Environmental Protection Management of Grate Furnace Incineration Power Generation to be Put into Production

In order to strengthen the environmental protection management of the grate furnace incineration power generation project to be put into production, Conch Venture comprehensively sorted out the key phases in the environmental protection certificate handling, facility construction, system establishment and risk control before and after the project commissioning of the project, and compiled the "Guidelines for Safety and Environmental Protection Work Procedures of the Incineration Power Generation Project to be Put into Production and the Reminder Card of Normalized Safety and Environmental Protection Work of Grate Furnace Power Generation Project", in order to standardize the environmental protection management standards of the project. Meanwhile, we strictly carried out the professional inspection of safety and environmental protection before commissioning and the completion check for acceptance of environmental protection facilities after commissioning and organized relevant personnel to receive practical training in the mature project, in order to comprehensively enhance the environmental protection management standards of the project.



3.2.3 Biodiversity Protection

Conch Venture strictly implements the requirements of the ecological protection red line, focuses on biodiversity protection in the whole process of project development, construction and operation, effectively reduces the impacts of the enterprise operation on the surrounding eco-environment and promotes the harmonious coexistence between the enterprise and nature.

Biodiversity Environmental Impact Assessment of the Yunnan Xichou Project

Conch Venture strictly conducts the biodiversity impact assessment of Yunnan Xichou Project in strict accordance with the Biodiversity Protection Regulations of Yunnan Province. We scientifically assess the biodiversity restoration upon the completion of the project to minimize the impact of the project construction and operation on the local eco-environment, and protect the ecological balance through practical actions.

3.3 Emission Management

Conch Venture always sticks to the green development concept and continuously enhances the pollutant treatment level. Regarding environmental protection as the core responsibility of the enterprise, we always pursue greener mountains and clearer water, constantly explore new ways to reduce emissions, and contribute to the progression of ecological civilization through practical actions.



3.3.1 Control of Air Emission

In order to ensure standard and orderly air emission, Conch Venture strictly complies with relevant standards and specifications such as the Pollution Control Standard for Domestic Waste Incineration, the Pollution Control Standard for Cement Kiln Co-Disposal of Solid Waste and the Comprehensive Emission Standard for Air Pollutants, implements the monitoring requirements of Technical Self-monitoring of Pollutant Discharge Units-Solid Waste Incineration (HJ 1205-2021), conducts normalized air emission monitoring and submits emission permit compliance report. We have formulated internal management systems such as the Management System of Air Emission, Management System of Pollutant Online Monitoring Equipment and Data, Management System of Environmental Self-monitoring and Supervisory Monitoring and Management System of Pollutant Discharge etc., and established the sound air emission management system. During the Reporting Period, Conch Venture actively explored applications of environment-friendly new technology, and conducted tests on the treatment technology of several pollutants.

Experiments on Clay Mineral Purification Effect

In 2024, Conch Venture started the application test of the modified absorbing materials of composite clay minerals in the Luoping Project. The material is a chain-structured modified products of clay minerals containing magnesium, aluminum and silicate, which has multiple advantages over traditional activated carbon. It not only has higher pollutant removal efficiency, but also boasts safer transportation and storage due to its stable chemical properties. Preliminary test results show that the material exhibits excellent purification effects in the removal of flue gas, heavy metals and dioxins.

Ultra-low Emission Technical Transformation Experiments

Conch Venture launched a pilot project on ultra-low emission technical transformation in Zhoukou and Luanzhou, adopting the process of "slaked lime semi-dry method + slaked lime dry method" for flue gas deacidification. In order to fully utilize the potential of the existing process, Zhoukou Project launched tests on the optimization of the soda and high-specific -surface slaked lime drying process, which proved that the "slaked lime semi-drying + soda/high specific surface slaked lime drying" process could not only meet the requirements of the local standards, but also realize economic benefits. While ensuring the deacidification efficiency of the semi-drying reaction tower, Luanzhou Project made earlier adjustments to the deacidification agent proportion according to different blending combustion modes, and maintained the adsorption layer of dry soda powder on the surface of the bag of the dust collector, which effectively stabilized the emission concentration of acid gases.

In 2024, we implemented an integrated air emission control system, set annual emission targets for each subsidiary, and ensured that the annual total was met through daily, weekly and monthly target breakdown and control. The safety and environmental protection department of each subsidiary regularly carries out statistical analysis of pollutant emissions, implements supervisory assessment of key emission units, and adopts various measures to adjust the internal control value of the average daily concentration of pollutants, so as to continuously improve the level of environmental protection management.



Dynamic Concentration Control of Pollutant Emissions

Set concentration alerts in the central control DCS system to adjust the emission intensity in real-time; Enhance de-ammoniation efficiency and reduce NO_x emissions by optimizing furnace temperature, ammonia water quality, and injection temperature; Strengthen the quality management of lime, adjust the operating parameters of the semi-dry desulfurization tower (including atomizer speed, slurry volume, and slurry concentration), regularly inspect the condition of wall deposits in the reaction tower, improve desulfurization efficiency, and reduce SO₂ emissions.

Reducing the Environmental Impact of Unorganized Volatile Gases in Fly Ash Temporary Storage

The hazardous waste workshops at six projects such as the Danjiangkou project, Yantai project, Zhoukou project, and Taonan project installed exhaust gas purification devices in accordance with the Hazardous Waste Storage and Pollution Control Standard. A small portion of the volatile gases emitted from the hazardous waste workshops are redirected to incinerators for burning or further purified before being released, thereby reducing the environmental impact of unorganized emissions.

Optimization of Emission Treatment Measures

To strengthen emission treatment, Conch Venture has implemented precise control measures for different types of emissions. In terms of dust control, we introduced a high-efficiency pulse bag filter system, with a dust collector rated at 132kW and a maximum airflow of 100,000m³/h, as well as a 15-meter exhaust stack. The system adopts a sealed negative pressure collection method, focusing on controlling dust-generating processes and significantly improving dust collection efficiency. For boiler flue gas treatment, we completed the retrofitting of low-nitrogen combustion equipment for gas boilers. After multiple tests and verifications, nitrogen oxide emissions have consistently met the Wuhu city emission standards. In VOCs treatment, we installed three-way catalytic devices and online monitoring equipment in the paint booths to effectively reduce VOCs emission concentrations, keeping VOCs emissions below 30mg/m³.



3.3.2 Wastewater Discharge Management

Conch Venture strictly implements the Water Pollution Prevention and Control Law of the People's Republic of China and other relevant regulatory requirements, establishing a comprehensive wastewater treatment management system. For various types of wastewater, such as landfill leachate, domestic sewage, and flushing wastewater, we have formulated standardized disposal processes to ensure compliance with discharge standards.

Each of Conch Venture's waste incineration power generation project strictly adheres to the zero wastewater discharge standard and continuously improves water resource reuse rates to effectively reduce emissions. During the Reporting Period, the Group implemented several wastewater reduction measures. For example, Yangzhou Haichang equipped a dedicated sludge vacuum truck to treat domestic sewage from inland vessels, which is then reused in the production process. Additionally, Anhui CV New Energy installed secondary sedimentation wastewater treatment facilities, with treated production wastewater being discharged into the municipal pipeline network after meeting the discharge standards.

Series of Wastewater Reduction Measures

Implement technological improvements to optimize the treatment of circulating cooling wastewater, which is reused for flue gas desulfurization lime slurry preparation and fly ash solidification, enhancing water resource utilization efficiency and effectively reducing wastewater discharge.

Add a DTR0 concentrate reduction device and a reclaimed water treatment system, significantly reducing the external discharge of wastewater.

Introduce a raw water treatment facility to convert surface water into reclaimed water for production use, thereby achieving water resource conservation.



3.3.3 Solid Waste Management

Conch Venture strictly adheres to the Law of the People's Republic of China on the Prevention and Control of Environment Pollution by Solid Waste, the National Catalogue of Hazardous Waste, and other relevant laws, regulations, and management requirements. We standardize the management of waste from generation, classification to disposal, continuously improving resource utilization levels, and actively assume responsibility for the treatment of social waste.

The Group strictly implements a waste classification management system to ensure the proper disposal of various types of waste. Household waste is handled by the sanitation department, while hazardous waste (including used oil, waste cloth bags, etc.) is stored in a hazardous waste storage facility and entrusted to a qualified third-party for compliant disposal.

At the same time, we actively undertake social environmental governance responsibilities. During the Reporting Period, we handled a total of 147,000 tonnes of municipal sludge (including distiller's grain sludge) and 176,000 tonnes of kitchen waste, effectively alleviating the operational pressure on local wastewater treatment facilities and contributing to water resource protection and ecological environmental improvement. Additionally, we cooperated with local governments to jointly dispose of special wastes, such as medical microwave residues and counterfeit products, effectively preventing environmental pollution risks from landfills.

Furthermore, we continue to promote the resource utilization of hazardous waste. During the Reporting Period, the Group completed the resource disposal of 47,000 tonnes of fly ash and realized the resource utilization of 4.6 million tonnes of slag, converting it into building materials and road paving materials, thus reducing the demand for the extraction of natural resources.

Landfill Management and Ecological Restoration

The Group actively participates in landfill management and restoration efforts, using scientific excavation methods to release available space and improve the efficiency of landfill use. During the Reporting Period, we handled a total of 1.1 million tonnes of landfill waste, achieving a reduction of 460,000 tonnes of CO₂ emissions, contributing to the fight against climate change. At the same time, we continue to advance landfill ecological restoration projects, transforming these sites into multifunctional areas such as urban parks, injecting new momentum into the sustainable development of cities.



3.3.4 Construction Dust and Noise Management

Conch Venture places great emphasis on controlling dust and noise during the construction process, rigorously implementing relevant environmental management regulations and local standards. During the construction phase of each project, we adopt measures such as dust suppression by sprinkling water at construction sites, road cleaning, and enclosed transportation, in accordance with environmental impact assessment requirements, to continuously reduce the impact of construction activities on the ecological environment.

Dust Control in Conch Venture's Port Logistics Project

Conch Venture's port logistics project employs an online dust monitoring system to conduct real-time monitoring of the atmospheric environment within the factory area, providing data management for comprehensive control of dust emissions during production operations.



Building upon existing measures such as windproof dust suppression nets, closed transportation lines, and automatic sprinkling systems for storage yards, an investment of RMB 2.8 million was made to harden the sand and gravel storage yards, reducing dust pollution.



New spraying facilities have been constructed to further optimize dust suppression systems on the company's belt lines, hoppers, and chutes. Wind deflector panels were added to the ship loader's belt to reduce dust emissions during equipment operation.



Dust control measures on factory roads have been strengthened, with the installation and updating of mobile wheel washing machines at storage yard entrances and exits to reduce the pollution of internal roads by mobile machinery. Additionally mist cannons are used in the dock area to control dust generated during production operations.



3.4 Principled Resource Conservation

Conch Venture adheres to the concept of resource conservation and recycling, continuously advancing energy-saving and consumption-reduction efforts in business development. Through process optimization and technological upgrades, we consistently improve resource utilization efficiency. We actively explore solutions for efficient energy use and waste recycling, striving to achieve a win-win outcome in both economic and environmental benefits.



3.4.1 Efficient Use of Water Resources

Conch Venture strictly adheres to the laws and regulations such as the Water Law of the People's Republic of China, and the Regulations on Water Abstraction Permits and Water Resources Fee Collection. The Company ensures rational water use by obtaining the annual approval of the Project Water Resources Certification Report. The Group's water consumption mainly includes municipal water, treated reclaimed water, and surface water, which are used for daily office needs, boiler desalination, circulation cooling, and firefighting, among other purposes. For areas affected by seasonal drought, we use groundwater in accordance with regulations after obtaining the necessary permits, ensuring operational needs are met. During the Reporting Period, we actively implemented multiple water resource reuse projects, achieving significant results.

Steam Autoclave Exhaust Steam Recovery Device

Conch Venture actively promotes water conservation and recycling efforts. By installing the steam autoclave exhaust steam recovery device, the Company has achieved comprehensive recovery and reuse of exhaust steam condensate, effectively reducing the system's makeup water requirements. Additionally, we have implemented rainwater and wastewater recycling projects, treating and reusing 178,000 m³ of water, which is entirely used for yard spraying. Furthermore, we have added a raw water treatment system, replacing surface water with reclaimed water for production, significantly improving water resource utilization efficiency.



Optimization of water circulation of the desulfurization system

To improve water utilization efficiency and reduce resource waste, Conch Venture optimizes the water circulation of the desulfurization system. We add a return water pipeline to the outlet of the cooling water equipment to direct the cooled water into a process water tank, and install Y-type filters at the return water inlet to ensure that the recycled water meets relevant standards. After the renovation, water resources are centrally collected in a storage tank, which can be used for equipment cleaning and facility maintenance. This initiative reduces the average daily water consumption of the desulfurization system from 935m³ to 135m³ and significantly enhances the efficiency of water recycling.



Reuse of pressurized water by CK Equipment

CK Equipment continuously promotes the pressure vessels-pressurized water recycling project. We establish wastewater treatment facilities in the pressurizing process to enable the recycling of pressurized water. The used pressurized water is treated by sedimentation purification and stored in a fixed water tank for reuse. This initiative reduces annual water consumption from 785.8m³ to 78m³ and effectively decreases water consumption.

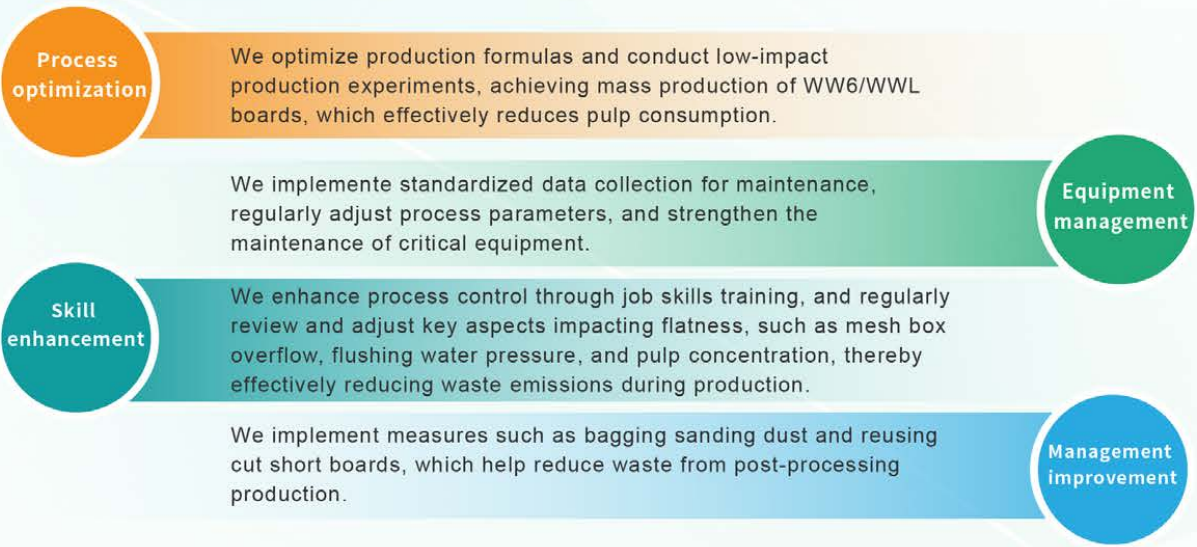


3.4.2 Reduction of Material Use

Conch Venture strictly controls the amount of raw materials used during production and plans packaging processes reasonably to reduce resource consumption and minimize waste generation, while continuously promoting material-saving and efficiency-enhancing initiatives.

Reducing the Use of Production Materials

Conch Venture focuses on resource conservation and environmental protection and strictly controls material consumption during production and operations. During the Reporting Period, we implemented various measures, such as substituting tire oil for diesel, to further optimize material utilization efficiency.



Rational Use of Packaging Materials

During the Reporting Period, we implemented multiple measures such as recycling wooden pallets and plastic pallets to continuously strengthen the management of packaging material use.

Reduction and recycling of packaging materials

To enhance the environmental performance of product packaging, Conch Venture continuously advances the optimization and upgrading of packaging materials. We shift our packaging method from shrink film and flat film to stretch film and reduce material thickness, which effectively increases the number of units packaged at one time. Simultaneously, we optimized the thickness and width of the packaging straps, significantly lowering packaging costs. Regarding auxiliary packaging management, we establish partnerships with recycling companies to clean and refurbish containers for lubricants, defoamers, flocculants, and other materials for reuse, achieving the recycling of packaging materials and embodying the concept of green and environmental protection.

3.5 Climate Response

In response to the increasingly severe global climate change challenges, Conch Venture actively engages in climate response initiatives. With reference to the TCFD (Task Force on Climate-related Financial Disclosures) framework, we preliminarily identify climate change risks and opportunities while developing corresponding management strategies to contribute to global climate governance and fulfill our corporate sustainable development responsibilities.



3.5.1 Governance

Conch Venture has initially constructed a climate governance system, with the Strategy, Sustainability and Risk Management Committee responsible for coordinating climate-related issues and risk management, and conducting regular reviews of how climate risks and opportunities impact the Company's development. Other departments of the Company are tasked with researching climate policies, identifying and assessing climate risks and opportunities related to business operations, and formulating response plans.



3.5.2 Strategy

The Group has established a systematic climate risk assessment mechanism, which aims to identify physical and transition risks and their impact on business operations by employing a three-step approach of identification, assessment, and monitoring, combined with an analysis of different climate scenarios. Based on the assessment results, we develop corresponding response measures and promote green transformation from multiple dimensions, actively engaging in climate action.



List of Climate Change Risks and Opportunities

Risk/Opportunity		Item	Risk Description	Response Measures
Transition risk	Policy and law	Strengthening climate-related disclosure obligations	In 2023, the HKEX issued guidelines on Enhancing Climate-related Disclosures under the Environmental, Social, and Governance Framework, requiring issuers to fully disclose climate-related information based on TCFD recommendations and ISSB (International Sustainability Standards Board) climate standards. Failure to timely and accurately disclose relevant environmental data may lead to negative impacts such as regulatory warnings, business losses, and reputational damage.	We will actively respond to increasingly stringent climate regulatory requirements, continue implementing energy conservation and emission reduction measures, utilize clean energy, and enhance emission statistics and monitoring to improve the quality of information disclosure.
	Reputation	Relationship with investors	Due to the nature of waste incineration treatment, the market tends to view waste-to-energy as a high carbon intensity business, which may affect investment decisions of environmentally-oriented investors.	Empirical and scientific calculations show that our waste-to-energy projects not only replace fossil fuel power generation but also effectively avoid greenhouse gas emissions from landfill, achieving dual carbon reduction benefits.
	Technology	Significant investment in technological innovation	As environmental standards become stricter, the Group will further enhance R&D innovation efforts, which may lead to increased operational expenditures and require greater capital investment in new technology development and alternative solutions.	We will take such measures as energy-saving technological improvements and clean energy applications to continuously enhance energy efficiency and reduce costs while establishing a budget management system to ensure the effectiveness of technological innovation investments.
Physical risk	Acute risk	Extreme weather such as extreme cold and heat	At the extreme cold conditions in winter may reduce the fermentation efficiency of garbage entering the furnace, destabilize boiler combustion conditions, and risk freezing in equipment pipelines. The extreme heat and severe convection weather in summer may impact the safe operation of equipment and disrupt production systems.	We will establish a comprehensive extreme weather response mechanism, enhance engineering measures such as protection for equipment and facilities, and implement management measures such as safety hazard inspections and emergency drills to ensure the safe and stable operation of production systems.
	Chronic risk	Rising sea levels	Given that the Group operates in coastal areas, the risk of rising sea levels due to global climate change may affect related facilities and increase the need for infrastructure protection investments.	We will continue to assess risks surrounding each operational base and strengthen infrastructure protection capabilities as necessary. Climate risks are also considered key factors in the selection of new project sites.

Opportunity	Energy source	As the government advances the comprehensive policy system for renewable energy green power certificates, the increasingly standardized mechanisms for green certificate trading and green electricity consumption provide policy support and market opportunities for the Group to engage in green electricity trading and optimize the energy structure.	We will actively respond to green electricity policies by applying for green certificates, registering trading platforms, and expanding the green electricity market to promote the utilization of clean energy.
	Resource efficiency	Improving production process efficiency and resource recycling rates is conducive to enhancing corporate sustainability capacity.	We will improve production processes and optimize packaging solutions, continuously promote water resource conservation management, enhance material utilization efficiency, and strengthen the rational use of packaging materials, so as to effectively reduce operational costs.

Climate Response Actions

Application for Green Certificates	As of the end of 2024, the Group had applied for 9.8 million Green Certificates, while also actively partnering with sales agencies to conduct bulk transactions of Green Certificates.
Energy-saving technical transformation	We organized the tendering for energy-saving water pump technical transformation for 31 projects. The average power saving rate was 31%, with each pump saving over 400,000 kWh of electricity annually.
	CK Equipment merged the low-voltage cables of the plant transformers to reduce the number of operating transformers, saving approximately 423 kWh per month.
Clean energy	We constructed rooftop photovoltaic power generation projects and carried out daily operation and maintenance. In 2024, the total power generation reached approximately 4,136 MWh.
	The wind power project of Yangzhou Haichang generates approximately 3.96 million kWh of electricity annually, and provides shore power services for over 1,700 ships, which is equivalent to saving more than 486 tonnes of standard coal annually.
	We have replaced diesel-powered forklifts with electric forklifts, and fully leveraged our wind power generation to further reduce reliance on traditional energy. Additionally, we plan to gradually phase out all fuel-powered mobile machinery.
Energy efficiency improvement	The new energy storage project of Anhui CV New Energy is equipped with a 15 MW/30.562 MWh energy storage system, comprising 6 energy storage sub-units. By reducing the frequent start-up and shutdown of thermal power units and increasing renewable energy utilization, this system ensures a stable and continuous energy supply while significantly improving energy efficiency.
	The waste steam and heat recovered from the autoclave can be repurposed for other thermal processes, reducing natural gas consumption by 200,000 m ³ annually and cutting nitrogen oxide (NO _x) emissions by 0.062 t/a per year.
Response to extreme weather	In winter, we increased sealing strips to minimize air leakage points while coordinating with government authorities to address waste transportation and storage challenges. At the same time, we closely monitor the freezing of pipelines to ensure timely intervention. In summer, we conduct education activities on lightning protection and flood prevention, organize emergency drills targeting natural disasters frequently occurring during summer, and strategically stockpile critical relief supplies including flood-control sandbags and emergency communication equipment to enhance our resilience against natural disasters caused by extreme weather.

03 Creating a Green Chapter Together

Technical Transformation by Combining Flow-forming Processes with Sheet-forming Production

We implemented a technical transformation by combining flow-forming processes with sheet-forming production. This upgrade involved installing a homogenizing tank and headbox system to ensure continuous, uniform slurry deposition, reducing power consumption. The optimized production schedule now allocates approximately two-thirds of annual operations to flow-forming processes and one-third to sheet-forming production. As a result, our power consumption index improved from 1.6 kW/m² before the technical transformation to 1.1 kW/m², achieving annual electricity savings of 660,000 kWh.



Optimized Management on Power Consumption



We installed frequency conversion drives for high-power equipment, including fans and grinders, to dynamically adjust operational loads. By strategically scheduling offline screening operations during off-peak electricity hours, we optimized energy distribution patterns. This initiative effectively reduced overall power consumption while maintaining a stable energy supply.



3.5.3 Risk Management

The Group has integrated climate change considerations into its comprehensive risk management framework. We continuously enhance our climate risk management processes, strengthening capabilities in risk identification, assessment, and mitigation. Through regular analysis of external environmental dynamics, we timely update our climate risk register to align with evolving business needs. By evaluating the level of impact of climate risks, we develop targeted response plans to systematically improve our climate resilience.



3.5.4 Indicators and Targets

Adhering to the green and low-carbon development strategy, the Group is decoupling economic growth from carbon emissions. During the Reporting Period, we continued to clarify emission reduction targets and accelerated our low-carbon transition, achieving positive results in energy conservation and consumption reduction.

Electricity consumption targets

In 2025, the waste power generation business is projected to consume 1.12 billion kWh of electricity for its own use, with an electricity consumption rate of 16.9%. The new energy materials business is expected to consume 400 million kWh of electricity, including 150 million kWh for cathode materials and 250 million kWh for anode materials.

In 2026-2027, the waste power generation business plans to consume 1.15 billion kWh of electricity for its own use, with an electricity consumption rate of 17%. The new energy materials business is projected to consume 450 million kWh of electricity.

Progress of target achieved

As of the end of the Reporting Period, the total electricity consumption of the plant was 980 million kWh, which was lower than the target of 1.09 billion kWh set for 2024; and the power consumption rate of the plant was 16.0%, which was lower than the target of 16.9% set for 2024, successfully exceeding our annual electricity efficiency targets.

Other energy consumption targets		Progress of target achieved
In 2025 the diesel consumption per unit is not higher than 0.5kg/t and the natural gas consumption per unit is not higher than 0.65m³/t	In 2026-2027 the planned diesel consumption per unit is not higher than 0.5kg/t and the planned natural gas consumption per unit is not higher than 0.65m³/t	As of the end of the Reporting Period the actual diesel consumption per unit was 0.68kg/t and the actual natural gas consumption per unit was 0.49m³/t

During the Reporting Period, the Group's energy consumption is as follows⁴:

Energy Consumption	Unit	Total amount in 2022	Total amount in 2023	Total amount in 2024
Direct energy consumption	Tonnes of standard coal equivalent	26,522	16,047	32,889
Indirect energy consumption	Tonnes of standard coal equivalent	8,379	13,819	22,791
Total energy consumption	Tonnes of standard coal equivalent	34,901	29,866	55,680
Energy consumption per unit of revenue	Tonnes of standard coal equivalent /RMB1,000,000	4.4	3.7	8.9

During the Reporting Period, the Group's greenhouse gas emissions are as follows⁵:

Greenhouse Gas Emission	Unit	Total amount in 2022	Total amount in 2023	Total amount in 2024
Scope 1 ⁶	Tonnes of CO ₂ e	61,188	49,305	73,802
Scope 2 ⁷	Tonnes of CO ₂ e	44,417	62,926	108,591
Total Greenhouse Gas Emissions	Tonnes of CO ₂ e	105,605	112,231	182,392
Greenhouse gas emissions per unit of revenue	Tonnes of CO ₂ e/ RMB 1,000,000	13.4	14.0	29.1

⁴ In 2024, the production volume of Anhui CV New Energy increased significantly. CV Recycling was officially put into production. Due to the shutdown of the steam supply unit, Bozhou Conch Venture Building Material put into operation a natural gas boiler for energy supply, so the natural gas consumption increased. At the same time, more than ten subsidiaries were officially put into operation, resulting in an increase in greenhouse gas emissions.

⁵ In 2024, the production output of Anhui CV New Energy increased significantly, while CV Recycling was officially put into operation. Natural gas boilers were deployed as the primary energy source by Bozhou Conch Venture Building Material due to the suspend production of steam supply units, resulting in increased natural gas consumption. Concurrently, over ten additional subsidiaries were officially put into operation, contributing to increases in both direct and indirect energy consumption.

⁶ The main sources of Scope 1 greenhouse gas emissions are natural gas, liquefied petroleum gas, diesel, gasoline, etc. The calculation of Scope 1 greenhouse gas emissions refers to the GHG Protocol issued by the World Resources Institute (WRI) and the World Business Council for Sustainability (WBCSD), and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories issued by the Intergovernmental Panel on Climate Change (IPCC).

⁷ The main sources of Scope 2 greenhouse gas emissions are purchased steam and purchased electricity. The greenhouse gas emission factor for purchased steam is calculated at 0.11 tCO₂/GJ. In 2024, the greenhouse gas emission factor for purchased electricity are calculated according to the factor of 0.5856 kgCO₂/kWh as set out in the "Announcement on the Release of the Carbon Dioxide Emission Factor of Electricity in 2022" issued by the Ministry of Ecology and Environment.



04 Co-Creating the Future of Talent

Conch Venture adheres to a "people-oriented" philosophy, recognizing talent development as the fundamental driver of sustainable corporate growth. We are committed to safeguarding employees' lawful rights and interests, fostering a diverse and inclusive workforce, and establishing a comprehensive talent development framework to empower employees in realizing their full potential. The Company also prioritizes employee well-being, offering competitive benefits and ensuring health and safeguarding safety in the workplace by cultivating a harmonious and secure working environment.

4.1 Diverse Safeguards

Conch Venture recognizes talent as a pivotal driver of corporate growth, continuously enhancing human capital management to build a highly competitive workforce. The Company upholds compliant employment practices, safeguards employee rights in all aspects, and fosters an inclusive, equitable, and diverse workplace in collaboration with its employees.

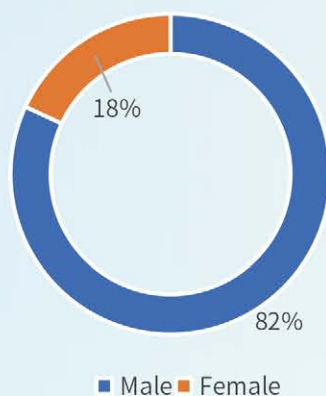
4.1.1 Talent Reserves

Conch Venture is committed to building a talent management system aligned with business needs. It implements structured workforce planning, expands recruitment channels, and adopts dynamic staffing mechanisms to ensure rational talent selection and development while maximizing potential. Additionally, it continuously refines the three-tier talent management framework across headquarters, regional offices, and subsidiaries, clarifying responsibilities and enhancing operational efficiency.

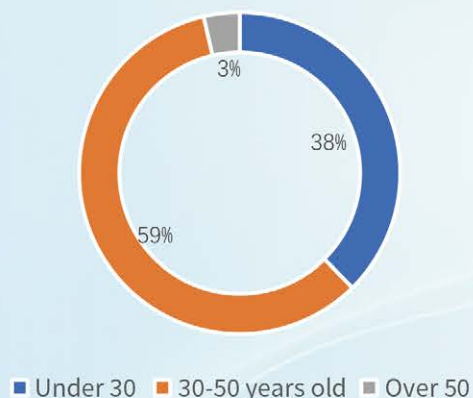
Workforce Planning Management	Talent Recruitment Management	Talent Deployment Strategy
In alignment with the Group's development strategy, operational needs, and staffing requirements, the Company dynamically adjusts annual workforce plans to optimize position allocation and enhance production efficiency.	The Group attracts professionals through diversified channels including campus, social, and specialized recruitment, with particular focus on talent in waste disposal and new energy materials sectors. The Group continuously refines recruitment processes and strengthens internal promotion and selection mechanisms.	The Group implements regional specialist competitions to elevate regional professional management standards. The Group standardizes internal talent mobility and employment management processes, covering workforce administration, payroll, social insurance, and personnel records to ensure operational continuity. Internal adjustments are made to rectify improper employment relationships in subsidiaries, mitigating workforce-related risks.

Adhering to diversified recruitment principles, Conch Venture maintains a localized employment strategy to support business growth. As at the Reporting Period, the workforce of the Company totaled 6,607 employees, comprising 6,454 full-time staff and 153 contract workers, achieving an 89% local hiring rate. The full-time employee breakdown is as follows:

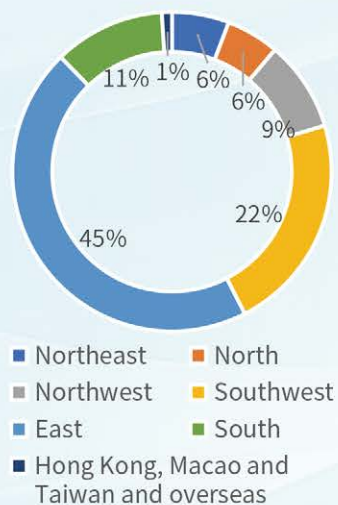
Full-time employees by gender



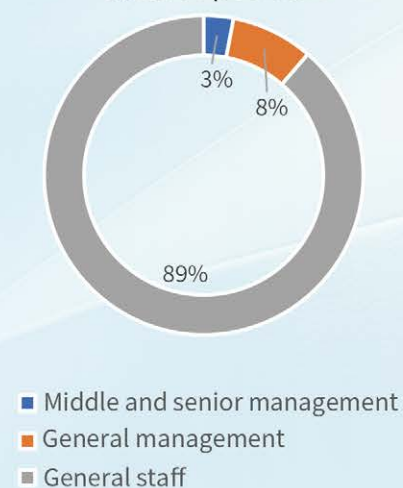
Full-time employees by age



Full-time employees by region



Full-time employees by class of position





4.1.2 Protection of Rights and Interests

Conch Venture strictly adheres to the legal employment and strives to protect the legitimate rights and interests of employees. We abide by the Labor Law of the People's Republic of China, the Special Rules on the Labor Protection of Female Employees, the Law of the People's Republic of China on the Protection of Minors and the Provisions on Prohibition of Child Labor, and other relevant laws and regulations applicable to all the operational locations. Meanwhile, we have established internal policies including the Workforce Recruitment and Selection Regulations and Employment Hiring Guidelines, with workplace conduct standards and management protocols clearly defined in employee handbooks, to ensure all employees comply with regulations relating to compensation & termination, recruitment & promotion, working hours, leave entitlements, equal opportunities, diversity, anti-discrimination and employee benefits.

We prohibit the employment of child labor and forced labor, hold a zero-tolerance attitude towards all forms of discrimination and harassment, and uphold the principle of equality and fairness to keep workplace in order, so as to effectively protect the legal rights and interests of every employee. In the recruitment process, we strictly comply with relevant laws and regulations, prohibiting child labor, and we require all hiring decisions to undergo consolidation, evaluation, and approval by the HR department to enhance process control. During daily operations, the Company conducts regular professional inspections, cross-regional reviews, as well as mid-term and final assessments to ensure subsidiaries fully adhere to applicable regulations. During the Reporting Period, the Company organized five HR and administrative training sessions to strengthen compliance awareness among relevant personnel and prevent violations.

No incidents of child labor or forced labor were recorded at Conch Venture during the Reporting Period. Furthermore, the Company was awarded Grade A for Labor Security Law-abiding Integrity Level, reflecting its standardized and progressive practices in safeguarding employee rights.

Prohibition of forced labor

We prohibit any form of forced labor, no one shall be forced to perform involuntary work or services under any form of threat, including violence, coercion or restriction of personal freedom and other forms.

Prohibition of child labor

We explicitly prohibit the employment of child labor and use our human resources information management platform to prevent any child labor. Once found, we will promptly report to the relevant authorities and take relevant measures to ensure compliance in employment.

Prohibition of discrimination and sexual harassment in the workplace

We promised to provide fair development opportunities and treatment for our employees. We uphold a zero-tolerance attitude towards any discrimination against employees based on factors such as their gender, ethnicity, region, religion, and physical condition, and respect and protect the rights and interests of minority employees such as women and disadvantaged employees.

Protection of legal rights and interests

We respect the right and freedom of employees to join trade unions and participate in collective bargaining on labor contracts. We respect employees' personal dignity and privacy, and do not use or disclose employees' personal information illegally.

4.2 Empowering Talent

Conch Venture is committed to growing with talents and providing ample opportunities for all employees to excel through transparent performance evaluation and promotion mechanisms. The Company established a comprehensive training system to comprehensively stimulate employees' potential and creativity, providing a platform for their free growth, helping them realize their self-worth.



4.2.1 Performance Management

Conch Venture has established a clear performance management mechanism to ensure the standardized appraisal and promotion of employees and continuously promote the management efficiency of the team. In terms of employee promotion, the Company strictly relies on employees' performance appraisal results and adheres to the principles of "with both virtue and ability, virtue before ability", "merit based selection after fair and open competition", and "full deliberation, democratic centralism", and publicly discloses promotion requirements and selection plans for each position, to ensure fairness and impartiality in the selection and promotion process.

Performance Appraisal

- Formulate the performance appraisal plans according to the Company's annual business plan and performance appraisal standards.
- Make the scientific decomposition of assessment indicators of employees at all levels, and conduct comprehensive evaluation of employees to help them make improvement through timely feedback on evaluation results.
- Refine the requirements for key personnel assessment indicators, and implement incentive measures for performance qualification.
- Organize the Company's annual evaluation of outstanding employees and set excellent performance personnel as example to follow, creating a corporate culture of striving for excellence.

Promotion Channel

- Provide five major career development paths for employees, including key management personnel positions, professional technical positions, operation positions, auxiliary business, and logistics service, with a promotion channel of 'subsidiary employees-subsidiary middle management-subsidiary departments-subsidiary team members' is set up.
- To stimulate employees, the Company also establish a special promotion channel, through which employees with outstanding performance can have their qualifications relaxed as appropriate.

Special Promotion Channel

- Outstanding employees who have won at least one commendation at the company level or above over the past two years, or two or more commendations from various units over the past three years, their service qualifications can be relaxed for one year.
- The newly promoted personnel who have been sent to work in remote areas for more than three years on end, or the promoted personnel for more than five years, their service qualifications can be relaxed for one year.
- Employees with solid professional skills and good practical performance who have made the active application for or unconditional obedience to the arrangement of working in remote areas or areas with tough conditions, their service qualifications can be relaxed for up to one year.



4.2.2 Employee Training

Conch Venture strives to help employees to grow, and provides diversified, all-round training support according to employees' needs for career development. The Company has established internal management systems such as the Implementation Rules for Employee Training Management and the Interim Measures for Employee Training Management, and has built a multi-level and comprehensive training system. Besides, we continue to standardize training process management, ensuring complete and well-documented training materials, proper maintenance of attendance records and assessment papers, and promoting the efficient and orderly implementation of training programs. During the Reporting Period, Conch Venture achieved 100% employee training coverage, delivering a total of 232,344 training hours with an average of 36 hours per employee.



Training for New Employees

The Company provides corporate culture, business, and skills training for new employees such as recent graduates, in order to help them quickly integrate into the Company and adapt to their roles.

Training for All Employees

Conch Venture regularly organizes both online and offline company-wide training sessions covering topics such as business ethics, occupational health and safety, information security, and corporate development plans. We convey professional ethical standards to employees through these trainings, ensure that they are familiar with and implement the basic codes of conduct, align employees' values, align employee values, and enhance their sense of belonging.

Regional Exchange and Training

To promote resource sharing and coordinated development across regions, Conch Venture encourages and advocates for joint exchange training programs among different regions to facilitate the sharing of learning resources and dissemination of exemplary management practices among key personnel. Additionally, regions conduct regular cross-site inspections and provide on-site guidance and training for any issues identified, helping to pinpoint management shortcomings and continuously improve management.

Professional Skills Trainings

Conch Venture encourages employees to actively enhance their professional skills. During the Reporting Period, we carried out professional skills training across various regions, covering multiple professional fields such as safety, production, finance, as well as administration and human resources. These trainings effectively improved employees' professional skills and management skills. We support employees in their continuous development, guiding them in applying their knowledge practically, while enhancing the standardization and safety of on-the-job operations.

External Exchange and Training

Conch Venture encourages employees to participate in external training and integrate advanced management practices into internal operations. The Company has formulated the Implementation Opinions on Encouraging Employees' Re-learning and Education, which covers all staff and provides wage subsidies and tuition reimbursement in relation to reeducation of employees, so as to motivate employees to improve their skills. In addition, the Company supports and assists employees in applying for professional engineering title certifications, fostering the development of their technical expertise. During the Reporting Period, a total of 30 employees obtained titles in engineering safety, environmental protection and related fields, including 8 senior titles, 7 intermediate titles, 12 assistant-level titles, and 3 technician titles.

Professional Advancement and Empowering Growth

During the Reporting Period, Conch Venture carried out a variety of professional skills trainings to strengthen employees' capabilities and support talent development through concrete actions. In the Wanjiang Region (namely the Yangtze River basin area in Anhui Province), we conducted professional skill training and exchange activities on safety and environmental protection, which effectively enhanced the safety risk control and environmental protection and management capabilities of local units. In addition, we held the first training session in respect of human resources, administration and finance in the Wanjiang Region to improve the professionalism and expertise of relevant personnel.



4.3 Employee Well-being

Conch Venture attaches great importance on employees' contributions and is committed to building an attractive remuneration and benefits system to enhance employees' sense of happiness and belonging. We maintain open communication channels and strengthen our relationships with employees through a variety of engaging activities, demonstrating genuine care for each employee.



4.3.1 Remuneration and Benefits

Conch Venture respects the value of employees' labor, complies with laws and regulations such as the Social Insurance Law of the People's Republic of China and the Labor Law of the People's Republic of China, and offers competitive remuneration and benefits. We have updated and issued internal policies such as the Implementation Plan for Salary Assessment and the Interim Measures for the Management of Gross Payroll Withdrawal to continuously improve our remuneration system. We establish a diversified remuneration and incentive mechanism, improve the performance evaluation system and formulate business operation targets. Units with outstanding performance are rewarded, which ensures employees share the Company's operation and development achievements.

Conch Venture always stands from the perspective of employees, provides employees with practical help and care, and build a multi-tiered benefits system to meet the needs of employees. During the Reporting Period, the Company assisted 23 employees in applying for high-level talent recognition and related subsidies. We also provided diverse and customized benefits for female employees, employees with disabilities, and those with special needs, thereby enhancing their sense of accomplishment and well-being.

<u>Holiday Benefits</u>	<u>Special Benefits</u>
Employees are entitled to various statutory leaves in accordance with the laws, including but not limited to paid annual leave, marriage leave, bereavement leave, nursing leave, and maternity leave.	We distribute gifts on special anniversaries and holidays. We establish a centralized leave system for non-native employees.

<u>Five Insurances and One Fund</u>	<u>Living Security</u>
We make contributions to the social insurance such as pension insurance, medical insurance, work injury insurance, maternity insurance, unemployment insurance and housing provident fund for employees according to the national laws and regulations. During the Reporting Period, we updated the contribution rates based on employees' latest average salaries.	We provide all employees with annual health check-ups, including examinations for occupational disease risk factors We offer access to fitness facilities such as gyms, standardized dormitories, and canteens with diverse meal options, including halal meals, along with meal subsidies.



4.3.2 Employee Communication

Conch Venture actively listens to voices and feedback from employees, establishes a variety of communication channels including suggestion box, rationalization suggestion wall, feedback channel of the Human Resources Department, feedback channel of the trade union, employee symposium, feedback channel of the Logistics Management Committee and other communication channels, with an aim to ensure smooth expression of opinions and needs. We regularly collect, track, and resolve employees' opinions and suggestions to safeguard their rights and interests. During the Reporting Period, Conch Venture conducted a satisfaction survey across all subsidiaries, covering employee training and development, communication and exchange, regional collaboration, and job satisfaction, and achieved an overall score of 97.02. This has strengthened the connection between the Company and its subsidiaries and promoted long-term and stable development. We also conduct regular surveys on employee accommodation and dining satisfaction, aiming to continuously enhance the work experience of employees. Employees are encouraged to actively participate in daily operations and management of the Company by contributing valuable suggestions and ideas.



Conch Venture supports employees' right to join the trade union and steadily promotes the signing of collective agreements to safeguard freedom of association and speech. During the Reporting Period, the trade union membership coverage rate was 20%. While listening carefully to employees and improving their well-being, we also organized a variety of cultural and sports activities to enrich employees' lives, boost their happiness, and inject positive energy into the Company. We also regularly carry out employee care activities to convey warmth and support to every employee.

Employee Cultural and Sports Activities

During the Reporting Period, we actively organized cross-regional and cross-unit employee cultural and sports activities, including basketball tournaments, tug-of-war contests, group birthday celebrations, and fun games. These activities aim to strengthen team cohesion, foster interaction between different regions, and create a corporate culture of unity and collaboration.



Basketball Tournaments of Anhui CV New Energy and Anhui Conch Venture Greeny



Group Birthday Celebrations of Anhui CV New Energy and Anhui Conch Venture Green



Tug-of-war contests co-hosted by Units in the Shaanxi-Gansu Region



Fun Games and Ring Toss Activities in the North China Region

Employee Care Activities

During the Reporting Period, Conch Venture actively carried out employee care initiatives, such as providing summer cooling supplies and holiday gifts, to convey the Company's warmth and enhance employees' sense of belonging, thereby adding a humanistic touch to the Company's development.



Cooling Supply Distribution by Bole Environment



Cooling Supply Distribution by CK Equipment



Employee Assistance Visits by Kunming Environment



Employee Assistance Visits by Bozhou Conch Venture

4.4 Safeguarding Safety

Conch Venture regards safeguarding the health and safety of employees as its top priority, and is committed to building a comprehensive and efficient occupational health management system to ensure the physical and mental health of employees. The Company has established a safety production management system and a safety accident prevention mechanism by formulating detailed safety production management regulations, and strictly implemented safety management measures to actively promote the construction of a safety culture and enhance employees' awareness and ability in taking safety precautions.



4.4.1 Ensuring Production Safety

Reinforcing Safety Management System

Conch Venture adheres to the production safety policy of "comprehensive management with safety and prevention first", and strictly abides by the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, the Measures for the Management of Emergency Response Plans for Production Safety Accidents and other applicable laws and regulations of where it operates. At the same time, the Company has formulated group-wide internal systems such as the On-site Operation Safety Management System, the Equipment and Facilities Safety Management System and the Fire Safety Management System, and revised and added 32 systems and instructions such as the Safety, Environmental Protection and Occupational Health Management Responsibility System in 2024 to ensure the strict implementation of production safety principles.

We have built a sound production safety management system to specify the safety responsibilities of managers at all levels, and ensure the strict implementation of safety production standards throughout the Company. The Company has established the Environmental and Occupational Health Safety Management Committee (hereinafter referred to as the "EHS Management Committee") as the highest organization responsible for safety, which undertakes the ultimate responsibilities of the environmental and occupational health safety management of all units. It sets up the EHS Office in charge of managing daily matters of the Company's EHS and supervising the implementation of various safety standards. At the same time, the board-level Strategy, Sustainability and Risk Management Committee is responsible for monitoring the health and safety strategy and performance, working with the EHS Management Committee to ensure the Company's production safety.



Safety Production Management Structure

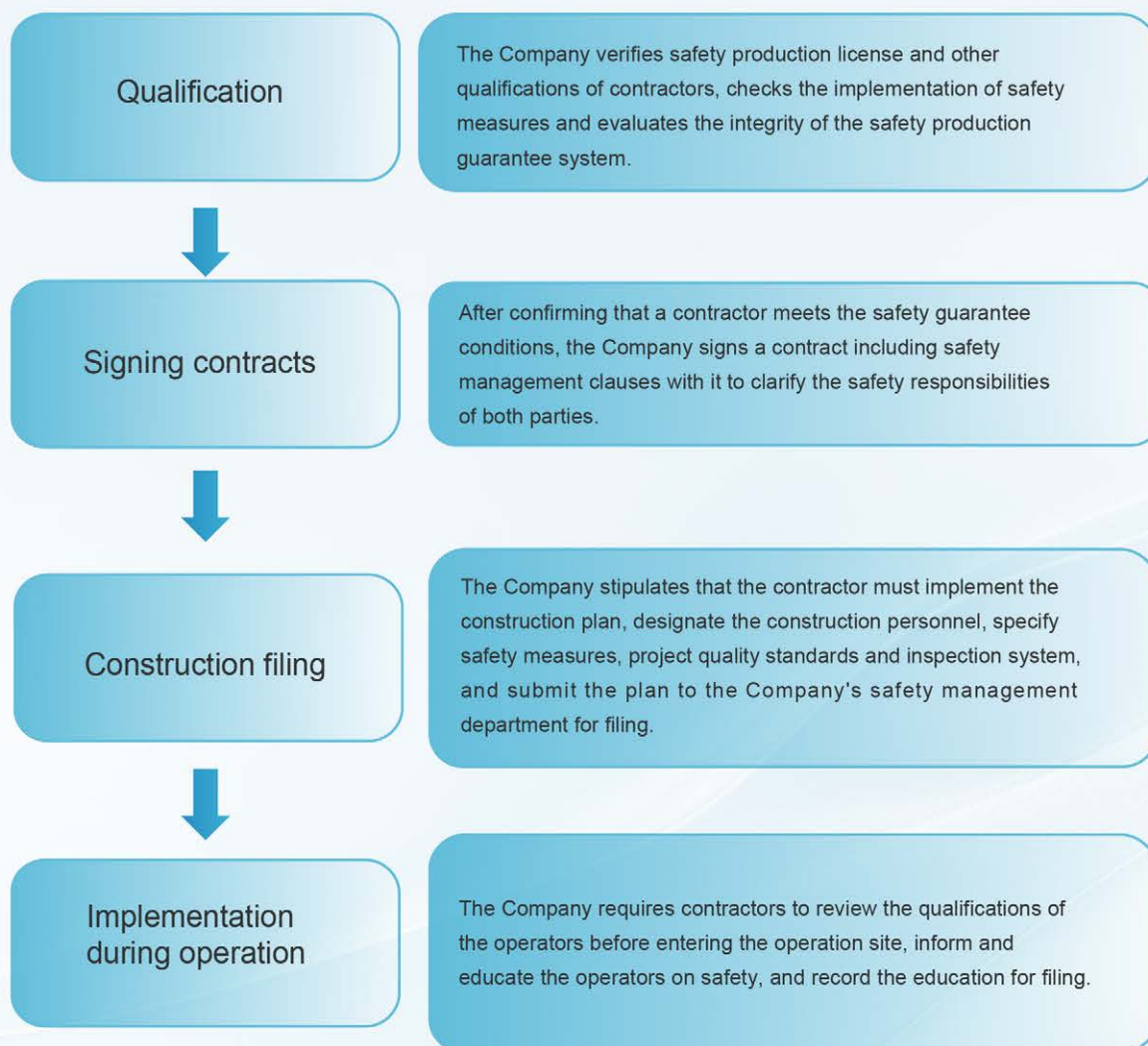
In order to clarify the annual safety management responsibility, Conch Venture formulated and issued the 2024 Safety and Environmental Protection Management Targets during the Reporting Period according to the safety production management structure. It clarified the safety and environmental protection targets for the entire Group, each unit and contractors, and linked the safety and environmental protection performance with the compensation of the Company's management and business leaders. As of the end of the Reporting Period, all of Conch Venture's annual safety and environmental protection management targets have been achieved.

Safety and environmental responsibility objectives	Specific targets for 2024	Achievement status of targets for 2024
Work death liability accidents	0	0
New occupational disease cases	0	0
Larger and above safety accidents	0	0
Major and above traffic accidents	0	0
General and above environmental emergencies	0	0
1,000-person injury rate	not more than 1.8‰	1.8‰
Rate of fire accidents	not more than 4%	3.8%
Accident rate of contractors	not more than 4%	2.8%

Contractor Safety Production Management

Conch Venture also attaches great importance to the safety management of contractors. By formulating the Relevant Party Safety Management System in accordance with its production safety policy, the Company strictly reviews the safety qualifications and production safety guarantee mechanisms of contractors and encourages contractors to formulate and achieve safety objectives, so as to ensure that the Company's production safety responsibilities are implemented at the level of relevant parties. During the Reporting Period, Conch Venture had a total of 2 work-related accidents involving contractors, including 0 work-related fatalities and 2 work-related injuries.

Conch Venture's Contractor Safety Management Process



Implementing Safety Management Measures

Conch Venture recognizes that the implementation of safety management measures is the key to protecting the occupational health and safety of employees. The Company continuously improves the safety and security conditions, and builds an occupational safety defense line through the implementation of physical protection, hidden danger investigation, risk management and control, personnel supervision, and related party management, so as to effectively prevent and reduce potential risks at work. During the Reporting Period, Conch Venture obtained three patents in terms of safety management, i.e. a quick-opening combustible gas monitor maintenance device, a combustible gas monitoring device for regular inspection and a kind of bending waste blade processing equipment. By converting safety controls into patents, we have further improved our ability to monitor and respond to combustible gases, and enhanced the efficiency and safety of disposal of waste blades, ensuring the safety and security of the workplace.

Improve protective facilities

- Set up safety guardrails, regularly overhaul and maintain safety protective devices, ensure that safety facilities are in good working condition, and update technologies to comply with new safety standards.
- Set up safety reminders in eye-catching places, provide safety alarm devices, and warn of irregular and safety-risky operations.
- Unblock emergency response channels, arrange multiple safe channels and post clear guidance signs.

Identify safety hazards

- Actively carry out the identification of potential safety hazards, timely report the hidden dangers and violations identified, and effectively avoid major safety hazards. Eliminate potential safety hazards on site in a timely manner through daily inspections, comprehensive inspections, comprehensive inspections on holidays, and special inspections on special equipment, fire-fighting facilities, confined space operations and CKB projects.
- During the Reporting Period, Conch Venture identified a total of 760 issues through safety inspections and followed up on rectification efforts, with a completion rate of 98%.

Risk classification management and control

- According to the Safety Risk Classification and Control System, implement safety risk point confirmation, hazard source identification, risk classification, risk control and continuous improvement measures, and divide the responsibilities of all parties on graded risk management and control.
- Set up safety risk bulletin boards and position-related risk information cards at construction sites to enhance employees' awareness of potential accidents, their consequences, control measures, and emergency procedures, thereby reducing safety risks.

Strengthen personnel supervision

- Hold EHS Management Committee meetings regularly to summarize the safety status and make safety instructions and management requirements.
- Sign a safety agreement, clarify the main body of safety responsibility, and reserve safety measure fees before project implementation to provide financial guarantee for safe production.
- Formulate the Management System for the Procurement, Issuance, and Use of Occupational Health Protective Equipment, regularly purchase work-related injury insurance for construction workers, and issue safety labor protection supplies to ensure the safety of employees.
- Professional safety management personnel are assigned on site to supervise the safety implementation of the project.

Relevant party safety management

- Formulate the Relevant Party Safety Management System, require relevant parties to sign a written safety commitment and publicize the safety management system and requirements to relevant parties.
- Establish a comprehensive safety management process for relevant parties, including pre-qualification review, process supervision, performance evaluation, and continued engagement management, to form a qualified directory and archives, and place units that fail to meet safety management standards on a black-list.
- Review the qualifications of suppliers and contractors, including their business licenses, safety management organizational structure, and personnel training compliance certificates. Conduct annual safety audits for long-term partners and pre-project safety audits for short-term partners.
- Regularly assess the behavioral risks of relevant parties and monitor their safety performance as a basis for continued engagement.
- Regularly inspect the safety operation site of relevant parties, carry out safety notification education and training for relevant parties, and require units involved in maintenance and high-risk work to upload the on-site operation situation to the Company's safety and environmental protection work exchange group for reporting.

Enhancing occupational health management

Conch Venture pays close attention to the occupational health of employees, and attaches great importance to the prevention and control of occupational diseases of employees. We comply with the laws and regulations such as the Law of the People's Republic of China on Prevention and Control of Occupational Diseases and the Supervision and Administration of Occupational Health Supervision by Employers, and develop internal systems such as the Occupational Disease Hazards Prevention and Control Responsibility System and the System on the Warning and Notification of Occupational Disease Hazards, so as to clarify the management process on employees' occupational health and safety. The Company regularly upgrades equipment and improves the process to reduce the employees' risk of occupational disease. Furthermore, we invite the third party to conduct the inspections and tests on occupational health on a regular basis, promptly investigate and rectify potential hazards.

Actions to protect occupational health

Controlling odor: Garbage pit fire and leachate leakage treatment systems are designed with airtight treatment to avoid the leakage of toxic and harmful gases. Meanwhile, 24-hour ventilation equipment is installed to maintain a state of micro-negative pressure and protect the occupational health and safety of employees.

Noise reduction: Sound insulation design is adopted in production areas, and hollow bricks are used for the construction of rest rooms and control rooms to absorb noise. All fans are equipped with shock absorbers and steam pipelines are made of sound-absorbing materials to reduce the impact of noise.

Strengthening warnings: Set up warning signs and emergency response signs at the entrance of workplaces, work positions, equipment and storage areas where there are occupational hazards, to remind employees of potential occupational hazards.

Provision of emergency materials: Provide and regularly examine emergency rescue materials to ensure that they can be put into rescue as soon as an occupational hazard accident occurs.

Risk assessment and response: Regularly conduct detection and current situation evaluation of occupational disease hazard factors to identify potential hazards; provide job transfer opportunities for employees who may be at risk of occupational diseases to avoid continued exposure to harmful factors, ensuring that the working environment meets health standards.

04 Co-Creating the Future of Talent

Improve emergency management mechanism

In strict compliance with the Emergency Response Law of the People's Republic of China, Conch Venture has established a standardized and efficient emergency response system and treatment procedures. Meanwhile, the Company has issued the Measures for the Management of Safety Production Accident Reporting and Investigation and the Notice on Strengthening the Management of Work-related Injury Insurance to clarify work-related injury treatment procedures, effectively safeguarding the rights and interests of every employee.



Based on the sound health and safety management system and effective safety measures, 14 subsidiaries of Conch Venture have obtained ISO 45001 Occupational Health and Safety Management System certification. During the Reporting Period, 12 safety accidents occurred in the Company, leading to 0 work-related deaths and 12 work-related injuries. A total of 541 working days were lost due to the work-related injuries. Accident responsibilities are handled in accordance with the Company's Accountability System for Safety Incidents.



CV Recycling



CK Engineering



4.4.2 Safety Culture Construction

Conch Venture is committed to cultivating safety culture and creating a safe and standardized working environment. The Company has established a comprehensive safety training system, regularly conducting safety education for employees and contractors, disseminating safety concepts, and promoting the implementation of work safety norms among all personnel.

Safety Training System for Internal and External Personnel

Safety training for internal employees

- Develop the annual training plan and conduct quarterly specialized training for the EHS Management Committee, all subsidiary and department heads and safety officers to convey the latest safety information and enhance occupational health management.
- Conduct continuing education on safety for the person in charge of the Group's operation management, responsible leaders and safety management personnel, strictly implement the Safety Production Law to ensure that employees have obtained relevant certificates before taking up their posts and strengthen safety inspection.

Safety training for external personnel

- Produce a video titled the Entry Safety Notification Film for publicity of safety knowledge at the work site, issue the safety notification, and provide safety education and training for all relevant parties and external personnel.
- Provide customized training and safety guidance to relevant parties according to the Relevant Party Safety Management System.

Conch Venture safeguards employees' health and safety with practical actions. The Company carries out activities including safety and environmental protection training, emergency drills, and the dissemination of safety culture through the Safety Production Month, Fire Safety Month, Week of Publicizing Occupational Disease Prevention and Control, and Safety Production Law Publicity Week, to spread safety culture and enhance employees' safety awareness as well as their ability to prevent occupational diseases.

Safeguard Occupational Health With Safety Practices

Occupational Health and Safety Training for All Employees

Conch Venture regularly organizes professional training sessions on safety and environmental protection. By combining safety inspections with on-site guidance, it conducts targeted education based on issues identified during on-site supervision to strengthen the safety management of project companies. The Company has held safety and environmental protection training in regions such as Hunan, Jiangxi, Guizhou, and Yunnan, covering a total of over 400 participants. Meanwhile, we have arranged the heads and safety management personnel of subsidiaries to participate in safety certification and continuing education programs, with 300 management personnel having completed the training and passed the examinations to obtain qualification certificates.

Conch Venture Shangwei New Energy's Special Safety Training

In 2024, Conch Venture conducted research and provided guidance for Sichuan Conch Venture Shangwei New Energy Co., Ltd., successfully holding a training session with the theme of "Safety Production of Enterprises" focusing on anode material production processes and safety management. The training comprehensively covered key areas such as equipment safety, operational norms, and emergency response measures, injecting strong impetus into the Company's safe production and effectively enhancing the safety management of cathode material production.



Occupational Health and Safety Emergency Drills

Conch Venture formulated an annual emergency drill plan, covering various emergency scenarios such as blockage of slag extractor, office fire evacuation, confined space operations, mechanical injury, and object strike. Each project company conducted drills in accordance with this plan, recorded the drill process in detail, and summarized and improved upon the issues identified during the drills.



Emergency Drill for On-site Handling of Slag Extractor Blockage at Tengchong Energy



CV Recycling's Emergency Drill for Sudden Shutdown Accident



CV Recycling's Emergency Drill for Heatstroke

Occupational Health and Safety Knowledge Promotion

Conch Venture actively promotes health and safety culture and enhances employees' awareness of safety through diversified activities. We help employees understand potential risks of their positions by guiding them to sign occupational hazard notification, as to improve the awareness of occupational health protection. We also encourage employees to take self-occupational health protection measures.



Safety Month Series
Activities of Yangzhou Haichang



Safety Month Promotion
Announcement of Yangzhou Haichang

| 05 Solidifying Quality Foundation

Built upon high quality and driven by continuing innovation, Conch Venture continues to enhance quality assurance during project operation and throughout product life cycle while actively expanding the industrial chain and promoting product and technological innovation, in a bid to solidify quality foundation of products. Being committed to the customer-centered philosophy, we keep enhancing the level of customer service to safeguard the legitimate rights and interests of customers.

5.1 Innovation Leadership

Conch Venture believes that innovation is the core driving force for high-quality development. Centered on the advancement of research and development capabilities, we comprehensively promote innovation practice in terms of product development and technology optimization, with a view to building a new innovation system for research and development integrating efficiency, synergy and foresight.



5.1.1 Deepening Innovation Practice

Conch Venture continuously increases investment in research and development. While refining research and development management capabilities, it keeps exploring cutting-edge technology areas and promotes the implementation and transformation of innovative achievements. We have formulated research and development targets of clean technology for certain business segments and fields, aiming to drive clean technology innovation and green industry upgrading in an effective manner, and continuously enhance our core competitiveness.

Research and development targets of clean technology

- Based on 2024, the Company's research and development investment in the waste to power generation sector will increase by approximately 4.5% by 2030.
- In the next five years, the Company plans to invest approximately RMB80 million in innovations, research and development in the new energy sector.

Environmental Protection as Major Business

Conch Venture continues to focus on its major business of environmental protection and steadily promotes the technological enhancement of solid waste disposal and waste incineration power generation projects, thus providing powerful support for accelerating the green transformation of society and creating social green value. During the Reporting Period, we optimized the systems and equipment of waste incineration power generation projects to further meet demands in the market.

Development of chlorine bypass waste heat recovery boiler

Based on the chlorine removal system, we successfully developed chlorine bypass waste heat recovery boilers that are currently put into operation in some projects with all indicators reaching the designed value, achieving breakthrough in market promotion. Meanwhile, we have prepared 30 technical solutions for chlorine removal systems with chlorine bypass boilers, which have been widely recognized by the market.

Implementation of automatic incineration control

In order to meet the automatic incineration control requirements of overseas waste power generation projects, we carried out an ACC (automatic combustion control) test for the Phase I waste power generation project in Li County, achieving the operation mode of "constant incineration control". Going forward, we will explore and test "constant evaporation control" mode, so as to respond to the automatic control requirements of overseas projects more flexibly in the future.

Optimization of host equipment dilution cooler

According to the actual operation of the chlorine removal system, we optimized the dilution cooler of the host equipment by adjusting the interface air injection mode and support structure, and applied it to some projects. In actual production, the material blockade frequency of the system is more ideal than that in the previous period, greatly reducing the labor intensity of on-site operators.

Highlights of waste incineration power generation project optimization

New energy and recycling industry

As an important promoter of the new energy industry, Conch Venture continues to innovate and optimize technology processes and core links, helping the new energy industry progress towards a new stage while improving production efficiency and ensuring product quality. In 2024, Conch Venture implemented a number of technical optimizations and improvements for its CKB project, and made important progress in the development of new energy products and production technology innovation.

Highlights of the CKB technology optimization of CV Recycling

Renovation of air retrieval system

The air retrieval system is relocated from the original kiln head to the grate cooler inlet for entering into the kiln, thereby eliminating the impact on air temperature after the return air enters the kiln and minimizing its effect on kiln conditions.

Renovation of black powder collection system

Adding a bag filter in scraper conveyor system to collect black powder, thus reducing the load of the ultrafine powder collection system and reducing the risk of material blockages.

Selection of new specific gravity separator

Selecting new specific gravity separators to realize effective screening of fine particles of copper and aluminum materials and improve product quality.

Highlights of the CKB technology optimization of CK Equipment

CKB Phase II lithium battery treatment technology improvement	Completing about 15 design drawings for technical advancement, such as the renovation of preheater feed inlet, the addition of water-cooling pipe in primary crushing bin, the addition of black powder collection system, the renovation of dust collection pipeline in crushing and sorting system, the production increase of re-crushing process for primary crushed materials, and the optimization of screening process of the crushing and sorting system, thus increasing the recovery rate of black powder as well as copper and aluminum separation purity.
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Highlights of lithium battery anode materials project optimization of Anhui CV New Energy

Optimization of detection methods	Taking advantage of a large amount of data analysis in the early stage, integrating process indicators and detection methods, introducing process inspection items and methods for the correlation of product consistency, thus providing effective support for the stability of finished product indicators.
Optimization of proportioning process	According to the difference of raw materials, adjusting the process index, shortening the response time, and improving the production efficiency by 13% on the basis of ensuring the product performance.

In 2024, through special research of mechanism and regulation of particle grading, Anhui CV New Energy successfully developed lithium iron phosphate with higher energy density and lithium manganese iron phosphate products with higher safety and stability, comprehensively improving product competitiveness.

Development of high-compaction and high-rate lithium iron phosphate products

During the Reporting Period, Anhui CV New Energy achieved the mass production of the fourth generation of high-compaction lithium iron phosphate (CV-6T) products, the battery electrode of which was compacted at more than 2.65g/cm3, receiving good feedback in the evaluation of numerous manufacturers' production lines.
Meanwhile, in order to further improve the power, energy density and safety performance of products, Anhui CV New Energy successfully developed high-rate lithium iron phosphate (CV-9) products and lithium manganese iron phosphate (CV-M1) products, laying a solid foundation for expanding its market share in the field of new energy materials and meeting the diversified needs of different customers.

 5.1.2 Protection of Intellectual Property Rights

In strict compliance with the Trademark Law of the People's Republic of China, Patent Law of the People's Republic of China and other laws and regulations, Conch Venture comprehensively standardizes the whole process management of intellectual property rights, and respects the intellectual property rights of others while protecting its own intellectual property rights.

We continuously promote the transformation of technological innovation achievements into intellectual property rights, lead product and technological innovation with high-value patents, and accelerate the implementation and industrial application of scientific and technological achievements. During the Reporting Period, our patent achievements were as follows:

Highlights of Patent Application

Patent applications
submitted

123

New patents awarded

68

Total patents awarded

486

Highlight patent 1: A process to improve the cycle life of lithium iron phosphate materials

During the Reporting Period, Anhui CV New Energy carried out research on the synthesis process of lithium iron phosphate. This process implements dry-process secondary coating followed by low temperature sintering, which repairs the original coating layer and improves the stability between the lithium iron phosphate material and the electrolyte interface during charging and discharging, thereby reducing the heating temperature of batteries. This process is more conducive to the stability of electrolyte and effectively prolongs the cycle life of lithium iron phosphate batteries.

Highlight patent 2: efficient sorting and recycling equipment for used lithium batteries

During the Reporting Period, CV Recycling developed efficient sorting and recycling equipment for used lithium batteries, which is equipped with a recycling motor and a purification motor. Waste gas was generated during the crushing process of used lithium batteries, and the purification fan blades were driven by the purification motor to rotate, so that the waste gas was discharged through the purification plate and the purification outlet pipe.

Conch Venture has joined hands with various parties to promote scientific and technological advancement in the industry, with relevant innovative achievements being widely recognized by all walks of life. In 2024, CK Equipment completed the acceptance of key project of industry-university-research products and key common technologies for making up for weaknesses in key areas of manufacturing initiated by Anhui Provincial Department of Industry and Information Technology. Such project solves the safety and environmental problems of charged battery disposal, and realizes the efficient recovery of lithium and other precious metals. Meanwhile, the "VG-J waste heat boiler" of CK Equipment was awarded the high-tech product certificate issued by the Anhui Provincial Department of Science and Technology.



High-tech Product Certificate

5.2 Quality Management

Conch Venture regards quality as the core element of its survival and development. We have established a quality assurance system covering the whole process of product production and project operation, continuously strengthened the fine management of process quality, and created a quality culture of 'full participation and continuous improvement' through multi-dimensional quality improvement and training activities.



5.2.1 Quality Management System

We actively promote quality management system certifications to verify the effectiveness of quality management practices with higher and more stringent. 2024 saw the addition of CV Recycling obtaining the ISO 9001 quality management system certification. As of the end of the Reporting Period, a total of 13 subsidiaries of the Group obtained ISO 9001 quality management system certification, and 1 subsidiary obtained IATF 16949 automotive quality system certification.



Quality management system certification of CV Recycling



5.2.2 Strengthen Quality Control

Conch Venture has formulated the Quality Management System and required each subsidiary to formulate a comprehensive quality management system, clearly define the quality management requirements for product production and project operation, and strictly implement the quality control responsibilities.

In addition, we implement efficient quality control initiatives around the entire product life cycle, project construction and operation, and through strict quality monitoring, inspection and assessment, we improve our quality management capabilities while accurately identifying potential quality hazards and continuously reducing quality risks.

Pre-event management	Actively analyze and summarize the problems of the previous products that have occurred, and provide the staff with instructions before the production of the products; simultaneously, absorb and digest product drawings in advance to prevent making mistakes and manage difficulties in the production process.
In-event management	KPS quality management ■ Fully apply KPS (Kawasaki Production System) in our quality management and establish a quality visualized display board to achieve dynamic updating of quality information and quality indicators. ■ Fully play the role of quality cases and to-be-improved issues of warning and education, continue to promote quality awareness to on-site personnel; simultaneously, make public the on-site quality assessment and quality briefings based on the actual situation, and urge the relevant personnel to strictly fulfill the quality responsibility to guard the quality line of defense. Implementation of KPI appraisal ■ Improve the KPI appraisal mechanism, establish appraisal indicators at different levels of different functions, and regularly track and verify the implementation and achievement of quality objectives to ensure the effective implementation of quality management requirements at all levels. Pre-emptive quality inspection ■ Carry out quality inspection in advance for key processes and workflows, and realize the transformation of post-event supervision and assessment to process control and supervision. ■ Strictly implement the quality inspection during the production process, and categorize and summarize the problems and potential risks identified during the inspection, and promptly supervise, follow up and verify the improvement of the problems to ensure the closed-loop treatment of quality risks. During the Reporting Period, Anhui CV New Energy identified and rectified nearly 875 issues through the quality inspection of production lines, effectively improving the quality management of production line processes. Conducting on-site monitoring and inspection ■ Strengthen the quality monitoring and guarantee of special equipment products, accept on-site supervision and inspection from local special inspection centre, and carry out external quality control of the production process from a professional and rigorous third-party perspective to ensure that product quality and safety always meet high standards. In 2024, all boiler products produced by CK Equipment throughout the year successfully passed the supervision and inspection of Wuhu Special Inspection Centre and obtained the supervision and inspection certificate.
Post-event management	Quality review ■ Conduct special reviews of products upon completion of production based on problems and potential risks identified during production to prevent the recurrence of the same problems and to ensure high quality delivery. Benchmarking with standards and customer needs ■ Continuously pay attention to industry information, follow up on changes in external standards as appropriate, and introduce advanced testing methods in a timely manner to ensure that product indicators are in line with internal and external requirements. ■ Carry out benchmark inspection with customers in due course based on product standards to meet customers' needs while strictly controlling the quality of products leaving the factory. ■ Carry out benchmark inspection with customers in due course based on product standards to meet customers' needs while strictly controlling the quality of products leaving the factory.

Post-event management	Product recall management Clearly define the management methods and handling procedures for substandard products and product recalls to ensure timely response and handling of quality incidents. During the Reporting Period, there was no product recall due to product safety and health issues in the subsidiaries of Conch Venture.
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Quality Management Mechanism for the Whole Process of Products

We also regard the quality management of project construction and operation as a key aspect of our quality assurance system, and maximize the benefits of our projects through excellent process management. We continue to promote quality and safety inspections of our projects under construction to ensure that they are constructed in compliance with regulatory requirements relating to environmental protection, safety and quality. During the Reporting Period, Conch Venture carried out a total of 6 special inspections on the quality of project construction to comprehensively investigate the quality defects and risks in the project construction process. For projects that have been put into operation or production, we regularly review the operation of the ISO system to identify and correct existing or potential problems in the operation of the system in a timely manner, and further improve the standardization and standardization of project operations by combining the internal auditing of the ISO management system and external auditing by a third party. In addition, we rigorously carry out quality inspections on project-related equipment and follow up on the progress of quality issues through evaluation and validation to ensure that the issues are completed and dealt with. In 2024, CK Engineering completed the quality inspection of 26 projects and 197 pieces of equipment, and urged the relevant equipment manufacturers to rectify and verify the problems found during the inspection to ensure that the quality of the equipment meets the relevant requirements.



5.2.3 Developing a Quality Culture

Conch Venture believes that outstanding quality management cannot be achieved without the deep participation of every employee. We actively promote the construction of quality culture and carry out a series of rich and diversified quality training and cultural activities to create a high standard and influential quality culture atmosphere for all employees.



Quality Training Activities

Quality Training and Improvement Activities in Anhui CV New Energy

During the Reporting Period, Anhui CV New Energy conducted a total of more than 50 quality training sessions for employees with different functions and ranks. Those trainings involved quality management system standards and knowledge, quality awareness, quality management concepts, quality methods and tools, and quality inspection technology, empowering employees in all positions in all aspects.

Anhui CV New Energy planned and organized a special event for the "Quality Month", calling on all employees to closely focus on the quality policy of "innovation-driven, intelligent manufacturing, best quality and most sincere service", and carried out various forms of theme activities such as publicity, training, and competition to comprehensively enhance employees' awareness and practical ability of quality management.



Quality Improvement Activities in CV Recycling

During the Reporting Period, CV Recycling carried out a series of quality improvement activities to improve the purity of copper and aluminum by-products. Specifically, CV Recycling implemented offline sorting tests based on the online analysis for quality status of copper and aluminum, and jointly carried out copper and aluminum quality re-sorting research and technical transformation with CK Equipment. Through the above measures, the experimental purity of copper and aluminum by-products has been significantly improved, laying a solid foundation for the continuous optimization of product quality.

Quality Training and Improvement Activities in CK Equipment

During the "Quality Month", CK Equipment held a series of quality training activities including the 6th Quality Knowledge Competition, Welding Competition, Quality Improvement Seminar, etc., to stimulate the enthusiasm and participation of all employees in quality improvement and create a strong quality culture atmosphere.



Experience Exchange Meeting for the 365 Club and 500 Excellence Group in Conch Venture

During the Reporting Period, Conch Venture successfully held experience exchange meeting for the 365 Club and 500 Excellence Group. Company leaders, departments and regional units attended the meeting to discuss in depth and share unique management concepts and practical experiences around topics such as improving quality and efficiency and ensuring stable project operations. This experience exchange meeting pooled ideas and put forward a series of specific optimization suggestions for improving the quality and upgrading of the Company's current industrial operations, laying a solid foundation for promoting the Company's high-quality development.



5.3 Quality Services

Providing customers with satisfactory and high-quality services is Conch Venture's constant pursuit. We insist on being customer-centric, deeply understanding customer needs, unblocking customer communication channels, and taking practical actions to protect customers' legitimate rights and interests.



5.3.1 Improve Customer Experience

We are customer-oriented and conduct in-depth and detailed market research to fully understand market factors such as customer preferences and needs, industry trends, and incorporate relevant factors into the product development process. We build a good communication mechanism with our customers, maintain continuous interactive exchanges, and flexibly adjust product strategies and service content to accurately meet customers' dynamically changing needs and create an industry-leading customer experience.

We have established a customer service system covering pre-sales to after-sales for different products and services, clarified customer service standards, and comprehensively standardized customer service processes. For example, for new panel products, we have formulated internal rules and regulations such as Sales Service Management Measures, Interim Measures for the Customer Refund (Transfer) Management, and Interim Measures for the Management of Panel Receipt, Return and Exchange, etc. to provide effective guidance for service management in the sales and after-sales links.

Conch Venture listens to and values customers' feedback and suggestions. We provide customers with rich and diverse communication and feedback channels, and establish efficient customer complaint handling processes and mechanisms to ensure that complaints are responded to and handled in a timely manner. In 2024, Conch Venture received a total of 76 product and service complaints, with a complaint handling rate of 100%.



Product Complaint Handling Process



Conch Venture conducts customer satisfaction surveys every year to continuously monitor and improve customer service management models and enhance customer service capabilities. During the Reporting Period, among various business segments of Conch Venture, the average customer satisfaction of CK Equipment, CK Engineering, port logistics, and new building materials business reached 97%.



5.3.2 Protect Customer Privacy

Conch Venture strictly abides by the relevant requirements for consumer privacy protection in the Protection of Consumer Rights and Interests of the People's Republic of China and other laws and regulations, continuously strengthens privacy and information protection through measures such as conducting privacy and data protection training, implementing data encryption storage, and setting data access permissions.

1

We Carry out basic knowledge training on commercial confidentiality, compliance obligations and legal responsibilities for all employees to improve their awareness of customer privacy protection.

2

In the signing of the business cooperation agreements, we make clear the obligations and responsibilities of each party in data protection to avoid improper infringement.

3

We store data through encrypted storage, and set permissions on the information system to safeguard customer privacy security.

Conch Venture's Key Measures for Information Security and Privacy Protection

5.4 Responsible Supply Chain

A responsible and high-quality supply chain system is an important foundation for Conch Venture to achieve sustainable development. We have established a comprehensive supplier life cycle management system, clarified the mechanisms and processes for supplier access, assessment and evaluation, and worked with suppliers to build a stable, efficient and sustainable supply chain ecosystem.



5.4.1 Supplier Access

Conch Venture strictly abides by the Law of the People's Republic of China on Tendering and Bidding and other laws and regulations, and formulates internal systems such as the Procurement Management Measures to standardize supplier screening and access review. During the Reporting Period, we revised the Provisions on Management of Bidding for Construction Projects to further clarify the principles and requirements for supplier inspection and selection.

05 Solidifying Quality Foundation

1

The suppliers to be invited to bid are determined by selecting from the group's long-term partners or from recommendations of the project company

2

Require suppliers to provide relevant qualification documents, which must comply with relevant laws and regulations for construction projects upon review

3

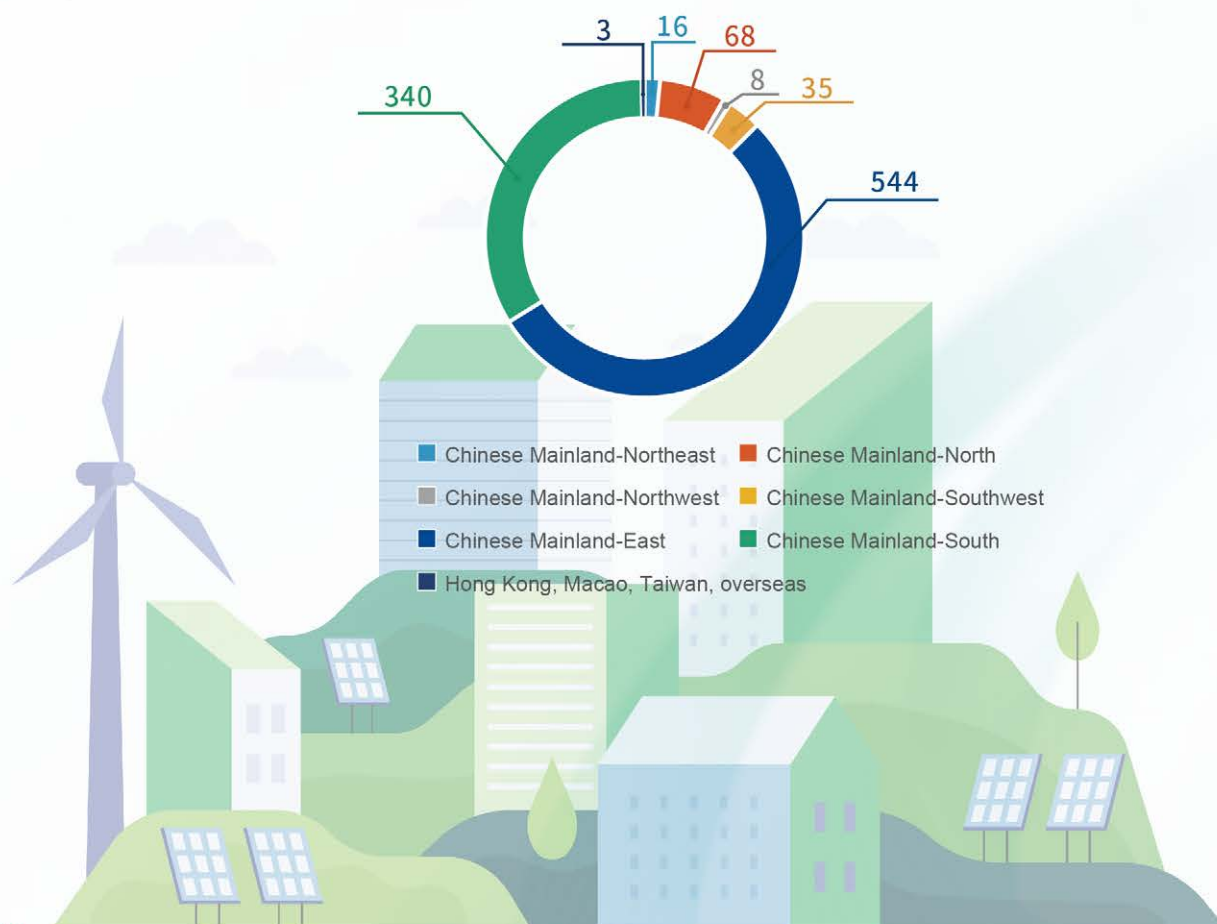
Investigate similar projects built by the supplier in the past three years, focusing on the construction quality, construction safety, contract performance and whether there is any breach of contract in each project

4

Check whether potential suppliers have bad credit records, capital credit and other hidden dangers

Engineering Supplier Bidding and Access Standards

As at the end of the Reporting Period, Conch Venture had a total of 1,014 suppliers and the distribution by region is as follows:





5.4.2 Supplier Assessment and Evaluation

Conch Venture has established scientific and effective assessment and evaluation mechanisms for different types of suppliers, and promptly urges suppliers to resolve and improve related issues to ensure that suppliers' supply and services always meet internal standards.

Product Suppliers

Company departments rate suppliers in terms of delivery timeliness, product quality, product prices and service quality, etc., and eliminate the suppliers with an average score of less than 60.

Conduct on-site audits of suppliers to fully understand the management capabilities of suppliers, and promptly identify potential problems in key links such as supplier design and development, production and quality management and make corresponding optimization. For example, during the Reporting Period, Anhui CV New Energy sorted out qualified suppliers of main raw materials and conducted on-site audits of raw material suppliers to ensure product quality and supply stability.

Engineering Suppliers

For related violations such as failure to perform as required by the contract, liquidated damages will be deducted in accordance with the contract agreement, and whether to terminate the contract will be determined depending on the circumstances; the violations will be included in the supplier evaluation system, and the supplier will be disqualified from future bidding depending on the circumstances.

Strictly implement the requirements of the Provisions on Management of Bidding for Construction Projects regarding supplier evaluation, formulate standard scoring tables for civil engineering, installation, steel structure and enclosure, and supervision units every year, and conduct comprehensive performance evaluations on all continued and new projects within the year. Suppliers with scores less than 60 will be prohibited from participating in future bidding.

Supplier Evaluation and Assessment Mechanism



5.4.3 Environment and social risk management for suppliers

Conch Venture incorporates the concept of sustainability in the full-process management of suppliers. We have taken ESG factors into account in the supplier access, evaluation, and assessment processes to continuously promote the proactive management of supplier environment and social risks, striving to create a responsible and sustainable value chain system.

We give priority to suppliers who have obtained relevant qualification certificates in terms of environment, safety, health and quality and provided environmentally friendly products and services. In addition, we require suppliers and contractors to sign the "Safety and Environmental Protection Agreement", which sets out clear requirements for their safety and environmental protection management. We also incorporate key aspects such as daily environmental protection and safe and civilized construction into their contract management and annual comprehensive assessment.

We also require supervision companies and project companies to regularly monitor contractors' on-site environmental and safety management practices. Additionally, we urge contractors to purchase the construction safety production liability insurance for all their labor personnel. Furthermore, we require the contractor to set up a special deposit account for the workers' wages in the local bank in accordance with the requirements of the Ministry of Human Resources and Social Security, effectively safeguarding the labor rights and interests of contractors' employees.

Conch Venture holds a "zero tolerance" attitude towards all corrupt practices. We include anti-corruption requirements in the supplier contract terms and add an integrity initiative letter to ensure that all suppliers sign integrity agreements. We also actively convey integrity thought to suppliers through phone calls, communications and emails to build an integrity and win-win business ecosystem.

| 06 Co-Creating Sustainable Communities

As an industry-leading large environmental protection company, Conch Venture remains committed to its responsibility of "serving society and giving back to society," fully leveraging its technological and business advantages. We take the promotion of social sustainable development as our mission, and is dedicated to continuously creating social value in areas such as environmental protection, education, and community development.

6.1 Green Value

Against the backdrop of global climate change trends and the national "Carbon Peaking and Carbon Neutrality" strategy, Conch Venture remains deeply committed to its core environmental business, focusing on critical environmental challenges. We actively promote green life, and fully empower the societal green transformation, to contribute our due efforts to the construction of a beautiful China.

Mitigating climate change



During the Reporting Period, through the application of advanced waste incineration power generation technology, Conch Venture generated electricity of over 6 billion kWh in total, equivalent to a saving of 1.93 million tonnes of standard coal, effectively reducing the energy industry's reliance on traditional energy sources. As of the end of the Reporting Period, the Group reduced the emissions by more than 23.7 million tonnes of CO₂e, contributing significantly to the transformation of the energy structure while playing a comprehensive role in mitigating global climate change.

Protecting the Clear Water and Blue Sky

During the Reporting Period, through the implementation of efficient wastewater treatment technology and a recycling system, Conch Venture successfully transformed various water resources into valuable renewable resources, achieving a total of over 8.2 million tonnes of resource-recycled water and significantly reducing the reliance on fresh water resources. In addition, we assisted in the treatment of over 147,000 tonnes of municipal sludge, distillery residue, and 176,000 tonnes of food waste, effectively alleviating the pressure on local sewage treatment plants in managing sludge and waste oil, thereby making a positive contribution to water resource protection and the improvement of aquatic ecosystems.



In recent years, Conch Venture has also made significant achievements in air purification. To date, through the implementation of effective air emissions reduction measures, we have successfully reduced the discharge of various types of exhaust gases⁸ by over 15,300 tonnes.



Resource Conservation and Utilization



We have accelerated the promotion of resource utilization from domestic waste incineration, facilitating the transformation of landfills into urban public spaces, thereby saving over 900 hectares of land. Furthermore, during the Reporting Period, through the conversion of solid waste into resources, Conch Venture sold approximately 4.6 million tonnes of slag and transformed it into building materials, road construction materials, and other materials, effectively alleviating the pressure on the extraction of natural resources.

6.2 Industry Co-Construction

Conch Venture continues to gain insight into cutting-edge industry technologies and trends, and actively participates in industry exchanges, so as to share the development achievements with all sectors and jointly create a win-win situation for all parties. In 2024, multiple subsidiaries of Conch Venture participated in several large-scale industry exchanges and achieved further business cooperation and expansion in the new energy sector.

We actively participate in the drafting and formulation of industry standards, promoting the standardization of industry standards, and further enhancing our influence and competitiveness. During the Reporting Period, the group standard Technical Specifications for the Treatment of Flue Gases in Waste Incineration Power Plants (TCIET 387-2024), primarily compiled by Conch Venture, successfully passed the review and was published, receiving recognition and commendation from the Standardization Committee of China Association for the Promotion of International Economic and Technological Cooperation.

⁸ Exhaust gases mainly include particulate matter, nitrogen oxides and sulphur dioxide

Anhui CV New Energy Participated in Industry Exchange Activities

In 2024, Anhui CV New Energy participated in several major events, including the 16th Chongqing International Battery Technology Exchange Conference/Fair (CIBF 2024), the 14th China International Energy Storage Conference (CIES 2024), and the 9th China International New Energy Industry Expo (CLNB 2024). Anhui CV New Energy actively organized and engaged in industry technical exchanges, gaining insights into the latest industry information and development trends. It also extensively promoted new technologies and products, and reached cooperation intentions with external parties in areas such as material technology research and development, energy storage, and heavy-duty truck application demonstrations.



Anhui CV New Energy discussed with customers

CV Recycling Participated in Industry Seminar

During the Reporting Period, CV Recycling participated in a seminar on the management policies for comprehensive utilization of new energy vehicle power batteries. The topics it proposed, including “the segments of front-end powdering and back-end lithium extraction processes for recycling enterprises” and “raising the entry thresholds for the recycling industry in terms of safety, environmental protection, and scale,” received widespread recognition and support from all attendees.

CV Recycling and Hebei Huier New Energy Technology Co., Ltd. * (河北慧爾新能源公司) Signed a Strategic Cooperation Agreement



Signing Ceremony of Strategic Cooperation Agreement

From a social contribution perspective, the project will collaborate with Caofeidian Financial Holding Group* (曹妃甸金融控股集团) to establish a joint venture, thereby generating local employment and promoting regional economic development. Furthermore, the project will provide the industry with replicable and scalable solutions by establishing standardized recycling and processing centers, fostering the continued growth of the new energy sector.

To actively respond to the national “carbon peaking and carbon neutrality” strategy and promote the sustainable development of the new energy industry, CV Recycling signed a strategic cooperation agreement with Hebei Huier New Energy Technology Co., Ltd. in 2024 to collaborate on the recycling and utilization of waste power batteries. The cooperation marks a significant step in fulfilling our environmental responsibilities and advancing green development.

In terms of environmental protection, both parties will fully leverage their respective strengths to jointly establish a comprehensive waste power battery recycling and processing system, covering the Beijing-Tianjin-Hebei region and the Northeast of China.

Organizing Classroom Exchanges for Entrepreneurs

In 2024, we organized the "Entrepreneurship Classroom Goes into Conch Venture" exchange event, where representatives of entrepreneurs were invited to share the company's transformation and development experience in the environmental protection industry, discuss industry development insights, and exchange future perspectives. This initiative aimed to support more industry peers in steadily advancing on the path of environmental protection. Additionally, the attending entrepreneur representatives were invited to visit the Company's energy-saving and environmental protection equipment manufacturing base, as well as the lithium battery resource comprehensive utilization project, to collectively explore the path of corporate green transformation.



6.3 Giving Back to Society

Conch Venture upholds the mission of "creating a better home for the future of mankind" and remains committed to addressing societal welfare needs. Through initiatives such as environmental public welfare programs, charitable donations, and educational support, the Company fulfills its social responsibilities, actively giving back to the society through practical actions. During the Reporting Period, the subsidiaries of the Group received a total of 2,858 social visits, with a total of 19,066 visitors, and the total investment in public welfare reached RMB195,000.



Environmental Public Welfare

As a model enterprise in the green environmental protection industry, we actively open "green" demonstration windows by organizing annual public engagement events. These initiatives are dedicated to empowering every citizen to become a guardian, builder, and beneficiary of the ecological environment. We also host environmental volunteer activities to jointly safeguard our beautiful homeland and contribute to building a beautiful China. As of the end of the Reporting Period, Conch Venture had opened 86 environmental protection facilities and received over 1,000 public visits.

"World Environment Day" Visit Activity and Environmental Publicity Campaign



06 Co-Creating Sustainable Communities



In 2024, multiple subsidiaries of Conch Venture actively organized “World Environment Day” promotional activities. Through eco-knowledge lectures, process demonstrations, and other initiatives, we effectively popularized and strengthened ecological civilization education. Leveraging our environmental protection resources, we mobilized all walks of society to actively engage in building a Beautiful China, working together to achieve harmonious coexistence between humans and nature.

Yangtze River Conservation: Yangzhou Haichang Organizes Shoreline Cleanup Initiative

Protecting the ecological environment is essential for development and a shared aspiration of nature. In 2024, Yangzhou Haichang launched a volunteer service activity themed “Yangtze River Conservation: Shoreline Cleanup” along its dock areas. This initiative heightened employees’ awareness of the importance and urgency of safeguarding the Yangtze River’s environment, while embedding eco-consciousness into every participant. Going forward, Yangzhou Haichang will expand its volunteer team, enhance green port construction, and serve as both advocator and practitioner in advancing the Yangtze River’s ecological civilization, striving to shape a vibrant and beautiful riverfront.



Delivering Love through Charity

We are committed to addressing social challenges and pressures through tangible efforts, making modest yet meaningful contributions to enhancing societal well-being and advancing sustainable development.

Tongren Engineering's Visits and Support for Vulnerable Households

The Party secretary of Tongren Engineering visited families in need within a poverty alleviation relocation community and engaged in heartfelt conversations to understand their health recovery progress and daily struggles. Upon learning of their circumstances, Tongren Engineering proactively covered the two-year university tuition for one child in the family. This act of compassion fully demonstrated the company’s strong sense of social responsibility and earned widespread recognition from local residents and community authorities.

Deepening Police-Community Bonds: Bole Engineering Extends Greetings to Frontline Officers

To further strengthen the bond between police and the public and foster an atmosphere of ethnic unity, mutual support, and social harmony, Bole Engineering visited local police stations ahead of the traditional Mid-Autumn Festival. The company delivered festive care packages, including mooncakes, sweet mixed congee, and beverages, to frontline officers, expressing gratitude for their unwavering efforts in safeguarding public safety and serving the community.



Educational Support

Talent serves as a vital resource and driving force for high-quality development. We vigorously support educational initiatives, continuously strengthen our internal talent development while actively collaborating with external institutions to deepen industry-academia-research partnerships. This enables us to cultivate high-caliber, innovative professionals within the industry.

CV Recycling and Anhui Polytechnic University Establish "Conch Venture Class"

In 2024, to deepen university-enterprise collaboration and expand industry-academia-research synergies, CV Recycling entered into a university-enterprise cooperation agreement with Anhui Polytechnic University to establish the "Conch Venture Class". This collaborative model leverages the university's academic expertise and research capabilities, while appointing corporate experts as chair professors to participate in practical training. CV Recycling provides funding and practical internship opportunities for the program, while the university assigned one young doctor to serve as the company's Technology Director on secondment. Together, they advance the integration of practical experience and academic research, driving breakthroughs in talent development and technological innovation of both parties.



Launch Ceremony of "Conch Venture Class"

CK Engineering Donates Educational Fund to Anhui Normal University

In response to the Wuhu municipal government's call for corporate social responsibility, CK Engineering donated RMB300,000 to the Anhui Normal University Education Foundation in 2024 to support the development of local education. Through this initiative, CK Engineering aims to enhance educational quality, cultivate outstanding talents, and lay a solid foundation for the sustainable social and economic development of the region.



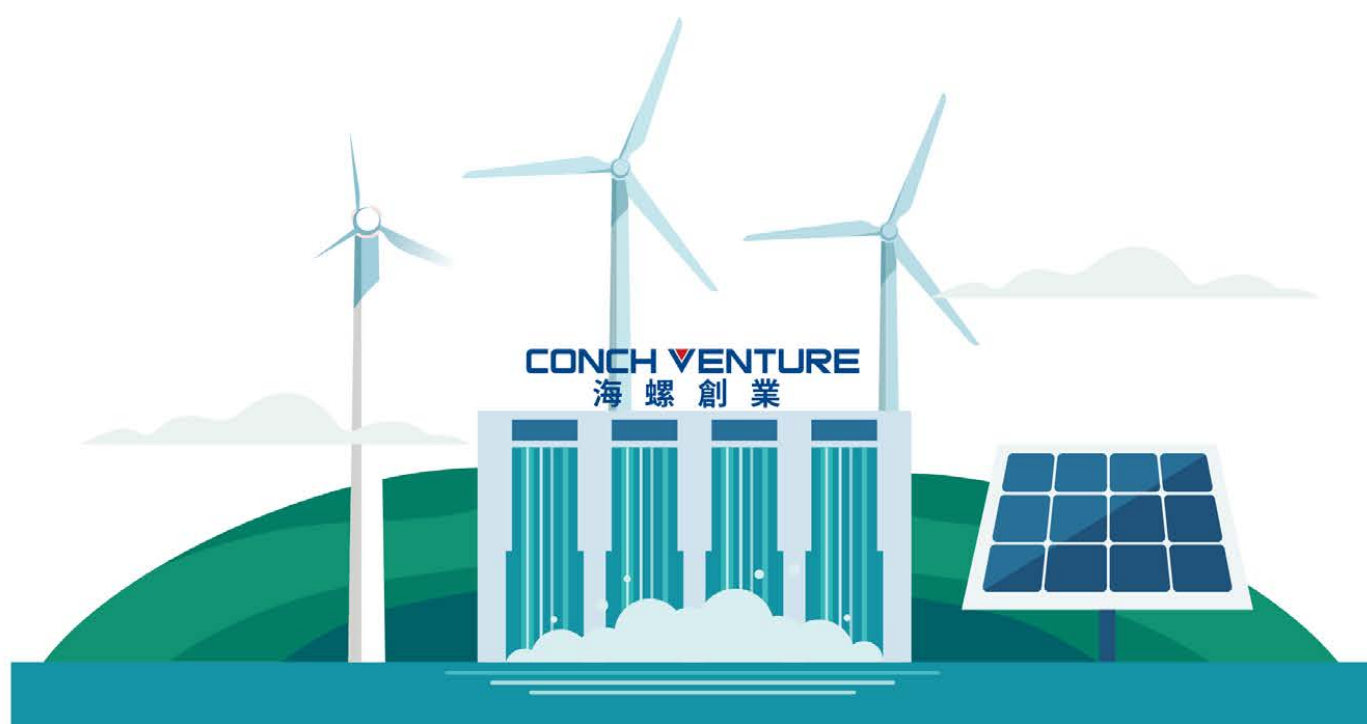
Appendix *HKEX ESG Content Index*

ESG Areas, General Disclosures and KPIs			Section
Environmental			
A1:Emissions	General Disclosures	Information on: (a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	3.3 Emission Management
	KPI A1.1	The types of emissions and respective emissions data.	Appendix: ESG Data
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.5 Climate Response
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix: ESG Data
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix: ESG Data
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	3.5 Climate Response
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and description of reduction target (s) set and steps taken to achieve them.	3.3 Emission Management
A2:Use of Resources	General Disclosures	Policies on the efficient use of resources, including energy, water and other raw materials.	3.4 Principled Resource Conservation
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	3.5 Climate Response
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix: ESG Data
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	3.5 Climate Response
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	3.4 Principled Resource Conservation

ESG Areas, General Disclosures and KPIs			Section
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Appendix: ESG Data
A3: The Environment and Natural Resources	General Disclosures	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	3.2 Green Management
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.2 Green Management
A4: Climate Change	General Disclosures	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	3.5 Climate Response
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	3.5 Climate Response
Social			
B1: Employment	General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal recruitment and promotion, working hours, rest periods, equal opportunity, diversity anti-discrimination and other benefits and welfare.	4.1 Diverse Safeguards
	KPI B1.1	Total workforce by gender, employment type (for example, full-time or part-time), age group and geographical region.	Appendix: ESG Data
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix: ESG Data
B2: Health and safety	General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	4.4 Safeguarding Safety
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years, including the reporting year.	Appendix: ESG Data
	KPI B2.2	Lost days due to work injury.	Appendix: ESG Data
	KPI B2.3	Description of occupational health and safety measures adopted and how they are implemented and monitored.	4.4 Safeguarding Safety
B3: Development and Training	General Disclosures	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	4.2 Empowering Talent
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix: ESG Data

ESG Areas, General Disclosures and KPIs			Section
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix: ESG Data
B4: Labor Standards	General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	4.1 Diverse Safeguards
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	4.1 Diverse Safeguards
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	4.1 Diverse Safeguards
B5: Supply Chain Management	General Disclosures	Policies on managing environmental and social risks of the supply chain.	5.4 Responsible Supply Chain
	KPI B5.1	Number of suppliers by geographical region.	5.4 Responsible Supply Chain
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	5.4 Responsible Supply Chain
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5.4 Responsible Supply Chain
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	5.4 Responsible Supply Chain
B6: Product Responsibility	General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	5.2 Quality Management 5.3 Quality Services
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Appendix: ESG Data
	KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	5.3 Quality Services
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.1 Driven by Innovation
	KPI B6.4	Description of quality assurance process and recall procedures.	5.2 Quality Management

ESG Areas, General Disclosures and KPIs			Section
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	5.3 Quality Services
B7: Anti-corruption	General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	2.3 Integrity of Governance
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	2.3 Integrity of Governance
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	2.3 Integrity of Governance
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	2.3 Integrity of Governance
B8: Community Investment	General Disclosures	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	6.3 Giving Back to Society
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	6.1 Green Value 6.3 Giving Back to Society
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	6.3 Giving Back to Society



ESG Data



Environmental Data

Performance indicators	Unit	Data of 2024
Business revenue	RMB 1,000,000	6,270.74
Nitrogen oxides (NO _x) emissions	Tonne	10,079.08
Sulfur dioxide (SO ₂) emissions	Tonne	2,617.34
Particulate matter emissions	Tonne	321.09
Carbon monoxide (CO) emissions	Tonne	748.18
Hydrogen Chloride (HCl) emissions	Tonne	1,165.52
Greenhouse gas direct emissions (Scope 1)	Tonne of CO ₂ e	73,801.74
Greenhouse gas indirect emissions (Scope 2)	Tonne of CO ₂ e	108,590.74
Total greenhouse gas emissions (Scope 1 + Scope 2)	Tonne of CO ₂ e	182,392.49
Greenhouse gas emissions per unit of revenue	Tonne of CO ₂ e/RMB 1,000,000	29.09
Direct energy consumption	Tonne of standard coal equivalent	32,889.15
Indirect energy consumption	Tonne of standard coal equivalent	22,791.03
Total energy consumption (Direct + Indirect)	Tonne of standard coal equivalent	55,680.18
Energy consumption per unit of revenue	Tonne of standard coal equivalent /RMB 1,000,000	8.88
Total amount of hazardous wastes generated	Tonne	598,396.77
Amount of hazardous wastes generated per unit of revenue	Tonne/RMB 10,000	0.95
Total amount of non-hazardous wastes generated	Tonne	4,599,499.47
Amount of non-hazardous wastes generated per unit of revenue	Tonne/RMB 10,000	7.33
Total amount of wastewater discharged	Tonne	1,272,356.18
Wastewater discharged per unit of revenue	Tonne/RMB 1,000,000	202.90
Total water consumption	Tonne	22,086,159.83
Water consumption per unit of revenue	Tonne/RMB 1,000,000	3,522.10
Total amount of packaging materials used	Tonne	1,525.61
Amount of packaging materials used per unit of revenue	Tonne/RMB 1,000,000	0.24

 Social Data

Performance indicators		Unit	Data of 2024
Total number of employees		People	6,607
By employment category	Full-time employees	People	6,454
	Labor service	People	153
By region	Northeast region	People	374
	North China region	People	347
	Northwest region	People	592
	Southwest region	People	1,427
	East China region	People	2,922
	South China region	People	726
	Hong Kong, Macao, and Taiwan	People	3
	Overseas area	People	63
By gender	Male	People	5,286
	Female	People	1,168
By age	Under 30	People	2,428
	30-50 years old	People	3,793
	Over 50	People	233
By rank	Senior management	People	12
	Middle management	People	182
	General management	People	537
	General staff	People	5,723
Diversification	Proportion of female employees among all employees	%	18.10
	Proportion of female employees in middle and senior management	%	1.03
	Proportion of female employees in junior management	%	11.73
	Proportion of female employees in all levels of management	%	8.89
	Proportion of female in revenue-generating business positions	%	11.56
	Proportion of female in STEM-related positions	%	13.94
Full-time Employees by Ethnicity	Han nationality	People	6,019
	Minority employees	People	435
Management by Ethnicity	Number of Han nationality in management	People	716
	Number of minorities in management	People	15
New employee	Total number of new employees	People	1,151
	Average employment cost	RMB/People	500
Number of new employees by gender	Number of new male employees	People	954
	Number of new female employees	People	197

Performance indicators		Unit	Data of 2024
Number of new employees by age	Under 30	People	691
	30-50 years old	People	460
	Over 50	People	0
Number of new employees by rank	Management	People	0
	General staff	People	1,151
Number of new employees by region	Mainland China employees	People	6,388
	China Hong Kong, Macao and Taiwan employees	People	3
	Overseas employees	People	63
Number of new employees by nationality	Han nationality	People	1,131
	Ethnic minorities	People	20
Employee turnover rate		%	8.62
By age	Under 30	%	19.85
	30-50 years old	%	1.85
	Over 50	%	0
By gender	Male	%	8.87
	Female	%	7.11
By rank	Senior management	%	0
	Middle management	%	1.10
	General management	%	0.37
	General staff	%	9.58
By region	Mainland China employees	%	8.56
	China Hong Kong, Macao and Taiwan employees	%	0
	Overseas employees	%	7.94
Training and development	Total training hours	Hour	232,344
	Percentage of trained employees	%	100
	Average amount invested in training and development for full-time employees	RMB/People	200
Percentage of training by gender	Male	%	81.77
	Female	%	18.23
Percentage of training by rank	Senior management	%	0.17
	Middle management	%	2.83
	General management	%	8.24
	General staff	%	88.76
Average length of employee training		Hour	36
Average length of training by gender	Male	Hour	36
	Female	Hour	36
Average length of training by rank	Senior management	Hour	36
	Middle management	Hour	36
	General management	Hour	36
	General staff	Hour	36

Performance indicators		Unit	Data of 2024
Average length of training by age	Under 30	Hour	36
	30-50 years old	Hour	36
	Over 50	Hour	36
Number and rate of work-related fatalities	2022	People	0
		‰	0
	2023	People	0
		‰	0
	2024	People	0
		‰	0
Number of lost days due to work injury		Day	541
Employee anti-corruption training	Time	Hour	66
	Person-time	People	450
Anti-corruption training for board members	Time	Hour	18
	Number of people	People	10
Percentage of employees covered by code of business conduct training		%	100
Number of corruption cases		/	0
Number of conflict of interest incidents		/	0
Number of money laundering incidents		/	0
Number of insider trading incidents		/	0
Number of suppliers		/	1,014
By region	Northeast region	/	16
	North China region	/	68
	Northwest region	/	8
	Southwest region	/	35
	East China region	/	544
	South China region	/	340
	Hong Kong, Macao and Taiwan and overseas area	/	3
Percentage of products recalled for safety and health reasons		%	0
Complaints about products and services		/	76
Total investment in public welfare		RMB 10,000	19.50





CONCH VENTURE
中国海螺创业控股有限公司