

Inner Mongolia Lvbaoxin 1 Million Tons/Year Coal Gasification Slag Resource Utilization Project

High-value utilization of coal gasification slag via acid leaching and glass-ceramic processes

Total Investment RMB 681.89 million 100% of project cost	Annual Processing Capacity 1 million tons coal gasification slag	Annual Revenue RMB 1.26 billion at full production
After-Tax IRR 51.19% project basis	Static Payback Period 3.05 years from project start	Cumulative 5-Year Net Profit RMB 1,601.02 million projected

Project Overview

Inner Mongolia Lvbaoxin Environmental Technology Co., Ltd. plans to construct a comprehensive utilization project for coal gasification slag in Jiuyuan District, Baotou, Inner Mongolia. The project will process 1 million tons of coal gasification slag annually using an internationally advanced dual-line process of 'acid leaching + glass-ceramic'. It will produce four categories of products: liquid polyaluminum chloride, solid polyaluminum chloride, white carbon black, and glass-ceramic, achieving high-value utilization of all solid waste components. The total investment is RMB 681.89 million, with a construction period of 12 months. Once fully operational, the project expects an annual output value of RMB 1.26 billion, an after-tax internal rate of return of 51.19%, and a static investment payback period of 3.05 years. The project is currently in the planning stage, with investor due diligence scheduled for January-February 2026, investment agreement signing in March 2026, construction start in March 2026, and production commencement in March 2027.

Technology & Competitive Edge

- Dual-line process: acid leaching line (800,000 t/y) and glass-ceramic line (200,000 t/y).
- Acid leaching produces polyaluminum chloride series and white carbon black.
- Glass-ceramic line uses melting-calendering-crystallization to produce high-quality glass-ceramic.
- Overall resource utilization rate $\geq 90\%$; each unit process has successful industrialization cases in China.
- Cost moat: raw materials are waste slag and waste acid, cost over 30% lower than traditional process.

Market & Business Model

- Liquid polyaluminum chloride: within 200km of Baotou, annual demand 600,000 tons, gap 80,000 tons.
- Solid polyaluminum chloride: national market 4 million tons/year, growing 3-5%; project capacity 480,000 tons.
- White carbon black: demand growth 6-8% driven by green tires; project capacity 240,000 tons, targeting mid-end market.
- Glass-ceramic: domestic potential market over 100 million square meters; project targets export tombstones.
- Products serve anti-cyclical industries: water treatment, tires, building materials; sales channels guaranteed.

Scope of Works & Project Status

- Construction of acid leaching line and glass-ceramic line with associated utilities.
- Total investment RMB 681.89 million; construction period 12 months.
- Project location: Jiuyuan District, Baotou, Inner Mongolia.
- Current status: planning stage; due diligence Jan-Feb 2026, investment agreement Mar 2026.
- Construction start Mar 2026; production expected Mar 2027; quarterly dividends from Apr 2027.

Key Financials

Total Investment	RMB 681.89 million
Annual Revenue at Full Production	RMB 1.26 billion
After-Tax IRR	51.19%
Static Payback Period	3.05 years
Cumulative 5-Year Net Profit	RMB 1,601.02 million
Cumulative 5-Year Operating Cash Flow	RMB 1,802.97 million
Current Financing Demand	RMB 480.59 million (70.5% of total investment)
Debt Service Coverage Ratio (DSCR)	2.68
Interest Coverage Ratio (ICR)	29.65

Investment Highlights

- Policy dividend: aligns with national solid waste resource utilization policy and dual carbon strategy.
- Ultra-high return: after-tax IRR 51.19%, far exceeding industry average of 15-25%.
- Rigid demand market: products cover anti-cyclical industries with significant regional gaps.
- Green attribute: annual processing of 1 million tons solid waste, reducing CO2 emissions by 200,000 tons.

Key Risks

- Market risk: product price fluctuations and intensifying competition mitigated by long-term supply agreements and cost advantage.
- Technical risk: process scaling-up and product quality stability mitigated by mature industrial technology and pilot verification.
- Policy risk: environmental and tax policy adjustments mitigated by close policy tracking and green production compliance.

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