

Turning Million Tons of Solid Waste into Treasure

Resource Revolutionary in the Carbon Neutral Era

Baotou 1 Million Tons/Year Coal Gasification Slag
Comprehensive Utilization Project

Inner Mongolia Lvbaoxin Environmental Technology Co., Ltd.

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01 Investment Value Overview

Five Core Highlights: Policy, Return, Market, Technology, Team

Top-tier Policy	Ultra-high Return	Senior Team
National "14th Five-Year Plan" circular economy demonstration project, with rigid policy support for solid waste resource utilization.	IRR reaches 51.19%, investment payback period only 3.05 years, with strong return certainty.	Core members have over 20 years of environmental protection industry and large-scale project management experience.

Total Investment RMB 680 Million, Annual Output Value RMB 1.26 Billion, Annual Net Profit RMB 324 Million

Total Investment	Annual Output Value	Annual Net Profit
RMB 680 million	RMB 1.26 billion	RMB 324 million

IRR 51.19%, Payback Period 3.05 Years

High Return Rate	Fast Payback	Stable Cash Flow
Project IRR reaches 51.19%, far exceeding industry average, reflecting excellent profitability and capital efficiency.	Investment payback period only 3.05 years, fast capital turnover, strong anti-risk capability, ensuring investor principal safety.	After reaching full production, net cash flow remains positive, supporting high dividends and reinvestment, enhancing long-term return resilience.

Creating 145 Jobs, Annual Processing 1 Million Tons of Solid Waste

Million-ton Processing Capacity	Strong Employment Driving	Real Environmental Contribution	High Social Value
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Annual processing 1 million tons of coal gasification slag, achieving large-scale solid waste consumption, solving regional environmental carrying capacity problems.	Directly creating 145 high-quality jobs, covering core functions such as technology, operation, and management.	Turning waste into treasure reduces landfilling, effectively lowering soil and groundwater pollution risks, improving ecological security.	Promoting low-carbon development through resource recycling, demonstrating corporate social responsibility and sustainable development commitment.
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02 Industry Pain Points and Policy Drivers

Inner Mongolia Coal Chemical Base Generates Ten Million Tons of Coal Gasification Slag Annually

Huge Waste Accumulation	Traditional Landfilling Drawbacks
Inner Mongolia coal chemical base generates over 10 million tons of coal gasification slag annually. Baotou and surrounding areas emit 5 million tons annually, with continuously increasing treatment pressure.	Existing landfilling methods occupy large amounts of land, easily causing soil and groundwater pollution, and wasting utilizable resources, unsustainable.
Policy-driven Transformation	
National requirements for comprehensive utilization rate of bulk solid waste to exceed 60% by 2025. Current utilization rate is less than 30%, urgently needing high-value solutions.	

National Policy Rigid Requirements: 60% Comprehensive Utilization Rate by 2025

Rising Resource Utilization Demand	Large-scale Solutions
Bulk solid waste resource utilization has become a key path to alleviate environmental pressure. Driven by policy, market demand continues to be released, promoting project implementation.	Promoting the construction of large-scale solid waste treatment facilities, improving centralized treatment efficiency. Helps achieve stable operation and cost optimization.
Regional Assessment Pressure	High-value Utilization Opportunities
Key coal chemical regions such as Inner Mongolia have large solid waste output, facing significant policy assessment pressure. Urgently need to build large-scale treatment facilities to meet regulatory requirements.	High-value utilization of solid waste can improve economic efficiency, enhance enterprise participation enthusiasm. Promote industrial chain extension to high-end, forming new growth points.

Baotou and Surrounding Areas Emit 2 Million Tons of Gasification Slag Annually, Current Utilization Rate Less Than 30%

Huge Emissions	Low Utilization Rate	Environmental Pressure
Baotou and surrounding areas emit 2 million tons of coal gasification slag annually, accounting for a significant proportion of Inner Mongolia's total, with prominent solid waste disposal pressure.	Current comprehensive utilization rate is less than 30%, far below the national 2025 target of 60%, with huge resource utilization space.	Low utilization rate leads to long-term stockpiling, occupying land, polluting soil and water bodies, restricting regional green sustainable development.

03 Technology Innovation and Solutions

Dual-line Parallel Process: Acid Leaching Line + Glass-ceramic Line Achieving Full-component High-value Utilization

Glass-ceramic Production	By-product Recycling
Silicon-calcium components are used in the glass-ceramic line to produce building material products. The conversion process is stable and efficient, enhancing the comprehensive utilization value of silicon-calcium resources.	Process design achieves internal circulation of by-products, reducing external emissions, supporting full-process closed-loop operation, enhancing system sustainability.
Acid Leaching Extraction of Polyaluminum Chloride	Waste-free Clean Production
Aluminum components enter the acid leaching line to react and generate liquid polyaluminum chloride. By controlling conditions to improve extraction efficiency, achieving high-value utilization of aluminum resources.	The entire process chain has no secondary waste discharge, with resource utilization rate exceeding 90%, achieving dual goals of clean production and environmental protection.
Crushing and Separation Treatment	Diversified High-value Products
Waste slag first undergoes crushing and separation, achieving effective separation of aluminum components and silicon-calcium components, laying the foundation for subsequent separate treatment.	Simultaneously producing liquid polyaluminum chloride, solid polyaluminum chloride, white carbon black and glass-ceramic, widely used in water treatment and green building materials fields.

Core Technology Breakthrough: Aluminum-silicon Step-by-step Extraction, Resource Utilization Rate Over 90%

Step-by-step Extraction Technology	High Resource Utilization Rate	Dual-line Synergistic Efficiency
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Original aluminum-silicon step-by-step extraction process, achieving efficient separation of valuable elements, improving product purity and yield.	Full-component cascade utilization, comprehensive resource utilization rate over 90%, minimizing residual waste.	Acid leaching line and glass-ceramic line operate in parallel, flexibly adapting to raw material fluctuations, ensuring stable and efficient system operation.
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Four Product Matrix Simultaneously Produced: Water Treatment Agents, New Materials, Green Building Materials

Liquid Polyaluminum Chloride	Solid Polyaluminum Chloride	White Carbon Black	Glass-ceramic
Annual production 800,000 tons, used for municipal and industrial water treatment, with significant regional market gap and outstanding cost-performance advantage.	High-purity solid polyaluminum chloride, meeting national annual growth of 3-5% demand, widely used in sewage treatment and papermaking industries.	Annual production 240,000 tons, as key reinforcing material for green tires, benefiting from the rapid development trend of new energy vehicles.	Annual production 200,000 tons of glass-ceramic building materials, performance superior to natural stone, can replace granite for architectural decoration.

04 Market Demand and Competitive Landscape

Liquid Polyaluminum Chloride: Regional Annual Demand 600,000 Tons, Gap of 80,000 Tons

Supply-demand Status	Annual demand 600,000 tons, mainly for water treatment and industrial purification. Current capacity 520,000 tons, with 80,000 tons supply gap.
Regional Advantage	Layout within 200 km around Baotou, reducing logistics costs. Localized production can quickly respond to regional market demand.
Market Potential	High-quality products can replace high-priced imported polyaluminum chloride. Filling supply gaps, enhancing local supply chain stability.
Competitive Landscape	Domestic substitution accelerating, imported product price advantage weakening. Local capacity expansion enhances overall market competitiveness.

Solid Polyaluminum Chloride: National Market Scale 4 Million Tons/Year, Annual Growth 3-5%

Market Size	Stable Growth	Import Substitution	Regional Coverage
National solid polyaluminum chloride annual demand reaches 4 million tons, with large and continuously expanding market base.	Annual growth rate maintained at 3%-5%, benefiting from rigid demand in water treatment and industrial fields.	High-end products still rely on imports, with broad domestic substitution space.	Project located in North China core circle, can efficiently radiate North China, Northwest and Central markets.

White Carbon Black: Benefiting from Green Tire Development, Annual Growth 6-8%

Green Tire Driving	Annual Growth 6-8%
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Rapid development of new energy vehicles, green tire demand surging. White carbon black as key reinforcing material, market continues to expand.	Driven by policy and technology upgrading, white carbon black market maintains stable high growth, with compound growth rate over 7% in the next five years.
Replacing Traditional Carbon Black	Supply Gap Emerging
White carbon black significantly reduces rolling resistance, improves fuel efficiency, has become irreplaceable core material for high-performance tires.	High-end white carbon black domestic production rate is low, with high import dependence. Localized production has significant market entry opportunity.

Glass-ceramic: Replacing Natural Stone, Market Capacity Over 100 Million Square Meters

Broad Market	Superior Performance	Green Driving
Glass-ceramic annual demand exceeds 100 million square meters, widely used in architectural decoration, municipal engineering and other fields, with obvious trend of replacing natural stone.	With high strength, corrosion resistance, zero water absorption characteristics, service life longer than natural stone, lower maintenance costs.	National promotion of green building materials, glass-ceramic is an environmentally friendly material, enjoying policy support, market penetration rate continuously improving.

05 Core Competitive Advantage System

Significant Cost Advantage: Raw Materials are Waste Slag (RMB 50/ton) + Waste Acid (RMB 200/ton), 30% Lower Cost than Traditional Process

Raw Material Advantage	Cost Control	Process Innovation	Production Mode	Competitive Barrier	Economic Benefit
Gasification slag only RMB 50/ton, extremely low cost and wide sources.	Comprehensive cost reduced by over 30% compared with traditional process.	Closed-loop process achieves efficient waste conversion.	Turning waste into treasure, no need for new natural resource extraction.	Technology + supply chain build hard-to-replicate cost advantage.	Reducing production costs enhances product pricing competitiveness.

Outstanding Location Advantage: Based in Baotou, Radiating 500km Core Market Circle of Inner Mongolia, Shanxi, Shaanxi

Raw Material Center	Market Hub	Efficient Logistics	Industrial Synergy
Project located in Baotou, Inner Mongolia, adjacent to large coal chemical enterprises such as Shenhua, with annual supply of over 1 million tons of gasification slag, ensuring stable zero-cost raw material supply.	500km radius covers major industrial cities in Inner Mongolia, Shanxi, Shaanxi, precisely■ regional market demand for water treatment, building materials, new materials.	Developed highway and railway network, products can be delivered to customers in surrounding provinces at low cost, significantly reducing transportation expenses and time costs.	Located in core area of national energy and chemical base, facilitating linkage with upstream and downstream enterprises, forming solid waste resource utilization industrial cluster effect.

Policy Dividend Overlay: Enjoying Solid Waste Subsidies, Tax Reductions, Green Credit and Priority Procurement Support

Solid Subsidy	Waste	Tax Reduction	Green Credit	Priority Procurement
Enjoy local government solid waste disposal subsidy of RMB 50-80/ton, annual subsidy over RMB 40 million, reducing operating costs.		Enjoy resource comprehensive utilization enterprise income tax reduction of 70%, value-added tax immediate refund of 50%, significantly improving net profit space.	Approved green project loan interest rate reduced by 20%, financing cost below market average, enhancing financial sustainability.	Included in autonomous region circular economy demonstration project list, government projects priority procurement of glass-ceramic and other products.

06 Financial Model and Profit Forecast

Full Production Year Operating Revenue RMB 1.26 Billion, Gross Margin 42%, Net Margin 26%

Annual Revenue Scale	Core Product Composition	Gross Margin Level	Raw Material Cost Advantage
After reaching full production, annual revenue reaches RMB 1.26 billion. Main revenue from white carbon black and glass-ceramic. Demonstrating strong market monetization capability.	White carbon black and glass-ceramic are two main products. Together drive revenue growth. Product structure clear with synergistic effects.	Comprehensive gross margin reaches 42%. Benefiting from low-cost raw materials and process optimization. Showing superior cost control capability.	Using low-cost waste slag as raw material. Significantly reducing production input. Enhancing sustainable profitability.
Operating Efficiency	Profit Sustainability	Net Profit Performance	Dual-line Process Efficiency
High gross margin and high net margin coexist. Reflecting excellent overall operating efficiency. With strong industrial competitiveness.	Diversified product structure ensures revenue resilience. Rigid market demand supports sales volume. Ensuring continuous profit release.	Annual net profit reaches RMB 324 million. Net margin 26%. Strong and stable profitability.	Adopting efficient synergistic dual-line production process. Improving production efficiency and resource utilization rate. Supporting high margin operation mode.

2027-2031 Net Profit Steadily Growing from RMB 264 Million to RMB 345 Million

Continuous Growth	Net profit grows from RMB 264 million to RMB 345 million within five years, with compound annual growth rate of 7.2%, steady growth trend.
Profit Leap	From 2028, net profit increases to over RMB 324 million, benefiting from dual drive of cost optimization and market expansion.

Full Production Profit	In 2027, the first year after reaching full production, net profit of RMB 264 million is achieved, marking completion of capacity ramp-up and entry into stable operation stage.
Profit Resilience	Maintaining profit growth under multiple challenges, demonstrating strong anti-risk capability and operating efficiency of the enterprise.
Healthy Cash Flow	Operating cash flow positive for five consecutive years, cumulative over RMB 1.8 billion, supporting sustainable enterprise development.
Dual-wheel Drive	Cost optimization and market expansion work synergistically, becoming the core driving force for continuous profit increase.

Operating Cash Flow Continuously Positive, Cumulative Five Years Over RMB 1.8 Billion

Strong Cash Flow	Cumulative Over RMB 1.8 Billion	Ample Coverage of Principal and Interest
From full production year, average annual operating cash flow over RMB 360 million, continuously positive, ensuring stable project operation.	2027-2031 cumulative operating cash flow reaches RMB 1.803 billion, reflecting excellent cash generation capability.	Abundant cash flow fully covers debt service, high financial security, investor returns guaranteed.

07 Investment Return and Exit Mechanism

Equity Investors 5-year Cumulative Dividends Up to RMB 1.26 Billion

High Dividend Capability	5-year Cumulative RMB 1.26 Billion	Annualized Return Over 35%	Dividend Mechanism Guarantee
Full production year net profit over RMB 320 million, sufficient cash flow ensures continuous high-ratio dividends.	Based on stable profit calculation, equity investors can obtain cumulative RMB 1.26 billion cash dividends in 5 years.	Combining dividends and valuation growth, achieving annualized return over 35%, extremely attractive returns.	Setting priority dividend clauses, ensuring investors enjoy priority in profit distribution.

At 8x PE Valuation, Project Exit Equity Value Reaches RMB 2.6 Billion

Net Profit Forecast	Valuation Basis	Investment Return Multiple	Capital Appreciation Potential
Full production year expected net profit RMB 324 million, stable profitability, providing solid foundation for valuation.	Calculated at 8x price-to-earnings ratio, project overall valuation at exit can reach approximately RMB 2.6 billion, reflecting market recognition.	Initial equity investment RMB 50 million, after exit can achieve over 5x return, excellent return performance.	Project has significant appreciation space, benefiting from stable profit and reasonable valuation multiple support.
Clear Exit Path	M&A; Exit Opportunity		
Can exit through major shareholder repurchase, independent IPO, etc., ensuring capital liquidity and safety.	Being acquired by environmental protection listed companies is a feasible path, conforming to industry integration trend.		

Annualized Return Over 35%, With Doubling Potential

High Return Realization	Valuation Growth Space	Doubling Expected
Equity investors 5-year cumulative dividends RMB 1.26 billion, annualized return over 35%, strong return certainty.	Calculated at 8x PE, project exit equity value reaches RMB 2.6 billion, achieving asset doubling.	Relying on stable cash flow and high growth, achieving investment principal doubling within 5 years has solid foundation.

Adequate Creditor Protection: DSCR 2.68, ICR 29.65

Strong Debt Solvency	Interest Payment Guaranteed	Ample Collateral
Debt service coverage ratio 2.68, far exceeding 1.3 safety line, sufficient principal and interest repayment guarantee.	Interest coverage ratio 29.65, extremely strong profit coverage of interest, low default risk.	Project land, plant, equipment fully mortgaged, high creditor security margin.

08 Risk Control and Safety Margin

Extremely Low Break-even Point: Capacity Utilization Rate Only Needs 23.3% to Break Even

Break-even Point	Cost Structure Advantage	Stable Operation Guarantee
Full production year capacity utilization rate only needs 23.3% to achieve break-even, strong anti-market fluctuation capability.	Raw materials are waste slag and waste acid, low cost and stable supply, significantly reducing variable cost pressure.	Low break-even point ensures project can maintain positive cash flow during capacity ramp-up period.

Sensitivity Test Shows Strong Pressure Resistance: Price Down 10%, IRR Still Reaches 42.15%

Price Resilience	Cost Elasticity	Raw Material Pressure Resistance	Revenue Stability
Selling price down 10%, IRR still reaches 42.15%. Sufficient return space, demonstrating strong market adaptability.	Construction cost up 15%, return rate maintained at 46.88%. Project has good absorption capacity for input cost fluctuations.	Raw material cost up 10%, return rate maintained at 45.33%. Still has profit advantage under supply chain cost shock.	Multiple pressures superimposed, overall return performance stable. Verified through testing, high financial model reliability.

Construction Cost Up 15%, IRR Maintained Above 46.88%

Pressure Test	Under extreme assumption of construction cost up 15%, project IRR still maintained above 46.88%, with strong financial resilience.
Cost Buffer	Pre-budget has reserved RMB 10 million reserve funds, effectively covering unforeseen expenditures, reducing overspend risk.
Engineering Control	Led by central enterprise project manager with 30 years experience, implementing full-process cost monitoring, ensuring investment efficiency.

Return Guarantee	Even with cost increases, core product gross margin space still sufficient, profitability not fundamentally affected.
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09 Fund Planning and Use Structure

Total Investment RMB 681.89 Million, Enterprise Self-financing 29.5%, Financing Demand 70.5%

Investment Composition	Financing Structure	Fund Use
Total investment RMB 681.89 million, including enterprise self-financing RMB 201.3 million (29.5%), financing demand RMB 480.592 million (70.5%).	Financing part includes project loan RMB 380.59 million, green bonds RMB 50 million, equity financing RMB 50 million, achieving diversified fund combination.	Construction investment RMB 600 million, working capital RMB 38.69 million, reserve funds RMB 10 million, ensuring stable project full-cycle operation.

Diversified Financing Portfolio: Project Loan RMB 380 Million, Green Bonds RMB 50 Million, Equity Financing RMB 50 Million

Diversified Financing Structure	Layered Fund Allocation	Precise Use Management
Financing demand RMB 480 million, adopting combination of project loans, green bonds and equity financing, diversifying fund risks, optimizing capital structure.	Debt financing accounts for 79.2%, equity financing 10.4%, balancing leverage benefit and long-term development stability.	Funds used for construction investment, working capital and reserve funds, ensuring efficient execution and financial transparency.

Funds Mainly Used for Construction Investment RMB 600 Million, Working Capital RMB 38.69 Million and Reserve Funds RMB 10 Million

Construction Investment	Working Capital	Reserve Funds	Fund Supervision
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Invest RMB 600 million for plant construction, equipment procurement and installation, ensuring efficient and stable operation of dual-line process system.	Allocate RMB 38.69 million to ensure raw material procurement, personnel salaries and daily operation working capital needs.	Reserve RMB 10 million to respond to unforeseen expenditures, enhancing financial flexibility of project execution.	Implement special account management, phased allocation, ensuring funds precisely■■ key links.
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10 Project Construction Schedule

Phase	Time Node	Main Tasks
Preliminary Work	March 2026	Project approval, site survey, engineering design
Construction Preparation	April 2026	Implement collaboration relationships, equipment bidding and procurement
Engineering Construction	May - December 2026	Plant construction, equipment installation, supporting facilities improvement
Completion Acceptance	January - March 2027	Engineering acceptance, equipment commissioning, production preparation
Formal Production	April 2027	Project officially put into production, seamless connection of construction and
Full Production	2028	Capacity ramp-up to 100%, fully releasing annual million-ton processing capa
Phase II Planning	2029	Start Phase II expansion, expand product line and resource utilization depth

11 Core Team and Talent Support

Chairman	Deng Funan	15 years of solid waste resource utilization experience, expert member of China Environmental Protection Industry Association
Industry Deep Dive		15 years focused on solid waste resource utilization field, deeply grasping policy orientation and industrial implementation path.
Authority Endorsement		Expert of Solid Waste Special Committee of China Environmental Protection Industry Association, participating in industry standards and technical reviews.
Strategic Leadership		Leading project top-level design, precisely grasping resource circular development opportunities under carbon neutral background.
General Manager	Yang Maohong	30 years of central enterprise project management experience, led multiple ten-billion-level projects
Rich Project Experience		30 years of large central enterprise project management experience, proficient in full process of engineering construction and operation, once led multiple over RMB 10 billion industrial projects.
Large-scale Operation Capability		Excellent large-scale project operation capability, can efficiently promote complex engineering landing, ensuring key nodes smoothly completed.
Technical Director	Wang Yuxian	Former Director of Institute of Mineral Resources, Chinese Academy of Geological Sciences, inventor of physical separation patent
Core Technology Breakthrough		Independently developed aluminum-silicon step-by-step extraction process, achieving coal gasification slag resource utilization rate over 90%, domestically leading technology level.
Industrial Application Verification		Led technology has achieved industrial application in Jiangxi base, fully verifying technology reliability and stability.
Operations Director	Liu Yajun	30 years of state-owned enterprise factory management experience, skilled in cost lean control
Rich Practical Experience		30 years of large state-owned enterprise factory operation management experience, proficient in full production process control.
Cost Control Expertise		Skilled in lean management, once led cost reduction and efficiency improvement projects, annual cost savings over RMB 10 million.

12 Industrial Ecosystem and Strategic Cooperation

Technology R&D;	Relying on Chinese Academy of Geological Sciences, National Building Materials Information Institute, Huazhu Lvjian
Geological Academy Support	Jointly with Chinese Academy of Geological Sciences to carry out material component analysis and process optimization, ensuring scientific and reliable technical route.
Building Materials Institute Empowerment	Cooperating with National Building Materials Industry Technology Information Research Institute, tackling glass-ceramic performance improvement and standard formulation.
Engineering Transformation	Deep cooperation with Huazhu Lvjian, promoting application landing of high-value products in green building field.
Collaborative Innovation Chain	Building "research - pilot - industrialization" integrated platform, accelerating technology iteration and achievement transformation efficiency.
Raw Material Guarantee	From Shenhua Coal Chemical, signing long-term slag supply agreement
Long-term Agreement Lock-in	Signing 10-year slag supply agreement with Shenhua Coal Chemical, ensuring stable supply of 1 million tons/year coal gasification slag.
Nearby Supply Guarantee	Coal gasification slag as industrial waste, provided free by partner, significantly reducing raw material procurement cost.
Zero Raw Material Cost	Shenhua base less than 50km from project plant, convenient transportation, ensuring continuous production demand.
Strategic Synergy Deepening	Jointly building solid waste circular system, promoting green transformation and compliant emission of coal chemical enterprises.
Sales Channels	Covering Beijing Enterprises Water, Inner Mongolia Water, Sinochem and other leading enterprises
Strategic Customer Lock-in	Already signed intent procurement agreements with Beijing Enterprises Water, Inner Mongolia Water, etc., ensuring stable shipment of liquid/solid polyaluminum chloride.
Central Enterprise Channel Synergy	Jointly with Sinochem Group to open chemical material sales network, improving white carbon black market penetration rate.
Financial Partners	Including Bank of Communications, Industrial Bank and professional green industry funds

13 Social Value and Sustainable Contribution

Project Scale	Solid Waste Utilization	Carbon Reduction Benefit	Land Saving
Annual processing 1 million tons of coal gasification slag, achieving large-scale resource utilization of industrial solid waste.	Converting coal gasification slag into usable resources, improving comprehensive utilization rate of industrial waste.	Annual reduction of 200,000 tons CO ₂ emissions, helping carbon peak and carbon neutral goals.	Avoiding about 300 mu of landfilling land, effectively protecting land resources and ecological environment.
Tax Contribution	Direct Employment	Industrial Driving	
After reaching full production, annual tax payment RMB 190 million, continuously enhancing local fiscal strength.	Creating 145 high-quality jobs, covering technology, operation, management and other fields.	Radiating upstream and downstream industrial chains, indirectly driving over 1,000 jobs, helping regional economic development.	

14 Comprehensive Investment Highlights Summary

Timing: Riding Carbon Neutral National Policy, Welcoming Golden Decade of Solid Waste Resource Utilization

Project included in national "14th Five-Year Plan" circular economy demonstration project, enjoying solid waste comprehensive utilization tax reduction and green credit support. Aligning with "dual carbon" goals, annual CO₂ reduction 200,000 tons, obtaining government priority procurement and industrial policy support. 2025 bulk solid waste utilization rate needs to reach 60%, policy rigidly drives market outbreak, with long window period of ten years.

Geography: Raw Materials Nearly Zero Cost, Market Right at Home

Gasification slag as raw material only RMB 50/ton, waste acid RMB 200/ton, comprehensive cost 30% lower than traditional process. Project located in Baotou, in hinterland of Inner Mongolia, Shanxi, Shaanxi coal chemical, radiating 500km market circle. Four products closely fit regional demand, liquid polyaluminum chloride gap 80,000 tons, achieving immediate production and sales reducing logistics cost. Signing 10-year slag supply agreement with Shenhua and other enterprises, ensuring raw material stability, building sustainable operation foundation.

People: Top Team Leading, Full Industrial Chain Collaborative Layout

Chairman Deng Funan, General Manager Yang Maohong leading, average over 20 years industry experience, led multiple national-level environmental protection projects. Technical Director Wang Yuxian former director of National Geological Academy Institute, mastering physical separation core patent. Operations Director Liu Yajun with 30 years large state-owned enterprise factory management experience, skilled in cost control and efficiency improvement. Jointly with Chinese Academy of Sciences, Shenhua, Beijing Enterprises Water, etc. building full chain closed loop of technology R&D, raw material supply, market sales.

Money: IRR Over 51%, Three Years Payback, Five Years Doubling Expected

Internal rate of return reaches 51.19%, far exceeding industry average, strong capital appreciation capability. Investment payback period only 3.05 years, high capital turnover efficiency, controllable risk. 5-year cumulative dividends RMB 1.26 billion, calculated at 8x PE, equity value reaches RMB 2.6 billion.

Safety: Policy Rigid Demand Support, Strong Anti-cyclicity, Stable Cash Flow

Relying on national "dual carbon" strategy, enjoying policy rigid support. Using industrial waste slag as raw material, low cost and stable supply. Products used in water treatment, building materials and other anti-cyclical fields. Full production year cash flow reaches RMB 380 million, strong operation guarantee. Environmental protection regulations strictly prohibit landfilling, promoting resource utilization transformation. Products can be applied to multiple high-demand industrial scenarios.

15 Financing Plan and Cooperation Mode Selection

Plan A (Debt-oriented): RMB 380 Million Project Loan, LPR+150bp, Asset Mortgage + Parent Company Guarantee		
Loan Scale		Total project loan RMB 380.59 million, accounting for 55.8% of total investment. Funds mainly used for main construction and equipment procurement.
Fund Use		Loan mainly used for project construction and equipment investment. Focusing on physical asset construction and configuration. Ensuring project production capacity construction.
Loan Term		Loan cycle is five years, matching project construction and payback period. Reasonable term structure, conducive to smooth principal and interest repayment. Supporting long-term stable operation.
Interest Level	Rate	Interest rate floats 150 basis points on LPR basis. Comprehensive annualized interest rate approximately 6%. Financing cost in controllable range.
Policy Preference		Loan has policy preference support. Helping reduce actual financing cost. Improving project economic feasibility.
Mortgage Measures		Using project land, plant and equipment as mortgage. Enhancing creditor protection. Reducing default risk exposure.
Guarantee Arrangement		Parent company provides joint liability guarantee. Significantly improving credit rating. Forming dual repayment guarantee mechanism.
Credit Enhancement Measures		Adopting combined credit enhancement method of mortgage and guarantee. Complete and reliable credit structure. Conducive to obtaining bank continuous support.

Plan B (Equity-debt Combination): RMB 50 Million Equity Financing, 15-20% Stake, Preferred Shares Enjoy 8% Dividend + Profit Sharing		
Financing Structure		Introducing RMB 50 million strategic equity, accounting for 15-20%, optimizing capital structure, enhancing project anti-risk capability.
Return Mechanism		Preferred shares enjoy 8% fixed dividend, ensuring basic returns, while participating in excess profit sharing, enhancing investment attractiveness.
Exit Path		Major shareholder can initiate repurchase after 3 years, 5-year target A-share or Hong Kong stock listing, providing multiple exit options.

Cooperation Value	Attracting industrial capital deep binding, sharing technology, market resources, achieving industry-finance synergy win-win situation.
Plan C (Industrial Fund): Jointly Establish Project Company, Fund Holds 30-40%, Joint Operation Resource Sharing	
Joint Project Company	Jointly investing with industrial fund to establish independent project company, achieving clear rights and responsibilities, risk sharing, benefit sharing long-term cooperation mechanism.
Fund Shareholding Ratio	Fund accounts for 30%-40%, maintaining strategic synergy and decision participation balance, ensuring operation dominance while introducing capital assistance.
Joint Operation Management	Both parties dispatch management team, establishing joint operation mechanism, deep synergy in technology optimization, cost control and market expansion.
Comprehensive Resource Sharing	Integrating fund industrial resource network, opening raw material, technology, channel and policy support chain, improving project comprehensive competitiveness.

16 Commitment and Responsibility System

To Investors: Regular Information Disclosure, Setting VAM Clauses, Ensuring Priority Dividend Rights	
Regular Information Disclosure	Providing financial and operation reports monthly, holding investor meetings quarterly, ensuring information transparent, timely, traceable.
VAM Clauses	Setting three-year performance commitment, if not up to standard, founding shareholders cash compensation or equity adjustment, ensuring investment safety.
Priority Dividend	Investors enjoy priority dividend rights, first year after project profitability starts dividend, maximizing capital return efficiency.
To Partners: Ensuring Long-term Stable Supply and Preferential Price Mechanism	
Long-term Supply	Signing 10-year slag supply agreement with Shenhua Coal Chemical, ensuring raw material stability. After reaching full production, priority allocation of capacity, ensuring continuous supply.
Capacity Guarantee	After reaching full production, priority meeting partner demand, stable output. Establishing capacity allocation mechanism, strengthening cooperation stickiness.
Price Mechanism	Implementing tiered pricing mechanism, incentivizing bulk procurement. Larger procurement volume, more significant long-term price preference.
To Society: Insisting Environmental Standard Emission, Zero Safety Accidents, Active Tax Payment and Employment Creation	
Safety Production Responsibility	Fully implementing safety production responsibility system, clarifying responsibilities at all levels, building solid safety management defense line.
Zero Emission Goal	Through advanced technology and strict management, achieving zero violation discharge of three wastes, continuously improving ecological friendliness level.
Pollution Full-process Control	From source to end fully controlling pollutants, achieving closed-loop management of all links, ensuring environmental safety and compliant operation.
Economic Contribution Significant	Annual tax contribution RMB 190 million, enhancing local fiscal strength, supporting public utility development.

Employment Driving Effect	Directly providing 145 high-quality positions, radiating industrial chain driving over 1,000 jobs, fulfilling corporate social responsibility.
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17 Key Q&A; Preparation

Raw Material Supply Stability: Signed 10-year Slag Supply Agreement, with 10 Million Tons Reserve Library	
Long-term Agreement Guarantee	Already signed 10-year coal gasification slag supply agreement with Shenhua Coal Chemical, ensuring continuous stable raw material supply.
Sufficient Raw Material Reserve	Project supporting construction of 10 million ton-level raw material reserve library, can support many years of production demand.
Zero Cost Raw Material Acquisition	Coal gasification slag as industrial waste, enterprise provides free and pays disposal fee, reducing procurement cost.
Strong Supply Chain Anti-risk	Relying on large central enterprise supply system, avoiding supply interruption risk, ensuring continuous project operation.
Technical Risk Controllable: Jiangxi Base Already Industrial Verified, Jointly Building Pilot Platform with Chinese Academy of Sciences	
Process Verified	Dual-line process stably operating in Jiangxi base, achieving continuous production, technology mature and reliable.
Continuous Optimization Mechanism	Jointly building pilot base with Institute of Process Engineering, Chinese Academy of Sciences, iteratively upgrading core technology.
Risk Closed-loop Management	Establishing full-process technical emergency plan, ensuring project operation stability and safety.
Clear Exit Path: Major Shareholder Repurchase after 3 Years, 5-year Target A-share/Hong Kong Stock Listing or M&A; Exit	
M&A; Exit Channel	Connecting with environmental protection sector listed companies, providing M&A; exit path, enriching exit method options.
Releasing Valuation Dividend	After listing releasing high multiple valuation dividend, increasing investment returns, enhancing market recognition of project.
Promoting Listing Plan	Actively promoting A-share or Hong Kong stock listing within five years, achieving equity capitalization, improving asset liquidity.
Equity Repurchase Guarantee	Major shareholder initiating equity repurchase after three years, ensuring investor principal safety, providing basic return guarantee.

18 Vision and Contact Information

Invest in Green, Harvest Gold — Building Circular Economy Benchmark Project

Carbon Neutral Practice	Environmental Benefit	Green Investment Model	Replicable Model
Practically responding to national dual carbon strategy. Reducing carbon emissions through resource recycling. Demonstrating corporate climate commitment.	Reducing pollution emissions and resource consumption. Improving regional ecological environment quality. Promoting green low-carbon development.	Building sustainable investment benchmark case. Guiding capital flow to green industry. Enhancing investor confidence.	Based in Baotou forming demonstration effect. Experience can be promoted nationwide. Helping circular economy large-scale development.
Solid Waste Resource Utilization	Closed-loop Ecosystem	Economic Benefit	Multi-party Collaborative Cooperation
Promoting million-ton■ solid waste efficient conversion. Achieving waste-to-resource regeneration. Helping carbon reduction goals land.	Building complete chain from waste slag to high-value products. Achieving material circulation without waste. Improving system sustainability.	Improving resource added value and profitability. Achieving project commercial sustainability. Attracting continuous capital investment.	Jointly building with government, enterprises and investors. Exerting industrial chain synergy effect. Promoting efficient model landing.

THANKS

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Invest in Green	Harvest Gold	Build Future Together
Jointly building circular economy benchmark project, converting million tons of solid waste into high-value resources, practicing carbon neutral mission.	Grasping policy dividend and market gap, achieving sustainable development model of win-win environmental benefit and capital return.	Sincerely inviting investors and partners to jointly open new chapter of solid waste resource utilization, building green low-carbon industrial ecosystem.

Inner Mongolia Lvbaoxin Environmental Technology Co., Ltd.