

ATS Technology Holdings Limited
Using 5 AATS2000 systems to process 550 Ton/day or 181,500 Tons of
dried, sorted MSW (*Equivalent to 850 Tons per day of non dried and non sorted MSW)
yearly, operating 330 days per year in Hong Kong

(in USD)

REVENUE	Assumptions Conversion %	Sale Price per Ton	% post sorting prod.	Total Ton Production/yr	Revenue per year	1st year	2nd year	3rd year	4th year	5th Year
From pre sorting	metals	300	2.30%	4,175	1,252,350	1,252,350	1,252,350	1,252,350	1,252,350	1,252,350
	Glass	100	3.60%	6,534	653,400	653,400	653,400	653,400	653,400	653,400
	PET & PVC (4%)	1,000	4.00%	7,260	7,260,000	7,260,000	7,260,000	7,260,000	7,260,000	7,260,000
Biomass & yard Trimmings	Biochar 25%		38.6%	17,515	-	-	-	-	-	-
Cardboard & paper	Biochar 35%		22.2%	14,103	-	-	-	-	-	-
Wood	Biochar 30%		3.9%	1,062	-	-	-	-	-	-
Ash Soil Plastics carbon base	Biochar 15%		3%	817	-	-	-	-	-	-
Activated Carbon (AC)	AC 95% of BC	2500	95%	31,821	79,552,584	79,552,584	79,552,584	79,552,584	79,552,584	79,552,584
TOTAL	Total				88,718,334	88,718,334	88,718,334	88,718,334	88,718,334	88,718,334
Plastics (excluding PET & PVC)	Fuel Oil 70%	400	17.5%	22,234	8,893,500	8,893,500	8,893,500	8,893,500	8,893,500	8,893,500
Textile ,rubber & leather, others	Fuel oil 30%	400	8.5%	4,628	1,851,300	1,851,300	1,851,300	1,851,300	1,851,300	1,851,300
Bio Oil 40%	Bio Oil 40%	200	40%	5,091	1,018,273	1,018,273	1,018,273	1,018,273	1,018,273	1,018,273
TOTAL	Total				11,763,073	11,763,073	11,763,073	11,763,073	11,763,073	11,763,073
Tipping Fee	1	100		310,250	31,025,000	31,025,000	31,025,000	31,025,000	31,025,000	31,025,000
GROSS REVENUE					131,506,407	131,506,407	131,506,407	131,506,407	131,506,407	131,506,407
Royalty % of gross revenue	2		5%		6,575,320	6,575,320	6,575,320	6,575,320	6,575,320	6,575,320
GROSS REVENUE LESS ROYALTY					124,931,087	124,931,087	124,931,087	124,931,087	124,931,087	124,931,087
Diesel or natural gas	3				240,000	240,000	240,000	240,000	240,000	240,000
Electricity Equipment	4				625,000	625,000	625,000	625,000	625,000	625,000
Water	5				100,000	100,000	100,000	100,000	100,000	100,000
Maintenance Equipment	6				330,000	330,000	330,000	330,000	330,000	330,000
Water Sewage Treatment	7				170,000	170,000	170,000	170,000	170,000	170,000
Landfill waste disposal fee	8				600,000	600,000	600,000	600,000	600,000	600,000
CB Packaging	9				1,590,000	1,590,000	1,590,000	1,590,000	1,590,000	1,590,000
Chemical Catalyst	10				363,000	363,000	363,000	363,000	363,000	363,000
Filter, Gasket Replacements	11				242,000	242,000	242,000	242,000	242,000	242,000
Plant Rental	12				900,000	900,000	900,000	900,000	900,000	900,000
Triple Net costs	13				600,000	600,000	600,000	600,000	600,000	600,000
Electricity Plant Office	14				36,000	36,000	36,000	36,000	36,000	36,000
Misc. Waste Disposal	15				35,000	35,000	35,000	35,000	35,000	35,000
Cleaning	16				72,000	72,000	72,000	72,000	72,000	72,000
Water, Coffee ect. - Office	17				30,000	30,000	30,000	30,000	30,000	30,000
Total					5,933,000	5,933,000	5,933,000	5,933,000	5,933,000	5,933,000
Employee Expense		No.	Salary							
Plant Manager		1	66,000		66,000	66,000	66,000	66,000	66,000	66,000
Marketing and Product Manager		1	54,000		54,000	54,000	54,000	54,000	54,000	54,000
Asst Plant Manager		1	48,000		48,000	48,000	48,000	48,000	48,000	48,000
Foreman		10	42,000		420,000	420,000	420,000	420,000	420,000	420,000
Equipment Operators		70	36,000		2,520,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000
Engineers		3	60,000		180,000	180,000	180,000	180,000	180,000	180,000
Chemist		3	60,000		60,000	60,000	60,000	60,000	60,000	60,000
Administrative Assistants		10	24,000		240,000	240,000	240,000	240,000	240,000	240,000
Marketing & Sales Staff		30 & 31	48,000		192,000	192,000	192,000	192,000	192,000	192,000
Accounting Dept		18	30,000		150,000	150,000	150,000	150,000	150,000	150,000
Total		108	3,930,000		3,930,000	3,930,000	3,930,000	3,930,000	3,930,000	3,930,000
Payroll Taxes			10%		393,000	393,000	393,000	393,000	393,000	393,000
Medical				11,000	1,188,000	1,188,000	1,188,000	1,188,000	1,188,000	1,188,000
Employee Pension			5%		196,500	196,500	196,500	196,500	196,500	196,500
Total					5,707,500	5,707,500	5,707,500	5,707,500	5,707,500	5,707,500
Liability and Insurance										
Liability	19				157,500	157,500	157,500	157,500	157,500	157,500
Property	20				150,000	150,000	150,000	150,000	150,000	150,000
Auto	21		3		37,500	37,500	37,500	37,500	37,500	37,500
Umbrella	22				75,000	75,000	75,000	75,000	75,000	75,000
Worker's Comp	23		3%		117,900	117,900	117,900	117,900	117,900	117,900
Total					537,900	537,900	537,900	537,900	537,900	537,900
Office & Yard Expense										
Office & Lab supplies	24				240,000	240,000	240,000	240,000	240,000	240,000
Yard Maintenance	25				120,000	120,000	120,000	120,000	120,000	120,000
Postage & Courier	26				90,000	90,000	90,000	90,000	90,000	90,000
Cell Phones			15		45,000	45,000	45,000	45,000	45,000	45,000
Office phone & fax					22,500	22,500	22,500	22,500	22,500	22,500
Security system					60,000	60,000	60,000	60,000	60,000	60,000
Total					577,500	577,500	577,500	577,500	577,500	577,500
Administrative Expenses										
Marketing/Advertising	27		1.5%		1,507,221	1,507,221	1,507,221	1,507,221	1,507,221	1,507,221
Legal					36,000	36,000	36,000	36,000	36,000	36,000
Testing	28				200,000	200,000	200,000	200,000	200,000	200,000
Fees & Licenses					20,000	20,000	20,000	20,000	20,000	20,000
Commission	29		5%		5,024,070	5,024,070	5,024,070	5,024,070	5,024,070	5,024,070
Total Expenses					6,787,291	6,787,291	6,787,291	6,787,291	6,787,291	6,787,291
Net Profit Before Tax (USD)					23,473,191	23,473,191	23,473,191	23,473,191	23,473,191	23,473,191
					101,457,896	101,457,896	101,457,896	101,457,896	101,457,896	101,457,896

ASSUMPTIONS:

The MSW being processed are pre-dried and pre-sorted and pre-cut before they enter each of the 5 AATS2000 systems.
All assumptions are based on data available in June of 2019, and the project is based in Hong Kong.
The cost of an AATS2000 system is US\$10,500,000.

- 1 Tipping fee based on a supplier contract using median tipping fee in USA.(\$100/Ton)
- 2 Royalty based on 5% of gross revenue
- 3 Diesel or Natural gas \$240,000
- 4 Based on usage of existing plant - Projected 10,000,000 kwh @ .0667/kwh hour - 15,000,000 kwh allocated for pre & post processing equipment
- 5 Water Projection use of 14 Million gallons of water@commercial rate of .005/gallon
- 6 The projected cost of \$625,000 is reasonable based upon such plant size. (Includes estimate for maintenance of pre processing equipment)
- 7 Water Treatment and sewage projection cost based on plant size and 70% of water usage.
- 8 Landfill disposal fee of \$33,000 projection based on research data.
- 9 CB packaging cost projection based on such plant size of \$50.00/T
- 10 Chemical catalyst cost projection (if necessary) \$60,000 based on existing plant costs
- 11 Filter & Seal replacement cost projection of \$33,000 based on Vegreville plant in Alberta, Canada.
- 12 Plant rental for 150,000 sq ft @ \$6.00/sq ft
- 13 Triple net costs (estimated \$4.00 per sq ft)
- 14 Projected electricity for office, lab and office equipment to be \$36,000
- 15 Projected waste discharge fee of \$35,000 based on research data.
- 16 Projected cleaning of plant, office, lab and staff room \$72,000
- 17 Projected office water, coffee and incidental office supplies \$30,000
- 18 Employers portion of payroll taxes (estimated @10%)
- 19 Employer's portion of medical plan 10%
- 20 Employer's portion of Pension Plan 5%
- Liability Projected Insurance costs based on US quotation**
- 21 Property Insurance based on insurance quotation for US
- 22 Auto Insurance based on insurance quotation for US
- 23 Umbrella insurance based on insurance quotation for US
- 24 Workmen's compensation - based on US median of 3%
- 25 Office and Lab supplies based on research data for such plant size.
- 26 Yard Maintenance (\$120,000) estimated
- 27 Postage and courier (estimated \$90,000)
- 28 Marketing and Advertising (1.5%) - based on industry standards
- 29 Testing of Products (estimated)
- 30 Sales commission payable (5%) - industry standards

Other Assumptions:

~ To make PET and PVC saleable these products need to be washed, shredded and baled for delivery
~ Price of PET and PVC is based on recent quotations on NYMEX
~ This revenue model uses the assumptions (a) the activated carbon is sold for US\$2,500 per ton, and (b) all the pre sorted waste materials, especially plastics, about 4% of the gross waste, and sold at US\$1,000 per ton. In total, the extra revenue generated from these 2 factors alone is about an extra US\$23,196,000. For the calculation of just a stand alone AATS1000 or AATS2000, none of the pre sorted wastes will be taken into account and sold for profit, as the amounts are not significant enough, but it's a different story for combined total for 5 AATS systems working together.

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