

AIC Nanjing Meeting Summary—March 10th to March 12th, 2013

Sunday, March 10

AIC Attendees:

1. Kris Boonruang, Chairman (taking picture)
2. Ed Brigham, CEO
3. John Lawrence, COO
4. Alex Moore, Chief Compliance Officer
5. Albert Schoppenhorst, Chief Accounting Officer (CFO)
6. Paul Nuth, Engineering & Logistics-Vice Chairman
7. Henry Wu—Banker
8. Sean Liu from Palo, Alto, California, Banker

Green Box Attendees:

1. Ron Van Den Heuvel
2. Lee Reisinger



L to R: Al Schoppenhorst, Lee Reisinger, Ron Van Den Heuvel, Alex Moore, John Lawrence, Paul Nuth, Henry Wu, Ed Brigham, Sean Liu, taken by Kris Boonruang. Referred to as the "Group."

The Group met at Holiday Inn near the Shanghai airport and took a high speed train to Nanjing, a city of 8 million people, where we were taken on a short tour of the city, and then had lunch with **Nanjing Vice Mayor Zheng Zeguang**. Zheng is 48 years old and has spent 8 years in Washington DC on behalf of China. His son goes to Dennison University in the states. He is being groomed for one of the top spots in the ruling party. He was quite personable and conservative in his thinking. He said that they are learning that the government's role is to serve the private sector to help it grow.

Having heard of our technology from AIC he had already set up meetings with two private sector companies that he thought we might choose to partner with in Nanjing. It is important to have a Chinese partner because they lead the implementation (construction and operation) and enforce our patents and trade secrets, knowing that if data gets shared with others, it will hurt them.

Ron presented the Green Box concept and the mayor was impressed with what it could do to help Nanjing with their 6000 tpd of landfill. (We later learned that Nanjing has purchased two French mass burn units that will handle a total of 4000 tpd, starting up in 2014, but they are not excited about the air pollution that they will generate, and air pollution was pervasive throughout our trip.)



L to R: Paul Nuth, Henry Wu, Kris Boonruang, Ron in presentation mode, Vice Mayor Zheng Zeguang

The Group had a "traditional" Chinese lunch with the vice mayor and then he left for Beijing. Apparently they have a new head of government and they are re-aligning, eliminating two ministries, and setting the next 5 year plan. However, before Zheng left, he arranged for Chen Hua, Deputy Director of Nanjing's Foreign Affairs Office to change our agenda for the next day and have a presentation to all the city departments, so that they could learn of our plans and share how they could help us. (Apparently this was a command to them...)

From this point and throughout the meetings we were accompanied by three appointees of the mayor who made sure that everyone was "on message." They included a major in their air force, in civilian clothes, a development group leader and a translator. They took the role of tour guide and schedule facilitation. During meetings they sat with the Chinese company, opposite of AIC/Green Box, but clearly were facilitating the discussion as the mayor wished.

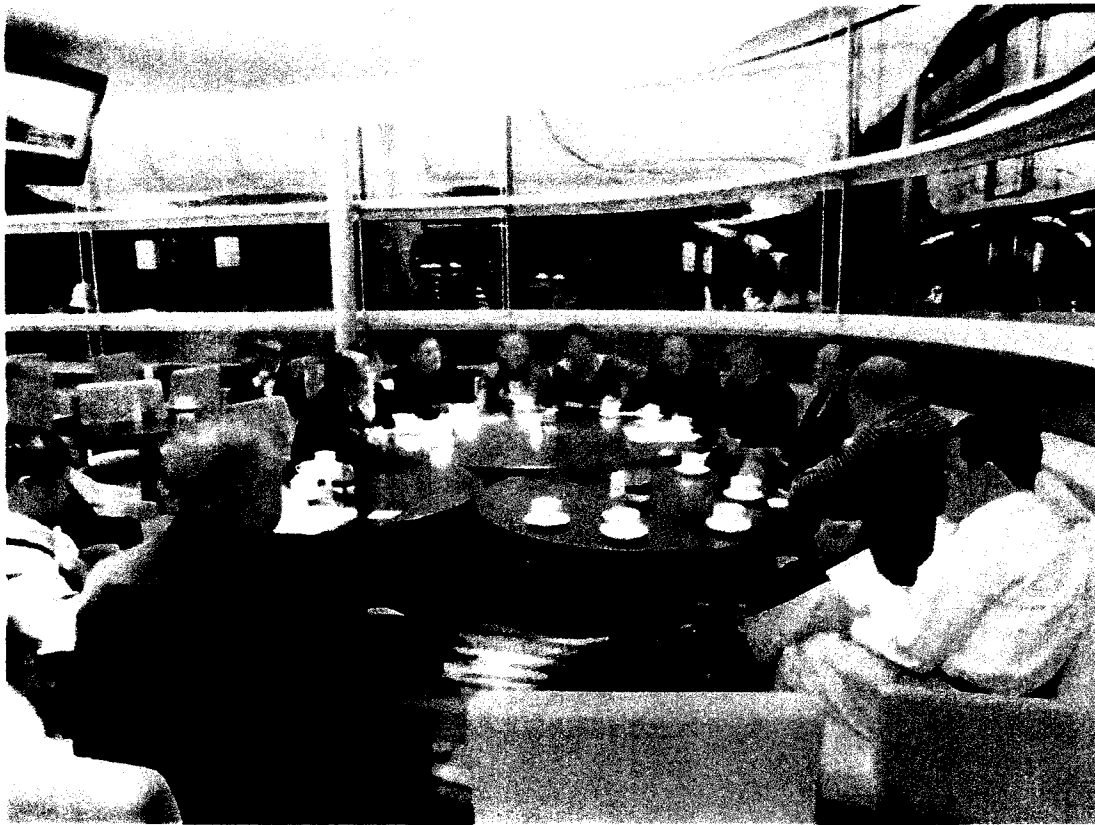
After lunch the Group went to a museum that shared Nanjing's past and future, complete with their plan to modernize the city for their current 8 million residents and 54 universities—they have 800,000 college students in Nanjing. They are holding a China Youth Olympics there in 2014, so that sets the goal for completion of their current plans, but they have very aggressive plans beyond that.

We walked a portion of the Nanjing Wall, had dinner and went back to the hotel where we met with the city financial leaders from Venture Capital Management and the International Business Development Bank. Their attendees were ready to fund:

Next meeting was with Yo Bu, President of Nanjing Sinar Mas & ZiJin Venture Capital Management Co., Ltd Zhang Wei, General Manager, International Business Development, Bank of Nanjing Yang Jun, Marketing Department, International Business Development, Bank of Nanjing

Both of the above companies are state-run financing arms, and were already aware of the Green Box opportunity. After much discussion, they agreed that they would provide 50% of any capital raised by AIC to fund one or more Green Boxes.

AIC has advised us that they have Koyo's agreement or EXIM to fund the other 50% of any project, so what remains is to decide who would be the best partner and how Green Box should work with AIC and the partner. Green Box has sent AIC a proposed Business Licensing Agreement that might be used for the entity that will own Green Box China. It will take a while to set this up—July is the target. Night meeting on the next page shows the Nanjing officials on the left side of the table.



Monday, March 11th

Attendees

Full Share Group, www.fullshare.cc

Fang Jian, Chairman of the Board

Xiaomei Hu, Deputy President

Wei Du, Director of Public Relations

The Group

Full Share started in the construction industry and has a mission of "Strengthening Industry, rewarding society, and serving the public." They have grown into a diversified industrial holding group with 70 patents with businesses covering real estate, new energy, medical equipment, overseas investment, and healthcare. They own 3 subgroups and 30 subsidiaries with over 6000 employees. They have branches and business partners in 29 Chinese provinces, and Hong Kong. They also have businesses in 10 countries and regions, including Europe, America, Africa, Central Asia and Australia. Their stated values are integrity, practice, excellence and all-win. They reminded Ron and I of Cargill, both in their transparency and their headquarters campus.

Full Share presented a video overview of their current business and future vision and then Kris and Ron presented AIC/Green Box as a potential opportunity. Kris then asked if Full Share would be interested in investing and partnering with Green Box and the Deputy President, who had been leading the meeting on their side, immediately raised her hand and said yes. She then indicated that we should use Wei Du as Full Share's point of contact, and Kris indicated that Ed Brigham is our point of contact to proceed with developing a partnership approach. There was a very upbeat mood at the close of the meeting and the Group felt it was an excellent meeting. We ended with the traditional team picture in Full Share's lobby.

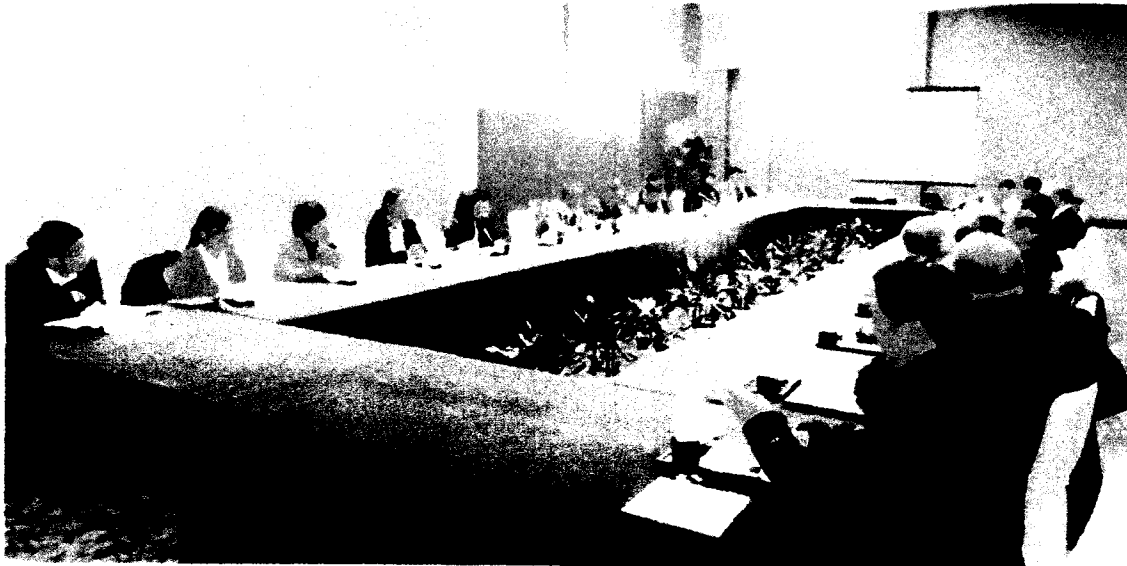
Presenting, L to R, Xiaomei Hu, Deputy President; Fang Jian, Chairman, and Wei Du, our contact.



The Full Share meetings used a translator, but the Deputy President often spoke in English

City Department Meetings

The Group then met with Chen Hua, Deputy Director of Nanjing's Foreign Affairs Office, and the Directors and Department Heads of the city staff. Including "departments" such as Bank of Nanjing, Urban Garbage Administration, Economic Development Committee, Financial Development Committee, Nanjing Economy & Information Technology Commission, Nanjing Chemical Park—North Bank, Environment Investment Protection Commission, R&D Center on Solid Waste Treatment Technology, etc. See picture on next page.



The Deputy was forceful in getting his people who had been instructed that morning to attend the mayor's meeting to offer support. We were encouraged to mingle over lunch, but there were not enough translators as many of them hesitated to attempt English on an informal basis and our Mandarin was poorer than their English—once again supporting the need for a Chinese partner.

Nanjing Chemical Industrial Park Company, Ltd.

The Group then traveled to North Nanjing, where they met with:

Xie Chong Xiu, Vice President, Administrative Committee of Nanjing Industrial Park, Chemical Senior Engineer, MBA who interrupted an all day meeting with DuPont to meet with us. She was a forceful leader of the group's discussions.

Li Jian Ping, Director of Nanjing Chemical Industrial Chemical Machinery Works, whose group builds many of the petrochemical plants in the park for clients such as BP, DuPont, and Exxon Mobil.

Chang Ning, Vice President and Chief Engineer of Jiangsu Tecmen Transmission Equipment Co., Ltd., who is transitioning his group to direct supply of replacement transmission parts.

Additional members from the Administrative Committee of Nanjing Industrial Park were:

Ge Feixiang, Director, Investment Promotion Bureau II

Li Hua, Deputy Director, Investment Promotion Bureau II

Judy Ju, Director of Department III, Investment Promotion Bureau II, MBA

Shi Xiaoqian, Department V, Investment Promotion Bureau II

The Industrial Park is a large facility of chemical and petrochemical plants located on the Yangtze River, with deep water ports that are currently being improved. They can handle large sea containers and much larger scale construction than the Green Box. As we understand it, the first Green Box would be located there, since they have the 6000 tpd city landfill at that site and are also permitted for more air

emissions than the rest of the city. They also have water treatment and sewage treatment facilities to support such a large park. The Industrial Park team is shown below.



They wanted detailed data on space required for one Green Box, what to allow for future expansion and who on their team could get started now to implement the project.

Tuesday, March 12, 2013

Nanjing CEC Environmental Protection Company, Ltd., known as CEEP

CEEP Attendee:

Zhu Shi Sheng, Board Chairman, Senior Engineer

CEEP is listed on the Shenzhen stock exchange GEM, stock name ZDHB. It is an environmental protection, water treatment company specializing in water savings and emissions reduction in the thermal power, nuclear power, petrochemical, coal chemical, paper making, and metallurgy industries. It also provides solutions for municipal sewage treatment, middle water reuse, seawater desalination and other services. It is an EPC contractor that implements technologies provided by companies such as Westinghouse.

They would be a good supplier of tanks, piping, etc., but probably would not be a strategic partner for the Green Box project due to their size and breadth of capabilities.

Everbrite

The whole group was not able to meet with Everbrite, due to time constraints, but they are larger than Full Share and are also recommended by the mayor as a potential partner. Full Share will be a great partner and AIC plans to meet with them separately and advise a path forward. AIC is thinking that one option may be to partner with Full Share in China and Everbrite internationally, but a meeting is required before such a direction can be reasonably evaluated.

Conclusion

AIC and Green Box were well-received by the city of Nanjing and have strong political support to fund and install a first in China Green Box there as well as several more in the country. Air emissions are at a crisis level, and landfill is a close second. The country understands the need for improvement and are ready to put their capital and political support behind projects such as Green Box.

Focusing on the city of Nanjing for the first Green Box project, where AIC has political connections seems to be an excellent strategy. The political support arranged by AIC will facilitate rapid rollout once funding is secured.

Below is a model of the the city of Nanjing, looking north, as seen in the city museum. The Yangtze river is in the upper left corner of the model and the Chemical Park is in the northwest quadrant of the city, adjacent to the Yangtze.

