



## Company Profile

# 日友環保科技股份有限公司

RUENTEX

Sunny Friend Environmental Technology co., Ltd.



Yunlin



Beijing



Waste Collection



Zhangbin



Cihtong

# Briefing framework

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## Company profile

basic Information, [Company History](#), business philosophy, investment structure, subsidiary businesses



# Company profile

Sunny Friend Environmental  
Technology co., ltd.

Sunny Friend Environmental Technology co., ltd. is the first professional bio-medical waste incineration plant in Taiwan. The company has the most advanced leading technologies. The company has successfully employed the technologies imported from abroad to the handling of all types of hazardous waste at home and abroad. In the meantime, the company also engages in collection, incineration, solidification, physicochemical and landfill of hazardous waste and it has effectively integrated a stream-line one-stop professional service from upper, middle and lower reaches.

- Year of Establishment: 1994
- Chairman of the Board and General Manager: Chang Fang-Cheng
- Capital: Paid-in capital 1.115 billion NT
- Number of employees: 407 (as of 2016/12/31)
- Company Address: No.1-20, Yuan Dong Rd., Yuanchang Township, Yunlin County
- Business Scope: Professional waste collection and treatment, engineering consultation, equipment design and manufacturing



## Company profile

basic Information, Company History , business philosophy, investment structure, subsidiary businesses

### ■ Company History

Sunny Friend Environmental Technology co., ltd. was established in 1994. In 2001, Sunny Friend Environmental Technology co., ltd. became the base of the Environmental Protection Industry for the Ruentex Group and also the first professional bio-medical waste incineration plant in Taiwan. Sunny Friend Environmental Technology co., ltd. accumulated more than 20 years of experience in engineering and operations management and mastered a full range of technologies in R&D, design, operations, system improvements, etc. Sunny Friend Environmental Technology co., ltd. has successfully improved and strengthened the Environmental Protection Industry in Taiwan.

November 1994	Sunny Friend Waste Disposal co., ltd. was established. Paid-in capital was 50 million NT.
January 1997	The Yunlin County Government issued the Class A incineration plant operations license.
July 2000	The company was renamed as Sunny Friend Environmental Technology co., ltd.
December 2000	The company passed ISO14001 environment system certification from the NSF review.
December 2001	General Manager, Mr. Chang Fang-Cheng, took office.
May 2002	Obtained the Operations Permit issued by the county government. Yunlin second plant began operations.
June 2005	Investment in the establishment of Beijing Ruentex Environmental Protection Technology Corp. in mainland China.
June 2007	Chairman of the board, Mr. Chang Fang-Cheng, took office.
February 2012	The Medical waste incineration plant built for Beijing Ruentex Environment Technology Corp. was completed.
November 2012	Obtain the right to operate the Central District Industrial Waste Integrated Processing Center (originally managed by a Veteran Company, which is Zhangbin plant).
December 2012	Paid-in Capital increased to 1 billion NT.
December 2013	Planning to set up a salary compensation committee
March 2014	OTC Login
March 2015	Public Listing
March 2015	IPO & Paid-in Capital increased to 1.115 billion NT.



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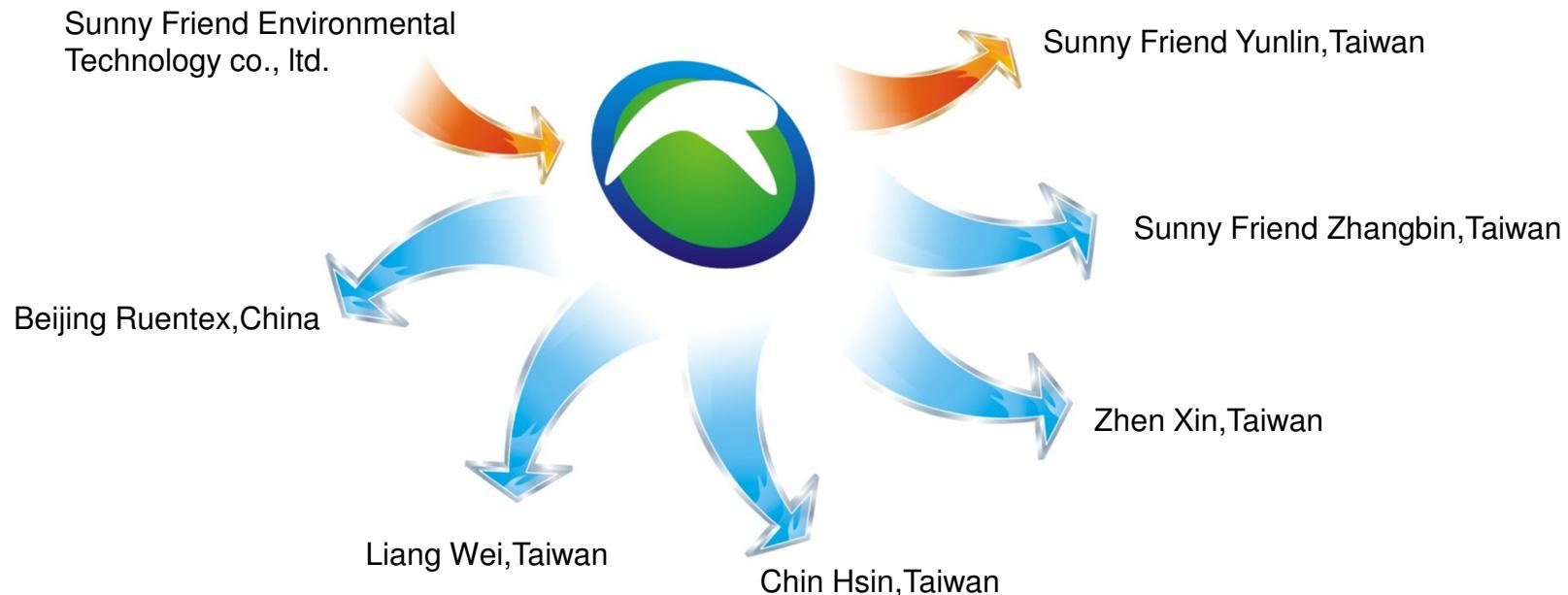
### ■ Business philosophy

Sunny Friend Environmental Technology co., ltd. has always upheld the business philosophy of "being the new environment creator." The company has been able to effectively integrate professional one-stop professional services for hazardous waste cleanup over the upper, middle and lower reaches. The company has successfully led the environmental protection industry in Taiwan towards robust growth by adhering to high quality waste collection and treatment. The company upheld the spirit of self-management, technological innovation, environmental awareness raising, and environmental safeguard as the core values to conduct continuous improvement. The company is devoted to making the greatest efforts for environmental protection and its employees to have a healthy living.



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### Subsidiary businesses

**Liang Wei (Taoyuan):** Providing services for medical institutes in northern Taiwan. In 2003, it cooperated with the Environmental Protection Administration to clean up the waste from the SARS incident at Heping Hospital.

**Chin Hsin (Yunlin):** Providing services for medical institutes in central Taiwan. Engaging in businesses such as industrial waste clean-up and wastewater treatment in Taiwan.

**Zhen Xin (Tainan):** Providing services for medical institutes in southern Taiwan, eastern Taiwan and Outlying Islands.

**Beijing Ruentex :** As Beijing's largest medical waste treatment center, it offers a variety of services such as waste treatment technology consultation and engineering consultation. It is the pioneer in the field of hazardous waste treatment in China.



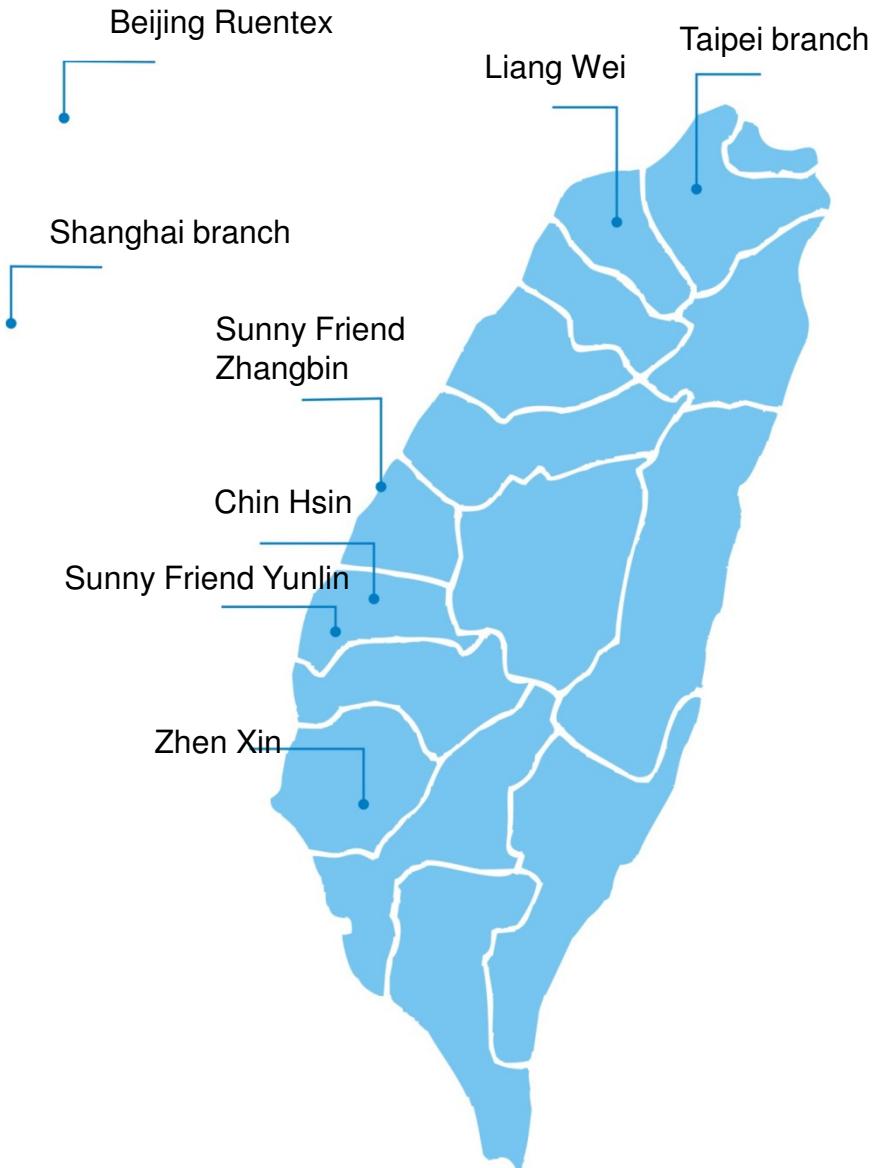
## Service scope

service area, professional collection, professional treatment, technical service

### ■ Service area

**Taiwan:** waste treatment, waste removal, material recovery, resource recycling, environmental testing, environmental protection engineering. It is Taiwan's largest enterprise of professional waste disposal.

**China:** Beijing Ruentex is a subsidiary of the Sunny Friend Environmental Technology co., ltd. It is now one of only two medical waste disposal centers in Beijing. And it has many years of experience in engineering and operational performance management and provides services such as engineering consultation in Shanghai, equipment design and manufacturing, test set-up and operation for the owner. Beijing Ruentex is committed to business diversification and development in the field of environmental protection.





## Service scope

service area, professional collection, professional treatment, technical service

### Professional Removal

Sunny Friend has a total of 70 professional removal vehicles equipped with the most advanced monitoring system and control center. The communication device with built-in Global Positioning System in the vehicle can rapidly transmit all cleaning and incineration records back to the monitoring center. Messages can be simultaneously sent to the client to achieve the dual effect of transparency and security.



◆ Professional removal details:Sunny Friend, Liang Wei, Chin Hsin, Zhen Xin

Classify	Waste Code
Hazardous waste	A-00 、 A-01~A-99
	B-01 、 B-02 、 B-03
	C-01 、 C-01A 、 C-01B 、 C-01C 、 C-01D 、 C-01E 、 C-02 、 C-03 、 C-04 、 C-05 、 C-07 、 C-08
General waste	D-01 、 D-02 、 D-03 、 D-04 、 D-05 、 D-06 、 D-07 、 D-08 、 D-09 、 D-10 、 D-11 、 D-12 、 D-13 、 D-14 、 D-15 、 D-16 、 D-17 、 D-18 、 D-19 、 D-20 、 D-21 、 D-22 、 D-23 、 D-24 、 D-25 、 D-26 、 D-27
Mixed Metal Scraps	E-02



## ■ Professional disposal content

Sunny Friend Environmental Technology co., ltd. possesses five incinerators. Two incinerators are located at the Yunlin plant and another two incinerators are located at Beijing. Which are professional medical waste treatment plants. Facilities for incineration, physicochemical, solidification, and landfill are installed at the Zhangbin plant. Zhangbin plant can handle all kinds of wastes produced by domestic businesses.

### ◆Sunny Friend's professional waste disposal details :

Classify	Waste Code
Hazardous waste	A-00、A-01~37、A-48~9
	B-01 、B-02 、B-03
	C-01A、C-01B、C-01C、C-01E、 C-02、C-03、C-04、C-05、C-07
General waste	D-01、D-02、D-03、D-04、D-05、D-06、D-07、 D-08、D-09、D-10、D-11、D-12、D-13、D-14、 D-15、D-16、D-17、D-18、D-19、D-20、D-21、 D-22、D-23、D-24、D-27
Mixed Metal Scraps	E-02 、R-17



# Service scope

service area, professional collection, professional treatment, technical service

## Professional treatment facilities

Facility Name	Approved treatment capacity		
Yunlin 1st plant	1,440	t/m	
Yunlin 2nd plant	1,500	t/m	
Zhang Bin Plant	Incineration	2,100	t/m
	Physicochemical	1,800	t/m
	Solidification	3,600	t/m
	Landfill	6,000	t/m
Beijing Ruentex	16,425	t/y	
Liang Wei Cleaning	867	t/m	
Chin Hsin Cleaning	6,000	t/m	
Zhen Xin Cleaning	844	t/m	



Yunlin 1st plant



Yunlin 2nd plant



Zhang Bin Plant



Beijing Ruentex



Chin Hsin Cleaning





## Service scope

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### Technical Services in china

#### Technical Consultation

1. Transformation of Shanghai Solid Waste Center
2. Establishment of Shanghai Tianhan Harbor
3. Establishment of Guang Da Jiangsu Xinyi

#### Engineering Contracting

1. Establishment of Beijing Ruentex
2. Shanghai Tianhan exhaust gas treatment system
3. Tai Hua Ningbo Phenol plant - Wastewater treatment

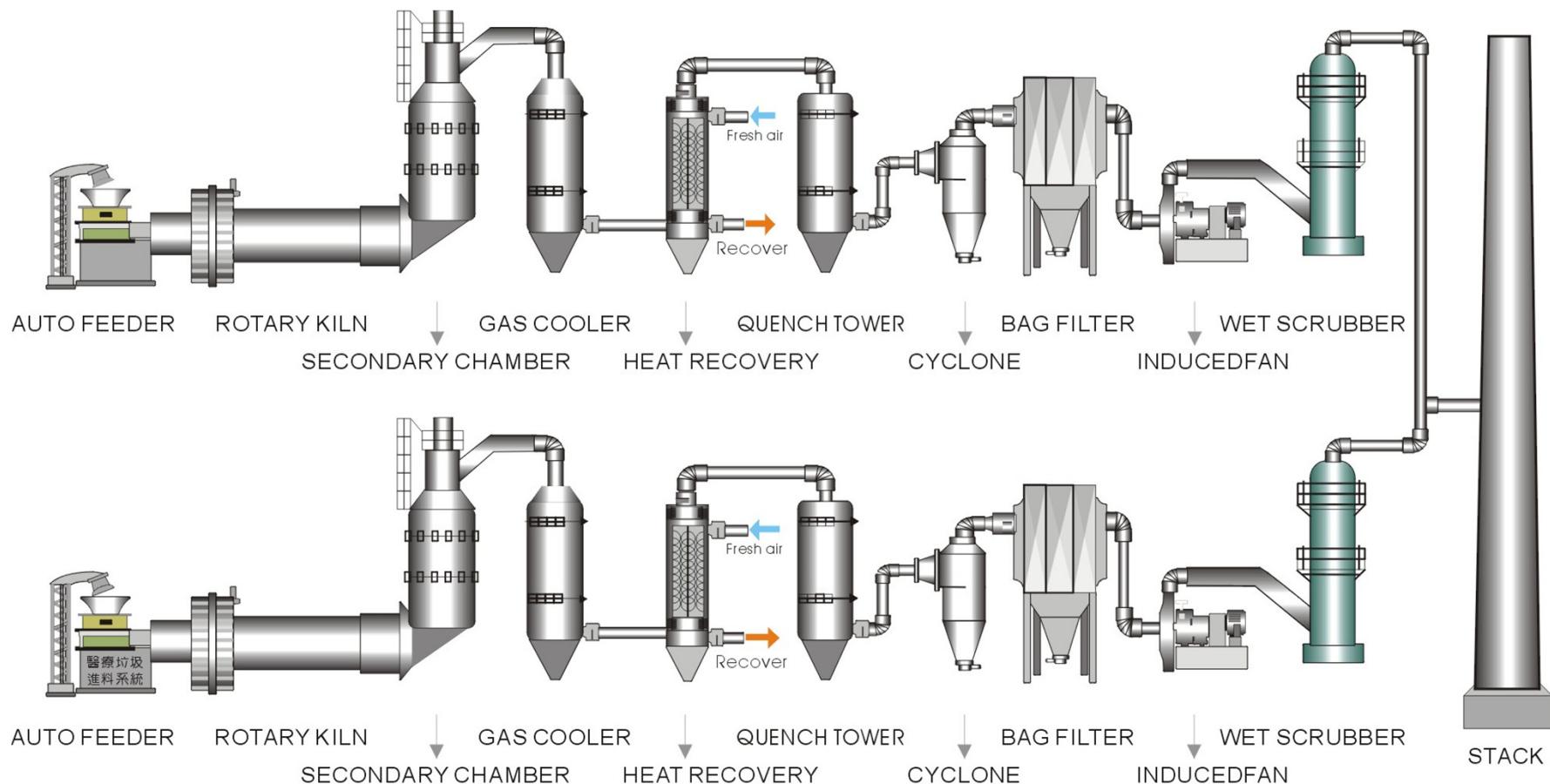
#### Equipment Commissioning

1. Shandong Tengyue Electromechanical School Equipment
2. Shandong Zibo Electromechanical School Equipment
3. Guang Da Jiangsu Xinyi Equipment

## Incineration Treatment Overview

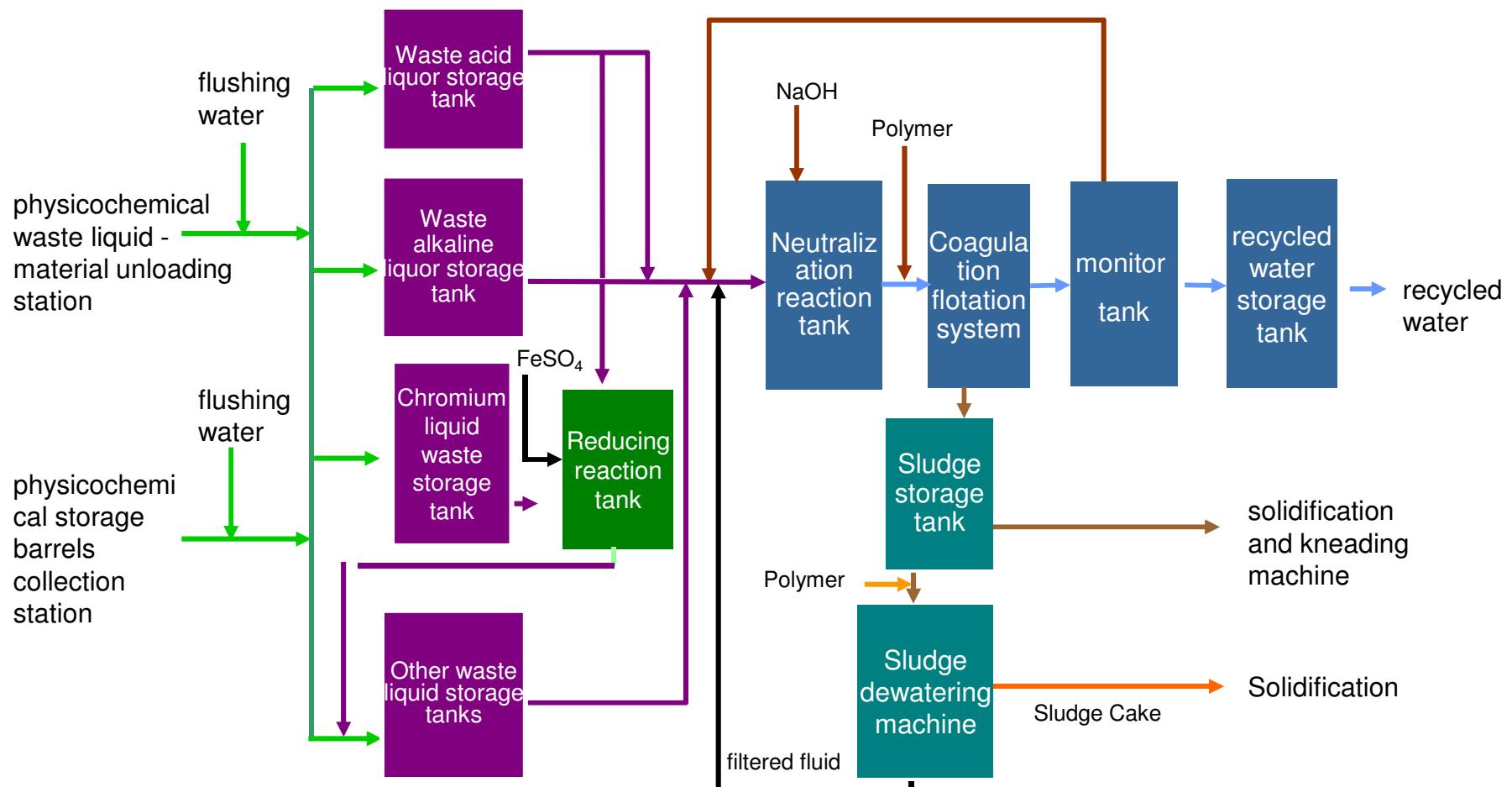
Incineration is the best treatment for medical and hazardous waste as it reduces waste volume significantly and destroys organics perfectly.

Sunny Friend's incineration technology adopts the most advanced energy-saving facilities and uses hot air from heat exchange mixed with the exhaust gas to raise the discharge temperature. Sunny Friend's incineration technology is the leading technology that saves energy.



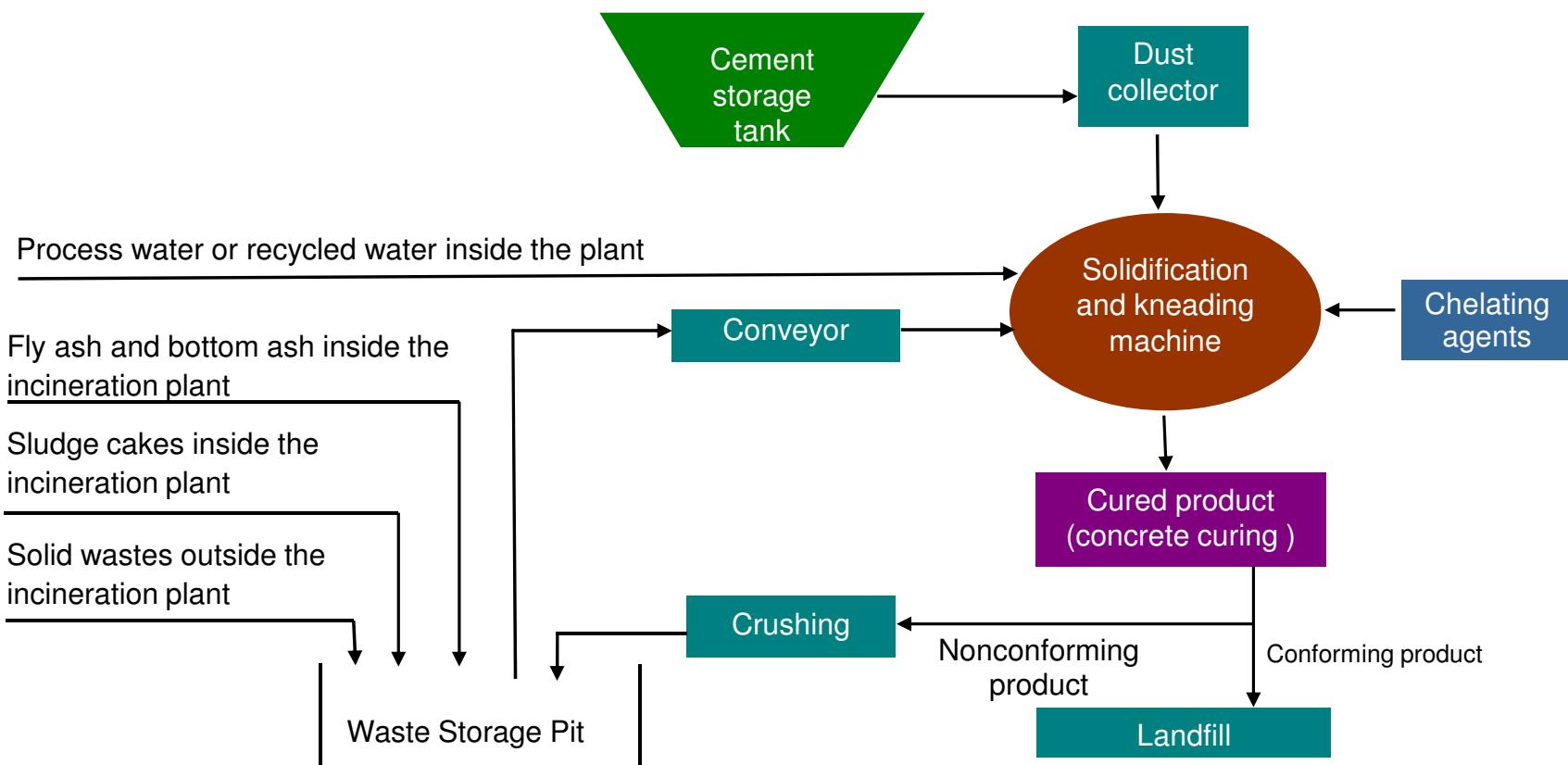
## Physicochemical treatment overview

Sunny Friend's physicochemical treatment facilities have two reduction treatment systems that can handle heavy metal waste liquid containing hexavalent chromium and two neutralization reaction treatment systems that can handle acid - base waste liquid containing other heavy metals.



## Solidification treatment overview

Sunny Friend's Zhang Bin plant has two bucket-type batch mixing and kneading machines and other systems like the flyable batching system, the solid waste storage feeding system, the cement storage system, solidification agents, dosing systems and kneading water systems, which are monitored and controlled by the control room with DCS. Materials for each system are under precise control, in order to achieve process stability and high quality.



## Landfill Overview

Sunny Friend's Zhang Bin plant deals with industrial wastes like "cured products," "incineration bottom ash," and "intermediate treatment products." Sunny Friend's Zhang Bin plant adopted landfill in separate partitions and laid impermeable double layer clothes at the bottom of the landfill. Landfill leachate collection systems and groundwater monitoring wells are also installed.



**First area** (66,340m<sup>3</sup>)  
Finish

**Second area** (121,660m<sup>3</sup>)  
Operation

**Third area** (117,940m<sup>3</sup>)  
Waiting for the development

**Fourth area** (45,600m<sup>3</sup>)  
Waiting for the development

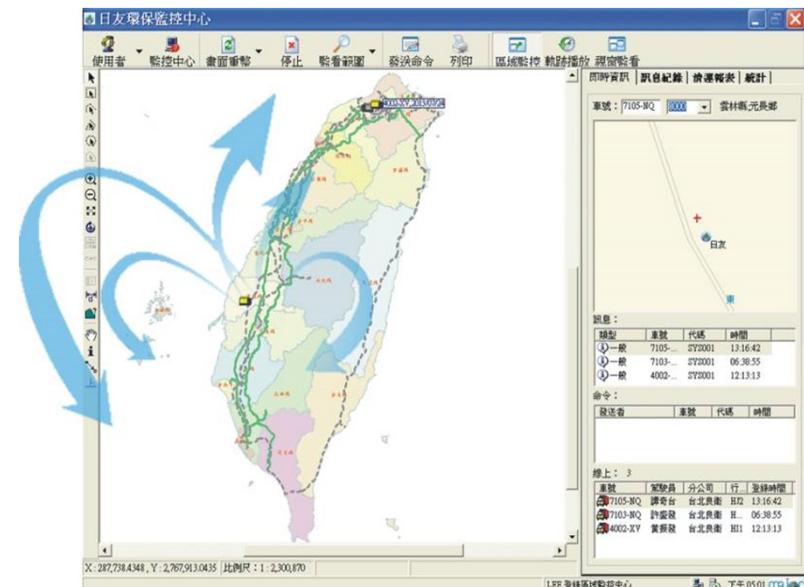


## Management System Benefits

In 1999, Sunny Friend created the first waste removal process management system that was controlled by the computer control center to effectively clear up processing information. The operations management system includes: basic customer information, contract management, plant entry operations, data sheets, operating systems, accounts receivable management system, invoice management system, etc. Others like the vehicle track records, collection and transportation information input, processing conditions, customer service records, and instant messages reporting and receiving can be used to efficiently monitor the flow of wastes and related information.

The screenshot shows a complex software interface for waste management. It includes:

- A left sidebar with various icons for file operations.
- A top menu bar with Chinese characters.
- A main window divided into several panes:
  - Top-left pane: "查詢應收款類別" (Query Receivable Category) with a table showing contracts (e.g., ZF03503, ZF03505) and their details.
  - Middle-left pane: "合併" (Merge) and "廢棄物種類" (Waste Type Classification) sections.
  - Bottom-left pane: "計價方式" (Pricing Method) table.
  - Right side: "其他款項" (Other Items) table and "廢棄物性質檔" (Waste Properties Catalog) table.





### ■ Market analysis

- Medical waste:
  - From the perspective of Taiwan's downstream medical institutions, Sunny Friend's medical waste treatment accounts for 42% of market share. From the perspective of the amount to be handled, the company's market share accounts for about 35%, and the production capacity maintains fully loaded.
  - Beijing City's total production quantity is 75 tons / day. Beijing Ruentex medical waste disposal amounts to 52 tons / day, accounting for about 60 to 70 percent of the market share. And the production capacity maintains fully loaded.
- Industrial waste:
  - After Sunny Friend acquired Zhang Bin plant, Sunny Friend is equipped with comprehensive service capabilities such as incineration, physicochemical, solidification, and landfill. Sunny Friend can provide a complete one-stop service that no other competitors can. Sunny Friend's incineration is at full capacity, which accounts for 16% of the market share.
  - Solidification accounts for about 17% of the market share. The market share of physicochemical is lower due to the obsolete process. Yet, our process improvement is under going, will be upgraded after Q2 2016. As demand is still high, the future looks prospective.

leading the  
growth of the environmental industry

### Four major competitive advantages

Complete one-stop service

deep roots in  
the Chinese  
market for  
business  
opportunities  
concerning  
environmental  
protection

Advanced  
management  
systems and  
process  
technologies

good  
relationships  
upstream and  
downstream  
across the  
industry chain

Sunny Friend Environmental Technology co., Ltd.



### A complete one-stop service

Sunny Friend offers clients a total solution that can help lower the costs of waste collection and management and increase stickiness of old customers and attract new customers at the same time to push up sales growth..

The Zhang Bin plant has a complete one-stop service including incineration, solidification, physicochemical, and landfill. Our clients engage in industries including semiconductors, panels, chemicals, iron and steel, agriculture and others. We provide comprehensive services.

### Grasp business opportunities for environmental protection

Beijing Ruentex is one of the two chartered medical waste treatment plants. Owing to the shortage of overall production capacity, future operation is expected to grow with the policy. China's thirteenth five year plan aims to establish more treatment plants based in counties and local development areas instead of provinces. In the future, there may be multiple plants built on multiple spots. The company has accumulated experiences of successful operations in Beijing. Plant expansion or new construction in the future shall be favored by the government.



### Advanced management systems and process technologies

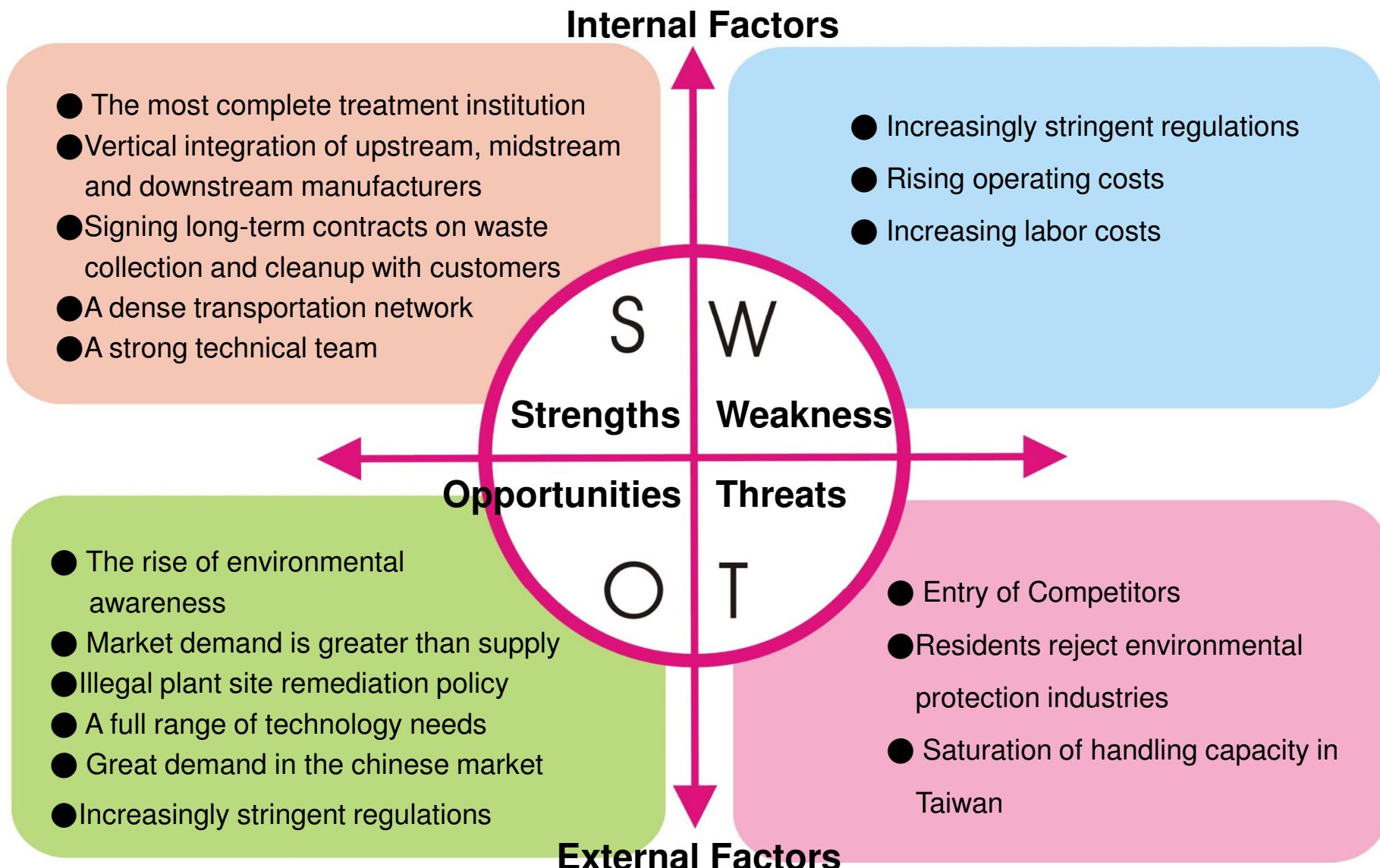
The DCS system developed by Sunny Friend can comprehensively control and monitor waste disposal, ensure environmental compliance of emissions, improve process stability, and enhance operational efficiency. The company helps design waste incineration lines, conducts operations and training of personnel, possesses the whole plant output technology, and have rich experience in handling and standardization of technology export. All those qualities help the company secure more orders and expand into the Greater China market.

### Good relationships upstream and downstream across the industry chain

Sunny Friend has proactively engaged in community public affairs such as becoming an environmental protection volunteer, conducting local disinfections and adopting roads. Sunny Friend is devoted to building communication channels with local residents and reducing conflicts arising from misunderstandings.

The location of the plant in Beijing is far away from the residential area and the risk of facing conflicts is low. Beijing Ruentex provides scholarships for local communities and fulfills its corporate social responsibility to become an environmental protection citizen.

Sunny Friend's SWOT analysis





## Social responsibility

- Comply with environmental protection policies and assist the government tackle the waste problem

Sunny Friend upholds the spirit of corporate social responsibility. When there are issues concerning environmental protection in the country, Sunny Friend provides assistance whenever it can.

- The Environmental Protection Department specifies the Sunny Friend Yunlin plant to deal with the SARS waste:

SARS broke out in 2003. The Environmental Protection Administration (EPA), Executive Yuan specified Sunny Friend's treatment equipment for disposal of the SARS waste according to Article 36 and Article 39 of the Administrative Enforcement Act. Sunny Friend bears the major responsibility for proper disposal of the SARS waste.

- Emergency Support

- ◆ Limited Liability Fengyuan Medical Waste Treatment Equipment Utilization cooperative
- ◆ Limited Liability Pingtung County Medical Waste Treatment Equipment Utilization Cooperative
- ◆ Hualien Area Medical Waste Co-processing System
- ◆ Chiayi Wan-Chiao Veterans Hospital
- ◆ Chiayi Medical Waste Co-processing Foundation

- Assist government agencies properly deal with the illegal dumping of waste :

- ◆ Ministry of Economic Affairs - Water Resources Agency - Sixth River Management Office
- ◆ Ministry of Economic Affairs - Water Resources Agency – Third River Management Office
- ◆ Ministry of Transportation Highway Administration - Second District - Maintenance Engineering Department
- ◆ Illegal dumping of waste seized by Changhua County Environmental Protection Bureau
- ◆ Illegal dumping of waste seized by Yunlin County Environmental Protection Bureau

## Social responsibility

### Fulfilling corporate social responsibility

Waste disposal has long been a subject of concern to people. It is not easy to set up a waste treatment plant with a scale comparable to our company. In addition to relevant legal restrictions, the public opinion is also the most important key to its success. Conflicts often arise because of misunderstandings between the treatment plant and people. Therefore, increasing the two-way communication is the focus of local relations. Sunny Friend has been in Yunlin for nearly two decades. There have been years of peace and harmony between the company and local residents and people. The company has proactively participated in community public affairs through communication channels with local residents and reduced conflicts owing to misunderstandings to avoid protests that could affect normal business operations.



## Social responsibility

### Continuously providing feedback for local communities

- engage in academic activities and visits concerning environmental protection
- foster reading habits among students and have positive local interaction
- going deep into local, providing emergency assistance and scholarships
- Environmental beautification, environmental health
- Construction, maintenance and management of public facilities
- Environmental protection, pollution supervision, environmental protection facilities, equipment procurement, promotion of environmental protection education
- local folk festivals, Industry promotional activities
- Enhance the quality of life and hold cultural activities or educational events

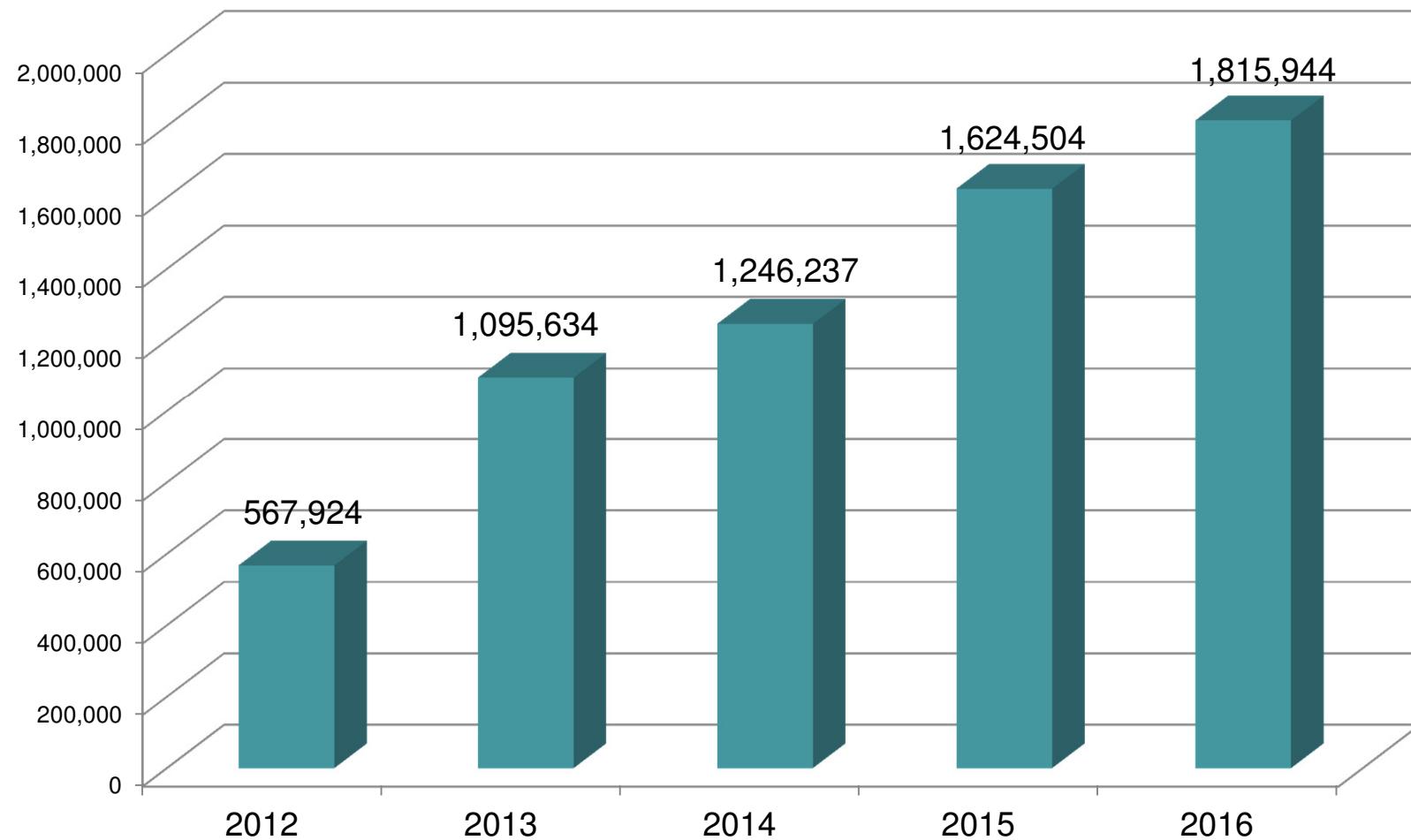


## Financial information

<b>Comparisons of profits and revenues in recent years</b>					<b>Unit: NT \$ 1000</b>
	2012	2013	2014	2015	2016
Net operating income	567,924	1,095,634	1,246,237	1,624,504	1,815,944
Operating costs	333,906	623,436	620,959	708,392	762,168
Operating margin	234,018	472,198	625,278	916,112	1,053,776
Gross margin	41.21%	43.10%	50.17%	56.39%	58.03%
Operating expenses	126,206	202,738	249,594	290,543	301,577
Operating net profit	107,812	269,460	375,684	625,569	752,199
nonoperating income and expense	(9,016)	34,103	(1,501)	(1,703)	4,528
Pre-tax net profit	98,796	303,563	374,183	623,866	756,727
EPS (NT\$)	1.04	2.66	3.04	4.71	5.5

# Revenue curve

Unit: NT \$ 1000



## Future prospects





## Contact Information

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