

II-4 Estimation on the cost and profit of chitosan production

II-4.1 Estimation on raw material cost

...

Table II-4.1-1 Estimation on the cost of raw materials (Industrial grade, 70% DAC degree)

Raw material	Unit consumption (kg/kg final product)	June 2006	
		Price (RMB/kg)	Unit cost (RMB/kg)
██████████	██	██	██
██████	█	██	██
██████████	█	██	██
██████████	██	██	██
██████████	██	██	██
██	██	██	██
Total	/	/	██

* This is the average price of crude homemade shell in June2006.

Table II-4.1-2 Estimation on the cost of raw materials (Industrial grade, 85% DAC degree)

Raw material	Unit consumption (kg/kg final product)	June 2006	
		Price (RMB/kg)	Unit cost (RMB/kg)
██████████	██	██	██
██████	█	██	██
██████████	█	██	██
██████████	██	██	██
██████████	██	██	██
██	██	██	██
Total	/	/	██

...

II-4.2 Estimation on manufacturing cost

...

Table II-4.2-1 Estimation on manufacturing cost of industrial grade chitosan (70% DAC degree)

No.	Item	June- 06
		Unit Cost (RMB / kg final product)
1	Raw Materials	██
2	Utilities	██
3	Labor	██
4	Packing	██
5	Manufacturing direct + indirect	██████████
Total		██

Table II-4.2-2 Estimation on manufacturing cost of industrial grade chitosan (85% DAC degree)

No.	Item	June- 06	
		Unit Cost (RMB / kg final product)	
1	Raw Materials		■
2	Utilities		■
3	Labor		■
4	Packing		■
5	Manufacturing direct + indirect		■
Total			■

...

II-4.4 Estimation on total production cost

The total cost of production is the summation of the manufacturing cost and the management cost.

Table II-4.4-1 Estimation on total production cost of chitosan (Unit: RMB/kg chitosan product Time: June-06)

Item	Industrial grade		Food grade	
	70% DAC degree	85% DAC degree	90% DAC degree	95% DAC degree
Price of shell material	■	■	■	■
Manufacturing cost	■	■	■	■
Management cost	■	■	■	■
Total cost	■	■	■	■