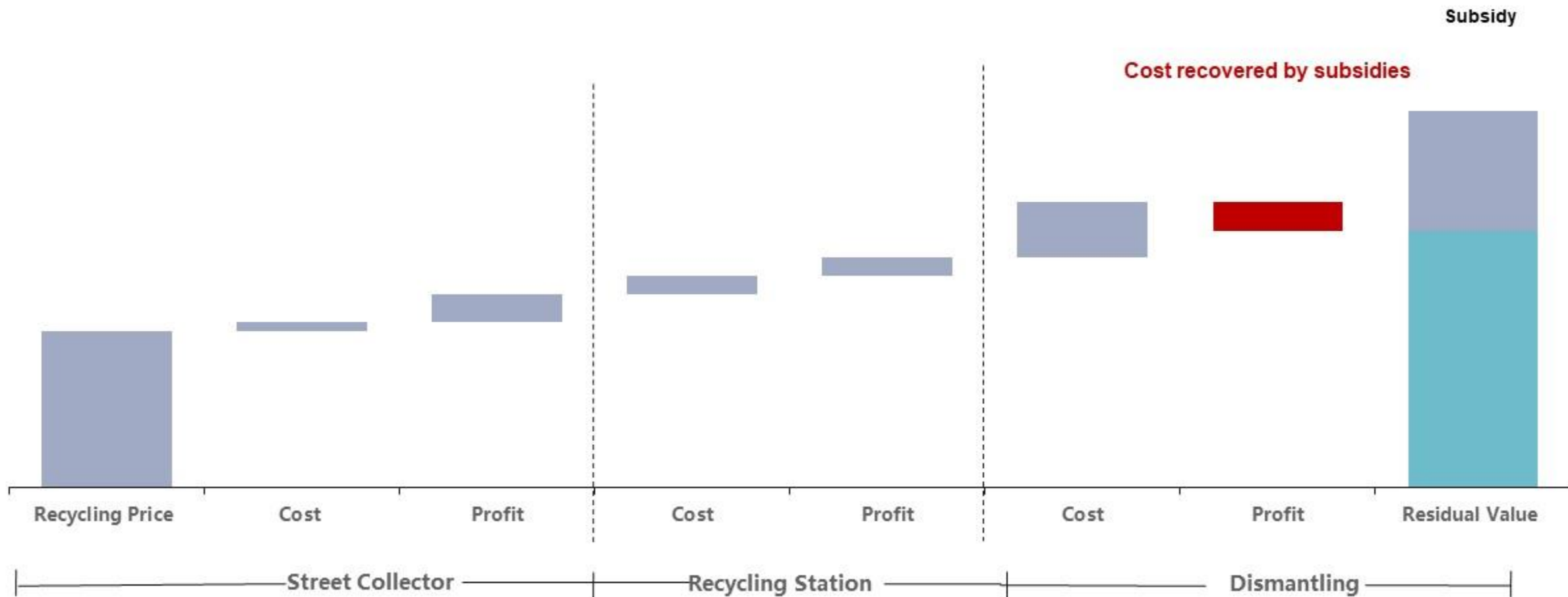


# Cost & Value-added Chain

**SMM**

# Copper Scrap Value Added Chain

Unit : RMB/scrap xx

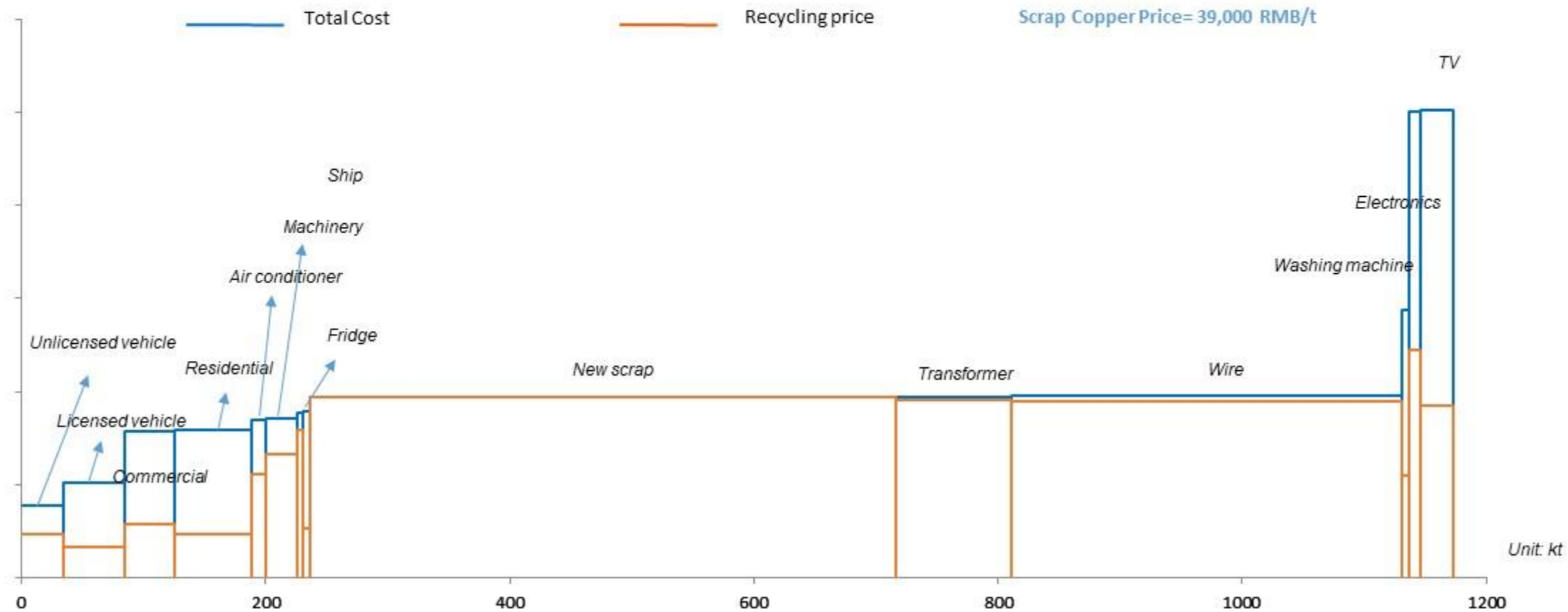


Source: SMM
























# Copper Recycling Cost & Price

Unit: RMB/t



Source: SMM

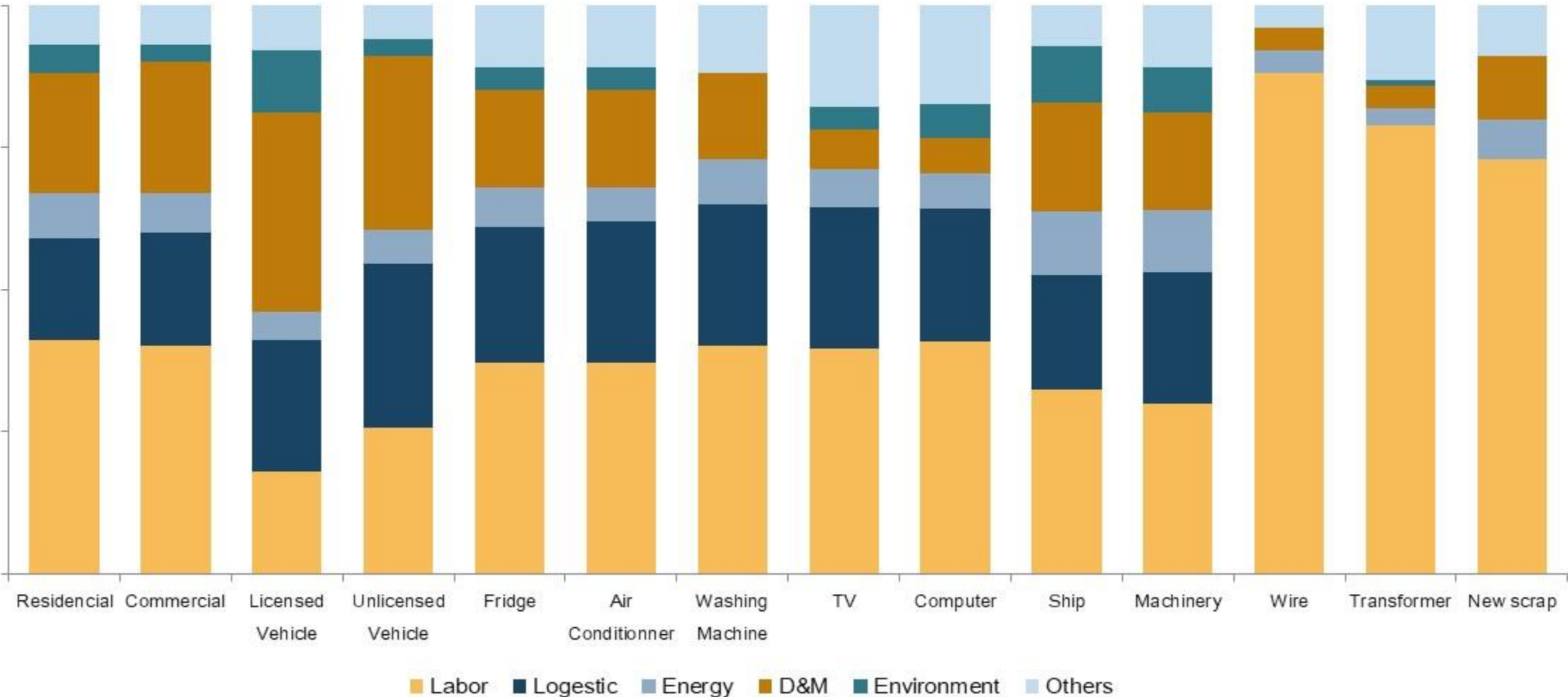
## Key Driving Factors Over Recycling

Industry \ Influence factor	Price	Policy	Technology	Comments
Power				Strong correlation to the reforms of the power industry
Electronics				The recycling depends on the value of precious metal and subsidies
Home Appliance				Highly correlated with subsidies and policy incentives
Construction				Strong correlations to municipal planning
Auto				Licensed and unlicensed dismantling co-exist, and auto major parts will be allowed to sell in the near future.
Ship breaking				Ship breaking is a global business and correlate with the prosperity of shipping industry.
Machinery				Strongest correlations to price because recycling price subtracted a spread based on metal scrap selling price

Impact:  very weak  weak  medium  strong  very strong



# Copper Cost Structure by Various Objects



Source: SMM