



**INTERNATIONAL
BUSINESS PLAN**

PREPARED BY
MICHAEL QI KEVIN OU ZIXUAN WANG



**ECO
WRAP**

**SUSTAINABLE PACKAGING
FOR THE FUTURE**

**VALLEY CHRISTIAN HIGH SCHOOL
100 SKYWAY DRIVE SAN JOSE, CA, 95111
APRIL 28TH, 2026**

TABLE OF CONTENTS



I. EXECUTIVE SUMMARY	1.
II. ANALYSIS OF THE INTERNATIONAL BUSINESS SITUATION	4.
III. PROBLEM	7.
IV. CUSTOMER SEGMENTS	7.
V. UNIQUE VALUE PROPOSITION	9.
VI. SOLUTION	9.
VII. CHANNELS	10.
VIII. REVENUE STREAMS	12.
IX. COST STRUCTURE	13.
X. DETAILED FINANCIALS	15.
XI. KEY METRICS	18.
XII. COMPETITIVE ADVANTAGE	19.
XIII. CONCLUSION	19.
XIV. BIBLIOGRAPHY	20.

I. EXECUTIVE SUMMARY

Business Description

Eco Wrap transforms two of China's biggest environmental problems, massive plastic waste and underused sugarcane bagasse, into one scalable solution. By converting agricultural bagasse into durable, fully biodegradable food packaging, we simultaneously reduce single-use plastic pollution and eliminate raw material waste at the source.

What sets Eco Wrap apart is our AI-assisted manufacturing system, where mold designs are automatically generated and tested digitally, improving speed and reliability. In a country producing tens of millions of tons of plastic waste annually and a biodegradable packaging sector rising rapidly, Eco Wrap delivers a smarter, circular alternative that is not only sustainable but technologically ahead of traditional eco-packaging competitors.



Problems & Solutions



Problems

Solutions

A 60 million tons of plastic waste was produced by China in just 2020. Packaging in China is currently heavily reliant on plastics.

Eco Wrap provides sustainable packaging made from sugarcane-based materials (bagasse) that naturally decompose. Its quality and durability make it a perfect alternative to plastic, reducing plastic waste pollution.

B 5.2 million tons of sugarcane bagasse are discarded or burned in China. This shows a huge waste of raw material.

Eco Wrap up-cycles bagasse into food packaging; a high-performance food packaging solution kind on the planet.

C Customization for food packaging costs \$5k–\$25k and take 2–8 weeks to produce, making it slow, expensive, and largely inaccessible.

Eco Wrap's AI design platform creates hundreds of designs in hours, cutting down the production times by weeks and cost but thousands.

Eco Wrap will expand operations into China for the following reasons:

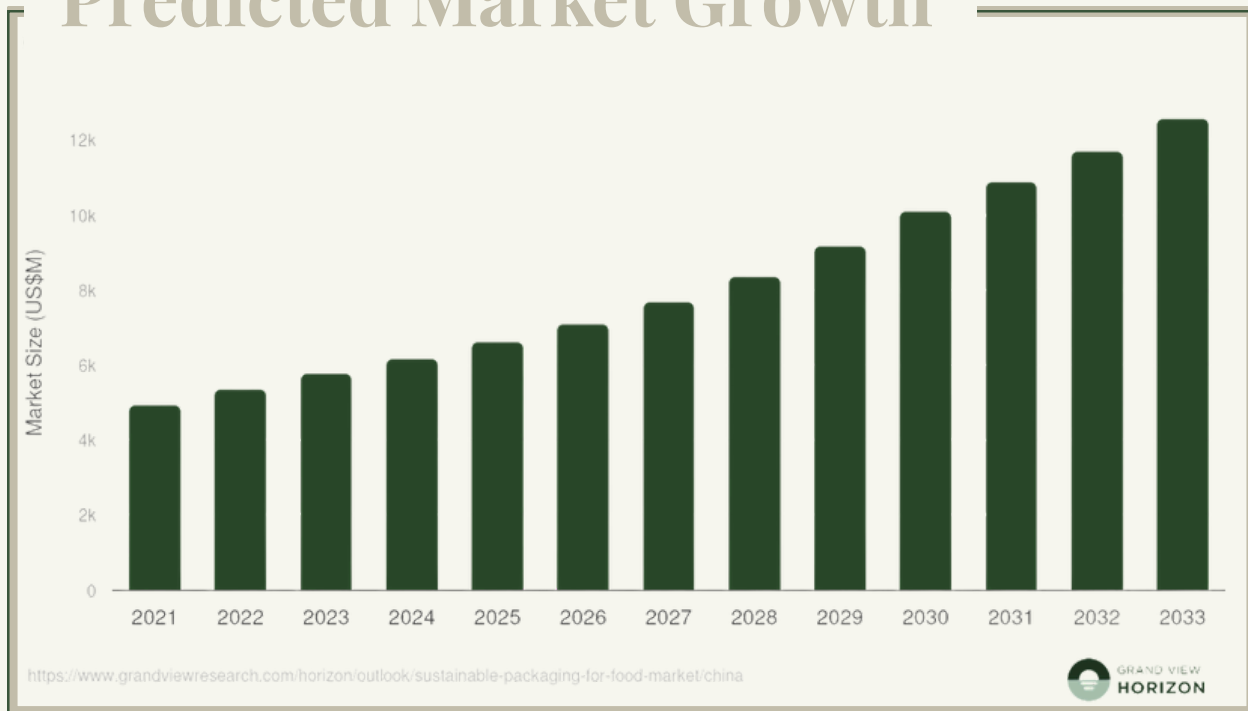
- 1** *Its abundant raw material supply.* As the world's largest producer of sugarcane, providing a steady, low-cost source to the core material of our product.
- 2** *Its massive market demand.* The country's food packaging sector (revenue over \$97 billion USD) is the largest in the world, creating immense demand.
- 3** *Supportive policies.* Government initiatives promote eco-friendly enterprises, enhancing our profitability and growth.

With all considered, China has proven in multiple different aspects to be the ideal location for Eco-Wrap to start operations, with no other countries providing the same level of security and opportunity.



Market Analysis

Predicted Market Growth



Startup Goals

Eco Wrap plans to build credibility through **green certifications**, complete **proof-of-concept** by **testing our AI platform** with real manufacturing machinery. Sell to **4–5 smaller regional chains** to demonstrate that our **AI-manufacturing system** works in real production settings, and use these early cases to win **B2B partnerships**.

Market Concentration

Consolidated - Market dominated by 1-5 major players.



The sustainable food packaging market is **growing rapidly**. On top of that, the current **biodegradable food packaging market** is **highly fragmented**, making it perfect for Eco-wrap to enter and build a brand.

← **Eco-friendly Food Packaging Market**

Fragmented - Highly competitive market without dominant players.

Source : Mordor Intelligence



Revenue Streams

- F&B Partnerships (51%)**
 Partnerships with Food and Beverage Brands and apps.
- Regional Distributors (38%)**
 Sell in bulk to regional distributors to have market penetration
- Online Sales (11%)**
 Expand on Alibaba, WeChat Business, and Eco Wrap's own website.



Future Opportunities

As a member of the **Regional Comprehensive Economic Partnership (RCEP)** (the world's largest trade agreement) China enjoys reduced tariffs and easy access to **14 Asia-Pacific nations**. Eco Wrap can directly enter neighboring markets, allowing it to export biodegradable packaging across Asia at lower costs.

Primary Market

Eco Wrap's primary market is **national food and beverage brands**, such as **Three Squirrels, Dali Foods, and Master Kong**. customizable, cost-efficient, plastic-ban-compliant packaging at scale.

These companies require fast design changes, consistent quality, and reliable nationwide production. Eco Wrap also allows these brands to maintain a more eco-friendly image and meet nationwide sustainability regulations.



Secondary Market

Eco Wrap's secondary market includes **regional distributors and wholesalers** such as Haisan Foodservice and MeiTeng Supply that supply restaurants, cafés, and delivery chains needing affordable, eco-friendly packaging to comply with plastic bans.

By using AI sensors and cameras to check quality, Eco Wrap provides the consistency that distributors value.

Detailed Financials

As **Eco Wrap** gains more recognition, green certifications, and policy benefits, more products will be sold at a more efficient rate. This allows **Eco Wrap** to increase distribution volume and buy bagasse in bulk at a lower price. With market growth and rising regulations promoting green technology, **Eco Wrap** expects a consistent **increase** in demand.

Year 1: revenue of **\$757,200 USD** while building credibility.

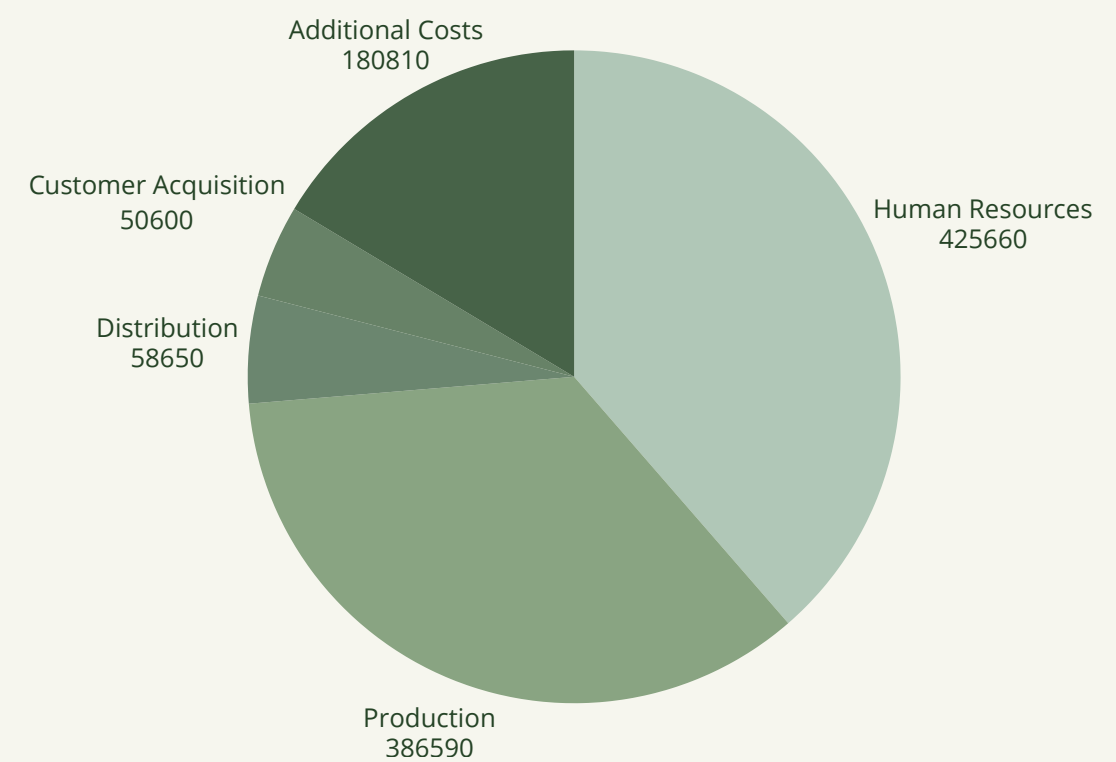
Year 2: revenue is projected to rise to **\$2,682,000 USD** as Eco Wrap benefits from gained reputation.

Year 3: revenue is forecasted to be **\$3,391,200 USD**.

Projected Growth



Cost Structure



\$1.05 million in total startup funding, \$905,000 for machinery, \$200,000 to build proprietary AI simulation tech.

This funding will come from **three sources**: \$300,000 from government sustainability and innovative technology grants, \$900,000 seed fund for 20% equity, and a \$600,000 low-interest loan from China's Green Manufacturing Initiative. The loan carries an estimated 3% annual interest rate, resulting in about \$90,000 in interest during the 5-year repayment period.

Finance/Funding

Eco Wrap will follow a repayment plan using profits from its first 5 years

5% of the total annual profit will be withdrawn and dedicated to repaying the loan and interest. Each year, **Eco Wrap** will pay 20% of the debt owed, coming in at \$120,000 per year.

Additionally, **Eco Wrap** will also pay the 3% interest rate in the same year using year end profits, which come in at \$18,000 per year and total \$90,000.

Eco Wrap's total projected first-year operating cost is approximately **\$1,102,310 USD**, which is allocated across 5 primary business launch categories:

- ➔ **Human Resources (\$425,460):** Team dedicated to factory efficiency, engineering, and closing sales.
- ➔ **Production Costs (\$386,590),** covering cost of goods, including direct materials, facility costs, initial tooling and molds, and maintenance.
- ➔ **Distribution Costs (\$58,650),** accounting for the logistics and transport of products. Includes warehouse storage, data tracking and vehicle costs.
- ➔ **Customer Acquisition Costs (\$50,600),** sales outreach, trade shows, case studies, social media, and samples.
- ➔ **Additional Costs (\$180,810),** Office rent, insurance, and licensing needed to make business possible.

Eco-Wrap's competitive advantages can be explained through the acronym **LEAF**



Long-Lasting

AI sensors predict mold fatigue before failure, while **high-speed vision cameras** auto-deject defects. This guarantees **near-perfect consistency** in every batch.



Eco-Efficient

Unlike PLA or paper, which often require industrial processing to degrade, Eco Wrap uses Bagasse, a **100% renewable** sugarcane byproduct that returns to the earth naturally.



AI-Assisted

Eco Wrap's AI **generates** and **simulates** hundreds of mold designs in hours. By perfecting pulp flow and heating digitally, it eliminates trial runs and slashes production lead times **by weeks**.



Fully-Flexible

While other companies do not offer a full customization option, Eco Wrap does, including **shape, size, and logo**, all within its own manufacturing.

Unique Value Proposition

Due to how recent AI technology has been released, no other businesses within the biodegradable packaging market **have** adopted it into their production. On the other hand, **Eco Wrap** delivers accessible, **AI-powered**, sustainable packaging **tailored to China's evolving market**. By combining AI customization, locally sourced bagasse materials, and alignment with national green policies, Eco Wrap will establish itself as a **unique** player in the currently **fragmented** market.

II. ANALYSIS OF INTERNATIONAL BUSINESS

A. Economic Analysis

Economic Snapshot & Relationship

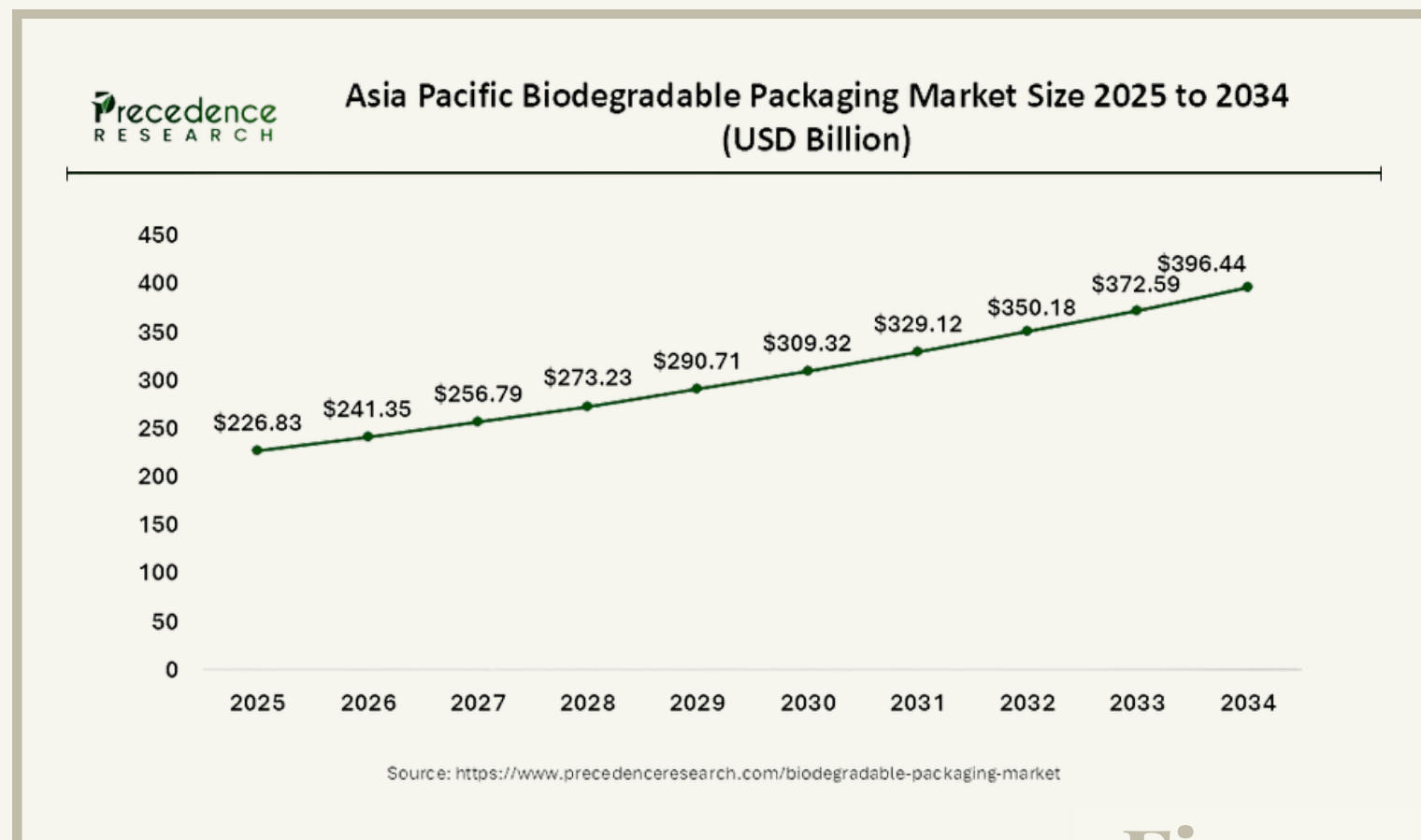


Figure 1

China has the world's second-largest GDP in current dollars and the largest in terms of PPP. Its economy has seen historic growth in the last two decades. Foreign and domestic trade and investment have taken off.

China is ranked #4 in best countries for starting a business, based on five particular attributes: affordable, bureaucratic, cheap manufacturing costs, connected to the rest of the world, and provides easy access to capital.

The biodegradable packaging market in China is expected to reach a projected revenue of US\$ 72,555.9 million by 2033. A compound annual growth rate of 7.5% is expected of China biodegradable packaging market from 2025 to 2033.

The Asia Pacific biodegradable packaging market was valued at \$213.19 billion in 2024 and is projected to reach \$396.44 billion by 2034, growing at a 6.42% CAGR (Figure 1). With the region accounting for 43% of 2023 revenue (Figure 2), it holds significant profit potential.

Despite a slowdown in foreign direct investment (\$163 billion in 2023, down 13.6% y/y), China remains the second-largest FDI destination globally with a cumulative stock of \$3.6 trillion. This indicates international capital views China as a strategic hub for high-tech and sustainable manufacturing, providing a high-performance, stable foundation for Eco Wrap's growth.

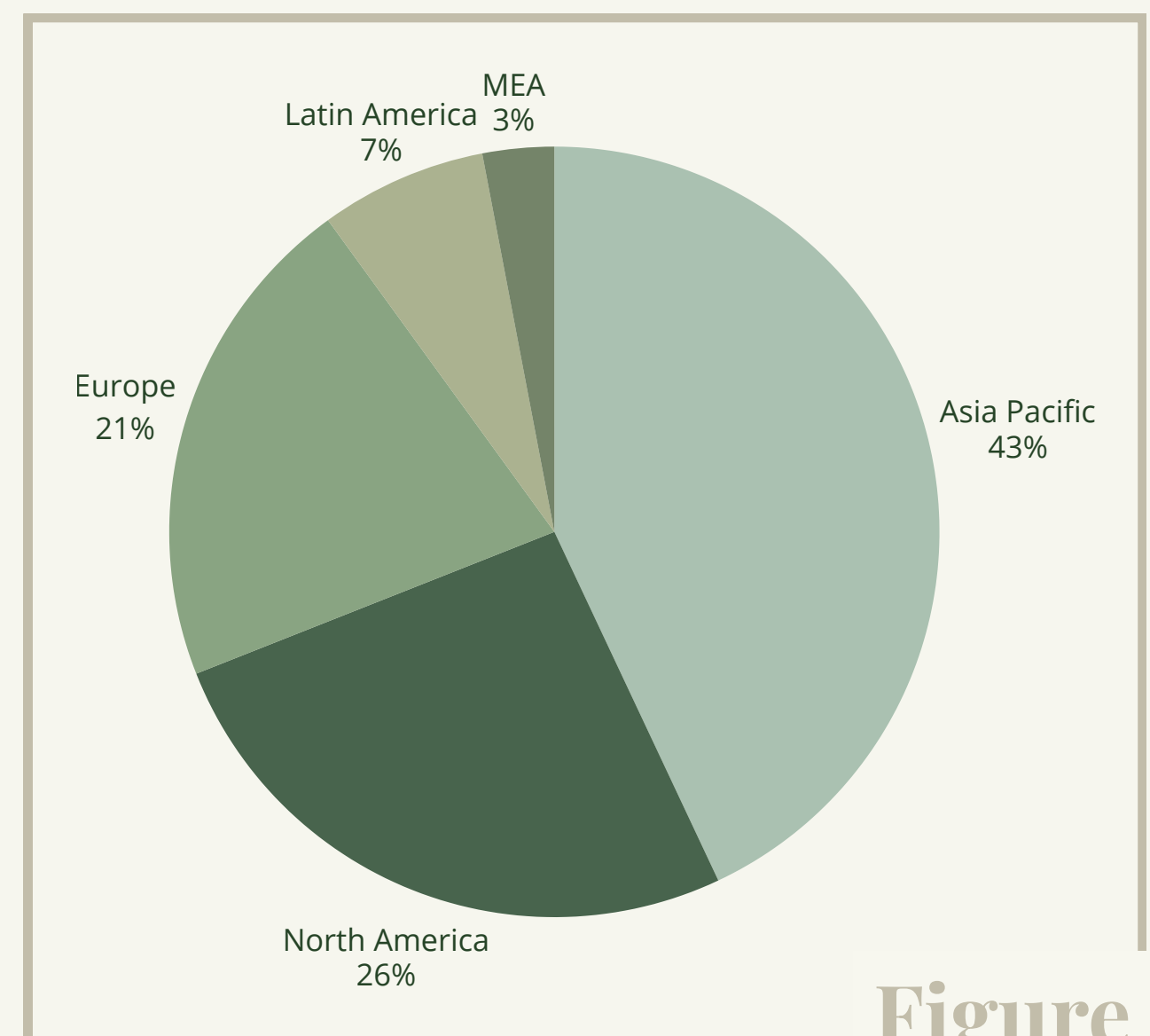


Figure 2

Biodegradable Packaging Market Share By Region, 2024 (%)
Source: Precedence Research 2024

Yuan to USD Exchange



Figure 3

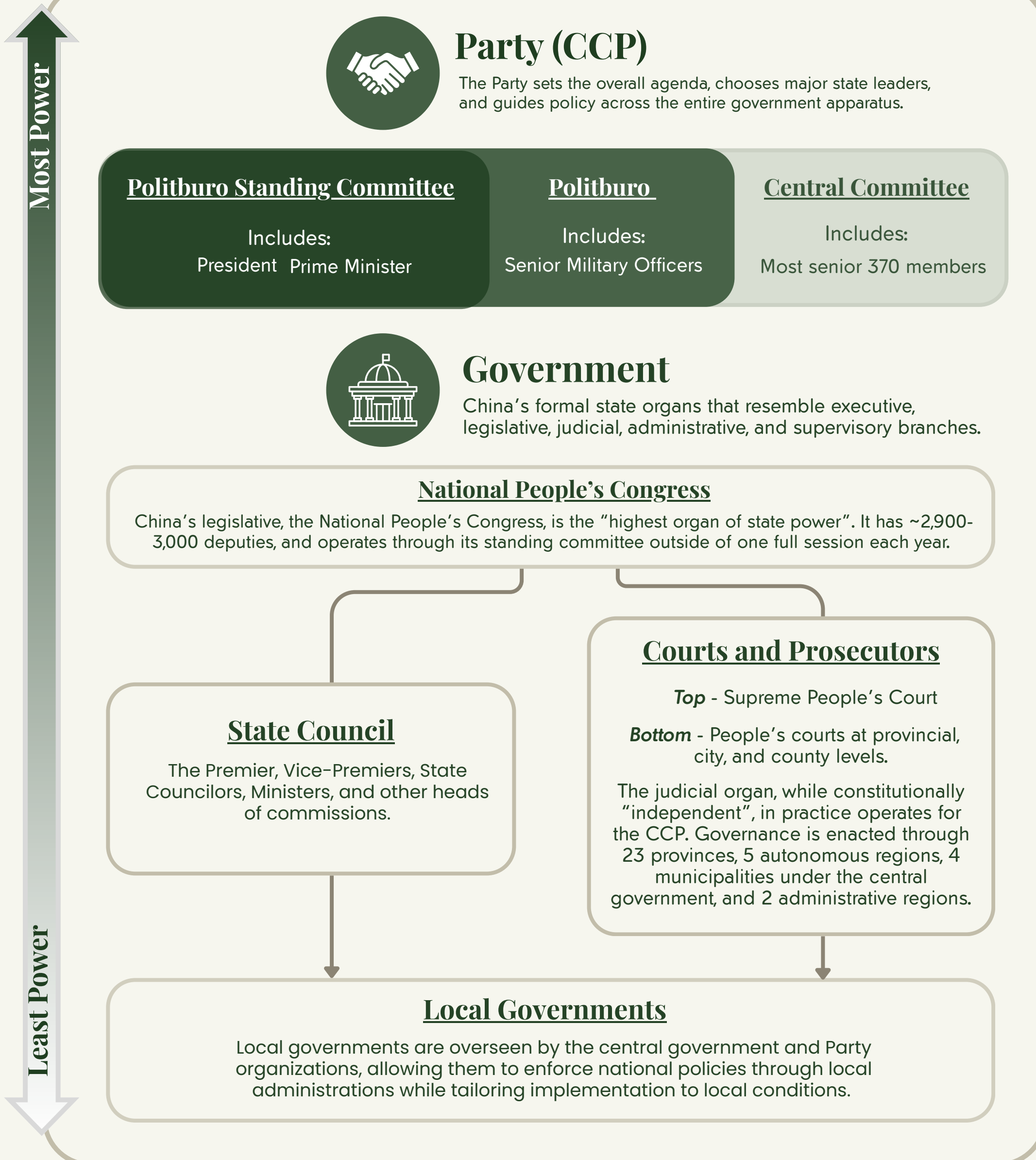
Since early-2021 the yuan weakened from ~6.5 per USD to the 7.1–7.3 range through 2023–2025 (Figure 3). This is advantageous for Eco-wrap; labor, rent, utilities, and domestic raw materials are trending to become cheaper in USD terms, improving our gross margins.

Chinas Plastic Regulation

China's Ministry of Commerce further tightens controls on single-use plastics across retail, catering, e-commerce, and delivery. It promotes biodegradable alternatives through a three-phase schedule (2020, 2022, 2025), with specific bans/limits by product category and deadlines for rollout, aiming to shift toward reusable, recyclable, and degradable options. This directly creates mandatory demand for biodegradable packaging and, therefore, for Eco Wrap.

Governmental & Legal Analysis

Political Structure



China is a **unitary socialist republic** under the one-party Chinese Communist Party.

The CCP has maintained uninterrupted rule since 1949, reflecting a high level of political continuity; **making the Chinese government exceptionally stable.**

While the CCP allows private businesses to operate, they are subject to regulation. Under **China's Foreign Investment Law**, companies must obtain licensing and regulatory approval, and foreign investors must meet specific conditions.

Trade is regulated through a combination of tariffs, trade agreements, licensing systems, and incentives. Although China's average applied tariff rate was about 7.5 percent in 2025 and is higher than that of the United States, its impact on Eco Wrap is limited. Eco Wrap's imports and exports are primarily domestic or within the Asia Pacific region, and under RCEP, **tariffs on over 90 percent of goods traded between member countries are effectively eliminated.**



Laws & Agencies Affecting Business

The main authorities that will have a direct impact through their laws include:

- Ministry of Commerce and Ministry of Ecology and Environment** - Responsible for regulating imports and exports, and eco-friendly enforcement, respectively.
- Environmental Protection Law(2015) and Solid Waste Law(2020)** - create regulatory imperatives for manufacturers in China to adopt cleaner production, promoting Eco-Friendly production, creating an environment of strong market demand for **Eco Wrap**.
- Export Control Law** - **Eco Wrap** must maintain certification and documentation for exports, but this should have a minor impact since biodegradable packaging is not affected.



Collaborations with organizations such as the **Shenzhen Association for Artificial Intelligence** will also assist **Eco Wrap**, a non-profit organization meant to promote AI-based industries, which has connections to **hundreds of AI companies, tech startups, and research institutions**. The SZAAI would directly help Eco Wrap's AI-powered packaging customization platform. SZAAI would give Eco Wrap **access to AI expertise, research labs, and local partnerships**, while helping us stay under regulations.

B. Trade Area & Cultural Analysis

Geographics

The leading manufacturing hub: **China's** rapidly expanding food delivery sector generates massive packaging demand. However, this trend has also resulted in high pollution, creating strong government and consumer demand for eco-friendly solutions.

This makes China uniquely positioned for **Eco Wrap's** growth: its dense centers offer concentrated consumer markets, while southern provinces (**Guangdong**) provide easy access to production.

Demographic Analysis

With an **urbanization rate exceeding 65%** and over **900 million urban residents** (**Figure 1**), China's population drives enormous demand for food delivery and consumer packaging. This makes it a prime market for sustainable solutions like Eco Wrap. Additionally, over **70% of Chinese consumers prefer environmentally responsible brands**, directly supporting the demand for biodegradable packaging.

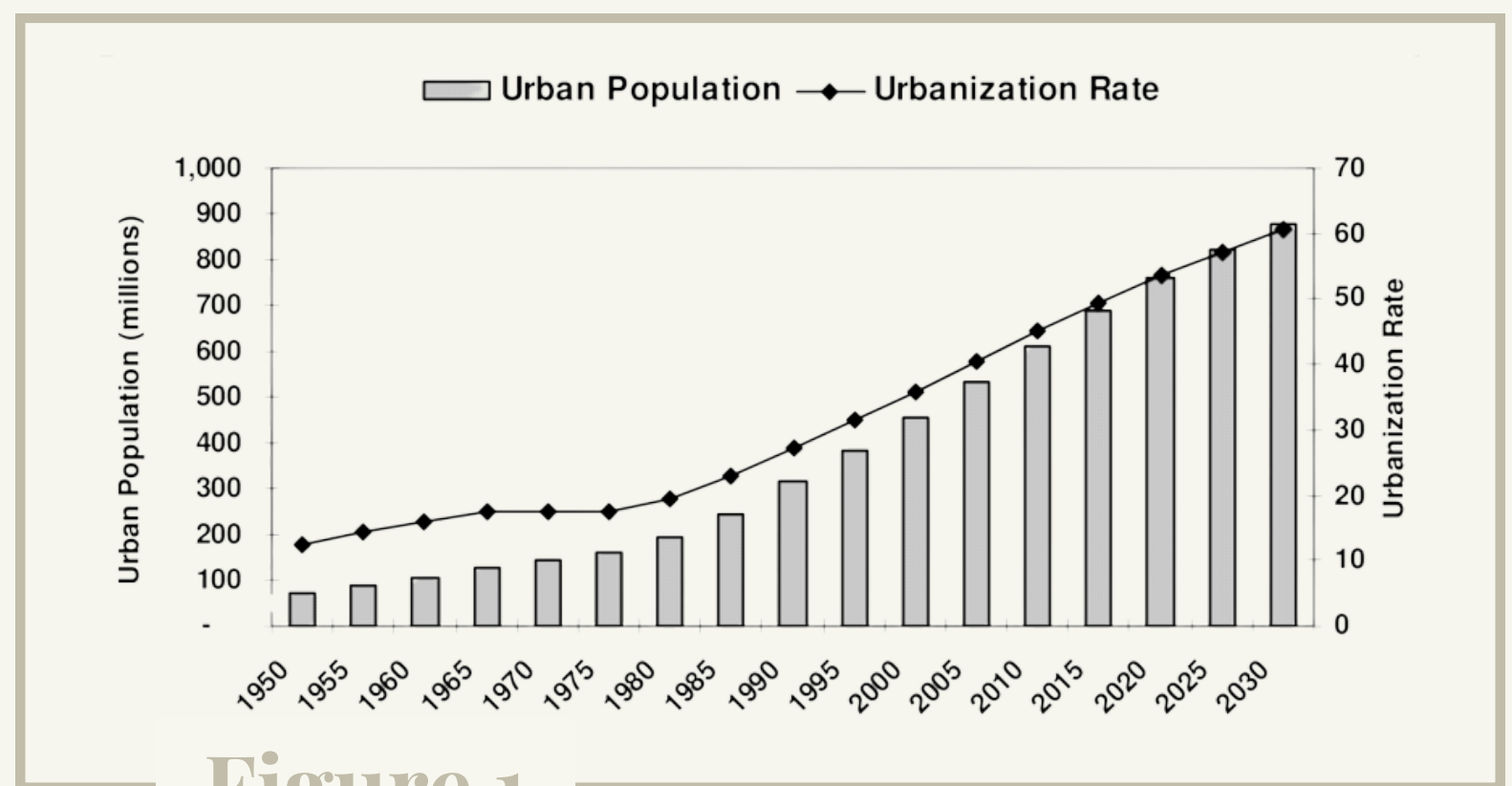


Figure 1

Culture Analysis

Culturally, the nation also believes in the harmony between people and nature (**tian ren he yi**). This incentive drives eco-friendly manufacturing and plastic reduction. Finally, with over 1 billion daily users, WeChat is a powerful channel for marketing Eco Wrap's tech-driven packaging solutions.

Chinese business culture emphasizes **long-term relationships (guanxi)**, strong networks, and respect for hierarchy, making personal connections vital for success.

Disadvantages & Challenges

- > **Brand Recognition and Trust:** As a new startup, Eco Wrap will initially face challenges competing with established Chinese packaging firms such as **BioLeader**.
- > **Price Sensitivity:** While sustainability is valued, many smaller food businesses prioritize **affordability**, so Eco Wrap must balance eco-material costs with competitive pricing.
- > **Regulatory Navigation:** Operating in China requires compliance with multiple environmental and foreign investment **regulations**, which can slow expansion if not carefully managed.

Possible Location Analysis



Eco Wrap plans to operate in **Guangdong**, China's most economically developed province, which boasts a **2023 GDP of 13 trillion yuan** and over **17 trillion yuan in large-scale manufacturing revenues**. Guangdong's **advanced industrial infrastructure** (e.g., Shenzhen Port, GBA) makes it a global manufacturing hub with efficient logistics and export capabilities.

Crucially, it is at the **heart of China's sugarcane production**, enabling Eco Wrap to source materials locally and reduce costs. The **large urban consumer base**, especially in Shenzhen and Guangzhou, is also highly receptive to sustainability, aligning with Eco Wrap's eco-conscious mission.

III. PROBLEMS

1

Material Waste & Pollution

Plastic Waste

China remains one of the world's largest producers (Figure 1) and consumers of plastic packaging. In 2022, China used approximately **32.8 million tons** of plastic packaging, yet only **8.7%** of the plastic packaging was successfully recycled.

The explosion of China's food delivery industry, delivering over **200 million** orders daily, has worsened this crisis by increasing single-use plastic consumption. Global plastic production is projected to **double by 2040** (Figure 2) if no action is taken, meaning that plastic, which can take up to **500 years** to decompose, will continue to degrade our natural environments.

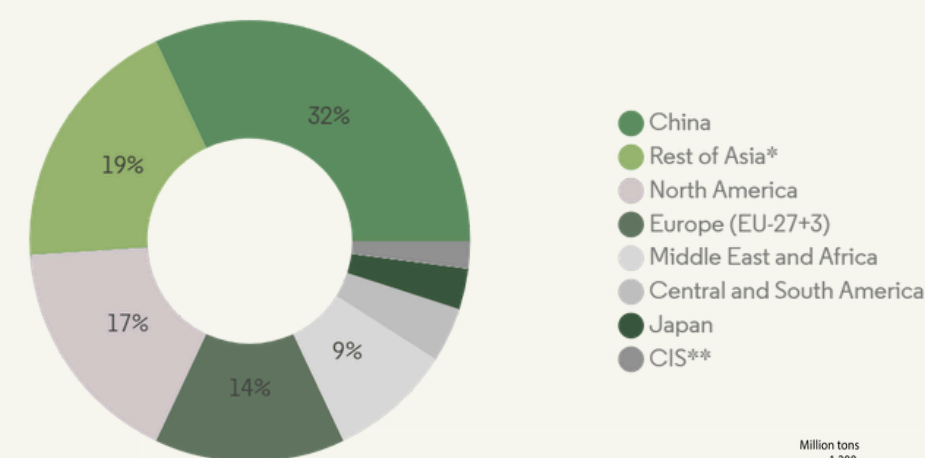


Figure 1

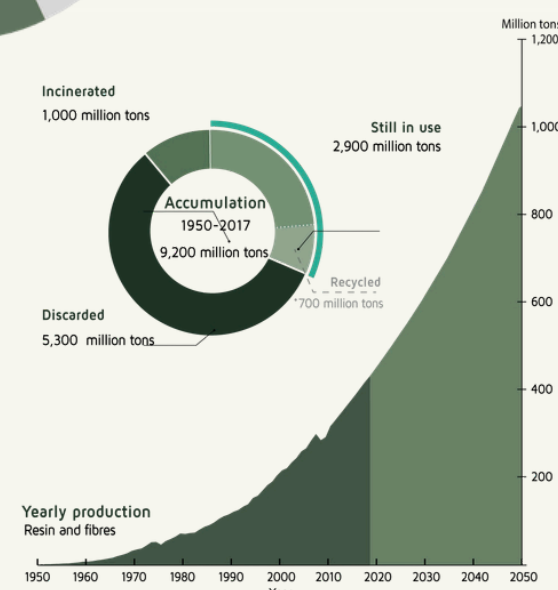


Figure 2

Bagasse Waste

Simultaneously, about 123 million tonnes of sugarcane are produced annually in China, and approximately **5.2 million tonnes of sugarcane bagasse** are generated each year. Yet a significant **65-70% is burned** rather than used for industrial purposes. Furthermore, when bagasse is burned or left to rot, it can produce **CO2 and methane emissions**, respectively, furthering the already existing and problematic environmental issue. This harms China in two ways, both in a loss of opportunity for production and to its environmental mission, meaning an industrial use for bagasse is needed.



73% of consumers report buying products due to attractive packaging

Figure 3

2

Outdated Production Methods

Design & Customization

Most biodegradable packaging suppliers prioritize standardized designs, offering **little room for custom branding or aesthetics**. For example, YJS, leader in the biodegradable food packaging market in China, offers only customizations for color and size. The result is that restaurants and brands **can't get what they need** from biodegradable packaging. This is especially important since **73%** of consumers report buying products due to attractive packaging (Figure 3).

Affordability & Speed

Most biodegradable packaging materials cost **20-50% more** than plastics. This comes from several factors, such as the fact that the molding process for biodegradable packaging traditionally can take **up to 8 weeks**. Additionally, under the current market's method, for every new customized order, a **new mold must be made**, further driving up costs for customization. As a result, numerous businesses still choose plastic packaging over biodegradable alternatives.

IV. CUSTOMER SEGMENTS

Target Market Overview

Eco Wrap will use a **B2B business model**. China's molded fiber packaging market was valued at **\$8.60 billion globally** in 2024, with China holding 53.3% of the Asia Pacific's share, implying a domestic market of approximately **\$1.2 billion**. Bagasse is the fastest-growing material at a **9.3% CAGR**, driven by China's national single-use plastic ban, pressuring millions of restaurant partners to switch, and a food delivery market worth **\$89.9 billion**. This means Eco Wrap's customer acquisition is largely **regulation-driven**; businesses are not just choosing to switch, they are being required to, creating a built-in and expanding pipeline.

Primary Market: National F&B Chains

Firmographics

Includes a multitude of different food and beverage brands and businesses around the country. These will include **brands sold in retail**, such as “Three Squirrels”, “Dali Foods”, and other snacks and beverages that would be found on shelves in the supermarket.

Eco Wrap will focus on **Tier 1-2 cities, Beijing, Shanghai, Shenzhen, Guangzhou, Hangzhou, and Chengdu**, where food delivery accounts for the majority of national orders and green regulations are the strictest. Expansion into **Tier 3-4 cities will follow** as demand for sustainable packaging and disposable income both rise.

Psychographics

Priority for these businesses lies in operational speed; Eco Wrap’s **AI design system** addresses this by **slashing** molding time by up to **5 weeks** compared to competitors.

These businesses are also looking to comply with China’s 2021 plastic ban and capture the **70%** of urban consumers willing to **pay a premium** for **eco-friendly** products, which Eco Wrap’s sustainable packaging **enables**.

Geographics



Secondary Market: Distributors & Wholesalers

Firmographics

These include **local and regional distributors**, resellers, and small businesses. These distributors will typically be medium-sized enterprises with revenues between **\$500,000 and \$5 million**.

Distributors will buy **recurring bulk purchases**, and small businesses will buy reliable, low-quantity orders. These distributors will distribute to restaurants, cafes, and take-out businesses nationwide.

The Secondary Market for Eco Wrap is a **broader national focus**, including **urban trade hubs** like **Guangdong and Shanghai**, where e-commerce is highest, as well as China’s **Tier 2-3 cities**. This is to reach smaller distributors and eventually expand reach into Southeast Asia through online sales and distributors supported by the RCEP agreement.

Psychographics

Cost-conscious and efficiency-driven, prioritizing reliable supply chains and flexible ordering. They are **increasingly** compliance-aware due to China's 2021 plastic ban and motivated by growing **eco-friendly demand**.

Geographics

Example of Target Market

Eco Wrap will meet Chinese F&B brands in the modern retail landscape where consumer identity and packaging are deeply intertwined. By speaking directly to the culture and quality-signaling that drives purchasing decisions from Beijing to Guangdong, **Eco Wrap** positions itself as a cultural partner, not just a supplier.

Lotus Snacks Co.



Company Profile

- Annual Revenue: ¥8–12M
- Order Profile: 200k units/year
- Sells beverages + snacks in regional supermarkets

Pain Points Driving Switch:

- Packaging redesigns for seasonal launches took too long and led to too high prices with the previous packaging.
- Eco-conscious Gen Z customers are leaving negative reviews about plastic use, hurting store ratings

V. UNIQUE VALUE PROPOSITION

“Zero delays. Zero waste. Zero plastic.”

Eco Wrap transforms agricultural sugarcane waste into high-performance, tree-free packaging, is built for China's **\$97 billion food packaging market**, and is backed by the nation's mandatory plastic phase-out. While many in the industry rely on weeks of physical prototyping and trial runs, we use advanced AI simulation to refine mold designs in a digital environment, reducing lead times from **3 weeks to 72 hours** and ensuring consistent results. Our bagasse-based trays offer natural grease and thermal resistance, providing a high-tech armor for food that returns to the soil as compost. We don't just replace plastic; we deliver a **superior, zero-delay solution** that proves sustainable manufacturing can be as swift as it is beneficial for the planet.

SWOT Chart

Strengths	Weakness	Opportunities	Threats
Eco-Friendly Material Bagasse is durable and compostable	Expensive Initial Equipment Cost Systems and machines.	Global Expansion Expansion into all of Asia through the RCEP.	Supply Instability Weather could affect bagasse supply.
Consumer Trends Rising awareness of the environment.	Quality Inconsistency Batches of bagasse can be inconsistent.	Product Innovations Introduce material mixes with bamboo.	Machinery Cost Initial capital costs for machinery will be extremely high.
Customization Offers fast, AI-powered customization.	Higher price Bagasse is initially more expensive than plastic.	Growing Market Rapidly growing biodegradable packaging market.	Customer Education Customers may not be aware of our value.

Eco-wrap positions itself as a strong contender entering the highly fragmented biodegradable food packaging market in China. **Eco-wrap** separates itself with our durable bagasse material, clear green branding, and incorporation of cutting-edge AI technology in operations.

China as a Location

Eco Wrap will start business in **China**, home to the largest biodegradable packaging market and the largest food delivery packaging market. There is no location quite like **China** to start such a venture. **China** is home to the largest single use food packaging industry, and the highest pressure to transition into sustainability, all leading to endless market opportunity, unmatched manufacturing infrastructure, and unwavering government support.



The location that **Eco-wrap** will develop is in close proximity to both **Guangzhou**, ideal for manufacturing and logistics, and **Shenzhen**, ideal for AI and electronics. This strategic ecosystem allows for **Eco-wrap** to achieve faster prototyping, easier hires for technical talent, cheaper manufacturing, and faster scaling.

VI. SOLUTIONS

1

Environment

Upcycles Bagasse

Eco Wrap solves the wasted bagasse issue by turning the byproduct into **high-quality** packaging, ensuring it isn't wasted or burned. Bagasse is **temperature** and **grease-resistant**, making it **perfect** for packaging.

By using bagasse and plant-based materials, Eco Wrap helps eliminate single-use plastics, helping **businesses meet plastic regulation goals**.

Simultaneously, Eco Wrap solves the issue of Bagasse waste by recycling the natural waste material into a manufactured product. In this manner, Eco Wrap solves two birds with one stone, **reducing environmental strain** caused by plastics used in food packaging while pulling out the currently wasted potential in bagasse.

Plant Based Alternatives

Eco Wrap combats China’s escalating plastic waste crisis by producing biodegradable, 100% compostable packaging made from locally sourced sugarcane bagasse, reducing landfill and marine pollution while supporting the nation’s “Dual Carbon” sustainability goals.

2

Customization & Production

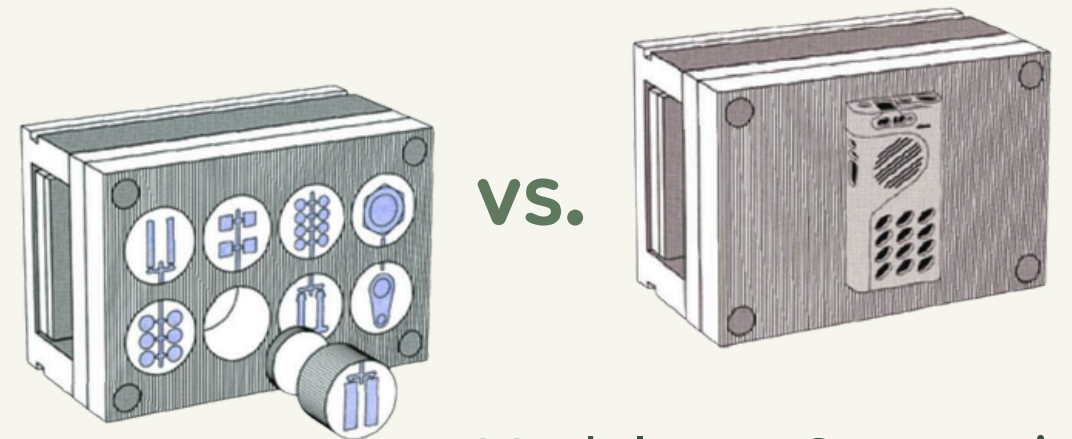
Accessibility

Eco Wrap fills the gap of lacking customization options in biodegradable packaging by offering customizations in logo, shape, and size, made possible through its AI customization tool. This incentivizes businesses to start switching to biodegradable packaging.

Speed

Eco Wrap’s AI system directly tackles the most time consuming steps in molding. It creates 3D models and tests each model under conditions identical to real conditions using accurate simulation software and data from previous tests. This turns a 3-week step of long testing into a few days.

By replacing traditional single-block steel molds with a universal master frame and interchangeable inserts, Eco Wrap minimizes costs through a one-time investment in the expensive frame. Subsequent customizations require **only smaller cavity molds**, reducing material expenses and cutting production time by **up to two weeks**. This streamlined system significantly **accelerates speed-to-market**, allowing companies to begin sales much sooner.



vs.

Modular vs Conventional Mold System

VII. CHANNELS

Distribution Channels/Strategy

1. Direct B2B Sales

Eco Wrap’s primary revenue driver is **direct B2B sales**, utilizing monthly supply agreements with major brands like Three Squirrels, Dali Foods, and Master Kong. These partnerships provide **consistent recurring revenue** and **nationwide exposure** in retailers like Walmart, Carrefour, and FamilyMart, boosting brand visibility without additional spend.



2. Regional Distributors

Eco Wrap will also use a **two-tier distribution channel**, selling in bulk to regional foodservice distributors such as Haisan Foodservice and Yonghui Logistics. Through them, our packaging reaches food-service clients like Luckin Coffee, Haidilao, local cafés, restaurants, and takeout kitchens on Meituan and Ele.me.



3. E-Commerce

Eco Wrap will additionally **leverage** e-commerce channels by selling **directly to small businesses** and consumers via our website, Tmall, and JD.com. This **long-term channel** builds on our Year 1 online presence as it establishes, with meaningful **revenue growth** expected in Years 2–3 as our **reputation** expands.



Marketing Channels

To successfully enter China's competitive food packaging market, Eco Wrap has developed a focused, multi-channel marketing strategy built around **five key channels**. These channels are designed to reach national food and beverage brands, regional distributors, and food-service buyers with high intent.



Sales Outreach

Eco Wrap will target procurement managers at F&B brands and food-service chains, such as packaging buyers at companies like **Three Squirrels, Luckin Coffee, and Haidilao**. We will use email sequences, follow-up calls, and product-fit proposals backed by data on cost efficiency, sustainability benefits, customizability, and trial orders. Engagements ensures that Eco Wrap reaches businesses and is seen as a practical upgrade rather than an option.



Trade Shows

Eco Wrap will participate in trade exhibitions, such as the **China International Packaging Industry Exhibition, the Canton Fair, and the Shanghai International Food & Beverage Expo**, where procurement teams actively scout for new suppliers. Booths will feature product demos, comparative material tests, and QR links for buyers to request instantly. These events allow rapid trust-building, direct conversations with buyers, and visibility among thousands of relevant industry attendees.



Social Media

Eco Wrap will maintain a clean, conversion-focused website showcasing product specs, certifications, and case studies. Digital ads, mainly on Baidu, WeChat Ads, and LinkedIn, will target procurement roles seeking sustainable packaging or suppliers. Social media channels like WeChat Official Accounts, Xiaohongshu, and LinkedIn will share short-form product demos, manufacturing clips, and sustainability breakdowns that will reach both buyers and industry distributors.



Sample Programs

Eco Wrap will send sample kits to **procurement managers at food and beverage brands, cafés, and delivery-focused restaurants**, especially those evaluating new packaging lines. Kits will include variant samples (cups, pouches, wraps), technical data sheets, cost breakdowns, and QR codes linking to order forms or trial-batch requests. This approach builds confidence in material quality and supports follow-up conversations initiated by sales outreach.

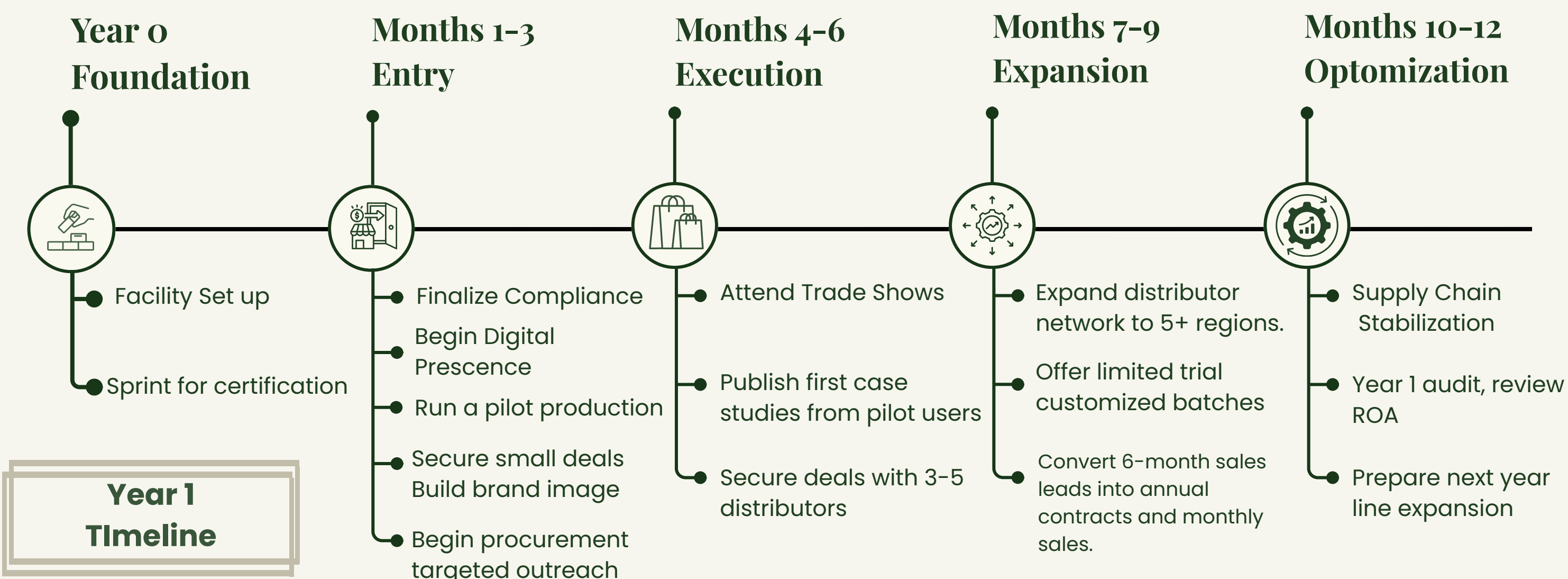


Case Studies

Eco Wrap will leverage data-backed case studies showing **improved durability, reduced environmental impact, cost savings, and positive partner feedback to boost credibility**. These examples, published on the website, used in sales decks, and shared in trade show materials studies could include "Switching from plastic wrap to Eco Wrap reduced material cost for a regional snack brand by 11%" and "Delivery restaurants saw a 30% reduction in leakage complaints after adopting Eco Wrap containers."

Distribution and Marketing Strategy

Eco Wrap will follow a planned strategic marketing and distribution operation in its first fiscal year to set up a strong foundation in China's food packaging market and prepare for future years of operation.

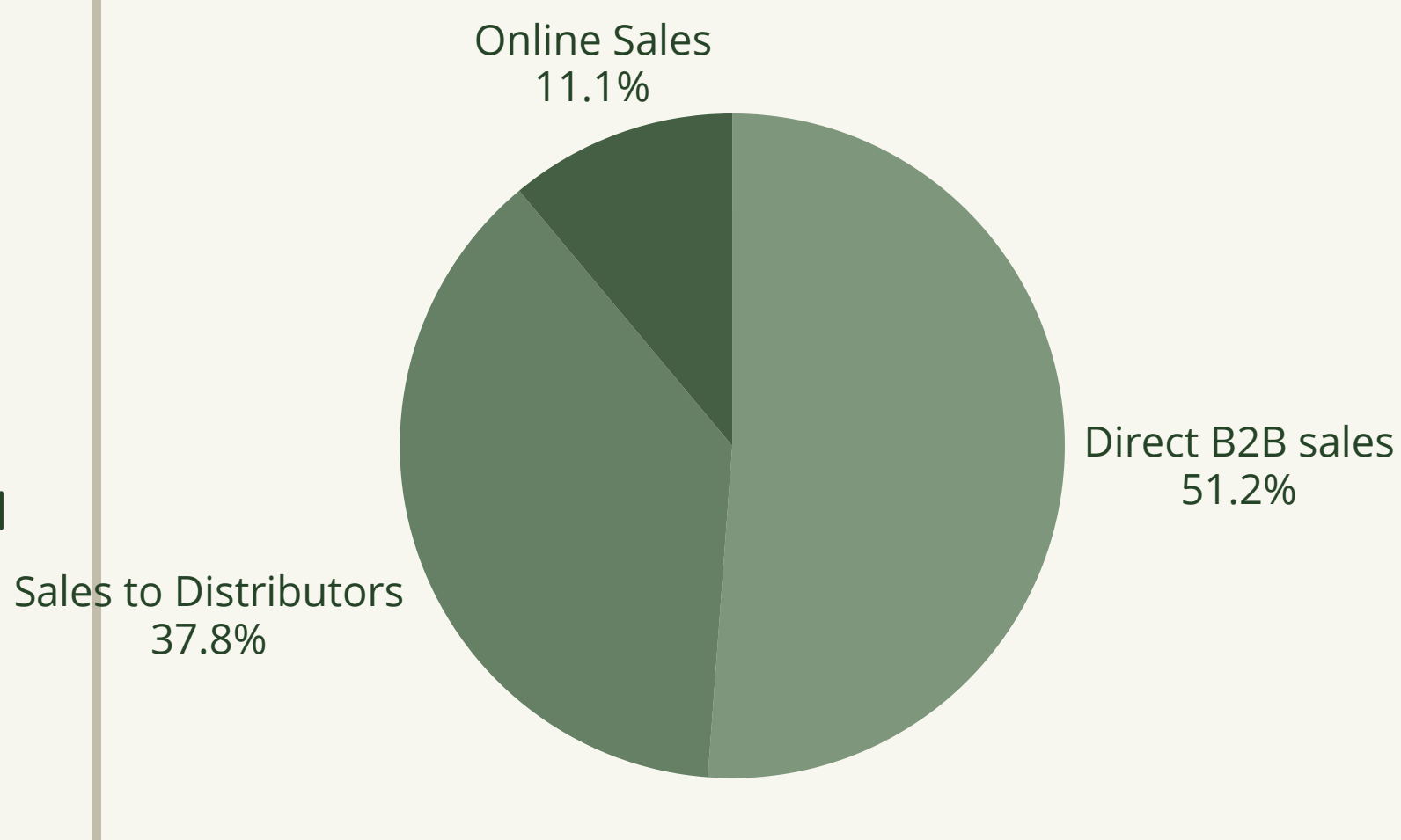


VIII. REVENUE STREAMS

Revenue Model

Eco Wrap operates on a single, focused revenue stream: direct product sales of customizable, sustainable packaging, including trays, cups, and plates, to food and beverage brands. Revenue is generated on a per-unit, transaction-based model with a **Minimum Order Quantity of 15,000 pieces**, allowing Eco Wrap to maintain consistent cash flow while serving both emerging small businesses and large enterprise clients. Sales are driven through three distribution channels, detailed in section VII. The biggest contributor following year 1 to Eco Wrap's sole revenue stream, making up **51.2% of revenue**, is **direct sales through partnerships/recurring deals** with food and beverage brands.

Sales By Channel (Year 2)



Pricing Breakdown

Eco Wrap's pricing ranges from **\$0.11 to \$0.18 per piece** with a **15,000-piece MOQ**, which includes the extra costs for AI quality control, mold design, plus digital testing, and custom printing. To incentivize higher volume orders and economies of scale, tiered discounts are offered: **17% discount** for orders between **40,000 and 100,000 pieces**, **28% discount** for orders between **100,000 and 149,000 pieces**, and a maximum **39% discount** for premium orders of **150,000+ pieces**. This structure ensures high-volume buyers receive maximum savings while optimizing manufacturing and logistics efficiency.

Cost Savings with Bulk Pricing

ORDER QUANTITY	PRICE PER UNIT	GROSS MARGIN
15,000-39,999	\$0.18	55%
40,000-99,999	\$0.15	47%
100,000-299,999	\$0.12	38%
300,000+	\$0.11	37%

Lifetime Value

Lifetime Customer Value = S x T x R		
S	Average Value of Sales	\$9,440
T	Number of Transactions	12(Monthly)
R	Retention	5 Years
Total	\$566,400	

Eco Wrap's estimated lifetime value (LTV) is **\$566,400**, indicating an average annual revenue per business partner of **\$56,640**. This LTV is based on an **average purchase value of \$9,440**, calculated by averaging sales to larger food and beverage brands and smaller brands, while accounting for the benefits of our lower extra customization cost. Furthermore, customers buy monthly, resulting in **12 transactions per year and a retention period of 5 years**.

Lifetime Values Breakdown

Eco Wrap's LTV is due to its unique benefits that other packaging companies do not have. This being faster production and consistent no-defect products thanks to our AI system. Businesses which need millions on millions of packaging will find **reliability** in Eco Wrap, building **brand loyalty**. The company plans to leverage this value to **optimize customer acquisition and retention efforts**, particularly as it expands its outreach to larger brands and reduces prices.

IX. COST STRUCTURE

Acquisition Costs

Eco Wrap operates on a B2B business model and will direct its marketing channels to secure business partners. Eco Wrap will invest **\$50,600 in customer acquisition costs** in its first fiscal year and predicts to secure 99 deals total with 41 businesses, 38 with 19 small businesses, 12 sales through recurring deals with 3 mid-sized F&B brands, 31 sales through 10 distributors, and 18 online sales through 9 small businesses. This places Eco Wrap's year 1 Customer Acquisition cost(CAC) at \$234.15 per customer, divided among its 5 marketing channels.

CAC Calculation: \$50,600/41 customers = \$234.15 per business

First Year Marketing Channels (CAC)			
Promotion Type	Number of Units	Cost per Unit	Annual Cost
Trade Shows	5	\$2,500	\$12,500
Alibaba Ads	10,000 "clicks"	\$0.15 per click	\$1,500
WeChat Business Ads	20,000 "clicks"	\$0.12 per click	\$2,400
Sales Outreach	8	\$3,000	\$24,000
Sample Program	12	\$850	\$10,200

Production Costs

Eco-Wrap's manufacturing operations are centered in China to optimize production efficiency. First-year production costs are divided into direct material expenses and indirect factory overhead. We will allocate \$153,600 for raw materials to produce 5,120,000 units at a unit cost of \$0.03. To support these operations, indirect costs total \$232,990, which includes \$120,000 for factory rent and \$38,796 for utilities. Additionally, \$43,694 is set aside for machine maintenance and \$12,500 for quality control materials to ensure product consistency. Finally, \$18,000 covers the specialized tooling and molds required for the initial production run, bringing the total first-year production budget to \$386,590.

First Year Products			
Direct Costs	Number of Units	Cost per Unit	Annual Cost
Raw Materials	5,120,000	\$0.03	\$153,600
Indirect Costs (Factory Overhead)			
Factory Rent	\$10,000/month	12 months	\$120,000
Machine Maintenance	-	-	\$43,694
Utilities	\$3,233/month	12 months	\$38,796
Tooling and Molds	\$1,200	15	\$18,000
QC Materials	-	-	\$12,500
Total	-	-	\$386,590

Logistics

Distribution

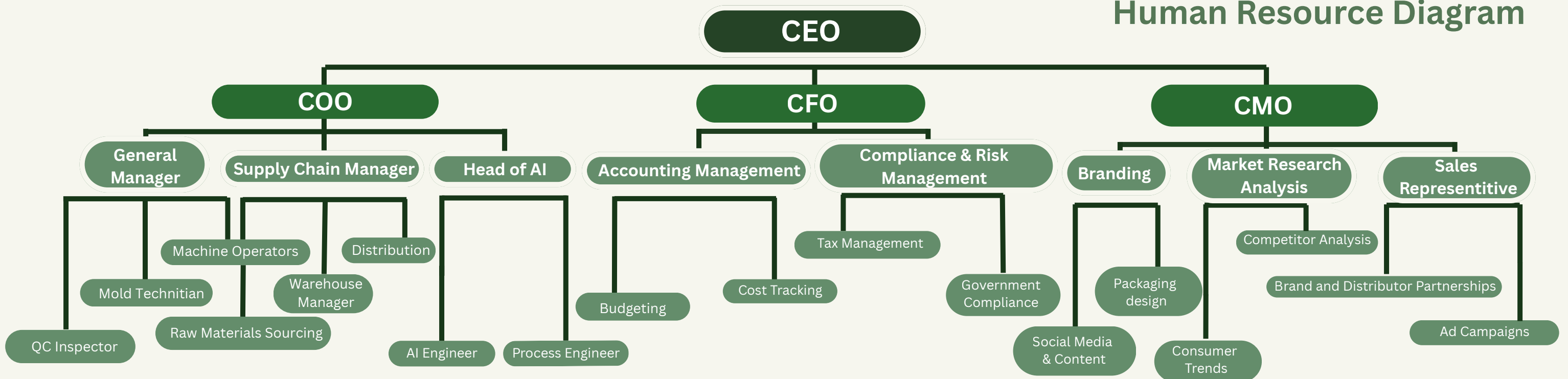
Inventory Storage	Supply Chain Management	Transport of Finished Goods	# of Shipments	Total
Warehouse Storage 400m squared: \$3200/mo \$38400/yr	Data Tracking & Monitoring: \$250/mo \$3,000/yr	Base + Pallet \$510/shipment Fuel Surcharge: \$65/shipment Total per Shipment: \$575	30	\$58,650

Eco-Wrap's products will be manufactured in China. Distribution costs comprise inventory storage, supply chain management, and the transport of finished goods. For inventory storage, we will rent a 400 square meter warehouse for \$3,200 monthly. As Eco-Wrap expands in subsequent years, we anticipate holding a larger stock to meet higher demand. Eco-Wrap will also invest in supply chain software for data tracking and monitoring, at a monthly cost of \$250. This system will provide data on product location to ensure efficient logistics. Finally, \$17,250 is allocated for shipping, based on 30 deliveries at \$575 each. Total first-year distribution costs are expected to be \$58,650. The following table describes the costs of transporting these shipments:

Human Resource Costs

Total Year 1 Labor Cost				
Job Position	Num of Employees	Annual Payroll	Benefits (35%)	Total Annual Cost
Head of AI	1	\$54,000	\$18,900	\$72,900
General Manager	1	\$54,000	\$18,900	\$72,900
AI Engineer	1	\$35,400	\$12,390	\$47,790
Process Engineer	1	\$25,600	\$8,960	\$34,560
Sales Representative	1	\$18,000	\$8,400	\$26,400
Supply Chain Manager	1	\$22,000	\$7,700	\$29,700
Machine Operators	1	\$12,000	\$4,200	\$16,200
Mold Technician	1	\$13,400	\$4,690	\$18,090
QC Inspector	1	\$10,200	\$3,570	\$13,770
Warehouse Manager	1	\$9,600	\$3,360	\$12,960
Total	10	\$313,600	\$111,860	\$345,270

Human Resource Diagram



Eco Wrap's first-year human resources budget reflects a lean but fully capable team of 13 employees, structured to support AI development, factory operations, and early-stage commercialization. Eco Wrap's technical team, led by a Head of AI and two AI Engineers, develops and maintains the proprietary mold simulation and quality control system, while a Process Engineer and Mold Technician translate AI designs into optimized manufacturing workflows. Operations are sustained by a QC Inspector conducting hands-on sampling, three Machine Operators for day-to-day production, and managers for both the Warehouse and Supply Chain procurement. Commercially, the General Manager directs overall strategy while a Sales Representative drives growth through trade shows and direct pitches to F&B procurement managers.

Additional Costs

Year 1 Additional Operating Costs
Insurance \$20,000
Certifications and Licensing \$13,210
Office rent and interior design and supplies \$117,600
Depreciation \$30,000
Total \$180,810

Start Up Costs
Manufacturing Equipment \$905,000
AI Platform Development \$200,000
Total \$1,105,000

Eco-Wrap's initial investment totals \$1,105,000. The primary expense is \$905,000 for manufacturing equipment and specialized molds for bagasse packaging. The remaining \$200,000 funds AI platform development, building proprietary simulation and quality control software on a leased AI design system to maximize production efficiency.

The total additional operating costs for Year 1 are \$180,810. This includes \$117,600 for office rent and supplies, covering space for 7 employees at 125 sq. ft per employee at \$9,000 per month. Depreciation is set at \$30,000 (roughly 3% of machinery value) to account for asset wear. Additionally, \$13,210 is for certifications and licensing to meet legal requirements, while \$20,000 covers insurance for risk management.

X. DETAILED FINANCIALS

1. Projected Income Statement By Month

YEAR 1 INCOME STATEMENT 2027													
Month	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
Revenue													
Direct B2B Sales	\$ -	\$ 5,400	\$ 5,400	\$ 8,100	\$ 8,100	\$ 8,100	\$ 30,300	\$ 30,300	\$ 49,800	\$ 49,800	\$ 69,300	\$ 72,000	\$ 336,600
Distributor Sales	\$ -	\$ -	\$ 12,000	\$ 24,000	\$ 24,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 48,000	\$ 48,000	\$ 48,000	\$ 60,000	\$ 372,000
Online Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,400	\$ 8,100	\$ 10,800	\$ 10,800	\$ 13,500	\$ 48,600
Total Revenue	\$ -	\$ 5,400	\$ 17,400	\$ 32,100	\$ 32,100	\$ 44,100	\$ 66,300	\$ 71,700	\$ 105,900	\$ 108,600	\$ 128,100	\$ 145,500	\$ 757,200
COST OF GOODS SOLD (COGS)													
Raw Materials	\$ -	\$ 900	\$ 3,300	\$ 6,150	\$ 6,150	\$ 10,950	\$ 13,500	\$ 14,400	\$ 21,750	\$ 22,200	\$ 26,700	\$ 30,000	\$ 156,000
Production Overhead	\$ 3,233	\$ 3,233	\$ 3,233	\$ 3,233	\$ 3,233	\$ 3,233	\$ 3,233	\$ 3,233	\$ 3,233	\$ 3,233	\$ 3,233	\$ 3,233	\$ 38,796
Direct Labor	\$ 7,785	\$ 7,785	\$ 7,785	\$ 7,785	\$ 7,785	\$ 7,785	\$ 7,785	\$ 7,785	\$ 7,785	\$ 7,785	\$ 7,785	\$ 7,785	\$ 93,420
TOTAL COGS	\$ 11,018	\$ 11,918	\$ 14,318	\$ 17,168	\$ 17,168	\$ 21,968	\$ 24,518	\$ 25,418	\$ 32,768	\$ 33,218	\$ 37,718	\$ 41,018	\$ 288,216
GROSS MARGIN	\$ (11,018)	\$ (6,518)	\$ 3,082	\$ 14,932	\$ 14,932	\$ 22,132	\$ 41,782	\$ 46,282	\$ 73,132	\$ 75,382	\$ 90,382	\$ 104,482	\$ 468,984
Gross Margin %	-	-121%	18%	47%	47%	50%	63%	65%	69%	69%	71%	72%	62%
OPERATING EXPENSES (OPEX)													
Indirect Labor	\$ 27,670	\$ 27,670	\$ 27,670	\$ 27,670	\$ 27,670	\$ 27,670	\$ 27,670	\$ 27,670	\$ 27,670	\$ 27,670	\$ 27,670	\$ 27,670	\$ 332,040
Advertising	\$ 4,217	\$ 4,217	\$ 4,217	\$ 4,217	\$ 4,217	\$ 4,217	\$ 4,217	\$ 4,217	\$ 4,217	\$ 4,217	\$ 4,217	\$ 4,217	\$ 50,600
Office Rent and Supplies	\$ 9,800	\$ 9,800	\$ 9,800	\$ 9,800	\$ 9,800	\$ 9,800	\$ 9,800	\$ 9,800	\$ 9,800	\$ 9,800	\$ 9,800	\$ 9,800	\$ 117,600
Certifications and Licensing	\$ 1,101	\$ 1,101	\$ 1,101	\$ 1,101	\$ 1,101	\$ 1,101	\$ 1,101	\$ 1,101	\$ 1,101	\$ 1,101	\$ 1,101	\$ 1,101	\$ 13,210
Depreciation Expense	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 30,000
Repairs/Maintenance	\$ 3,641	\$ 3,641	\$ 3,641	\$ 3,641	\$ 3,641	\$ 3,641	\$ 3,641	\$ 3,641	\$ 3,641	\$ 3,641	\$ 3,641	\$ 3,641	\$ 43,694
Vehicle Cost	\$ 1,438	\$ 1,438	\$ 1,438	\$ 1,438	\$ 1,438	\$ 1,438	\$ 1,438	\$ 1,438	\$ 1,438	\$ 1,438	\$ 1,438	\$ 1,438	\$ 17,250
Inventory Storage	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,200	\$ 38,400
Insurance	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 20,000
TOTAL OPEX	\$ 55,233	\$ 55,233	\$ 55,233	\$ 55,233	\$ 55,233	\$ 55,233	\$ 55,233	\$ 55,233	\$ 55,233	\$ 55,233	\$ 55,233	\$ 55,233	\$ 662,794
OPEX %	-	1023%	317%	172%	172%	125%	83%	77%	52%	51%	43%	38%	88%
OPERATING INCOME BEFORE TAX	\$ (66,251)	\$ (61,751)	\$ (52,151)	\$ (40,301)	\$ (40,301)	\$ (33,101)	\$ (13,451)	\$ (8,951)	\$ 17,899	\$ 20,149	\$ 35,149	\$ 49,249	\$ (193,810)
Income Taxes	\$ -	\$ -	\$ 4,350	\$ 8,025	\$ 8,025	\$ 11,025	\$ 16,575	\$ 17,925	\$ 26,475	\$ 27,150	\$ 32,025	\$ 36,375	\$ 187,950
Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%	25%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Net Earnings	\$ (66,251)	\$ (61,751)	\$ (56,501)	\$ (48,326)	\$ (48,326)	\$ (44,126)	\$ (30,026)	\$ (26,876)	\$ (8,576)	\$ (7,001)	\$ 3,124	\$ 12,874	\$ (381,760)
Return on Sales	-	-1144%	-325%	-151%	-151%	-100%	-45%	-37%	-8%	-6%	2%	10%	-50.42%

2. Projected Balance Sheet, end of first year

Balance Sheet - End of Year 1			
ASSETS		LIABILITIES	
Current Assets		Current Liabilities	
Cash	\$253,590	Accounts Payable Trade	\$36,541
Accounts Receivable	\$92,480	Short-Term Debt Interest Payable	\$18,000
Raw Material	\$57,694	Accrued Payroll and Benefits	\$26,603
Work-in-Process	\$96,240		
Inventory	\$40,000	Non-Current Liabilities	
Total Current Assets	\$540,004	Long-Term Debt	\$600,000
Non-Current Asset		EQUITY	
Equipment	\$905,000	Common Stock	\$1,314,270
AI Simulation Asset	\$200,000	Retained Earnings	(380,410)
Less: Depreciation	(30,000)	Total Equity	\$933,860
Total Non-Current Asset	\$1,075,000		
TOTAL ASSETS	\$1,615,004	TOTAL LIABILITIES & EQUITY	\$1,615,004

3. Projected Cash Flow Statement by month for the first year's operations

YEAR 1 CASH FLOW 2027												
MONTH	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Starting Cash (beginning of the month)	\$ 95,000	\$ 624,099	\$ 556,348	\$ 495,198	\$ 442,222	\$ 389,246	\$ 340,470	\$ 305,794	\$ 274,269	\$ 261,043	\$ 248,559	\$ 246,199
Cash In												
Customer Deposits (Cash)	\$ -	\$ 5,400	\$ 17,400	\$ 32,100	\$ 32,100	\$ 44,100	\$ 66,300	\$ 71,700	\$ 105,900	\$ 108,600	\$ 128,100	\$ 145,500
Bank Loans	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cash In	\$ 600,000	\$ 5,400	\$ 17,400	\$ 32,100	\$ 32,100	\$ 44,100	\$ 66,300	\$ 71,700	\$ 105,900	\$ 108,600	\$ 128,100	\$ 145,500
Cash Out												
Payroll, including payroll benefit	\$ 35,455	\$ 35,455	\$ 35,455	\$ 35,455	\$ 35,455	\$ 35,455	\$ 35,455	\$ 35,455	\$ 35,455	\$ 35,455	\$ 35,455	\$ 35,455
Other overhead, including rent	\$ 9,800	\$ 9,800	\$ 9,800	\$ 9,800	\$ 9,800	\$ 9,800	\$ 9,800	\$ 9,800	\$ 9,800	\$ 9,800	\$ 9,800	\$ 9,800
Accounts Payable - Vendors	\$ -	\$ 900	\$ 3,300	\$ 6,150	\$ 6,150	\$ 10,950	\$ 13,500	\$ 14,400	\$ 21,750	\$ 22,200	\$ 26,700	\$ 30,000
Depreciation	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Advertising	\$ 4,217	\$ 4,217	\$ 4,217	\$ 4,217	\$ 4,217	\$ 4,217	\$ 4,217	\$ 4,217	\$ 4,217	\$ 4,217	\$ 4,217	\$ 4,217
Repairs/Maintenance	\$ 3,641	\$ 3,641	\$ 3,641	\$ 3,641	\$ 3,641	\$ 3,641	\$ 3,641	\$ 3,641	\$ 3,641	\$ 3,641	\$ 3,641	\$ 3,641
Utility Services	\$ 3,233	\$ 3,233	\$ 3,233	\$ 3,233	\$ 3,233	\$ 3,233	\$ 3,233	\$ 3,233	\$ 3,233	\$ 3,233	\$ 3,233	\$ 3,233
Insurance	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 2,500	\$ 2,500	\$ 2,500
Distribution	\$ 1,438	\$ 1,438	\$ 1,438	\$ 1,438	\$ 1,438	\$ 1,438	\$ 1,438	\$ 1,438	\$ 1,438	\$ 1,438	\$ 1,438	\$ 1,438
Inventory Storage	\$ 7,850	\$ 7,850	\$ 7,850	\$ 7,850	\$ 7,850	\$ 7,850	\$ 7,850	\$ 7,850	\$ 7,850	\$ 7,850	\$ 7,850	\$ 7,850
Certifications & Licensing	\$ 1,101	\$ 1,101	\$ 1,101	\$ 1,101	\$ 1,101	\$ 1,101	\$ 1,101	\$ 1,101	\$ 1,101	\$ 1,101	\$ 1,101	\$ 1,101
Tax	\$ -	\$ 1,350	\$ 4,350	\$ 8,025	\$ 8,025	\$ 11,025	\$ 16,575	\$ 17,925	\$ 26,475	\$ 27,150	\$ 32,025	\$ 36,375
Total Cash Paid Out	\$ 70,901	\$ 73,151	\$ 78,551	\$ 85,076	\$ 85,076	\$ 92,876	\$ 100,976	\$ 103,226	\$ 119,126	\$ 121,084	\$ 130,459	\$ 138,109
Net Cash Flow	\$ 624,099	\$ 556,348	\$ 495,198	\$ 442,222	\$ 389,246	\$ 340,470	\$ 305,794	\$ 274,269	\$ 261,043	\$ 248,559	\$ 246,199	\$ 253,590
Ending Cash												\$253,590

4. Projected 3 Year Plan

COMPONENT	Year 1	Year 2	Year 3
Direct B2B Sales	\$336,600	\$1,372,500	\$1,706,400
Distributor Sales	\$372,000	\$1,012,500	\$1,296,000
Online Sales	\$48,600	\$297,000	\$388,800
TOTAL REVENUE	\$757,200	\$2,682,000	\$3,391,200
COST OF GOODS SOLD (COGS)			
Raw Materials	\$156,000	\$514,220	\$648,720
Direct Labor	\$93,420	\$93,420	\$93,420
Utilities	\$38,796	\$38,796	\$38,796
Depreciation	\$30,000	\$30,000	\$30,000
Maintenance	\$43,694	\$43,694	\$43,694
Total COGS	\$361,910	\$720,130	\$854,630
Gross Margins	\$385,290	\$1,961,870	\$2,536,570
OPERATING EXPENSES (OPEX)			
Indirect Labor	\$332,040	\$332,040	\$332,040
Acquisition Cost	\$50,600	\$50,600	\$32,890
Office Rent and Supplies	\$117,600	\$117,600	\$117,600
Certifications and Licensing	\$13,210	\$13,210	\$5,284
Insurance	\$20,000	\$20,000	\$20,000
Distribution Cost	\$17,256	\$29,960	\$37,881
Inventory Storage	\$38,400	\$38,400	\$38,400
TOTAL OPEX	\$589,106	\$601,810	\$584,095
Income Tax	\$189,300	\$403,245	\$508,680
Tax Rate	25%	15%	15%
Net Earnings	\$-380,410	\$917,145	\$1,442,991
Return on Sales	-50.24%	34.12%	43.55%

5. Product Sales Analysis

Total Product Sales
 $38(15,000) + 18(15,000) + 31(80,000) + 12(150,000) = 5,120,000$

Eco Wrap expects to sell a total **5,120,000 units** of bagasse packaging ranging in price of **\$0.18-\$0.11** depending on order volume (refer to section VIII for pricing breakdown). Bagasse cost (raw material cost) comes in at around **\$0.03 per unit**. When considering production overhead, direct labor, and AI maintenance costs, the **cost per unit is \$0.08**.

Eco Wrap predicts that the average small business order size, both direct and online is **15,000 units**, resulting in an average purchase of **\$2700**. The average for distributor sales is **80,000 units**, resulting in an average purchase of **\$12,000**. The average sale with mid-sized brands is predicted to be **150,000 units**, resulting in a purchase of **\$19,500**, which recurs each month. The first recurring deals with mid-sized brands are predicted to be secured in July, which becomes the most consistent source of product sales.

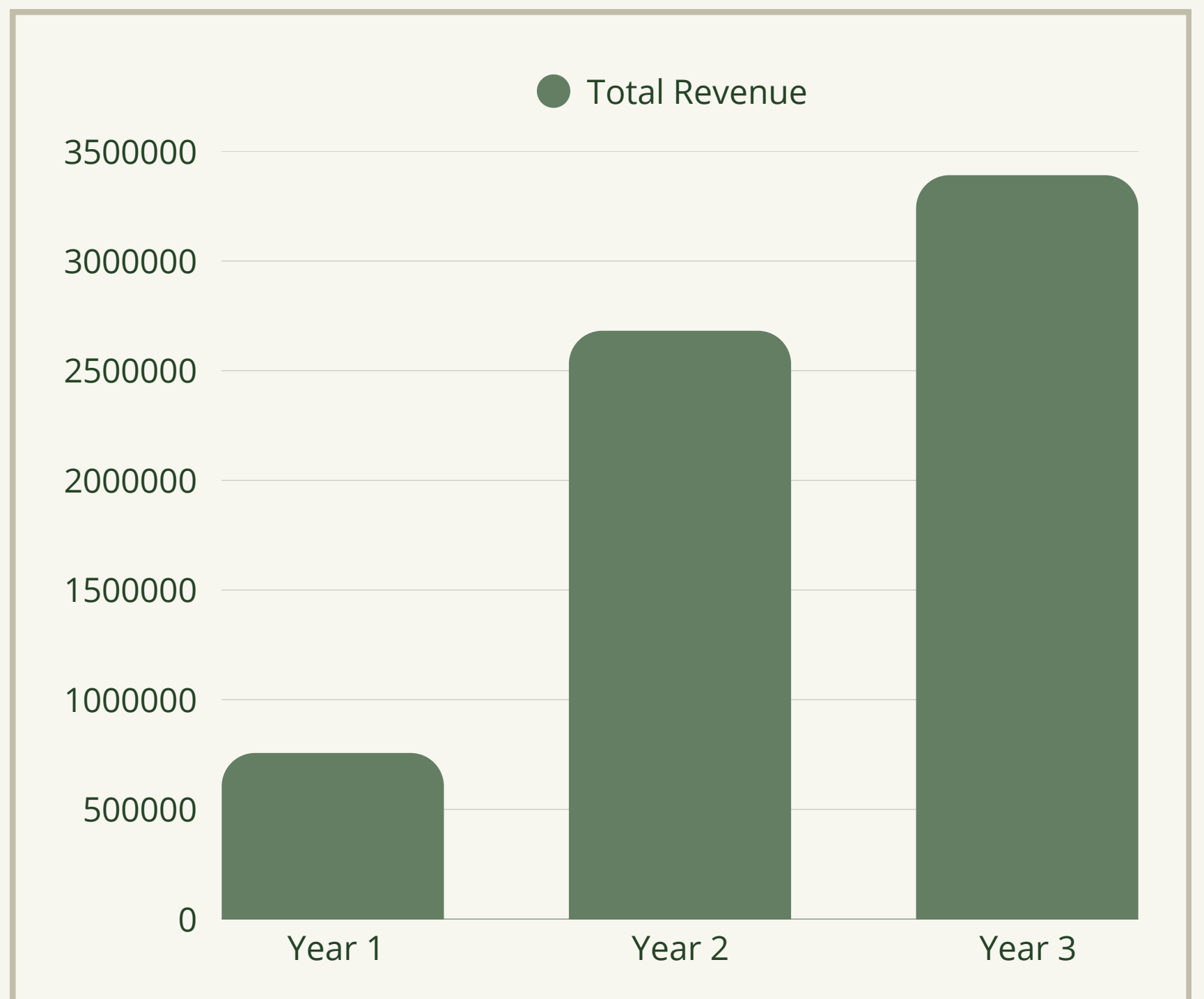
.... **6. A narrative description of the planned growth of the proposed business**

Eco Wrap loses \$380,410 in net losses in Year 1. Eco Wrap initially loses profit in year one, as it settles into the market, acquires lasting recurring deals with F&B brands, and builds reputation for efficiency with businesses offline and online.

Eco Wrap continues its recurring deals built in Year 1 while skyrocketing in online sales and distributor sales due to newfound reputation in Year 2. Along with now qualifying for a 10% tax cut, Eco Wrap begins to grow extremely quickly and generates a profit of \$917,145.

In Year 3 Eco Wrap generates \$1,442,991 in profit. By this time Eco Wrap begins to settle into the market and show maturity as revenue growth begins to slow. This reflects Eco Wraps potential as an extremely profitable opportunity in the largest food packaging market in the world.

1. Eco Wrap maintains a disciplined expense structure, resulting in improvement in return on sales from 34.12% in Year 2 to 43.55% in Year 3
2. Advertising costs remain stable before a planned reduction in Year 3, reflecting the establishment of a loyal customer base and reduced need for paid acquisition.
3. Utilities remain flat, and depreciation is fixed at \$30,000 per year.
4. Other expenses, like office rent and indirect labor, also remain stable as Eco Wrap’s workforce remains lean.
5. Certification costs drop at year 3 as the company secures permanent compliance approvals
6. **Tax rates drop from 25% to 15% in Year 2** after Eco Wrap becomes eligible for the **(HNTEs) designation**, which provides a 10% tax benefit.



..... **Proposed Plan to Meet Capital Needs**

Eco Wrap's initial investment totals \$1,105,000 and reports a net loss of \$380,410 in its first year. Eco Wrap plans to secure funding for start-up and first-year operations through 3 main sources.

Government Grants

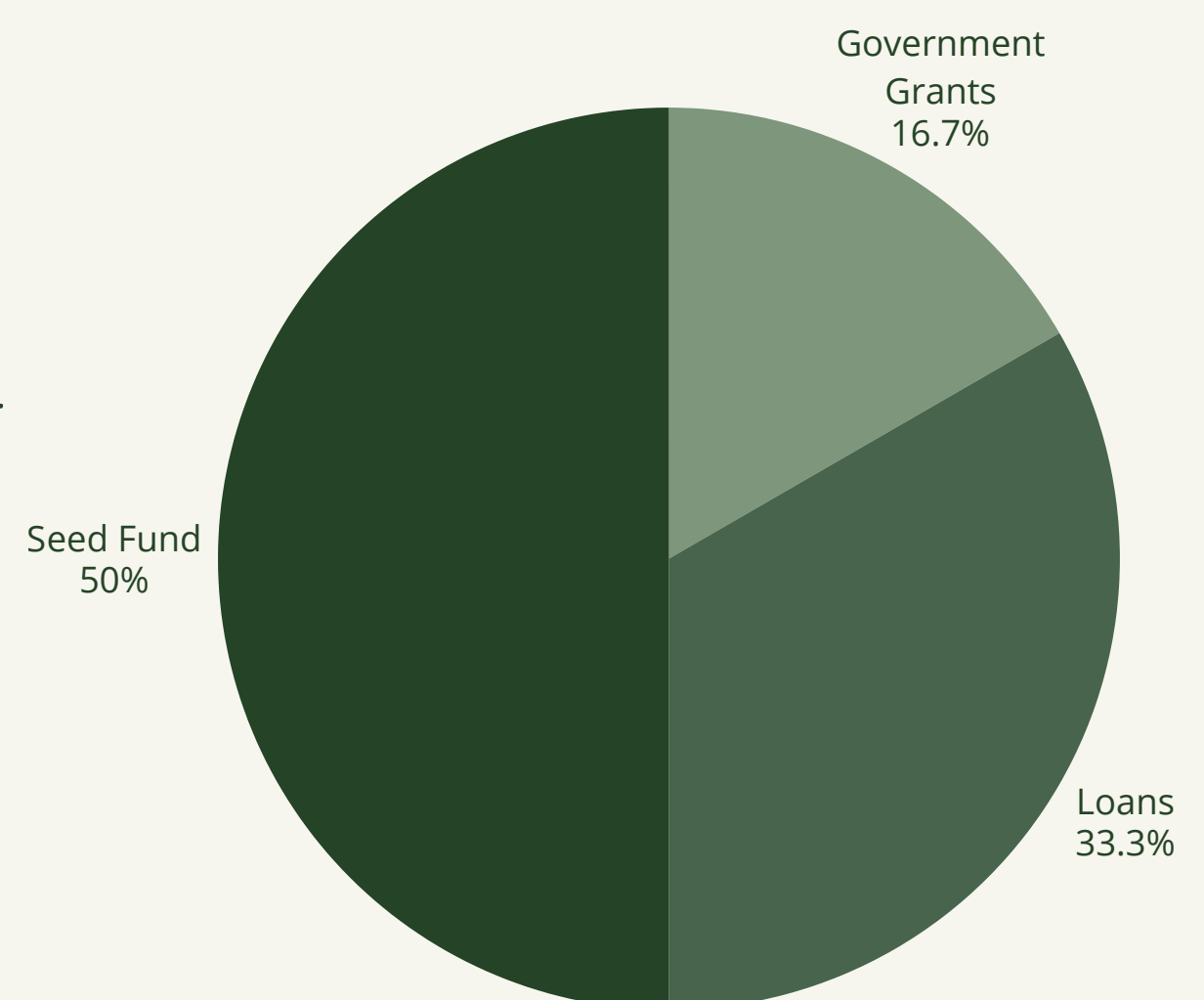
Eco Wrap qualifies for the Guangdong province cash grants for energy-saving and environmental technology innovation, and Shenzhen’s municipal government subsidies for companies that pursue tech breakthroughs. **Total government grants will be \$300,000.** This money will be used for start-up costs.

Loans

Under China’s Green Manufacturing Initiative, Eco Wrap will take a **600,000** dollar loan at a low interest rate of **3%**. This loan will be taken out in January and used to support first-year operations.

Investments

We are requesting **\$900,000** in seed funding for **20% equity** to make up the rest of the initial start up costs.



Total Funding: 1.8 million

Plan to Repay Owed Funds

Eco Wrap will finance its early-stage operations with a **\$600,000** bank loan, issued in January 2026 at a **3% interest** rate over five years. The repayment structure is fixed and predictable: Eco Wrap will pay **\$120,000 in principal each year**, alongside a consistent \$18,000 in annual interest, resulting in a **total interest expense of \$90,000** over the full loan period. The loan balance decreases steadily from \$600,000 in 2026 to **\$0 by the end of 2030**. Eco Wrap will allocate a portion of its yearly operating income to cover these repayments, ensuring that the loan is fully retired on schedule while preserving enough cash flow for reinvestment into manufacturing, technology development, and expansion.

Schedule				
Loan Amount	Interest Rate	Term	Start Date	
\$ 600,000		3% 5 years	January 2026	
Payment Schedule				
Year	Principal Paid	Interest Paid	Loan Balance	
Begin	\$ -	\$ -	\$ 600,000	
2026	\$ 120,000	\$ 18,000	\$ 480,000	
2027	\$ 120,000	\$ 18,000	\$ 360,000	
2028	\$ 120,000	\$ 18,000	\$ 240,000	
2029	\$ 120,000	\$ 18,000	\$ 120,000	
2030	\$ 120,000	\$ 18,000	\$ -	
Total	\$ 600,000	\$ 90,000	\$ (600,000)	

For Eco Wrap, 75% of the profit will be retained by the company. 5% of the profits will be withdrawn by the owners, and another 2.5% for loans. The final 17.5% of profits will go to shareholders and investors

XI. KEY METRICS

Eco Wrap will gauge the future success of its activities by tracking these metrics.



Sales Performance Metrics

Contracted Purchase Volume (CPV): Reviewed quarterly. Tracks total units committed by each client against their master production agreement. Because bagasse supply is seasonal, CPV drives fiber sourcing schedules and factory capacity decisions. A drop below contracted volume triggers outreach to renegotiate or reallocate capacity before it affects margins.

Average Order Value (AOV): Weekly Monitors spend per transaction to identify whether B2B distributors are buying in bulk versus just-in-time. A rising AOV signals F&B brands prefer Eco Wrap over competitors; a declining AOV flags the ideal moment to introduce new SKUs or bundle offers to increase basket size.



Customer Relationship & Retention Metrics

Net Revenue Retention (NRR): Quarterly Measures recurring revenue retained after upgrades, downgrades, and churn. An NRR above 110% indicates healthy expansion within the existing client base; anything below 100% triggers an account health review to address quality or pricing before losing the account.

Mold Design Cycle Time: Target: under 72 hours. Measures the time from a client's custom packaging brief to a production-ready mold, generated by Eco Wrap's AI design system. Under 72 hours is a core competitive differentiator. Any order exceeding this triggers a review of the AI model to identify pipeline bottlenecks.



Operational Efficiency Metrics

AI Defect Detection Rate: Target: below 2% defect rate, reviewed weekly. Tracks the percentage of units flagged by Eco Wrap's AI camera system during quality control. A defect rate above 2% automatically pauses the production line and triggers a camera recalibration, ensuring consistent quality and protecting clients from shipment failures.

Bagasse Utilization Rate: Target: above 92%, Reviewed Weekly. Measures the percentage of raw fiber that becomes the finished product versus waste. A drop below 92% signals a production inefficiency or raw material quality issue that raises both cost and environmental footprint — directly undermining our sustainability value proposition.

XII. COMPETITIVE ADVANTAGE

	Eco-Wrap	YJS	Bioleader	Green Olive	Lianfeng Eco
Customization availability	Size, Shape, Logo,	Customization for Logo, Size	Size, Shape, Logo	One-stop full Customization	Color, Structural Design
Minimum Order Quantity	15000	5000-10000	30,000 – 50,000 for full custom	20,000 – 50,000	2,000 pieces
Customization Time	3 Weeks	6 Weeks	7 Weeks	5-6 Weeks	5 Weeks
Price Per Unit	\$0.11 - \$0.18	\$0.12 - \$0.26	\$0.09 - \$0.17	\$0.20 - \$0.40	\$0.30 - \$0.50
Material	Bagasse moulding	Bagasse moulding	Bagasse, Cornstarch, PLA	PLA	Paper - based



Long-Lasting

AI sensors predict mold fatigue before failure while high-speed vision cameras auto-reject defects, ensuring near-perfect packaging consistency.



Eco-Efficient

Unlike the PLA or paper often used by competitors, which often requires industrial processing to break down, Eco Wrap utilizes bagasse. It is fully compostable within 90 days, which is preferred as a truly circular solution by sustainable brands.



AI-Assisted

Eco Wrap's AI generates and simulates 3D designs in hours rather than the standard 15-21 days. By delivering production-ready molds weeks ahead of competitors, we provide a speed-to-market advantage that food brands prioritize.



Fully-Flexible

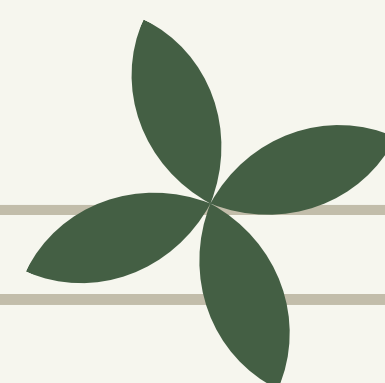
While other companies do not offer a full customization option, Eco Wrap does, including shape, size, and logo.

To protect Eco Wrap's uniqueness, it will file a utility patent in China covering the specific method Eco Wrap's AI uses to digitally simulate and optimize bagasse molds. However, this won't prevent competitors from also building simulation tools generally. However, Eco Wrap has been creating clean operational data accumulating from day one. With every mold processed, Eco Wrap's AI accumulates proprietary training data that widens its performance gap with competitors over time, making replication increasingly difficult as the system continuously self-improves.

XIII. CONCLUSION

Eco Wrap is seeking **\$900,000** in seed funding in exchange for **20% equity**, to cover initial start up costs as the business establishes its OEM factory partnerships, deploys its proprietary AI mold simulation system, and acquires its initial customer base across Guangdong's food and beverage market.

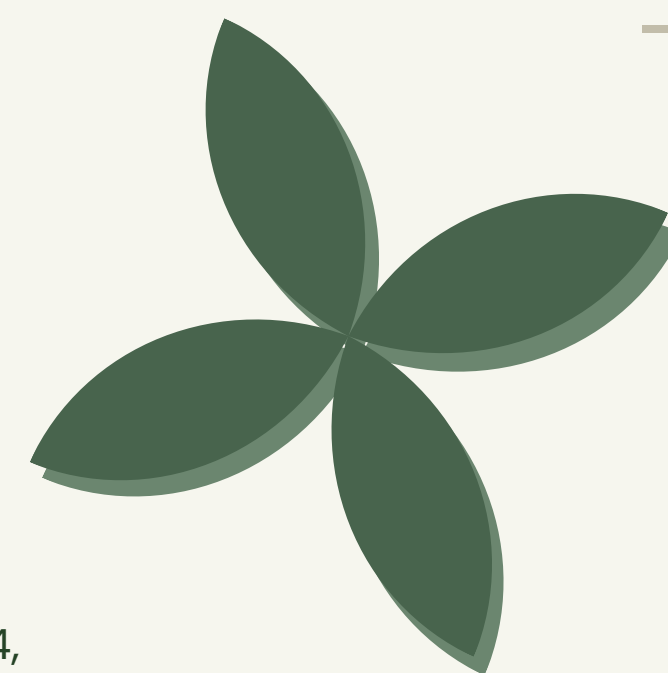
This investment is well-supported by the strength of Eco Wrap's business fundamentals. China's food and packaging market, which is the largest in the world, generated \$97.9 billion in revenue in 2026, and regulatory pressure toward sustainable alternatives is accelerating demand for bagasse-based solutions, a market Eco Wrap is uniquely positioned to capture. Unlike competitors who rely on traditional mold design processes taking 5–7 weeks, Eco Wrap's AI simulation system delivers production-ready molds in hours, providing a speed-to-market advantage that mid-size F&B brands in Guangdong's tier-one city corridors are willing to pay a premium for.



Financially, Eco Wrap's asset-light OEM model keeps operational costs lean, with Year 1 projected revenue of \$105,500 scaling to profitability by Year 3 as recurring distributor contracts and established F&B brand relationships compound. The requested **\$900,000** covers machinery, AI development, and core team costs.

With a defensible competitive moat, a rapidly growing target market, and a clear path to profitability, Eco Wrap represents a high-potential investment opportunity at the intersection of sustainability, technology, and China's booming food and beverage industry.

XIV. Bibliography



- Booker, Avery. "The Green Divide: How China and the West Differ on Sustainability." *Jing Daily*, 14 Mar. 2024, jingdaily.com/posts/navigating-the-green-divide-how-china-and-the-west-differ-on-sustainability.
- Briefing, China. "US-China Tariff Rates - What Are They Now?" *China Briefing News*, 2 June 2025, www.china-briefing.com/news/us-china-tariff-rates-2025.
- "Bagasse Is the Ultimate Eco-Friendly Food Packaging Material." *Servous*, 20 Sept. 2021, www.atyourservous.com/materials/bagasse/.
- "Biodegradable Packaging Market Size, Growth, Report 2022-2030." *Precedence Research*, www.precedenceresearch.com/biodegradable-packaging-market.
- "Biodegradable Packaging Market Size and Industry Report 2033." *Grand View Research*, 2024, www.grandviewresearch.com/industry-analysis/biodegradable-packaging-market-report.
- "Biodegradable Packaging Market Size, Share, Growth." *Polaris Market Research*, 2024, www.polarismarketresearch.com/industry-analysis/biodegradable-packaging-market.
- "China Continues Efforts to Ban and Limit Use of Plastic Products." *PackagingLaw.com*, 11 Sept. 2020, www.packaginglaw.com/news/china-continues-efforts-ban-and-limit-use-plastic-products.
- "China Online Food Delivery Market Trends and Forecast 2020-2025." *IMARC Group*, www.imarcgroup.com/china-online-food-delivery-market.
- "China Promulgates Amendment to Its Solid Waste Law." *Beveridge & Diamond PC*, 7 May 2020, www.bdlaw.com/publications/china-promulgates-amendment-to-its-solid-waste-law/.
- "China's Modernized Regulation of Packaging and Food-Contact Materials." *PackagingLaw.com*, 24 Feb. 2025, www.packaginglaw.com/special-focus/chinas-modernized-regulation-packaging-and-food-contact-materials.
- "Chinese Yuan Renminbi to U.S. Dollar Spot Exchange Rate." *Federal Reserve Bank of St. Louis*, 2025, fred.stlouisfed.org/series/DEXCHUS.
- "Foreign Investment in China." *Santander Trade*, 2023, santandertrade.com/en/portal/establish-overseas/china/foreign-investment.
- Grand View Research. "Sustainable Packaging Market Size and Share Report, 2030." *Grand View Research*, 2024, www.grandviewresearch.com/industry-analysis/sustainable-packaging-market-report.
- "Guide to Sugarcane Fiber Packaging." *Good Start Packaging*, 2022, www.goodstartpackaging.com/sugarcane-fiber-packaging-guide/.
- "Shenzhen Aims to Be China's Artificial Intelligence Hub." *South China Morning Post*, 7 Sept. 2022, www.scmp.com/tech/policy/article/3191630/shenzhen-aims-be-chinas-artificial-intelligence-hub-special-guideline.
- "Spikes in Orders Reported as Food Delivery Platforms Woo Consumers." *Global Times*, 2025, www.globaltimes.cn/page/202507/1338253.shtml.
- "Sustainable Packaging Global Market Report 2025-2035." *Research and Markets*, 12 Mar. 2025, www.globenewswire.com/news-release/2025/03/12/3041674/28124/en/Sustainable-Packaging-Global-Market-Report-2025-2035.html.
- "Sustainable Packaging Industry Worldwide." *Statista*, 2025, www.statista.com/topics/11663/sustainable-packaging-industry-worldwide/.
- "Sustainable Packaging Standards in China, Hong Kong, Taiwan." *New Zealand Trade and Enterprise*, my.nzte.govt.nz/article/20231101-sustainable-packaging-standards-in-china-hong-kong-taiwan.
- "The Consumption of Soft-Packaging Plastics in China Is About 32.8 Million Tons in 2022." *Jinde*, 2022, www.jindepacksupply.com/news/the-report-shows-that-the-consumption-of-soft-packaging-plastics-in-china-is-about-32.8-million-tons-in-2022/.
- "Top 10 Eco-Friendly Biodegradable Packaging Solutions for Sustainable Brands." *Hongren Packaging*, 23 Dec. 2024, hongrenpacking.com/blog/best-biodegradable-packaging/.
- "Trends in Custom Packaging: What Businesses Need to Know." *Hatch Tribe*, 28 Oct. 2025, www.hatchtribe.com/blog/trends-in-custom-packaging-what-businesses-need-to-know.