

Appendix 1:

Fact Sheet:

Coconut Blossom Sugar Philippines Suitable for diabetics

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1. Summary

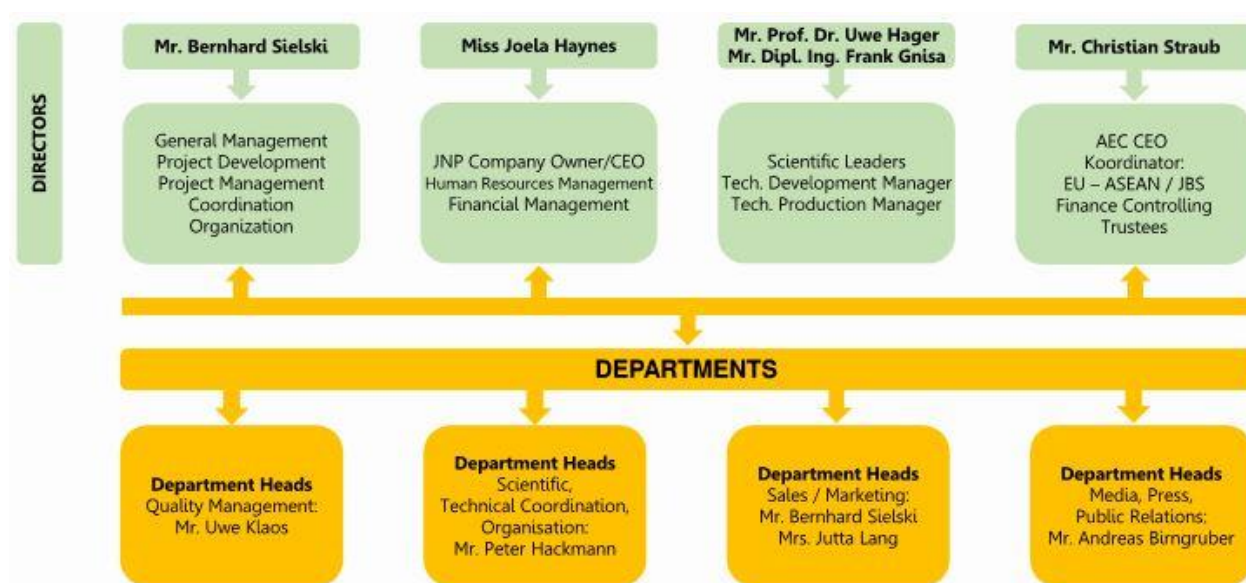
JBS SDN.BHD. and its production company in the Philippines will be the first company to establish a professional, organized large-scale coconut blossom sugar production with quality management (German standard) in the Philippines, as well as a worldwide marketing of the product from the fast-growing coconut blossom in a sustainable, socially committed (farming concept) and Fair Trade way.

Starting in 2011, a worldwide hype started on coconut blossom sugar, which continues to develop exorbitantly. Coconut blossom sugar is suitable for diabetics and has many vitamins and minerals. The existing Philippine small and family productions are not adjusted to this. The enormous demand has massively driven up the world market price of coconut sugar. In order to cover this huge demand **JBS SDN.BHD.** developed this project with its know-how and competence about the country Philippines and the whole coconut situation.

2. Business Idea

In December 2013, the former President of the Philippines Benigno Aquino III. convened a crisis meeting to discuss ways to maximize coconut blossom sugar production in his own country. Unfortunately, this meeting proceeded without significant results. Here is the approach of our business idea to create a professional, centrally controlled production organization that can produce high sugar capacities from the beginning with a high, consistent quality standard.

3. The Competence Team



JOEBERSIE CONSULTANCY & TRADING SDN. BHD. - Kuala Lumpur/Malaysia:

Mr. Bernhard Sielski

German entrepreneur, 10 years permanent self-employed in the Philippines. Former advisor to the former Costa Rican government in the health sector; former advisor to the former Philippine government in tourism and infrastructure development. Advisor to the Philippine coconut farmers and coconut farmer associations; main idea provider and developer for this project. Responsible for initiating business, negotiations with the Philippine Local Government, negotiations with international partners, contracts and project development.

Mr. Christian Straub

Shareholder/CEO **AEC UG Germany**, Finance Controlling – Trustee, German-European distribution.

Miss Joela Haynes

Studied electrical engineering, managing director of the production company **JNP** in the Philippines, responsible for the management of **JNP** production, as well as negotiation and personnel management.

Mr. Prof. Dr. Uwe Hager

Scientific director, alternative energies in the low-tech and low-cost area.

Mr. Dipl. Ing. Frank Gnisa

Technical manager new developments, patents, coordinator knowledge transfer.

Jhoellas Native Products, production company Philippines:



Miss Joela Haynes

Managing director/owner, studied electrical engineering, responsible for production management, negotiations and personnel management.

Mr. Candido P. Sombilon

Manager, studied law. Director of CPMPC - Coconut Farmers Association in Ciabu-Baybay City, President of the Teachers Association of Makinhas National High School, Mayor of Ciabu-Baybay City, responsible for project management and personnel planning and negotiation.

Mr. Carlos P. Vegas

Coordinator, certified lieutenant at sea (merchant shipping), local mayor of Baybay City, organisation manager, responsible for negotiation and management, maintaining contacts with companies and associations.

Mr. Eduard Sanque

Technical manager, studied engineer, marketing manager, responsible for maintaining contacts with administration and mayors, organisation and execution of events, safety officer for the plantation and production.

Miss Zelle Haynes

Accountant, responsible for accounting, insurance, taxes, finance and payroll.

ASEAN – EU Consulting UG, Deutschland:



Mr. Christian Straub

Shareholder & CEO, Managing Director, Finance and Capital Manager, German-European Sales.

Mr. Bernhard Sielski

Shareholder.

4. Legal Certainty

Unfortunately, there is no legal certainty for foreign investors and entrepreneurs in the Philippines. The law only allows a company to be founded according to the 60/40 regulation (60% Philippine company share / 40% foreign company share).

However, in order to establish legal certainty, a further company is needed in the South-East Asian region.

Mr. Sielski and Miss Haynes therefore founded **Joebersie Consultancy and Trading SDN.BHD.** (abbreviation: **JBS SDN.BHD.**) February 2015 in Kuala Lumpur Malaysia.

As a director with Philippine citizenship, Mrs. Haynes (owner of the Philippine production company JNP), according to Philippine law, all owners of the Philippine production company may transfer to **JBS SDN.BHD.** as security.

JBS SDN.BHD. is therefore the main company and owner of the entire coconut sugar project in the Philippines with full control over all payments, revenues, quality management and worldwide distribution.

Mr. Sielski acts in the Philippines (as a foreigner) "only" as a consultant with an employee contract at the Philippine production company.

Mr. Sielski is again a shareholder of the **AEC UG Germany** with a cooperation of **JBS SDN.BHD.**



5. Production Steps

5. a) Sap harvesting:

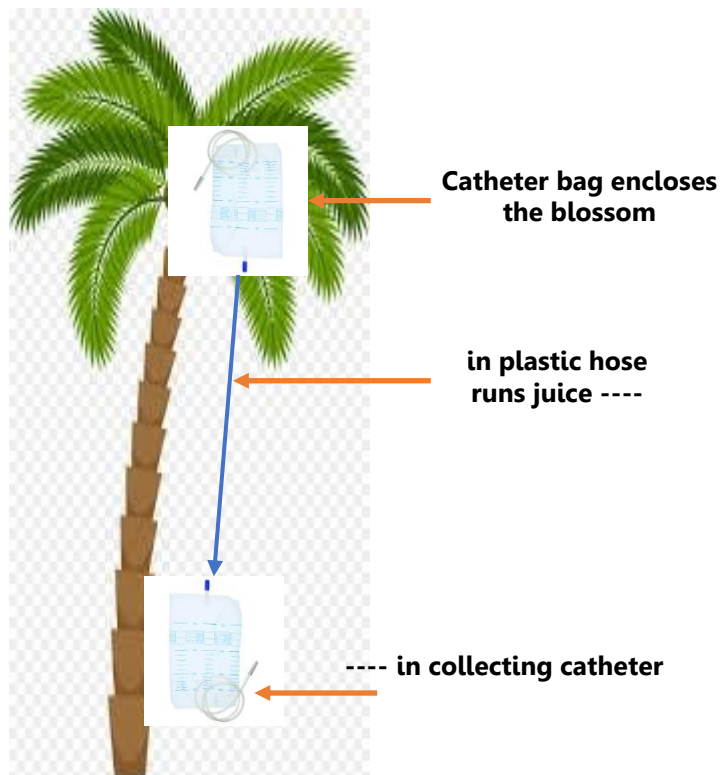
Fine coconut blossom sugar is extracted from the nectar (sap) of the coconut flower. The nectar is collected by farmers who climb up the trees, scratch the flowers and collect the nectar in a closed system.

A large catheter bag encloses the scored flower, the juice flows in a plastic tube to another catheter bag attached to the bottom of the palm trunk.

Sample Video in *Youtube*: <https://www.youtube.com/watch?v=k3IkOlzow6s>

Sap harvesting

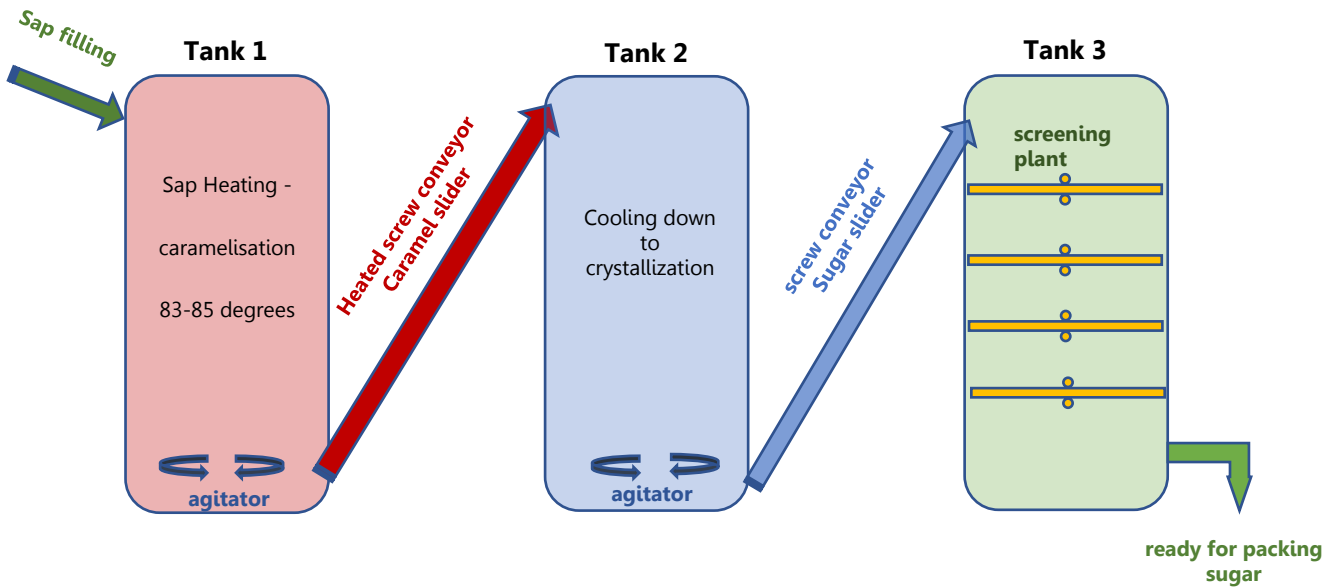
Coconut blossom is cut
in the crown



5. b) Sugar Production:

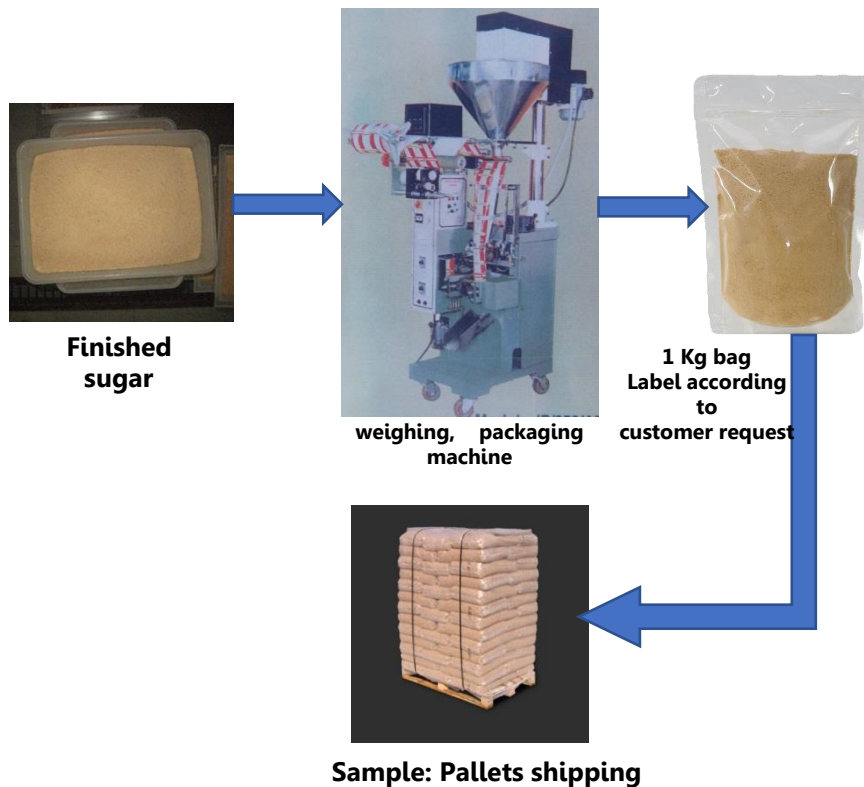
The collected nectar is processed into coconut blossom sugar in a closed container system.

closed coconut blossom sap processing system





5. c) Dispatch:

Weighing - Packing - Shipment



6. Unique Characteristic

JNP and **JBS** have the following unique selling points compared to their competitors:

- A specially developed farming concept for a fair and equitable farm income.
- **JNP** Übernimmt die Zahlung jeden Farmers an die PhilHealth (philippinische Krankenversicherung und SSS (philippinische Rentenversicherung)).
- **JNP** Takes over the payment of each farmer to PhilHealth (Philippine Health Insurance) and SSS (Philippine Pension Insurance).
- Complete closed systems (harvesting, processing and packaging). Thus absolute hygiene security.
- Self-sufficient power supply through sustainable technology in the field of renewable energies.
- Permanent quality checks by German quality and hygiene management.
- Cooperation with Visayas State University - regular sample analysis - preparation of regular analyses - quality assurance.
- Work and production safety tested by TÜV-Süd-Philippinen. 
- Own quality seal. 
- **Unique premium product.**

7. Marketing, Distribution

JBS SDN.BHD. will sell and market coconut blossom sugar through direct sales. For this we have contacts to customers (minimum purchase 5 tons per month) in China, Japan, Korea, Poland, USA and Germany.

It is not possible to cover the worldwide demand for coconut flower sugar even by expanding the production facilities throughout the Philippines. A request from a bulk buyer of at least 500 tons per month will not be feasible until at least 2 years at the earliest.

Marketing focuses on product information and education. Here the unique selling propositions are to be emphasized clearly.

The country of origin (Philippines) must also be clearly emphasized, as no clearing is carried out for new coconut palm areas. In contrast to the competitors from Indonesia and Malaysia, where brutal slash-and-burn of primeval forests is carried out.

8. Project Realization

In order to start the first, professionally organized coconut blossom sugar production, investments of **150.000 €** are necessary. The production facility is completed in 3 to 4 months.

The production is then immediately ready for operation.

9. Investment Requirements

Coconut Blossom Sugar Project					
Calculation for the first 6 months					
Investment Requirements					
Preparation			Euro	Exchange	Peso
Preliminary administrative costs			15.000 €		
Travel expenses: 2 pers.			5.000 €		
Accommodation Philippines: 2 pers.			3.500 €	60	
Livelihood: 3 pers.			4.000 €	60	240.000 PHP
Rental of Production Facility					
1.000	sqm à	200 PHP	20.000 €	60	1.200.000 PHP
Expansion of production plant					
6	burners à	2.000 PHP	200 €	60	12.000 PHP
2	cooling surfaces à	3.500 PHP	117 €	60	7.000 PHP
1	grinding chamber		917 €	60	55.000 PHP
3	mills à	25.000 PHP	1.250 €	60	75.000 PHP
2	balances à	15.000 PHP	500 €	60	30.000 PHP
10.000	1 Kg plastic bags		1.000 €		
1	vacuum generator		1.500 €		
	small appliances	30.000 PHP	500 €	60	
	Transport/Packaging		1.500 €		
1. Subtotal			54.983 €		
Sap purchase 6 Month/Ltr.		2.430.000 PHP	40.500 €	60	162.500 PHP
Staff – Operating Costs 6 Month					
5	worker à	8.000 PHP	4.000 €	60	240.000 PHP
2	Cleaner à	6.000 PHP	1.200 €	60	72.000 PHP
4	salary	1.500 €	6.000 €		
2	salary à	72.000 PHP	14.400 €	60	864.000 PHP
1	assembler	9.000 PHP	900 €	60	54.000 PHP
2	rent small truck à	25.000 PHP	5.000 €	60	300.000 PHP
electricity, water, waste water		8.000 PHP	800 €	60	48.000 PHP
petrol, fuels		15.000 PHP	1.500 €	60	90.000 PHP
famer seminars		15.000 PHP	1.500 €	60	90.000 PHP
sales, marketing			3.000 €	60	180.000 PHP
travel, flight, accommodation					
3	persons à	900 €	2.700 €	60	
internet, telephones		3.500 PHP	350 €	60	21.000 PHP
company formation Phils.			1.417 €	60	85.000 PHP
lawyer, permits			2.000 €	60	120.000 PHP
reserves			10.000 €		
1. Subtotal			54.983 €		
2. Subtotal			95.267 €		
Total			150.250 €		

10. Expenditure - Income Calculation

3 to 4 months are planned for the construction of the production plant, sap supply agreement with coconut farmers, coconut farmer seminars (training schedule), logistics setup. The investment is calculated for 6 months. The first ROI (from the 5th month) starts with the sale of at least 1 ton of coconut blossom sugar. This quantity is produced in 1 month.

From this month on the calculation for the first 12 months is based.

The coconut blossom sugar production is increased every month. For the revenue calculation kilo selling prices (FOB) of 13.00 € were taken as a basis.

The current world market price (EK wholesaler) overlies with the production of the Fact Sheet from 18.62 €/Kg (China) to 36.85 €/Kg (Europe) - (CIF).

The calculation was based on a constant production quantity.

The production costs therefore remain high at 4.92 €/kg.

11. Investment Opportunity: 6 years duration

6 years term:

1 year Repayment free.

The loan repayment (redemption) starts from the 2nd year and was fixed at € 2,500 per month.

After 6 years the loan debt is repaid.

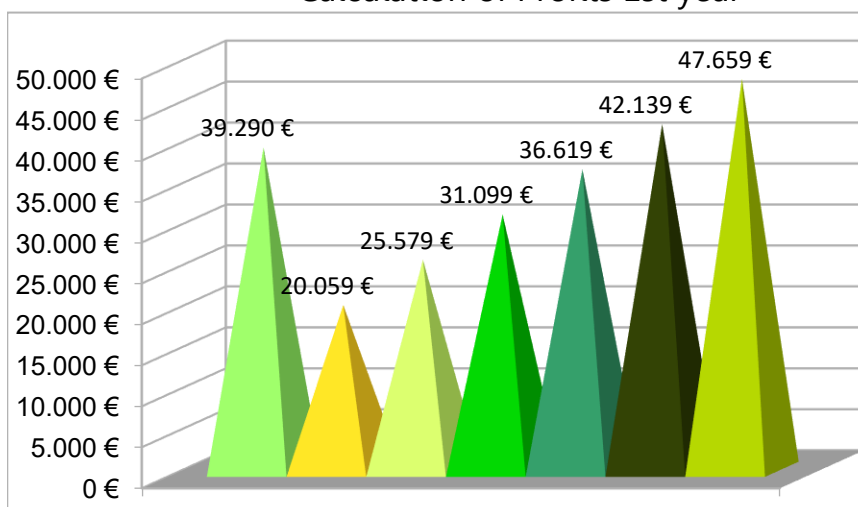
The interest rate for 6 years is **5.5%** p.a. of the investment total.

12. Profit Calculation

a) In the 1st year

Calculation of Profits				
1. - 6 Months				
	outgoings	receipts	loss	profit
invested	150.250 €	189.540 €		39.290 €
7. Month				
	outgoings	receipts	loss	profit
expenses	36.101 €	56.160 €		20.059 €
8. Month				
expenses	37.601 €	63.180 €		25.579 €
9. Month				
expenses	39.101 €	70.200 €		31.099 €
10. Monat				
expenses	40.601 €	77.220 €		36.619 €
11. Month				
expenses	42.101 €	84.240 €		42.139 €
12. Month				
expenses	43.601 €	91.260 €		47.659 €
total	239.104 €			
Profit before tax				242.446 €

Calculation of Profits 1st year



b) from the 2nd to the 6th year p.a.

Preview			
at constant production			
Basis:			
Operating costs - Revenue			
From the 2nd year			
Months	12	Month	Year
Operating costs		43.601 €	523.208 €
Receipts		91.260 €	1.095.120 €
Profit before tax			571.912 €

13. Return of Invest 6 years term:

Profit p.a. - Term 6 years				
Investment Total			150.000 €	total
<i>Profit p.a.</i>		5,5%	8.250 €	41.250 €
<i>Percentage</i>	10.000 €	5,5%	550 €	3.300 €

14. Conclusion

With little effort, a high-quality natural product can be produced sustainably that

- exorbitant demand worldwide
- is sold in the Fairtrade and organic food trade, stationary or online
- is suitable for diabetics

The result for the operator is a high return with little risk (there are no crop failures). Many jobs with long-term and stable incomes will be created in these regions.

Please note!

In online shops (e.g. Alibaba) coconut sugar is offered far below the real world market price.

These offers are FAKES!

There the cheap cane sugar is offered as coconut sugar. Cane sugar can hardly be distinguished from coconut sugar in terms of colour and consistency. The consumer cannot check it in the on-line Shop whether it concerns actually coconut sugar. Also in different reform houses in Germany the consumer cannot be safe whether he receives actually a pure coconut sugar, since the buyers of the reform houses rely on the out and promises of the dealers. No analyses are provided!

The country of origin must also be taken into account, as coconut sugar is also produced in Indonesia and Malaysia. However, these countries are on the black list because the rainforest is cleared to generate new coconut plantations.

In the Philippines, no clearings are carried out for new coconut plantations, since the existing coconut palm areas occupy almost 2/3 of the total land area of the country. It is not possible to manage them completely.

If you are interested in investing in this worldwide unique project
with a good return on investment, please contact

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