



Royal Spice Gardens Indonesia

INVESTMENT PROSPECTUS

**THE VERY BEST COMPANIES ARE PROFITABLE, SOCIALLY RESPONSIBLE AND
CARE FOR THE ENVIRONMENT.**



We go further. We are VERY profitable; improving farmers' lives is a core part of our social program; care for the environment is a given through our practices while we also nurture and sustain culture and participate in breeding programs for endangered species on our plantations.

ORIGINS

Our story starts back in 2016 when Dwitra J Ariana, a Balinese film producer who made documentaries that won awards in Singapore and Holland, created a new documentary on Indonesian agriculture.

Becoming interested in vanilla, he wondered why he made no money making films when he could be rich growing vanilla. So he went home to his family hill farm and started growing vanilla on the land of other farmers. In 2017 he ran into problems with snakes and his friends brought over the Ubud Snake Whisperer, Rex Sumner. Rex and his son invested in Dwitra to create new gardens.

Rex Sumner, an Englishman born in Java, educated in the UK and an ex-British Officer, was now the assistant to Raja Samu Samu, the Secretary General of the Association of Indonesian Kings. Now, Kings in Indonesia were deprived of political power and their wealth confiscated at the creation of the Republic, yet 280 kingdoms still exist in various strengths. They need to find a role from themselves, and the President has tasked Raja Samu Samu with



nurturing the ancient cultures of Indonesia, which still thrive in the palaces. Over the next three years, as Rex and Dadap experimented with growing vanilla, Rex also looked at various ways to involve the Kings, finally coming up with a legal concept in 2019 and incorporating in 2020.

The original concept was to grow vanilla on the land of Kings, giving them 20% for the privilege. However, the Kings are remarkably poor in suitable land, and this evolved into working with local landowners. This is fortuitous and better, for it puts money directly into the hands of farmers and brought them into the company. This means the whole village is involved, and we need them for pollination. This involvement gives us great protection from theft, more on that later.



DWITRA J ARIANA



REX SUMNER

MODUS OPERANDI



FROM 1 HECTARE OF RICE, AN
INDONESIAN FARMER WILL
REAP PERHAPS \$5,000 A YEAR,
BEFORE COSTS.



THE SAME FARMER WOULD RECEIVE \$60,000 A YEAR IN
PROFIT SHARE IF RSGI RAN HIS HECTARE.

We now have a Modus Operandi that is simple and beautiful.

We rent land from farmers for 25 years, on the basis of paying them 20% of the sales after taxes. In some cases, we rent outright. The farmers learn from us and plant other land with vanilla which we oversee, and later we sell for them, with us keeping 30%. From all sales, we deduct 2% which we use to finance a program of education for local people in cultural activities, underpinning the work of the Kings.

This MO is *highly profitable, puts money into the hands of farmers* in an equitable manner and makes us secure from political interference while enhancing village life.



THE SAME FARMER CAN MAKE \$200,000 A YEAR GROWING
VANILLA UNDER RSGI'S TUITION.

A SIMPLE
MO THAT
ENRICHES ALL AND
IS EMINENTLY
REPEATABLE

OUR RAISED
BED SYSTEM
DELIVERS 90%
GRADE A VANILLA
FANTASTIC!



WHAT SPECIAL TECHNOLOGIES DO WE BRING TO GROWING VANILLA?

We have evolved a raised bed system, which creates strong walls of vanilla producing bigger, longer pods in greater quantities than other systems.

Vanilla is an orchid, a strap leafed Vanda that wants to grow up a rainforest tree to emerge through the canopy into the sunlight. We cannot duplicate that, *so our system has to be different.*

First, we plant shade trees, *Gliricidia sepium*, which have numerous other uses. It is a fungicide and fixes nitrogen, while stabilizing soil. We plant close together, perhaps half a metre, in an east-west row to maximize sunshine. The rows are a metre and a half apart and we surround each one with breeze blocks, made locally, as the basis of a wall. Inside the bed, we place all the plant material from clearing the land and cover it with cocopeat, ground coconut husks. This is allowed to compost for three months, by which time we have shade and we can plant young vanilla at the base of each tree. The *Gliricidia* is topped at 1.5m, and when the vanilla reaches that height it falls away to the ground, where we run it through the cocopeat then up the tree again. Once established, we have lots of vines going up the

tree and falling to the ground again in a circular manner, never more than 3m from the soil. An established plant will have over 20 falling vines, which we prune near the ground in June, causing the falling vine to flower.

We gain several benefits. Firstly, the combination of *Gliricidia* and the compost means that the dangers of fusarium fungus are almost eradicated. Both act as a fungicide, and the compost gives us drainage with no water logging. Everything is in reach of our farmers, making pollination and harvest simple. We can control the amount of sunlight by pruning the *Gliricidia*, so *mimicking the orchid coming out of the canopy, and encourage flowering when we wish.*

DOES OUR SYSTEM WORK?

THIS WAS OUR FIRST KPI, CAN WE GROW VANILLA. WE HAVE PASSED THIS TEST WITH FLYING COLOURS.

We have just come out of a 6-month rainy season, wettest for 40 years. Thirty years ago a wet season wiped out 8 big vanilla companies in Bali, with fusarium fungus running wild.

We didn't lose a plant, although a couple showed signs of fusarium. Our first small crop was 60% grade A and this year it is 90%. Further, amongst this are pods over 20cm long which is superlative. We shall create a new grade, Royal Twenty, which will be in high demand because the longer the pod, the more vanillin inside.



THE MYTHICAL ROYAL TWENTY GRADE

Our second KPI is how well we can process it. Indonesian vanilla has a poor reputation, well deserved judging by the samples we have seen.

Nevertheless, we have a consultant from the University with 40 years' experience and are in touch with growers round the world. *We are confident we can succeed, but the final proof will be in 2022.* We can produce beautiful vanilla in small quantities, but upscaling for the tons we shall need is another matter. For this reason, we have recruited an expert in the form of *Paul Preston, a Six Sigma consultant with 18 years' experience in Indonesia as a Managing Director.* He will supervise the scaling up of our processing capability. Our consultant has in the past produced 125 tons of vanilla in one year, so between the two of them we are confident that we can scale up smoothly. This year, we plan and budget to plant a further 15,000 plants, but we expect to do more... *Indeed, we are negotiating for land for a further 15,000 plants yet we have already planted 5,000.*

ABOUT VANILLA

Vanilla is the only orchid that has become a commercial crop and foodstuff. It is a flavor in over 20,000 products and originated with the Incas in Central America.

Two hundred years ago, vines were taken to French colonies around the tropics, where it was unsuccessful at first due to the difficulties of pollination without the orchid bee. A 14-year-old slave boy found the answer, to cut free the filament of petal between stamen and anther, before pressing together. A simple solution, now used across the globe.



DWITRA'S SON LEARNING ABOUT VANILLA AT AN EARLY AGE



Madagascar is the major producer, with Indonesia number two, but *Indonesia has a well-founded reputation for low quality, something we are addressing.*

According to available market research, the global market for natural vanilla is more than 7,000 tons and growing at about 4% per annum.

America was the major buyer, where manufacturers make vanilla extract for industry, but recently France has become number one, buying whole gourmet beans. The market is volatile, mainly on weather conditions in Madagascar, but also 15 years ago the market fell drastically when India and China started growing. India hasn't been very successful, while China produces quite low quality for its own market. High prices in 2018 has seen mass planting in Madagascar, and a certain amount in other countries, but less so as they were unsuccessful last time. The price has fallen steadily from a high of \$600 to \$250 per kilo. We expect it to fall further in October 2021 when the Madagascan market opens, which will drive many new entrants from the market and see *a modest rebound in prices in 2022.*



There are thousands of tiny seeds inside each pod, each one a repository for more than 300 bio constituents, not just vanillin, which all go to create the marvelous taste and aroma of vanilla, contributing to vanilla being a powerful natural aphrodisiac

FREQUENTLY
ASKED QUESTIONS

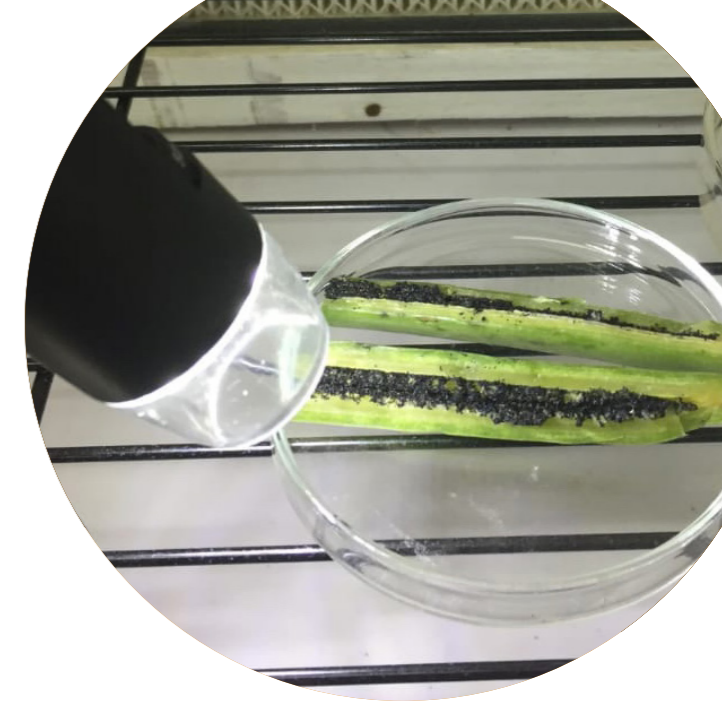
ARE THERE ANY DISEASES OR PESTS
FOR VANILLA?

Only Fusarium, the orchid killer, which wipes out vanilla plantations, especially those planted in soil. *Raised beds of compost system is proving resistant.* We were planning to breed rare birds in our gardens, for release to rewilding projects. However, when enclosed they eat the young vanilla shoots, or at least peck them away for fun. This doesn't happen in the open.

WHAT ARE THE MAJOR THREATS?

Our geographic choice of location ensures we have *no environmental threats – no tsunamis, floods, volcanic eruptions, drought, wildfires.* The major threat is theft, for which we have a three pronged strategy to counter. We plant in areas where we can become part of the community, usually with an introduction from the Rajas. We support the community through employment and our cultural program, and the community helps to safeguard us from theft.

We fence with snakefruit, very thorny, and put up internet cameras. We can also put



guards on the plantations through our army connections. We take advantage of local beliefs with metaphysical guards, which depend on the beliefs of the thief, not ours.

Our third prong is to ensure there is no market for green beans, by only buying from farmers where we can inspect the crops first, and sharing this technology with other vanilla curers in the region, so nobody buys green beans they have not watched grow.

The Kings give us political protection, and also connections at the top of the army and police. Our latest connections to the Laskar gives us protection at the other end of the social strata and forms a fourth and unexpected strategy.

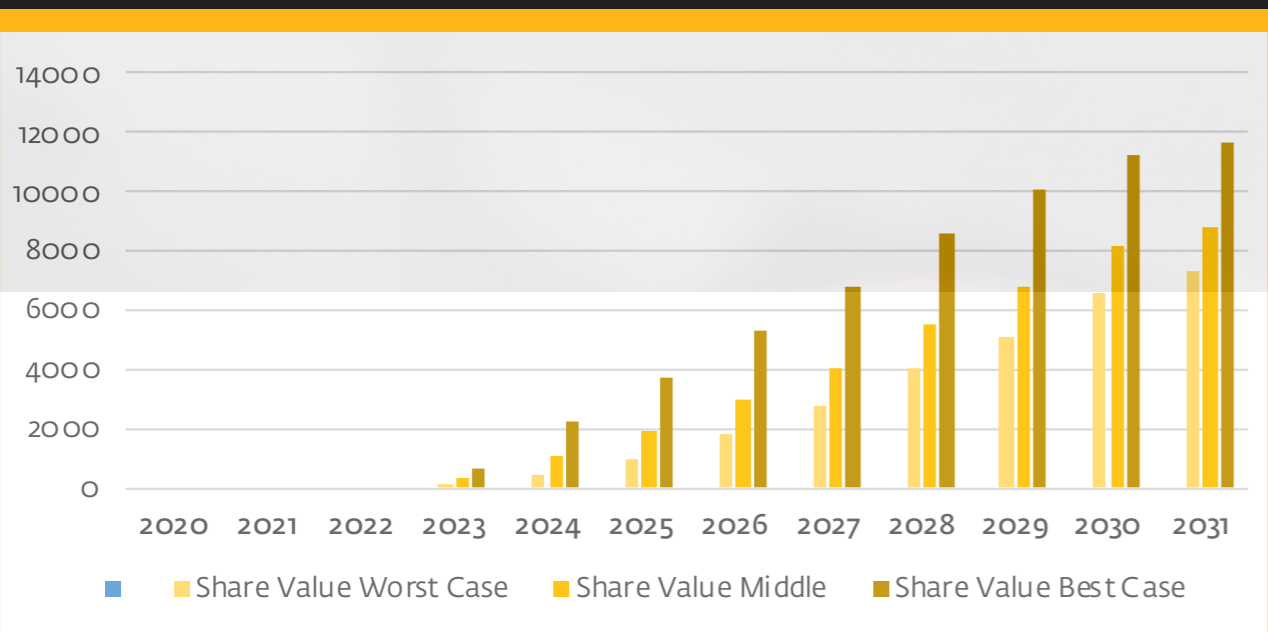
HOW DO I GET MY MONEY BACK?

This is the biggest problem right now. We are asking for a long term investment. *You will get your money back through dividends within 4 years, quite possibly 3, which is rather good.* At present, we would ask you to keep your shareholding. We will launch the company onto a stock market, probably Jakarta, as soon as possible, and we are

RSGI DIVIDENDS AT DIFFERENT VANILLA PRICE (US\$)



EXPECTED SHARE VALUE (US\$)



also looking at the possibility of a blockchain market. Once these are put into practice, you will be able to sell your shareholding, for a rather large profit. *We expect a \$100 share to be worth over \$1,000 in 2026.*

DOES THE SHARE PRICE VARY?

In 2020 we gave bonuses away with the shares, groves of vanilla with the shareholder’s name on it, from which the early adopter gains a bonus. In 2021 we no longer do that, which is in effect an increase in price. *In 2022, possibly earlier, we shall increase the price.* Price increases depend upon demand and upon our achieving our next KPI, processing vanilla. Once we are selling crops, the price will be dependent on the size of the crop and the vanilla commodity price.

WHAT ARE FUTURE PLANS?

The vanilla market is finite; we cannot expand inside it for more than five years. After that, we shall want other crops. These are likely to be other spices (the Rajas are keen that we enter the nutmeg market), but *we are considering crops like agarwood, durian, banana flour, essential oils and porang.* We must decide whether these other crops are better in their own company, in which RSGI will own shares, or part of RSGI.

ROYAL SPICE GARDENS INDONESIA
10 YEAR FORECAST (US\$)

Year	Total Sales dollar	Dividend @50% of profit	Dividend Return on \$10,000 investment, cumulative
2022	\$1,000,000		
2023	\$3,750,000	\$14	\$1,400
2024	\$8,250,000	\$51	\$6,500
2025	\$14,750,000	\$90	\$15,500
2026	\$24,750,000	\$150	\$30,500
2027	\$36,000,000	\$200	\$50,500
2028	\$53,000,000	\$275	\$78,000
2029	\$70,000,000	\$325	\$110,500
2030	\$90,000,000	\$400	\$150,500
2031	\$100,000,000	\$425	\$193,000

Figures based on an average price of \$200/kg. Currently \$250. This is our mid, average projection. Best and worst cases available on request.

BALANCE SHEET (US\$)

as of June 2021	
Accounts Receivable	\$505,000
Cash	\$25,000
Plantations	\$6,044,322
Unsold shares	\$3,500,000
Liabilities	\$-
Total Value	\$10,074,322

A VANILLA
GARDEN IS LIKE A
SILVER MINE, BUT
RENEWABLE

ROYAL SPICE GARDENS INDONESIA 5 YEAR FORECAST (US\$)

	2021	2022	2023	2024	2025	2026	Total
INCOME							
Total Productive Vanilla Plants ¹⁾	0	1000	16000	31000	46000	61000	61000
Associate Vanilla Sales ²⁾		\$175,000	\$350,000	\$1,050,000	\$2,850,000	\$6,400,000	\$10,825,000
Vanilla Sales @ US\$ price per kg	\$200	\$200,000	\$3,200,000	\$6,200,000	\$9,200,000	\$12,200,000	\$31,000,000
TOTAL SALES		\$376,000	\$3,566,000	\$7,281,000	\$12,096,000	\$18,661,000	\$41,886,000
EXPENSES							
Maintenance Rp 2,500/plant/year	\$24,000	\$46,500	\$69,000	\$91,500	\$91,500	\$91,500	\$414,000
Planting 50,000/each	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$270,000
Harvest & Processing @5%		\$10,000	\$160,000	\$310,000	\$460,000	\$610,000	\$1,550,000
Rent @ 20% of sales		\$40,000	\$640,000	\$1,240,000	\$1,840,000	\$2,440,000	\$6,200,000
Overhead	\$100,000	\$150,000	\$150,000	\$175,000	\$200,000	\$225,000	\$1,000,000
Associate Vanilla Royalty @70%		\$122,500	\$245,000	\$735,000	\$1,995,000	\$4,480,000	\$7,577,500
Early Adopters Bonus		\$80,000	\$1,280,000	\$1,280,000	\$1,280,000	\$1,280,000	\$5,200,000
TOTAL	\$169,000	\$494,000	\$2,589,000	\$3,876,500	\$5,911,500	\$9,171,500	\$22,211,500
Gross Profit Before Tax	-\$168,800	-\$119,000	\$961,000	\$3,373,500	\$6,138,500	\$9,428,500	\$19,613,700
Shares in circulation	22000	32000	42000	42000	47000	52000	
Dividend @50% of profit			\$11	\$40	\$65	\$91	\$208
EPS			\$23	\$80	\$131	\$181	
Share Value at PE 10			\$229	\$803	\$1,306	\$1,813	
Share Sales	\$500,000	\$1,000,000	\$1,000,000				
Shares	62000	72000	82000	82000	82000	82000	82000

Assumptions	Assumption explanations	Plant quantity Currently we are planting 15,000 per annum. We can increase this now which will bring in the larger returns faster. As farmers see our methods, they are coming to us in increasing numbers...	indicated they wish to join and we are working on a suitable contract.		are creating a new grade over 20cm, which we expect to receive a premium price. These top grades are 30% moisture, so we get a better yield as well...	is currently 400 million, about half what we forecast here.	a share of their own garden. This comes from perhaps 10,000 plants, so is another expenses over-estimate.	Dividends, theoretically we deduct 20%. But our tax consultant smiles, and says, leave it to me. So we leave it to you to think about tax!
Yield Per Plant: 1kg processed vanilla	Yield Farmers get 2-4kg green in Madagascar and in North Bali. Other farmers claim 10kg, usually in the hills. We work on 5kg because we have a different method of growing. Processing removes 70-85% of water, so we assume processed vanilla is 20% of original, i.e. 1kg. We have not confirmed this assumption.	Associate Vanilla sales These are farmers who grow under our guidance. We assist them in sales as well. We currently have a hundred farmers who have	Vanilla sales We work on an average price of \$50. Currently, it is \$250 and will probably fall further this October. We don't care. It won't fall to \$20 which is our breakeven. We have local buyers for vanilla powder, which solves our sales of lowest quality vanilla, and they will pay over \$100. (90% of our crop is Grade A). We also		Maintenance Hard to judge. When we open a new area, we need more staff. Currently, we have staff costing \$2,000 per month looking after 15,000, but these are doing planting as well. So the combined cost for planting and maintenance	Rent Many of our farms we profit share with the owner, giving them 20% of sales. This is part of our social program, as it is cheaper to contract the land. We do that sometimes.	Overhead Giving us lots of room	Dividends Four year total of \$283 for a \$100 share....
¹⁾ Total Productive Vanilla Plants: 15,000 planted annually, 3 yrs to fruit							Taxation This is not included, because it is constantly changing in Indonesia. Agricultural exporters pay no export tax and receive other tax breaks. What that will be at the time, not sure.	Return on investment: 2025 based on Vanilla price of \$200 (lower than today, 250)
²⁾ Associate Vanilla Sales: Contracted farmer						Early Investors The first people to invest quite rightly took a greater risk and receive a reward for that,		



NI WAYAN WENTEN IS WIDOWED AND LOOKS FORWARD TO GETTING 200 MILLION RUPIAH A YEAR FROM US FOR HER PENSION, FROM HER LITTLE PATCH OF LAND. SHE WILL BECOME THE WEALTHIEST PENSIONER IN THE VILLAGE...



SADLY, MUCH ICE CREAM IS MADE WITH A CHEMICAL, WITH AN INFERIOR TASTE. REAL VANILLA ICE CREAM, THAT IS SPECIAL! INCIDENTALLY, THE ARTIFICIAL IS BASED ON A CHEMICAL DERIVED FROM THE ANAL SECRETIONS OF BEAVER...



VANILLA IS AN ORCHID AND PUTS OUT A FLOWER HEAD. THE INDIVIDUAL FLOWERS OPEN ONE AT A TIME, ONE PER DAY, AND MUST BE POLLINATED BY HAND. THE PODS FORM AND HANG DOWN, THE BEST ARE OVER 15CM LONG.



GREEN VANILLA IS GRADED BEFORE CURING AND ALWAYS QUALITY CHECKED FOR CHEMICAL CONTENT.



VANILLA NEEDS TO SIT IN THE SUN FOR TWO HOURS PER DAY, AT ONE STAGE IN THE PROCESSING. SUNSHINE IS THE BEST FUNGICIDE AND PURIFIES THE VANILLA.



VANILLA EXTRACT CAN BE MADE BY EITHER STREAM DISTILLATION OR WITH ALCOHOL. MANY MANUFACTURERS PREFER THE EXTRACT.



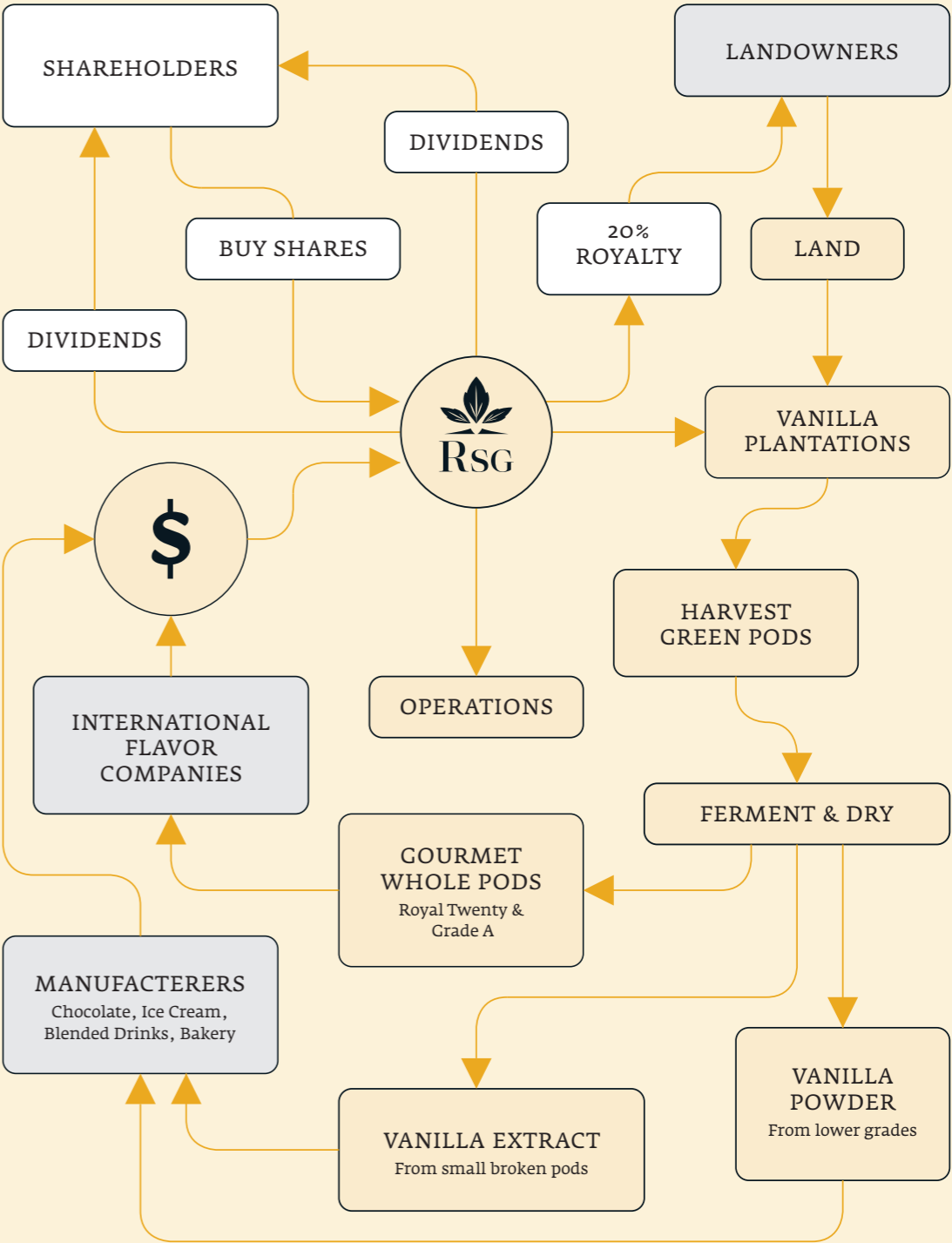
WE ARE BREEDING THE ENDANGERED JAVA SPARROW IN ONE OF OUR GARDENS, AND RELEASING THE OFFSPRING TO THE WILD.



CURED VANILLA IS SORTED INTO SIMILAR SIZED PODS AND TIED, BEFORE BEING PACKED INTO BOXES. DIFFERENT BUYERS REQUIRE DIFFERENT PACKING SOLUTIONS.



VANILLA IS A STRONG FLAVOUR. PLACE A COUPLE OF PODS IN SUGAR, AND SOON ALL THE SUGAR WILL TASTE OF VANILLA. THE WAY GRANNY USED TO BAKE.





Each leaf junction can put out one item, a new shoot or a flower cluster. The flowers open one per day and must be pollinated before 9am. We pollinate just the lower flowers, so we have straighter pods, and no more than ten per bunch.

OUR TEAM



Raja Samu Samu - Komisariss
Raja Samu Samu VI is the ruling monarch of Nusa Laut in Maluku, a 600 year old dynasty. He is also Secretary General of the Association of Indonesian Kings.



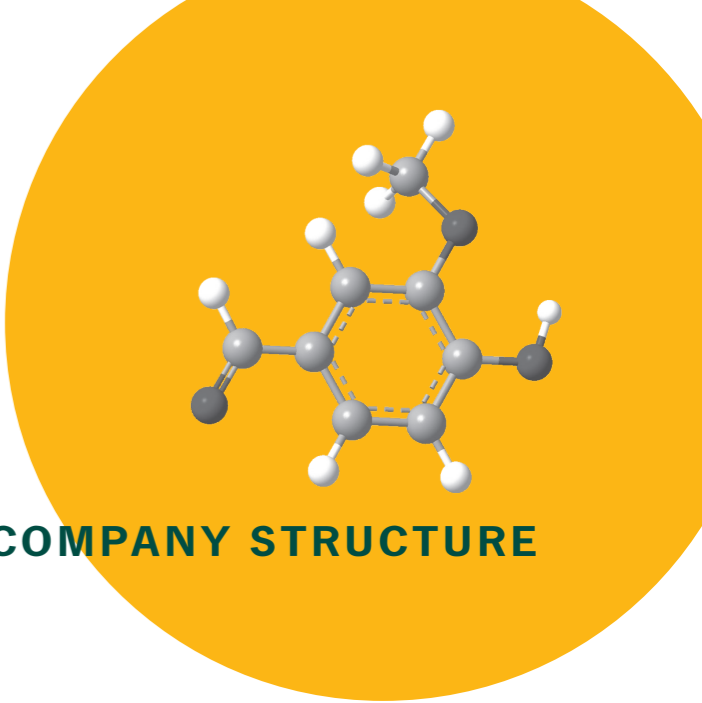
Rex Sumner
Rex Sumner is English, born in Java, ex-Sandhurst and the British Army, currently an Indonesian Prince as reward for his services. An expert on Indonesian farming.



Dwitra Ariana
Dwitra J Ariana is an accomplished, international award winning Balinese documentary maker, who gave it up to grow vanilla after making a documentary on Vanilla.



Paul Preston
Formerly, an Industrial Chemist and RAF pilot, Paul has lived and worked in Indonesia since 2003, delivering operational excellence training programs to multiple companies.



COMPANY STRUCTURE

RSGI has 100,000 shares approved for issue, of which 59,000 have been issued including founder shares.

These figures change each month. Currently, we have 25,000 shares on offer at Rp 1,400,000 each, approximately USD100. *40,000 founder shares will be delayed in receiving dividends to ensure investors get their return quickly.*

Royal Spice Gardens will produce a small crop in 2022 with our first proper crop of 15 tons in 2024, increasing by 15 tons per year thereafter.

We expect to pay our first dividend in 2024 and an investment in 2021 will be repaid through dividends by 2026, five-year ROI. If the price stays above \$200, then it will be faster. If we plant more than 15,000 vanilla orchids this year, it will be faster. We’ve already planted 4,000 and are negotiating for land which will take another 20,000 as of June.

CONCLUSION

We encourage you to invest a small portion of your portfolio in RSGI. \$10,000 invested today could be worth more than \$200,000 in 5 years, Worst case, it will be approaching \$100,000.

Not only will you have made money, but you will have made a positive contribution to improving the lives of farmers in often remote parts of Indonesia, helped to nurture and preserve culture in the country and looked after the environment, more than you can say with Crypto!

Shares currently cost **Rp 1,400,000 each, approximately US\$100**. There are 25,000 available for sale, and the price will rise when we prove our next KPI, ability to process vanilla. We have already done this on a small scale and we are working on production quantities.



There is no minimum amount, but we provide these beautiful hand crafted share certificates on traditional lontar for purchases of 50 shares and above, while for large investors of at least 1,000 shares, we shall provide an investment visa allowing them multiple entry visits to Indonesia including Bali, and the right to reside here. We are currently working on simple gift certificates so single shares may be given to children to involve them in our social and conservation work.

Please join us. You will be able to keep up with the company's progress on either the website or social media.

TO OBTAIN A SHARE CONTRACT, PLEASE EMAIL US HERE

**OR RING/WHATSAPP
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