

Comments and Concerns related to the Lead-out Energy DIY kit

Draft Document

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Contents

- Comments
- Concerns
- Needed Actions

Comments (1a)

- **What can one do with the basic DIY kit?**
 1. Build the basic resonating FLEET. Check the no-battery time.
 2. Light up 2 LEDs in series.
 3. Light up 2 LEDs in parallel.
 4. Arrange the LEDs in the shape of different letters and light them up (start of own innovation).
 5. Improve the no-battery time if possible.

Comments (1b)

7. Do a secondary winding. See BSIenergy.net for more information.
8. Change the parameters
 - More turns on toroid, more toroids, more capacitors, more transistors
9. Check the rules for Competition on BSIenergy.net.
10. Register to participate and to safeguard the possible loss of the stock option Certificate.
11. Visit the Demonstration Center of your local Distributor or Retailer for next step.

Comments (2)

- **Why should I be a distributor or retailer?**
 1. New product with great potential
 2. Can attract customers
 3. Increased profit margin with increased sales
 4. Demonstration Center will get repeat customers
 5. Customers will buy related products such as soldering iron, circuit boards, transistors, wires, capacitors, resistors, LEDs etc.
 6. One stock option certificate for every unit sold!

Comments (3)

- **How can BSI handle the copycat problem?**
 1. Patent protection
 2. Competition needs product serial number
 3. Stock option needs product serial number
 4. High publicity give weight to brand name
 5. Continued products
 6. Charitable image capturing the minds of the General Public

Comments (4)

- **How can you provide work for under-developed Nations or areas?**
 1. Most labor intensive part is winding the toroids.
 2. For tuning, need many different toroids
 3. Subcontract this to “home factories” similar to the plastic flower era in Hong Kong.
 4. Workers will learn the Lead-out Energy technology and may enter competitions.
 5. Stock option certificates may be applied to “local Companies”(Laws and Rules on stocks different?)
 6. Do resonance tuning for Companies or on products.

Comments (5)

- **Will you get objections or roadblocks from affected stake holders such as oil and electricity companies? How would you handle them?**
 1. New technology gives new opportunities.
 2. Encourage existing stake holders to participate as investors, share holders, partners etc.
 3. Let them know that paradigm shift is inevitable.
 4. Get support from environmental groups, academics, religious groups and governments.
 5. Compare with “light bulbs replaced candles” scenario.

Concerns (1)

- **Pricing the DIY kit?**

1. Only the demonstration board needs manufacturing.
2. Other part is to do with packaging.
3. Serious customers will need additional tools such as soldering iron, multimeters, oscilloscopes.
4. Component costs alone in USA exceed USD90.
5. Minimum Parcel post (1 kg) from Hong Kong to US is USD10; to UK or Europe is USD20.
6. May have a lower price version for developing Countries. Their people may wind toroids to earn money to buy the DIY kit?

Concerns (2)

- **How to get into existing distribution networks?**
 1. Sell on-line such as ebay, Amazon, Alibaba.
 2. Product demo to large chain stores such as Radioshack.
 3. High publicity
 4. Government support
 5. High commissions to successful salesman

Concern (3)

- **Need money and resources to generate high volume to drive down cost.**
 1. Invite potential investors to the Hong Kong Demonstration Center.
 2. Involve Hong Kong academic institutions.
 3. Get Hong Kong Government support as much as possible (e.g. patent help, education grants).
 4. Get religious and environmental group support (enhance their volunteer value) especially in under developed areas.
 5. Many visitors to the Hong Kong Demonstration Center would like to be “test retailers”

Concern (4)

- **Are there competing technologies there will obsolete Lead-out Energy products?**
 1. As of today, no competing commercial products are available.
 2. The field is so big that many competitors can profit. (compare with Internet at its infancy).
 3. BSI need to focus on Company Image and high quality products.
 4. BSI founders are not greedy. Let others make money at the same time.
 5. The goal is to benefit the World.

Concerns (5a)

- **What may happen to the stock option certificate? Can it be applied to a Company in the local Country?**
 1. If stock price is less than the option exercise price (e.g. USD20), the certificate is worthless.
 2. If the stock price is higher then certificate holders may exercise option and pocket difference.
 3. One share may be too low for the average broker thus BSI will have partners to handle such small volumes (e.g. on-line transactions)

Concerns (5b)

4. Stock Certificates may be applied to local companies in the local country.
 - This helps local stake holders such as electricity Companies.
 - BSI shareholders need not worry about unwanted dilution of their share holdings.
5. The set up and operation will be carefully managed and open to scrutiny to build the image of honesty and satisfying the General Public's desire "to own a piece of the pie".

Concern (5c)

8. The stock option certificates will only apply to the first X units of sales. (X to be determined later.)
9. Other investors or companies may invest into the local Company directly
 - E.g. local electricity Company with existing electricity supply rights gets $y\%$ and let others buy the other $(100-y)\%$
10. It deters copycats. It establishes long term relationship with customers.

Needed Actions

- Website to present information
- Patents for Intellectual Property Protection
- G-LED has solar panel LED street lamp product
- BSI should have DIY kit product out as soon as possible.
- Company structuring to handle the stock option certificates
- Academic verification of Lead-out Energy