

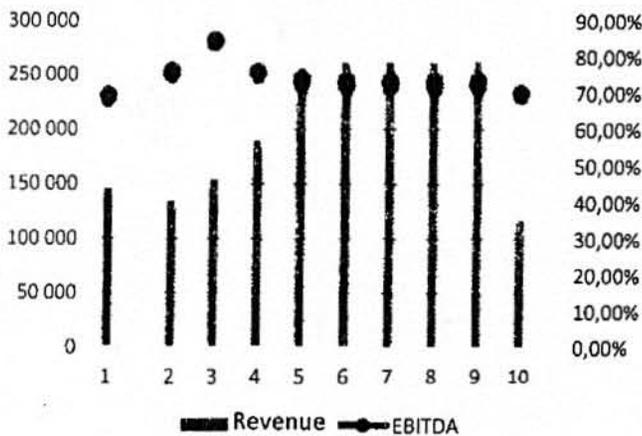
CONSTRUCTION OF THE PAMIR ALAI TOURIST BASE

KEY FACTS

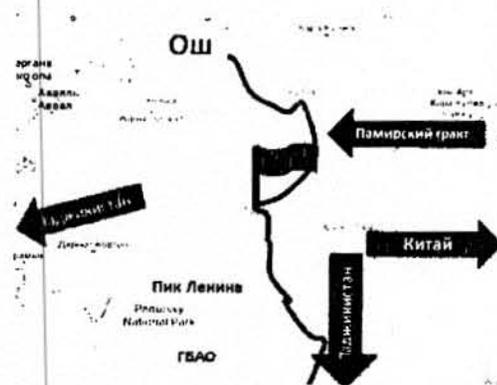
- **Description of the project:** construction of a ski complex, including the construction and launch of an eco-hotel (tourist base) "Pamir Alai"
- **Location:** Osh region, Alai district, on the Taldyk pass
- **Production capacity:** 31 places
- **Project cost:** 1,1 million US dollars

For the construction of the entire complex, the Company received permits and land from local authorities. The total area of the leased land plot is **600 ha** (pasture) of which **2,000 sq. m.**, for the construction of a hotel. The lease term is 10 years, with further extension. The ruling was issued on may 7, 2019.

PROJECT PROFITABILITY



LOCATION OF THE ECO-HOTEL:



View of the hall (Dome building - glamping):



Given the location for the proposed tourist base – the Pamir Alai hotel, the business will cover target groups of consumers:

- Foreign tourists from far abroad – an average of 3,500 people a year;
- The local population is 3.2 million people.
- Guests from nearby countries: Uzbekistan – 18 million people.
- The ability to attract customers from China

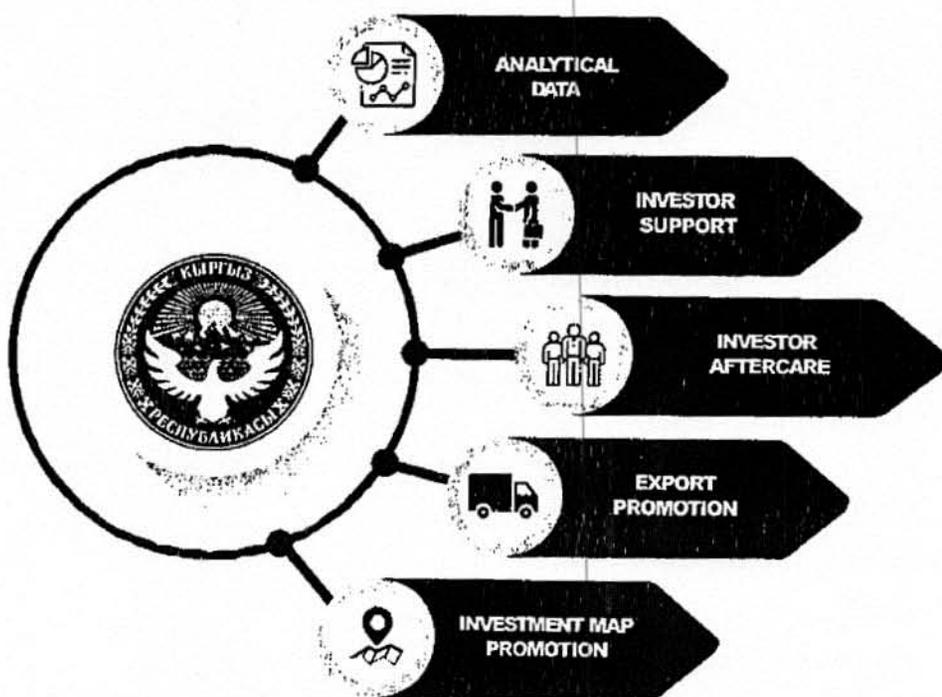


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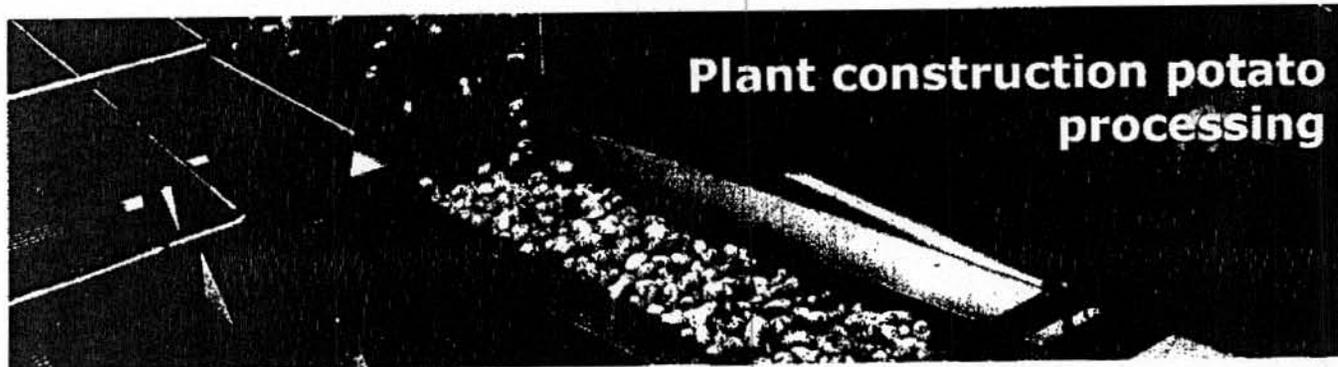
EXEMPTION FROM CUSTOMS DUTIES - Exempt from customs duties if they are used exclusively for the implementation of an investment project that corresponds to a priority type of activity

THE IPPA - "ONE STOP SHOP" FOR INVESTORS



BENEFITS AND PREFERENCES FOR FOREIGN INVESTMENT - reducing the tax burden and liberalizing the tax system for foreign investors; reducing the number of taxes to 8; VAT rate is 12%; introduction of uniform rates for small businesses; introduction of a simplified tax regime and a number of tax preferences.

SUBSIDIZED LOCALITIES of the Republic and border localities, by granting exemptions from payment of four types of taxes: sales tax, profit tax, land tax and real estate tax, when launching industrial, export-oriented and innovative enterprises with a period of 5 years and with the possibility of extending up to 10 years.



Plant construction potato processing

Key facts

- o **Location:** Issyk-Kul region, Balykchy
- o **Productive capacity:**
- o The average monthly volume of potato processing will be up to 1,000 tons per month, which is more than 12 thousand tons per year.
- o **Project cost: US \$ 8.8 million**

To implement this project, the Initiator of the project "Association Dordoi" plans to build a production base, buy recipes, purchase equipment and machinery and organize a potato processing process.

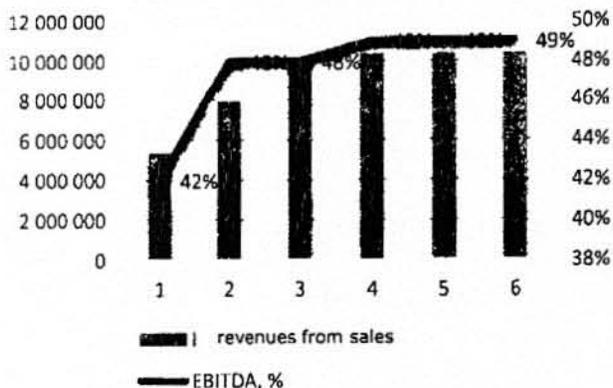
Marketing plan

The total volume of chips market among the EAEU countries' is 122.5 thousand tons. The EAEU market volume is obtained by summing the markets of the countries participating in the customs union (Russia, Kazakhstan, Belarus, Kyrgyzstan and Armenia).

The total volume of mashed potatoes market among the EAEU countries is 12.7 thousand tons.

The plant considered in this business plan is primarily aimed at HoReCa segment (restaurants, cafes, bars and other catering points).

Profitability of the project



Investment performance indicators

Calculation period (planning horizon), months	81
Net income (NI), USD	16 105 596
Net present value (NPV), USD	7 945 759
Internal rate of return (IRR), % per year	48%
Profitability index (PI), units	1,90
Discounted payback period (DPB), months	45,4
Average profitability of sales for the project, %	42%
Discount rate, %	12,69%

The data shows that the project is profitable. The project's net present value at the end of the project will amount to \$ 7.9 million. The project's performance indicators demonstrate a high level.

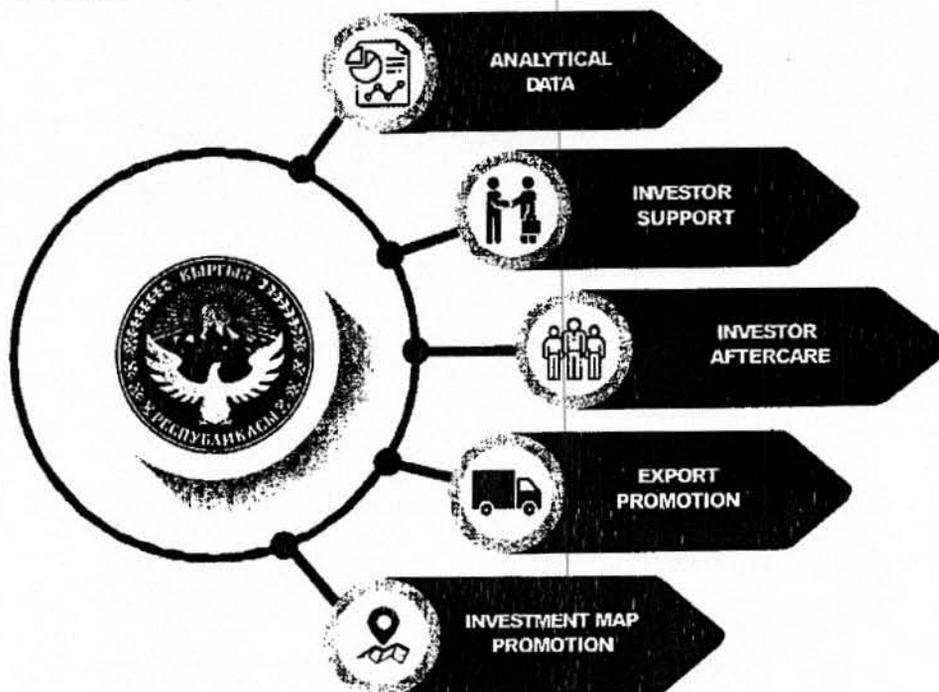


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Establishment of fast-growing Paulownia tree plantations

Key facts

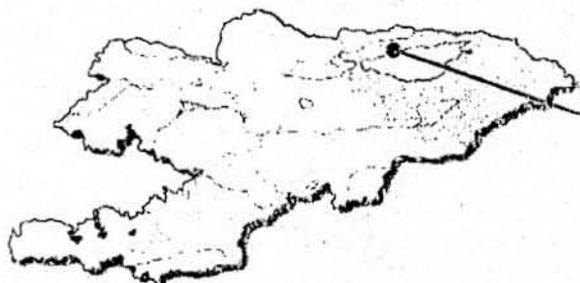
- o **Location** : Issyk-Kul region Ornok village
- o **Productive capacity**: Expansion of the plantation to 2,300 ha
- o **Project cost**: US \$ 30 million

It is planned to expand the plantation of fast-growing Paulownia trees by rehabilitating two irrigation wells and purchasing special equipment.

Available assets and resources:

- has its own plantation (17 ha);
- nursery with zoned planting material;
- a professional team was prepared for the high-quality implementation of the project;
- here are water sources sufficient for irrigation of 50 hectares by means of drip irrigation; линия электропередачи находятся вблизи.

Location



Issyk-Kul region,
Issyk-Kul area village Orkon

Marketing plan

Paulownia is characterized by unusually fast growth, and its wood has many valuable qualities (lightness; due to the low content of resinous substances; high content of tannins, which serves as protection against insect damage; low humidity, not exceeding 10 - 12%, excellent insulating and acoustic performance), the plant is in high demand in the production of furniture, plywood, in aircraft and shipbuilding, in the manufacture of musical instruments, souvenirs, toys, sports equipment, etc.

Efficiency indicators of investments

Net present value (NPV), dollars	100 592 557 i = 12%
Return on investment(ROI), %	355%
Internal rate of return (IRR), %	58,65%
Return on investment index(PI), unit	5,55
Payback(PP), year	5

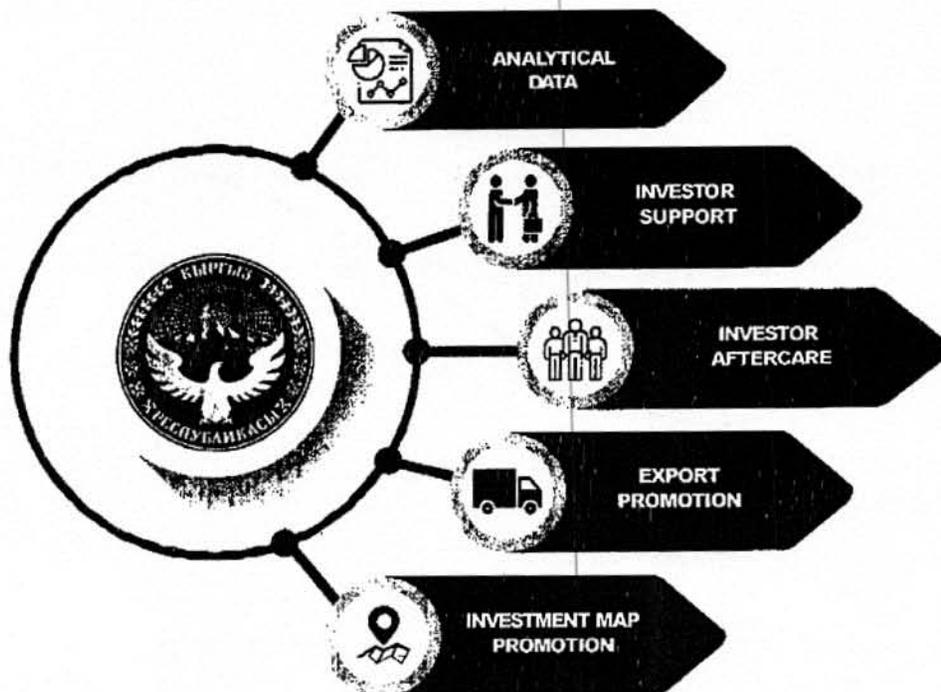


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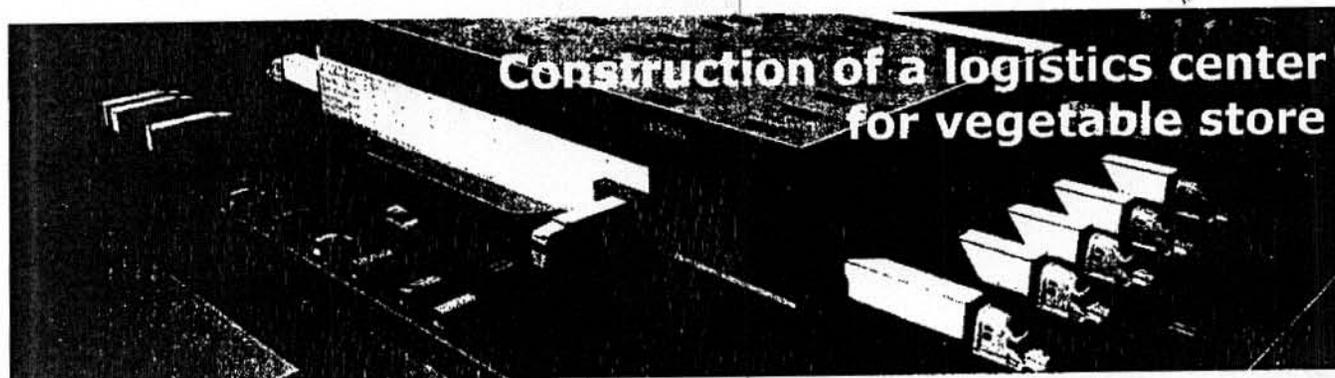
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Key facts:

- o **Project description:** Construction and organization of a logistics vegetable complex for long-term storage of vegetables and further sale
- o **Location:** Talas region, Manas district
- o **Production capacity:** 10,000 tons of one-time storage
- o **Cost of project:** 3,3 US million dollars

Storage Technology of vegetables

Container technology for storing vegetables with separate chambers for each type of vegetable is planned. This method is a type of container storage and has all its advantages: harvesting vegetables and fruits in containers with storage without overloading helps to increase the yield of standard products, reduce losses.

In the Manas district of Talas region, all conditions are created for the successful cultivation of vegetables:

- climate (weather);
- natural (soil);
- availability of water resources;
- demographics (personnel).

In particular, the village of Kyzyl-Zhyldyz in the above-mentioned district has a huge potential for growing and selling vegetables both for the whole of Kyrgyzstan and for export to foreign markets such as Kazakhstan and Russia. However, the lack of specialized vegetable stores does not allow to realize this potential

Indicators investments efficiency

Net income (NI), USD	963 541 941
Net discounted income (NDI), USD	114,0
Internal rate of return (IRR), % per year	1,90
Discounted payback period (DPB), months	20
Discount rate, %	43,4
EBITDA, USD	10
Exchange rate	\$1 = 70 ¢

This logistics center is supposed to be built on a plot of land with a total area of **3.5 hectares**, which is located in the village of Kyzyl-Zhyldyz of the Manas district, Talas region



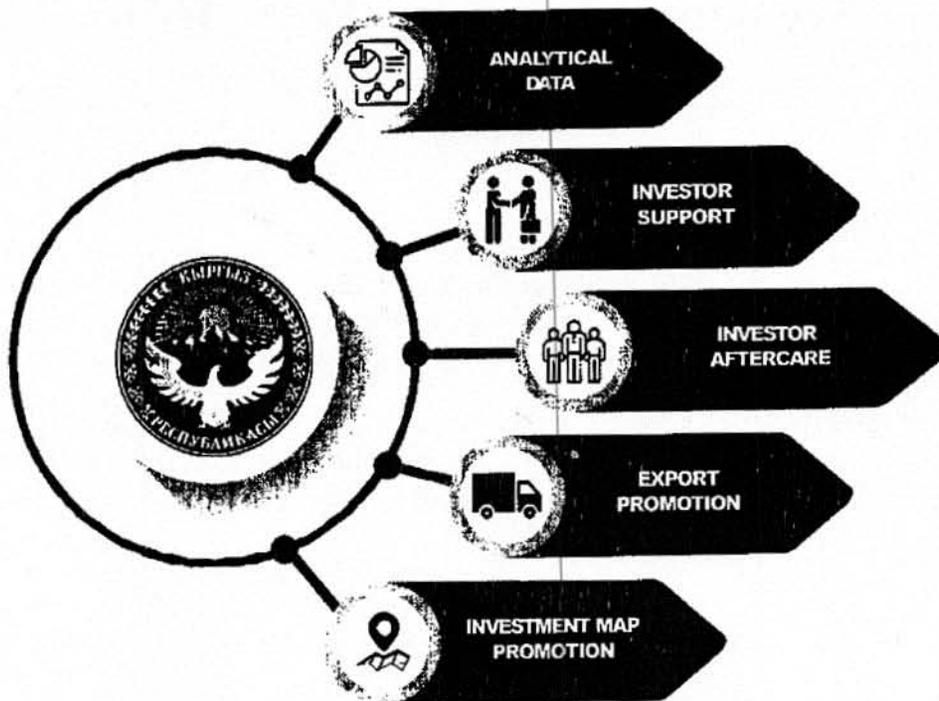


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Key facts

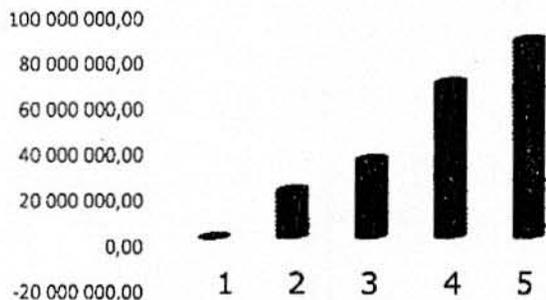
- **Project description: Creation and development of a production and logistics enterprise «Tosor-agro»**
- **Location: Issyk-Kul region, Jety-Oguz district**
- **Production capacity: Apricot processing up to 3,000 tons/year**
- **Project cost: 650 000 US dollars**

The high export potential of this industry allows increasing the export of fruit and vegetable products up to 20% per year. The key export markets are Kazakhstan and Russia, which purchase about 65% of total exports. The share of fruit and vegetable processing in the Republic is low and does not exceed 13-14%. At the moment, the EAEU market is the most attractive and has a good potential and capacity for the project.

The company will specialize in three types of services:

- Transport and trade services together with UBS Transit for the transportation and sale of apricots (and later other agricultural products) of local farmers to the markets of the EAEU.
- Services for processing apricots of local farmers and producing jams and dried fruits (dried apricots) from them to self-marketing of farmers, as well as with additional assistance in the storage and marketing of such products.
- Warehouse storage services, including the use of specialized refrigeration equipment, both fresh and processed agricultural products of farmers.

Net Profit



Indicators investments efficiency

Net income (NI), USD	2 649 366
Net discounted income (NDI), USD	1 781 175
Internal rate of return (IRR), % per year	145,7
Discounted payback period (DPB), months	13
Discount rate, %	10
EBITDA, USD	3 534 055
Exchange rate	\$1 = 70 ₸

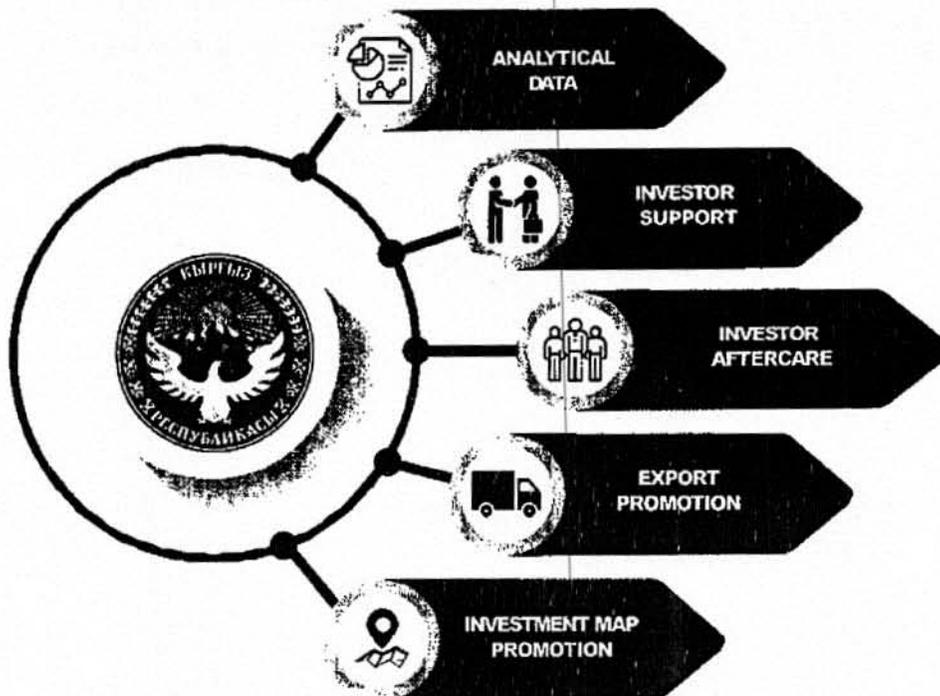


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ALAYCA : THE DEVELOPMENT OF THE TOURISM CLUSTER

KEY FACTS

- o **Description of the project:** ecofarm "ALAYCA" needs to expand its activities by establishing new business units as the organization of trout farm, a swimming pool with sauna.
- o **Location:** Osh region, Osh city.
- o **Project cost:** 7,33 million US dollars

Today, the Alayca eco-farm is located on **2 hectares of land** and at an altitude of **2100 meters** above sea level. There is a hostel with rooms for up to 20 people, connected to all sources of housing and communal infrastructure: Sewerage, hot water, electricity and heating. On the territory of the eco-farm there are 4 yurts with all the amenities for working together (coworking) and living. At the eco farm "Alayca" a mini-dairy plant, which produces environmentally friendly national products as kurut, kymyz and cheeses in the range.

The investor will purchase a fleet of vehicles, consisting of **4 units** of comfortable SUVs, **2 minivans** (Mercedes Benz sprinters), as well as **2 Airbus H125** helicopters.

THE CONCEPT OF MARKETING ACTIVITIES:

It is planned to provide tourism services in the form of tourist vouchers and packages, which implies the possibility of serving foreign tourists "from airport to airport". In other words, the package includes meeting tourists at the airport, accommodation in a boutique hotel in Osh on the territory of an existing enterprise/office, from where flights will be made to the Alayca eco-farm. From the "Alayku" eco-farm, you can go by car along the routes of the national reserve-the South of the Kyrgyz Republic. The package will also include hotel services, restaurant services, pool services, Spa services, sport fishing and accompanying the guest to the airport for departure.



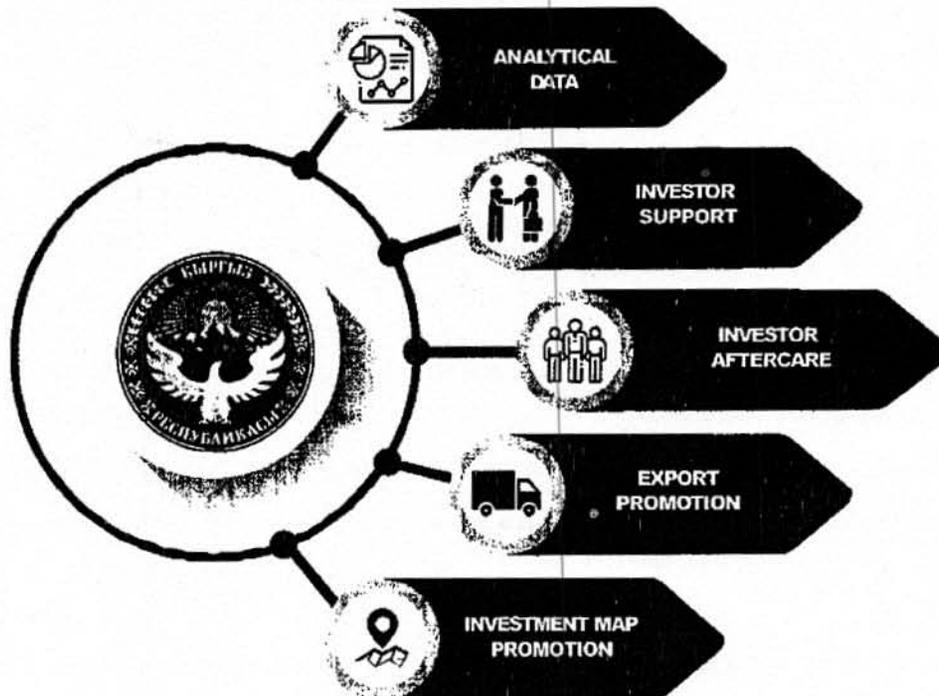


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CONSTRUCTION AND ORGANIZATION OF AN INTENSIVE ORCHARD IN OSH REGION

KEY FACTS

- **Description of the project:** development and implementation of innovative technologies in the field of intensive gardening through the construction and organization of an orchard for growing higher varieties of apples in the Osh region.
- **Location:** Osh region, Kara-su district
- **Production capacity:** 675 tons per year
- **Project cost:** 1,6 million US dollars

The agricultural sector of the Republic has a high export potential. The production of fruit and berry crops exceeds their consumption by about 1.6 times, which makes it possible to export more than 85 thousand tons of fruits and berries annually.

Total area of the garden complex:	187 ha
The area of the apple orchard at the 1st stage of the project (in terms of the requested loan):	19,5 ha

SOCIO-ECONOMIC IMPACT OF THE PROJECT:

- Development and implementation of innovative technologies in the field of intensive gardening in the Kyrgyz Republic.
- Creating new jobs in the functioning of the garden for 163 people, thereby increasing the employment of the local population.
- Expanding and increasing the export of agricultural products to the countries of the Near and Far abroad.
- Creation of the first certified intensive orchard in the Kyrgyz Republic that meets international quality standards.
- Development of a national brand of fruit products that is recognized far beyond the borders of the Kyrgyz Republic.

INVESTMENTS EFFICIENCY INDICATORS

Calculation period (planning horizon), months	92
Net income, dollars	2 224 779,63
Net discount income, dollars	664 821,88
Internal rate of return, %	9,4%
The profitability index (PI), units	1,49
Profitability of sales (ROS), %	60,5
Discount rate, %	5%

As can be seen from the data, investment indicators indicate the profitability and revenue of this project. All the obtained indicators are in the range of acceptable values.

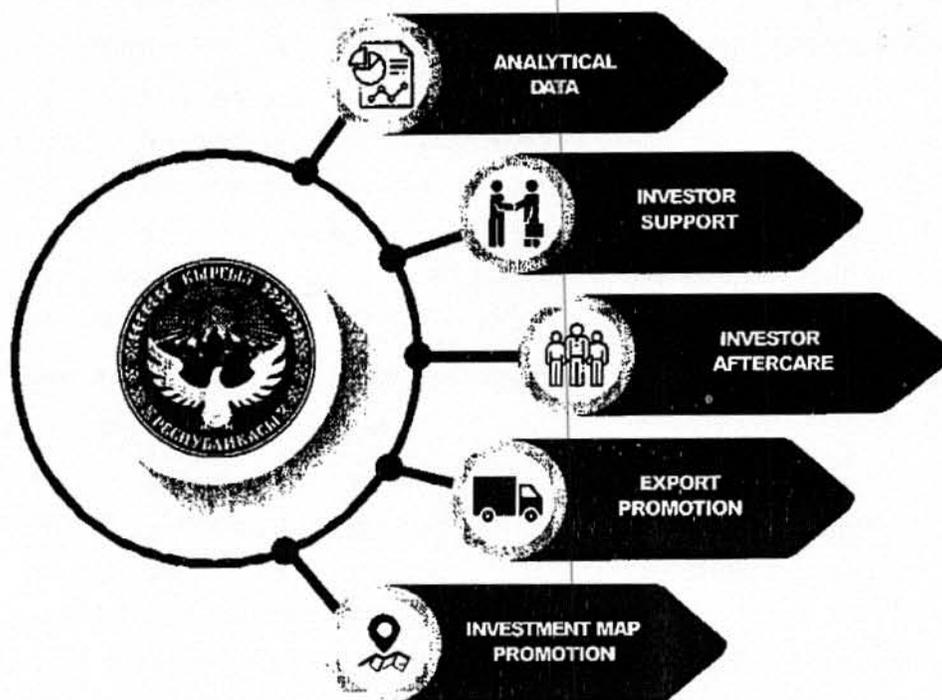


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INVESTMENT OFFER



INVESTMENT PROMOTION AND PROTECTION AGENCY OF THE KYRGYZ REPUBLIC

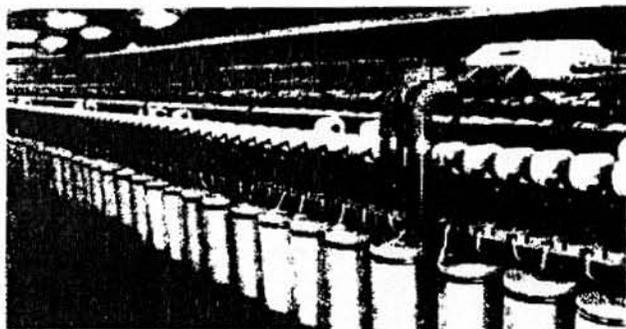


KEY FACTS

- **Description of the project:** The goal of the project is to create a silkworm cocoon production and then sell it to local processors into and out of the country
- **Location:** Osh region, Kara-su district
- **Production capacity:** 23 000 tons per year
- **Project cost: 431 321 US dollars**

INVESTMENTS EFFICIENCY INDICATORS

Calculation period (planning horizon), months	84
Net income, dollars	78 210,3
Internal rate of return, %	5,49%
Discounted payback period (DPB), month	78
Payback period, years	5, 49



The stages of the project:

- Land plot preparation, 100 ha
- Irrigation (2 plots - natural irrigation, 2-pumping stations)
- Power supply (construction of power lines, transformer stations)
- Construction of premises for growing and fattening silkworm caterpillars, warehouses, household premises for staff (planning, land, construction and installation, electrical work);
- Staff training in the growing and fattening of silkworm caterpillars, the use of new equipment for production
- Organization of purchase and transportation of grain and feed (mulberry leaves);
- Organization of storage ready cocoons
- Implementation of finished products (Osh city, Uzbekistan);
- Regular marketing among consumers of products (silk producers).

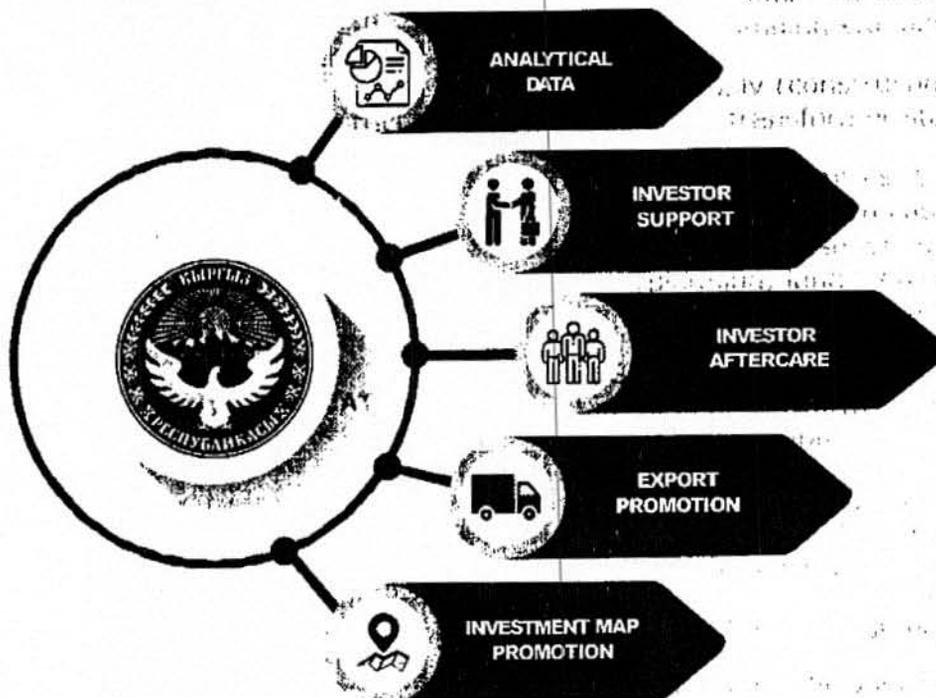


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**ORGANIZATION OF PRODUCTION SLAUGHTER
AND PRIMARY PROCESSING OF CATTLE**

KEY FACTS

Description of the project: organization of a cost-effective production complex for slaughtering and primary processing of large and small cattles. Provision of services for slaughtering and primary processing; cutting into bran, deboning, veneering; veterinary inspection and examination; warehouse storage of meat. The production complex also provides for the possibility of release in limited quantities of sausage products (liver, blood, meat); small meat semi-finished products.

Location: Talas region, Kara-Burin district

Production capacity: 50 heads of cattle or up to 70 heads of cattle per shift

Project cost: 1 097 187 US dollars

it has the right to own and use real estate objects, including a land plot of 8.4 hectares on the territory of the Cholponbai village, Kara-Buurin district. The project's object (territory) has an asphalt driveway, a power line passes nearby, water supply is provided by renewable underground water.

The distance from the object to the main transport highway (M41) of international significance - Bishkek-Talas-Taraz is 1.5 km, to the strategically important transport highway of our Republic Bishkek-Osh is 155 km. Maimak railway station is 45 km away, and Maimak village is a free economic zone.

INVESTMENTS EFFICIENCY INDICATORS

Payback period, years	6,5
Net discounted income (NPV), USD	402 560
Internal rate of return, %	17%
Profitability index, units	1,3

ADVANTAGES AND BENEFITS OF THE PROJECT:

- The organization and technology of production, raw materials, products will strictly comply with international quality and safety standards, and will be certified;
- Ability to organize a wide-profile and large-scale production;
- Availability of infrastructure in the region.

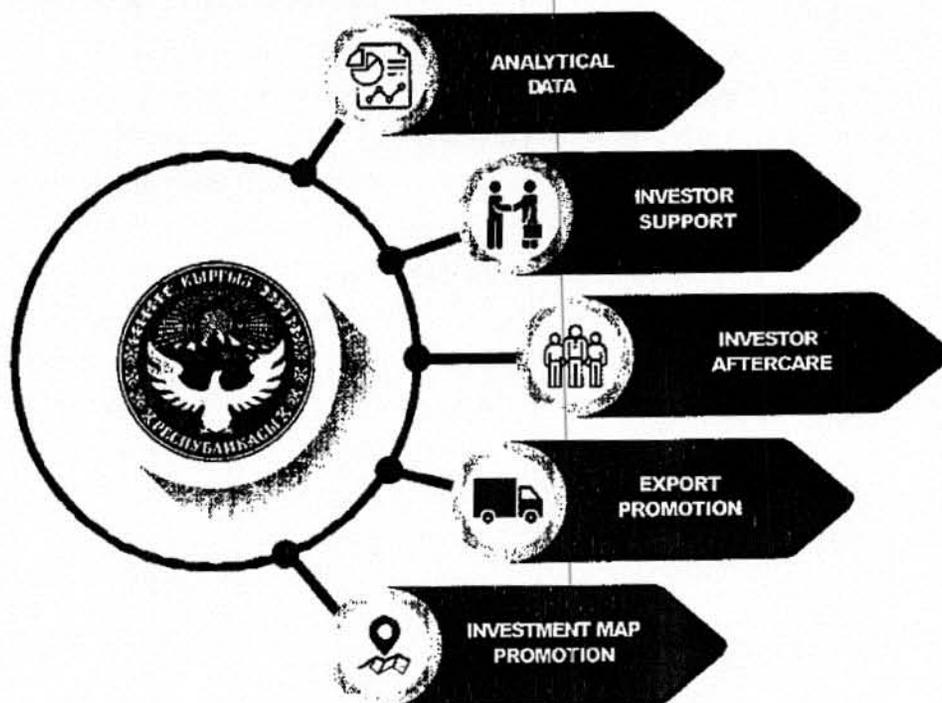


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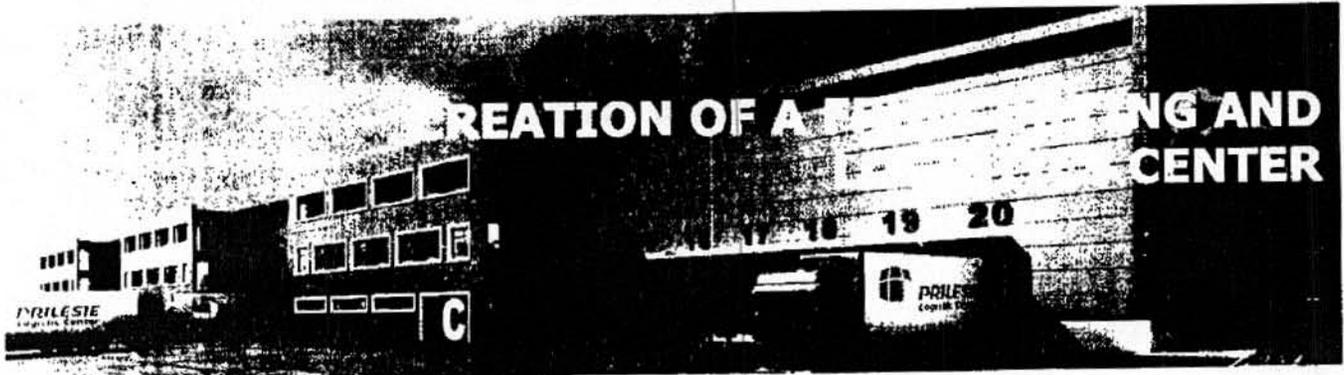
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INVESTMENT OFFER



INVESTMENT PROMOTION AND PROTECTION AGENCY OF THE KYRGYZ REPUBLIC



CREATION OF A LOGISTICS CENTER AND CENTER

KEY FACTS

Description of the project: The logistics center will be harvesting, storing and selling fresh apples and prunes, as well as processing - drying the second grade of products for compote mixture.

Location: Talas region, Kara-Bura district

Production capacity: 440 tons per year

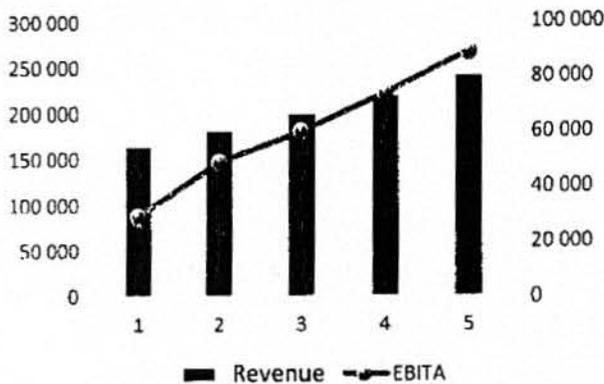
Project cost: 817 703 US dollars

There are own production, warehouse and administrative premises for the implementation of the project (**1000 + 150 sq.m.**) and an adjacent land plot (**2.5 hectares**)

There is also a land plot for agricultural purposes **1.28 hectares + 7.0 hectares**
The territory has:

- ✓ Unfinished office building (you need to raise it and cover the roof);
- ✓ All communications and sewerage;
- ✓ Adjacent territory 2.5 hectares;
- ✓ Warehouse to be covered as well;
- ✓ There is a transformer;
- ✓ It has its own artesian well.

PROFITABILITY OF THE PROJECT



Almost 90% of the logistics center's products are export-oriented. And only 10 % will be sold on the local market.

INVESTMENTS EFFICIENCY INDICATORS

Project cost, USD	817 703
Own contribution, USD	586 164
Payback period, years	4,69



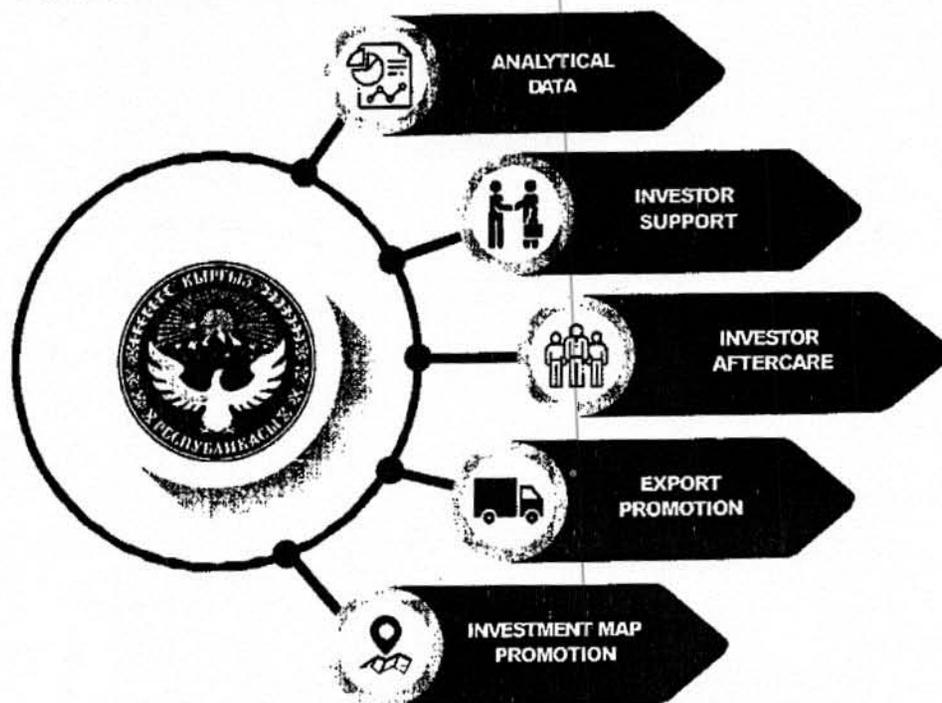


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SUBSIDIZED LOCALITIES of the Republic and border localities, by granting exemptions from payment of four types of taxes: sales tax, profit tax, land tax and real estate tax, when launching industrial, export-oriented and innovative enterprises with a period of 5 years and with the possibility of extending up to 10 years.

INVESTMENT OFFER



INVESTMENT PROMOTION AND PROTECTION AGENCY OF THE KYRGYZ REPUBLIC



CONSTRUCTION OF A CANNERY

KEY FACTS

Description of the project: It provides for processing 10,000 tons of beans, 2,000 tons of vegetables (tomatoes, cucumbers, bell peppers, etc.), 1,000 tons of fruit (apples, plums, cherries, strawberries, raspberries, currants, etc.) per year.

Location: Talas region, Talas district

- o **Production capacity: 52,4 million cans / year**
- o **Project cost: 9 360 760 долл. США**

INVESTMENTS EFFICIENCY INDICATORS

The cost of the project, \$	9 360 760
Own contribution, \$	1 072 007
Payback period, years	10

There are no bean processing plants in Kyrgyzstan and there are no competitors in this market. The project's aim is an exporting the main volume of finished products with access to the markets of Europe, Russia, Kazakhstan and Turkey. Processes will comply with international standards ISO-22000. The plant will be located on **2 hectares** of land in the Talas region, Talas district of Kyrk-Kazyk village, located from Taraz Republic of Kazakhstan - 100 km and from Bishkek - 290 km; from the railway station Aimak - 100 km; from the railway station Kara-Balta - 190 km.

THE BENEFITS OF THE PROJECT

- ✓ Creation of 200 permanent and at least 100 seasonal jobs directly in production. In addition a large number of agricultural producers will sign Contracts and will be sure to sell their products at a favorable price;
- ✓ Improvement of infrastructure, communications, access to the Internet, innovative information technologies, access to roads, landscaping;
- ✓ Regular medical examinations;
- ✓ Increasing the potential of the local population, free vocational training with specializations;
- ✓ Development of ethics, culture, hygiene of behavior at work and in society as a whole;
- ✓ Arrangement of mass sports grounds for maintaining physical health, organization of cultural events for the aesthetic development of young people.



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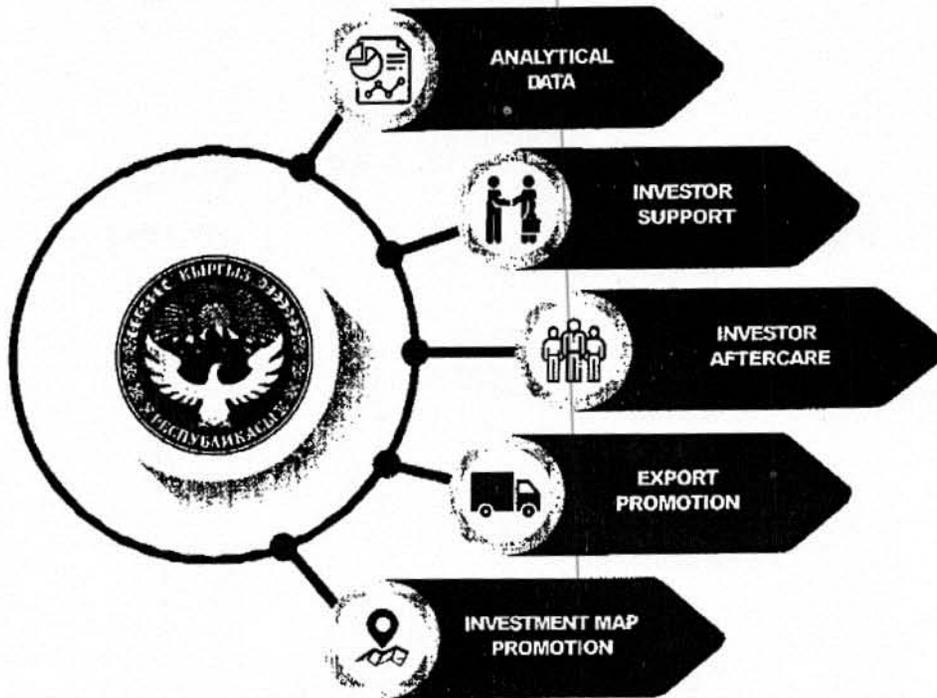
INVESTMENT PROMOTION AND PROTECTION AGENCY OF THE KYRGYZ REPUBLIC

PREFERENCES GRANTED BY THE GOVERNMENT

STABILIZATION REGIME - favorable legal regime for the investor and / or the invested enterprise in case of amendments and additions to the regulatory legal acts of the Kyrgyz Republic governing issues of tax and non-tax payments

EXEMPTION FROM CUSTOMS DUTIES - Exempt from customs duties if they are used exclusively for the implementation of an investment project that corresponds to a priority type of activity

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List of preferences for foreign investors

1. Stabilization regime - a favorable legal regime for the investor and / or the invested enterprise in the event of amendments and additions to the regulatory legal acts of the Kyrgyz Republic regulating issues of tax and non-tax payments.

The right to the stabilization mode is granted to:

a) an investor who makes investments within three years from the date of signing the stabilization agreement in the capital of the invested enterprise, including in the authorized capital of the invested enterprise by increasing the number of shares traded, increasing the authorized capital by an amount in soms equivalent to at least 3 (three) million US dollars, determined at the exchange rate of the National Bank of the Kyrgyz Republic on the date of signing the stabilization agreement, as well as the invested enterprise itself; or

b) the investor engaged in activities associated with learning, searching, exploration, mining, investing for five years from the date of signing the agreement on stabilization in capital of the invested enterprise, including in the authorized capital of the invested enterprise by increasing the number of note shares, the capital increase to the amount in soms the equivalent of at least 20 (twenty) millions of United States dollars determined at the exchange rate of the National Bank of the Kyrgyz Republic on the day of signing the agreement on stabilization, as well as the invested enterprise itself.

2. Benefits and preferences for foreign investment.

The new Tax Code includes:

- reducing the tax burden and liberalizing the tax system for foreign investors;
- reducing the number of taxes to 8;
- VAT rate is 12%;
- introduction of uniform rates for small businesses;
- introduction of a simplified tax regime and a number of tax preferences.

Owners of land plots engaged in the extraction of common minerals; an entity that has received subsurface areas for the formation of specially protected areas; an entity that processes waste from mining, processing and metallurgical production; users of subsurface resources that conduct geological research are **exempt from paying the tax for the use of mineral resources.**

Sales of goods, performance of works, and provision of services by agricultural producers **are exempt from sales tax.**

Exemption from property tax for a period of up to 5 years for a newly established organization engaged in the production /or processing of products, provided that the volume of production and/or processing of manufactured products is not less than 30 million soms per year.

The income tax rate is set at 10 percent.

3. "On preferential settlements"

Subsidized settlements of the republic and border settlements, by granting exemptions from payment of four types of taxes: sales tax, profit tax, land tax and real estate tax, when launching industrial, export-oriented and innovative enterprises with a period of 5 years and with the possibility of extending up to 10 years.

According to the decree, preferential settlements are defined as:

- Areas receiving equalizing grants (transfers) from the republican budget in order to support a stable socio-economic situation;

– Karakol, Balykchy, Naryn, Kochkorka, Tokmok, Kara-Balta, Talas, Isfana, Batken, Kadamjay, Uzgen, Kara-Suu, Tash-Kumyr, Kara-Kul, Jalal-Abad, Kerben, Kochkor-Ata, Kyzyl-Kiya, Sulukta, Mailuu-Suu, Nookat, Aidarken, Kok-Zhangak, Toktogul, Cholpon-Ata, Shopokov, Kant, Orlovka, Kemin, Kaindy.

Types of preferential industrial activities are included in the following areas:

- all types of industrial production based on innovative technologies;
- light and food industries;
- electric power industry;
- processing of agricultural products;
- assembly production;
- any export-oriented production.

One of the conditions of the investment agreement on the implementation of activities in a preferential locality is that the investor will create jobs within 5 years, ensure investment in production in the amounts established by the agreement.

4. Exemption from customs duties.

Imported technological equipment, components and spare parts, raw materials **exempted from customs duties** in case of use solely in the framework of the investment project that meets the priority activity (sector of Economics) of the state – approved by the Decree of the Government of the Kyrgyz Republic № 503 from 26th of October 2018 and the specified tariff exemptions are granted in respect of raw materials or materials, if such raw materials or materials not produced (or produced in insufficient for realization of the investment project quantity) in the country - participants of the customs Union or, if produced in the country - participants of the customs Union raw materials or materials do not meet the technical specifications of the implemented project.