



INVESTMENT MEMORANDUM

MULTIPURPOSE ECOTOURIST COMPLEX “DUBROVA PARK”



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PROJECT SUMMARY

JSC Belagroprombank invites investors to joint realization of the multipurpose ecotourist complex “Dubrova Park” (Republic of Belarus, Minsk region, Smolevichi district, Prilepy Village Council, the vicinity of Kudrishchino, Lake Dubrovskoe).

Search of the investor is carried out for joint development of the project concept, building co-financing and further site operation “Dubrova Park”.

One of the main advantages of the “Dubrova Park” project is possibility of investor’s choice of direction of the project implementation.

Conditions of investor’s participation in the project are a subject for negotiations.

All offers of potential investors are taken under consideration.

The investment platform for site construction is located ashore reservoir and occupied 80, 6 hectares.

At the moment for the site implementation there is completely available territory prepared for an active building stage (the landscape works have been performed, the fencing and the utility systems (electricity, gas) have been brought). It has been spent about \$6 mln. for the realization of the preparatory stage.

It is possible receiving tax benefits provided by the national legislation at the project implementation.

Republic of Belarus has favorable investment climate and constantly improves an investment appeal. At the beginning of 2018 in the rating of Doing Business 2018 taken the 38th place from 189 countries.



INVESTMENT PROPOSAL

Purpose of the Investor Attraction

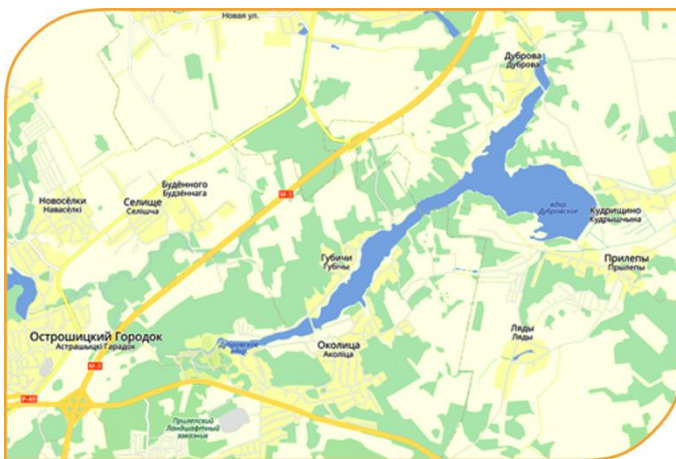
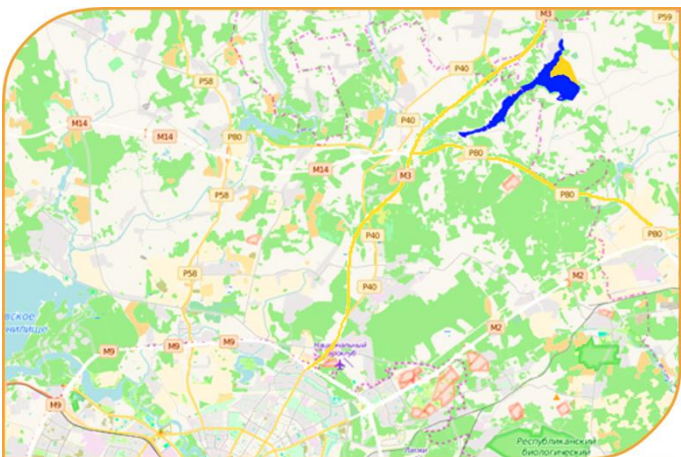
- Joint development of the concept of amusement park by the water.
- Co-financing of the site building and development of the investment platform.
- Further joint operation of the tourist complex, generation of profit and subsequent site development.

Form of cooperation

- The present offer is open under consideration, offers of potential investors are accepted; form of cooperation with the investor has been acted as a subject of negotiations and can be varied over a wide range.
- One of the most perspective options is realization of an incomplete site construction to an investor and rendering assistance in its development and final project implementation.
- The possible option of cooperation is the creation of joint venture together with the investor whose share participation is more than 50%.
- An investor has an opportunity to use crediting of JSC Belagroprombank for completion of the project implementation.

Advantages of the “Dubrova Park” project

- The free alternative of the direction – despite considerable volume of the completed preparatory work, the project is not attached to a certain direction; the investor has a right to choose directions of further project implementation.
- A high degree of readiness of the building site – landscape works have been executed, micro zones under construction have been prepared, offsite engineering networks and constructions have been built, utilities (gas, the electric power) have been brought.
- The area of the “Dubrova Park” is situated in the created entertaining and tourist allocation block which will promote customer acquisition.
- It is possible receiving tax benefits and preferences provided by the national legislation in the process of the tourist site building and the subsequent operation.



LOCATION

Multipurpose ecotourist complex “Dubrova park” is located in

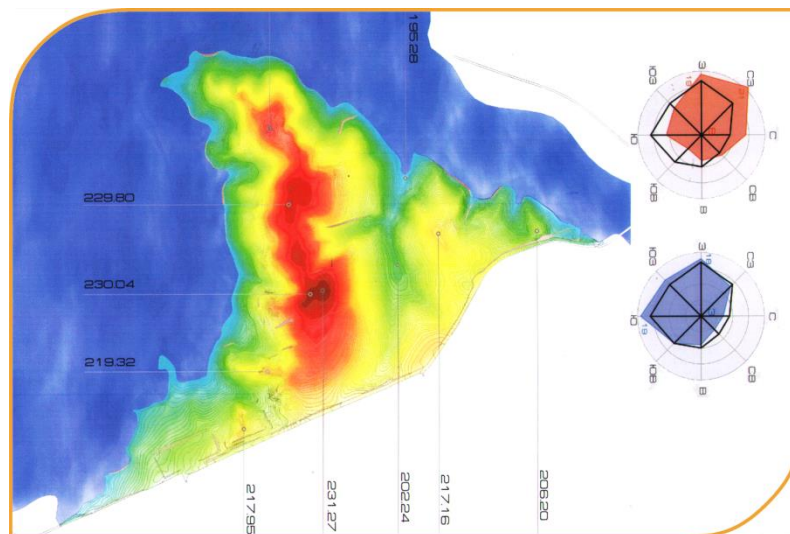
- Minsk region, Smolevichi district, Prilepy Village Council, the area between the villages of Dubrova and Kudrishchino.
- The “Dubrovskoye” water reservoir was created in 1984 on the river Usyazha in its fall into the river Dubrovka: the length is 5, 5 km., the width is 1, 25 km., the area of a water mirror is 3, 45 sq.km, the maximum depth is 14 m, the fluctuations of water level for a year are up to 8 m.
- Geographical coordinates: 54 °5'0 "N – 27 °47'6" E

Transport accessibility

- Distance from the capital of Republic of Belarus Minsk to North-East is 26 km.
- Distance from the national airport "Minsk-2" is 31 km.
- Distance from Highway M1 (Brest – Border of the Russian Federation) is 20 km.
- The route M1/E30, the main transit road in Republic of Belarus, is a part of European Route E30 and Pan-European transport corridor II Berlin – Nizhny Novgorod.
- Distance from Highway M3 (Minsk – Vitebsk) is 5 km.
- There is no railway communication.

Surrounding area

- The local environment represents the valley having small hills and heights. The “Dubrovskoye” reservoir differs from other nearby lakes in existence sandy and pebble beaches. It is used as a zone of active recreation of capital inhabitants and for fishery.
- It is settled down in a recreation zone of the Republican center of the Olympic preparation of winter sports Raubichi.
- Small and cottage settlements are located in the nearby territory besides the sports complex.
- Adjacent lands are partially used in agricultural turn. Industrial facilities are absent.



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SITE CHARACTERISTICS

The coast territory is 80,6 hectares

- The site of triangular shape is limited from the North, West and South by surface of the water, from the East – by the highway with an asphalt covering.
- Extent of borders on the coastline is 3, 3 km., by land – 2, 0 km.
- The land relief has active structure; geodetic marks from 195,28 to 231,27, differences in marks are up to 26 m.

Climatic and ecological conditions

- Soft moderately snow winter, not hot quite long summer, satisfactory insolation, moderate humidity and wind force.
- The ecological condition of the territory is estimated as favorable. An ecological capacity of this territory is one of the highest in the area gracious to the planting of the territory, existence of forests, and lack of pollution sources.

Modes of city-planning use of the territory

- Zone of the ecological mode - within the territory of the park construction of inhabited, public and domestic facilities are allowed.
- The zone of strictly sanitary and hygienic mode includes territories of sanitary protection of art wells and water intakes which are intended for creation of a barrier between protected objects and environmental pollution objects.
- The zone of the high ecological security includes the water preserving zone and coast strip where sites construction is not allowed except nature protection and landscape and recreational sites.



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LAND USE PLANNING AND MANAGEMENT

Investments into preparatory work have been made about \$6 million

- The vertical layout and bank protection has been executed;
- Works of land zoning have been performed and micro zones under construction have been prepared;
- Offsite engineering networks and constructions have been built;
- Utilities such as gas electricity have been brought;
- The external fencing has been established.

Arrangement of a beach zone

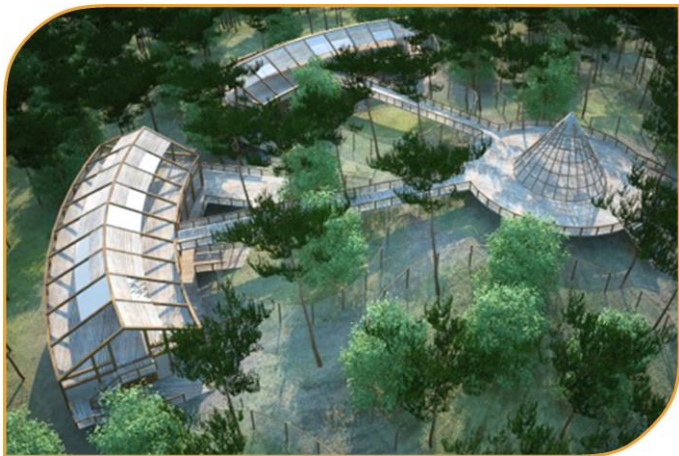
- The building of the check point with an entrance gate has been built (with the connection to the engineering networks and fire alarm system);
- Fire tanks, three sewer and pump stations have been installed;
- Networks of the fecal sewerage, the stormwater drainage system and external lighting have been laid;
- The floating modular platform has been mounted; the playground, pavilions for change outfit have been established; a temporary post of Society for Development of Water Transport and Passenger Safety has been constructed;
- Planting of trees and bushes has been made, flower beds have been equipped.

Arrangement of a fishing zone

- The building of the check point with entrance gate has been built (with connection to engineering networks and the fire alarm system), the safeguarded parking has been made for 86 parking places;
- Floating fishing platforms have been mounted and established; arbors with a brazier have been constructed;
- Trench drains, wells of the stormwater drainage system and networks with oil separators have been mounted;
- Networks of external lighting have been laid; the ladders connecting walking paths have been arranged.

Arrangement of a guest zone

- The open protected parking for 233 parking places has been constructed;
- Fire tanks have been installed, networks of external lighting have been laid, the stormwater drainage system with oil separators has been mounted.



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PROJECT POSSIBILITIES

The “Dubrova Park” project is not attached only to a certain direction in tourism; the investor has a right to choose direction of further project implementation:

- Entertainment park,
- Amusement park,
- Theme park,
- The mixed park and so forth.

According to the conditions of city-planning use in the territory, it is possible to construct the following objects:

- Hotel complex;
- Restaurant, cafe, game club;
- Malls, mechanical workshops;
- Zoo, contact zoo, open-air cages with animals;
- Aqua park.

The territory of the park has the considerable potential which can be used for the organization of:

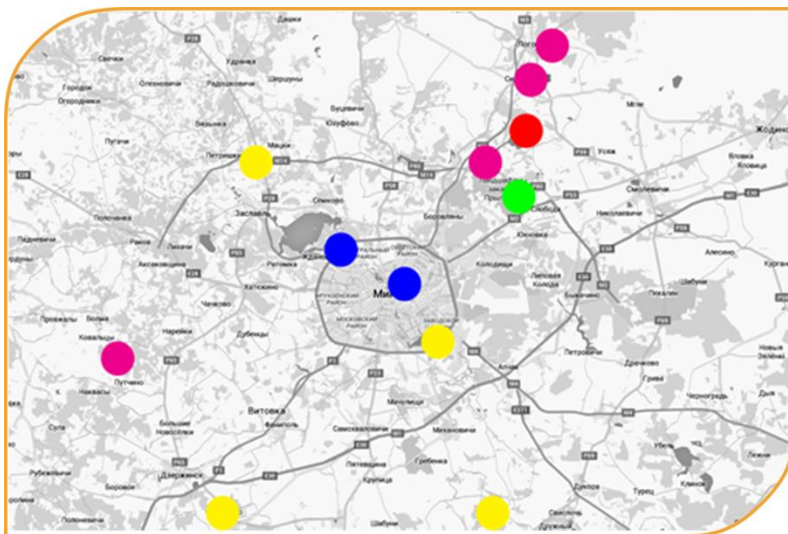
- Golf courses, tennis courts, sports grounds;
- Bicycle rental, segways, rickshaws, horse walks;
- Platforms for sports and sports war games (Hardball, Strikeball, Paintball, Laser tag);
- Children's game labyrinths, rope towns, health tracks.

The surface area of the reservoir is allowed organizing:

- Hire of water attractions, catamarans, boats and sailing courts;
- Windsurfing, wakeboard, water ski, kite boarding, flyboard, hoverboard.

Lack of the increased danger zones allows fully using airspace for the organization of:

- Platforms for the balloon start;
- Walks on a hydroplane;
- and many other things.



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IMMEDIATE ENVIRONMENT

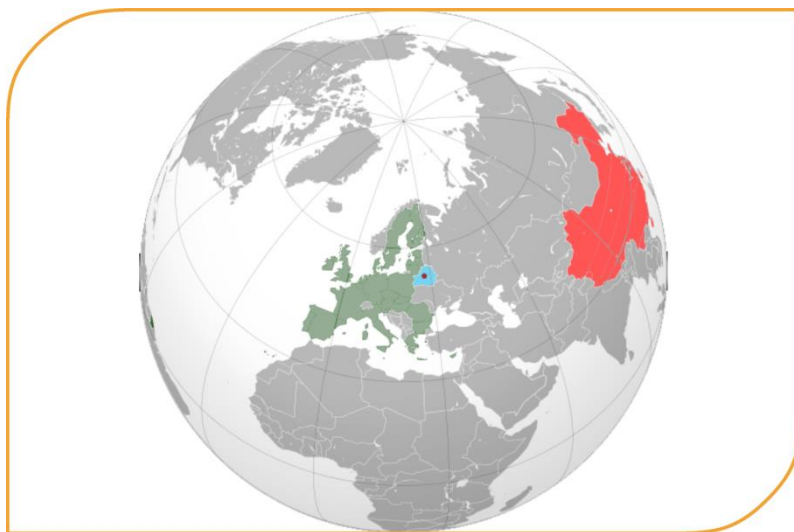
The tourist objects are located in the region of the project implementation

- The Olympic sports complex RAUBICHI (sports complex has a comfortable hotel for 190 rooms, a sports and tourist camp of 16 lodges, a restaurant, a pizzeria and two bars in hotel building);
- Ski center SILICHI (multipurpose entertaining and recreational complex, in the territory of which the cottage town, hotel, recreational center, restaurant, two cafes and multifunctional center is located);
- Recreational ski fitness center LOGOYSK (there is a hotel for 48 rooms at guests' disposal, guest lodges, restaurant, cafe, rental center of ski equipment, the covered tennis courts, the mini-football field, ski roller route, paintball, riding);
- The tourist complex SOSNOVAYA (guest wooden two-storeyed houses, Finnish sauna, the pool and billiards, cafe, bar, arbors with braziers are located in the territory of the complex).

Design and construction of the multipurpose entertainment and playland park adds harmoniously the existing tourist infrastructure and allows finishing of formation of an entertaining and tourist cluster.

Infrastructure of entertainments of the capital region has been presented by:

- Historical and cultural complex “Liniya Stalina”;
- Museum complex of ancient national crafts “Dudutki”;
- Park of active recreation “Yakutskie gory”;
- Center of ecological tourism “Stankovo”;
- Center of water entertainments aquapark “Lebyazhiy”;
- Minsk city zoo;
- Recreational complex aquapark “Fristayl”.



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GREAT STONE

Republic of Belarus and the People's Republic of China actively interact in economy and policy

- Diplomatic relations between the countries have been established in 20 January, 1992;
- At the end of 2016, foreign trade turnover exceeded \$ 3.6 billion, China is the third largest trading partner of the Republic of Belarus
- The People's Republic of China is the third largest trade partner of Republic of Belarus;
- Republic of Belarus has cooperated with National bank of development of China since 2009; total amount of Chinese credit lines in Republic of Belarus exceeds \$30 billion;
- In October, 2016 Government of Republic of Belarus and Export-import bank of China has signed the memorandum of investments advance of Chinese companies in Belarus.

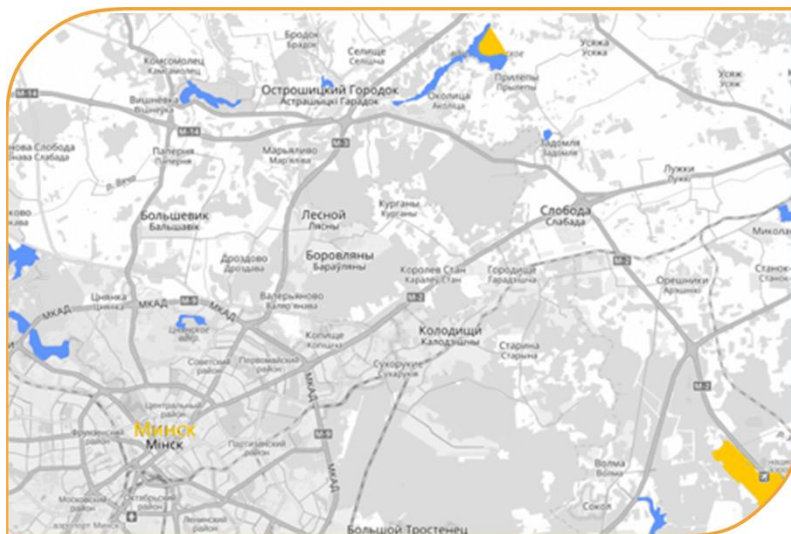
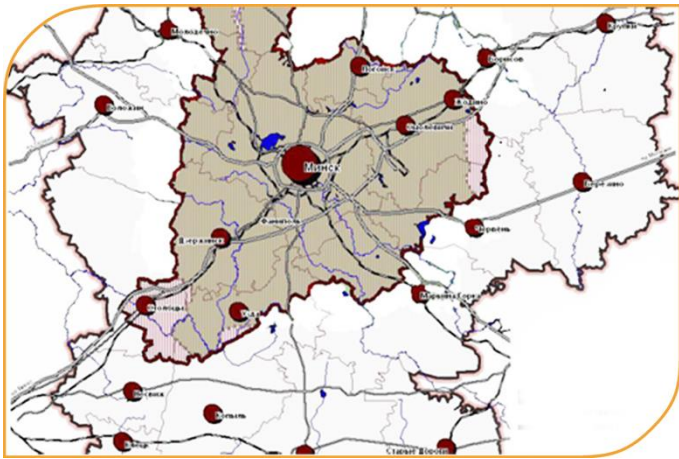
One of the most significant joint projects is China-Belarus industrial park “Great Stone”

- The special economic zone in Belarus has been created according to the intergovernmental agreement between the People’s Chinese Republic and Republic of Belarus;
- The priority directions are electronics, biomedicine, fine chemistry, mechanical engineering and new materials; the planned markets are CIS states and European Union;
- Park infrastructure is industrial, transport facilities, zones of the housing estate, including social objects, office and shopping malls, financial and scientific research centers. Creation of separated sub-parks of Harbin city and Province of Guangdong is been planning in the territory;
- The great Stone is the biggest industrial park in Europe among parks created by China (Singapore is going to take a part in the project).

The ecotourist complex “Dubrova Park” is settled down in direct proximity with the Industrial park

- Creation of a recreational zone near the Industrial park will allow creating a complete China-Belarus cluster of perspective development based on synergy of growth.





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PROJECT ADVANTAGES

Access to the market

- Domestic market: a site arrangement in the center of the country and high mobility of the population will allow attracting tourists with all the territory of Republic of Belarus.
- Connecting traffic: a park arrangement on the crossing of trans-European transport corridors (No. II “West-East” and No. IX “North-South”) will allow attracting "transit tourists".
- Incoming tourism: high concentration of foreign tourists in the capital and excellent transport availability of the park territory will allow organizing a flow of foreign tourists.
- Capital region: Minsk is the largest internal market with the highest solvency.

Location

- Tourist cluster: “Dubrova park” is located in the largest tourist cluster and will also use a synergetic effect of nearby objects.
- Great Stone: the China-Belarus industrial park which is a significant point of perspective development as region, and all the country in general that will allow receiving perspective and high - payment sales market, is developing in close proximity.
- Coastal territory: a site arrangement on the bank of large reservoir and an extended coastal strip will allow realizing the unique project which does not have any analogs.

Low level of the potential competition

- Object is settled down in a zone of special distribution control and lands usage that creates high barriers of occurrence into the market.
- Lack of similar conditions for the creation competing object (there are 8 reservoirs in the territory of Minsk, only 4 of them have surface area more than 2 sq.km).





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POTENTIAL CAPACITY OF TOURISTIC SECTOR

According to the World Travel & Tourism Council

- By 2027, investments in the tourism industry of Belarus will grow by 2.3% and amount to 7.3 billion Belarusian rubles.
- The contribution of tourism to the GDP of Belarus by 2027 will be 6.2%.
- The share of employed in tourism in Belarus will reach 94,000 by 2027.

Insufficient development of internal infrastructure entertainments pushes Belarusians to an active outbound tourism

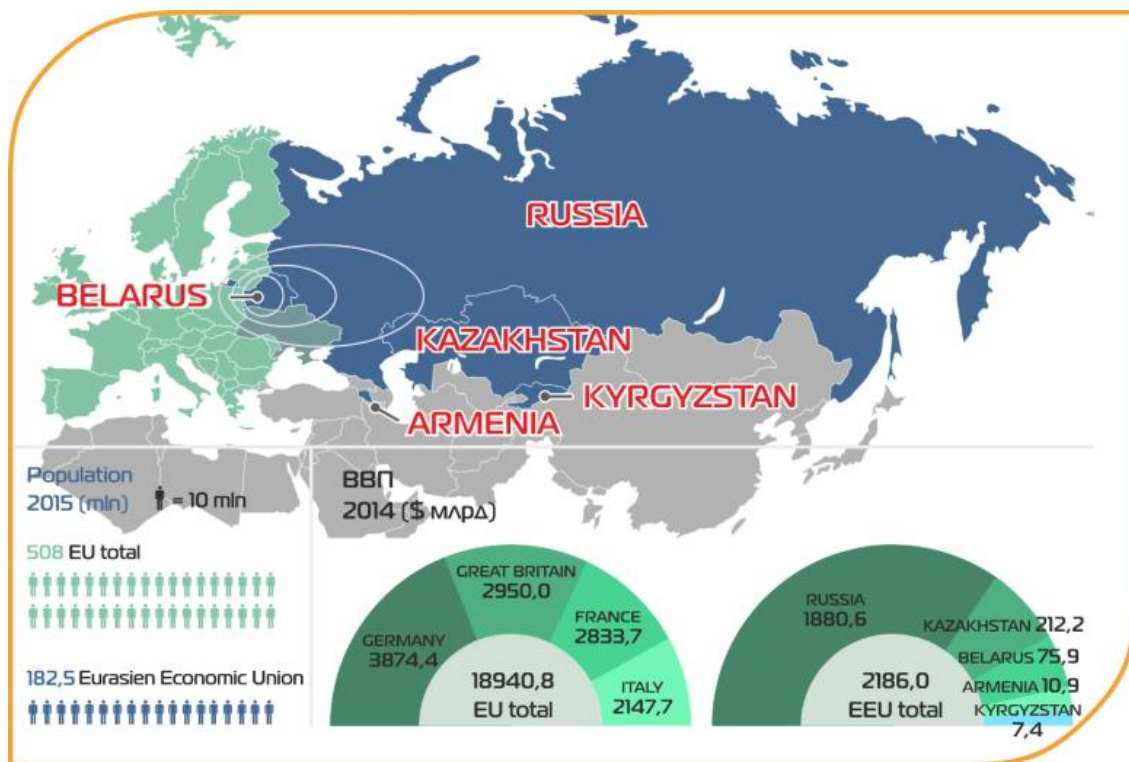
- Every year Belarusians are included in the TOP-10 countries in terms of the number of Schengen visas issued.
- Belarusians spend for outbound tourism from 500 to 800 millions of USD within a year.
- The average Belarusian family of four people spends for entertainments and vacation inside of the country 1, 6% of the family budget.

The basis of tourist branch is made by natural wealth and historical heritage

- Especially protected natural territories of Republic of Belarus include 1235 objects.
- 5379 immovable objects are included in the State list of historical and cultural values of Belarus.

The country is interested in development of tourist branch – the State program of touristic development is adopted for 2016 - 2020 “Belarus gostepriimnaya” (“Hospitable Belarus”)

- Main goal in development of the country tourist branch is the formation and development of modern competitive tourist complex.



INVESTMENT CLIMATE

Republic of Belarus is the state in Eastern Europe (in the North-West borders Lithuania, in the West - Poland, in the North - Latvia, in the East - Russia, in the South - Ukraine)

- The Territory is 207.6 thousand sq.km;
- The Population is 9.5 million people;
- GDP (PPS) per capita is \$17.4 thousand;
- Share of urban population is 77%;
- The Minsk agglomeration is 28% of total number.

Stable socio-political system

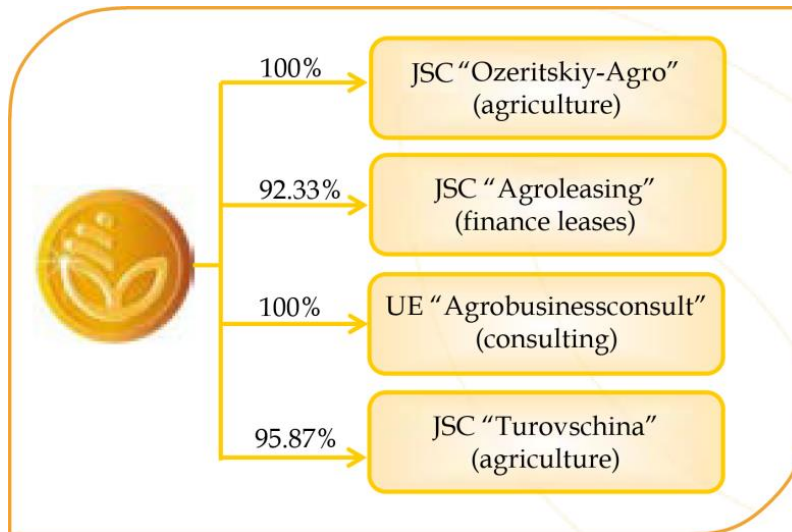
- There are no international and interfaith conflicts;
- Economically active population makes 47%, unemployment is 1%;
- Belarus takes the 53rd place in the world on an index of human development.

Balanced export-oriented economy

- GDP in 2015 is \$54, 8 billion;
- Foreign trade of goods and services for 2015 is \$65, 6 billion;
- Gold and foreign exchange reserves (01.04.2016) are \$4, 2 billion;
- External public debt (01.03.2016) is \$12, 5 billion;
- The rate of inflation in 2015 is 12%;
- Refunding rate for 01.07.2016 is 20%.

According to an annual research of the World Bank group “Doing Business Report 2018” Republic of Belarus

- In the final rating rose to the 38th place from 190 countries - one of the strongest positions in the CIS;
- In terms of the indicator "International trade" it occupies the 30th position - the leading position among the countries of the Unified Energy System;
- Has shown significant improvements in terms of business registration conditions, regulation labor relations, protection of minority investors.



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PROJECT INITIATOR

Joint Stock Company Belagroprombank is

- Universal commercial bank, share of the state is 99%
- Registered on the 9th of March, 1991 (the letter of National bank of Republic of Belarus from 09.03.1991 No. 03005/184);
- A parent organization of bank holding (holding consists of 4 subsidiaries);
- Agent of the Government of Republic of Belarus in terms of realization of the state programs;
- JSC Belagroprombank has about 50 000 corporate and 2 000 000 retail clients.

JSC Belagroprombank takes the leading positions in the banking sector of Republic of Belarus

- Takes the second place in size of authorized fund and capital, the size of assets and deposits;
- Has the regional network: 7 branches and 278 payment processing centers, Rep office in the Republic of Italy (Milan);
- Has stable ratings by estimates of the international agencies such as Standard & Poor's: B, - the Stable assessment (at the sovereign level).

JSC Belagroprombank is an active participant in the world financial market

- Cooperates with more than 100 banks from 30 countries of the world;
- Is accepted by 18 UNECA for participation in co-financing trade operations of bank clients;
- Is amongst the credit financial institutions leaders of Republic of Belarus in terms of credit resources attraction in the international capital markets.



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