

Investment Offer

I. General information about the project

- 1. Project name:** reconstruction of incomplete conserved capital construction object into the complex “The centre of traditional Chinese medicine”.
- 2. Project branch:** Consultations of highly qualified Chinese specialists, diagnosis with modern Chinese equipment, providing services for medical diagnosis and treatment with traditional and non-traditional methods of the Chinese medicine.
- 3. Project location:** The total area of the building intended to be reconstructed is 2754,0 square meters. This building is incomplete conserved capital three-stored object. It is situated on the land plot JSC “Health resort “Brestagrozdavnitsa” (The Republic of Belarus, Brest region, area of the village Berestje) in ecologically clean area on the picturesque shore of the lake on the territory of the unique biosphere and landscape reserve “Pribuzhskoje Polesje”. GPS coordinations of the land plot: 51.830361, 23.723039
JSC “Brestagrozdavnitsa” is one of the most famous sanatorium establishments of the Republic of Belarus. It works all year round, the total bed capacity is 362 places.
- 4. Project description** (the essence of the investment project, prerequisites, goals, what is expected from investor, why can the project be of interest to investor)

The traditional Chinese medicine becomes more popular not only in their homeland, but also in the whole world.

The aim of the project is the building of the center of Chinese traditional medicine on the base of incomplete capital construction JSC “Health resort “Brestagrozdavnitsa”

The center will develop collaboration with research and higher education institutions and health facilities of Belarus and neighboring countries for exchange of experience in the sphere of traditional Chinese medicine, master classes and refresher courses will be held. Also highly qualified and experienced doctors will provide services

- 5. Project implementation period and stages, including the expected project implementation starting date**

A project implementation period – 3 years
1st stage – preparation of project documentation
2nd stage – reconstruction of the building, commissioning
3d stage – equipping

- 6. Degree of the project readiness** (availability of business plan, feasibility study, marketing research or other preparatory work/studies carried out (or in progress) and the date, when they were prepared)

Pre-investment stage

II. Information about the project initiator

- 1. Organization full name:** open joint stock company «Health-resort “Brestagrozdavnitsa”
- 2. Registration date:** 08.08.2008г. (certificate of state registration), UPN 200244711
- 3. Authorized fund structure, %:**

Legal entities:	Share
- state ownership form	
- private ownership form	
Individuals	

III. Description of the market of the product intended for manufacture

A. Description of the product intended for manufacture:

1. product name and description: Diagnosis and treatment of diseases by traditional and non-traditional methods of Chinese medicine
2. main consumers the main consumers of services will be visitors into JSC “Health resort “Brestagrozdavnitsa” (annually about 7500 people (including. more than 1600 people-foreigners), and also residents of Belarus , neighboring countries – Russian Federation, the Republic of Poland, Federal Republic of Germany, Lithuania, Latvia and other countries ..
3. main competitors (producers of similar product performance goods): Nowadays similar centers operate in Russian Federation. There is a range of medical centers in the Republic of Belarus which provide just some services in the sphere of non-traditional medicine, and also there is the center (department) of traditional Chinese medicine in Minsk regional clinical hospital.

B. Domestic market description

1. current market capacity (over the latest reporting period, please, specify the year):
USD
2. prospective domestic market share: %
3. strategy for operating in the domestic market:
 1. Uniqueness of providing services
 2. Lower prices than foreign competitors have
 3. Opportunity of long stay on the territory
 4. High quality of providing services
4. state regulation (price regulation, licensing of the activities etc.): licensing of activities ,state regulation of prices, monitoring of the realization of the rights in the process of activities
5. return on sales (%): (in year);
6. market concentration degree (approximate total market share of five largest market players, %): .
7. other (specify): text entry space.

C. External market description

1. Estimated sales volume distribution by core regions, %:

EEU countries (Eurasian economic union)	Incl. Belarus market	EU countries	Other countries

2. Does the company have experience in exporting to these countries: yes; no
3. Do other Belarusian producers export these products to the main target markets?
 yes; no

IV. Description of available infrastructure

Railways and motor drive ways:

- own railway line – absent
- railway line (distance from the site,km): Distance to the nearest railway station «Zboonin» 8 км, distance to the railway station “Brest-Zentralny” -42km
- republic-wide automobile roads (distance,km): Distance to highways of national importance (P94) – 5,2 km, distance to highways of federal importance (M1) – 50 km.
- other roads with advanced coating (distance,km): 0,1km

Communications:

Connection to current engineering networks JSC «Health resort «Brestagrozdavnitsa»: power supply, heat supply, water supply and sewerage is possible. Maximum distance to connection points is no more than 50 meters.

Land plot and manufacturing facilities:

The total building area – 2754,0 square meters .

The total land area 0,2478 ra.

Presence of capital structure. Characteristics of structure: .incomplete object consisting of one conservated three-storeyed capital building with technical storey The roof of the building is flat, made of floor slabs with single-layer bitumen-ruberoid coating. .Outer walls are made of red (inside) and silicate (outside) bricks. Wall thickness is 510mm.

V. Key advantages of the project

1. High social importance of the project
2. Absence of analogical centers in the region and in the nearest cities
3. Presence of annual flow of customers into JSC “Health resort “Brestagrozdavnitsa”
- 4..Presence of three-storeyed capital structure
5. Proximity and accessibility to utilities

VI. Project financing

A. Total investment amount: USD

B. Investment sources/ Sources of funding:

Source		Amount
<input type="checkbox"/>	Own resources	
<input type="checkbox"/>	Investor’s resources	2 -2,5 million dollars
<input type="checkbox"/>	State financing	
<input type="checkbox"/>	Grants	
<input type="checkbox"/>	Long-term loans	
<input type="checkbox"/>	Short-term loans	
<input type="checkbox"/>	Other (specify):	
	...	
	...	
	...	
Total:		2 -2,5 million dollars

C. Investment resources allocation:

- research and development
- the creation of infrastructure
- building
- purchase of equipment, ,technologies, licenses
- replenishment of working capital

D. Form of investor participation in the project:

Forms of investor participation	Investor’s share in authorized fund under the intended participation form, %
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<input type="checkbox"/>	Contribution to the authorized fund of a newly established enterprise	50-100%
<input type="checkbox"/>	Purchase of shares (share in the authorized fund) of the existent enterprise	
<input type="checkbox"/>	Purchase of the enterprise as an asset complex	
<input type="checkbox"/>	Additional issue of shares for selling to investor	
<input type="checkbox"/>	Other (specify):	
	...	
	...	
	...	

E. Preliminary indicators of the project efficiency

Indicator	Value
Time horizon (settling period, the number of years)*	
Annual revenue (excluding VAT, after reaching the project capacity), USD	
Period for reaching the project capacity, years	
Pay-back period, years	
Dynamic pay-back period, years	
NPV**, USD	
IRR**, %	
Discount rate***, %	
Base period / year	

* Time horizon validation:

** IRR and NPV are indicated as of year _____ of the project implementation.

*** Discount rate validation:

Date of calculations conducting:

VII. Contact information

Contact person (name, position)*: Lopurko Denis Petrovich, the director JSC «CKO «Brestagrozdavnitsa».

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Date of the investment offer preparation:

* If the form is filled in by another person, please, indicate contact information of the executor as well