



belagroprombank
making more future

INVESTMENT PROPOSAL

JOIN STOCK COMPANY «TUROVSHCHINA»



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INVESTMENT PROPOSAL

The purpose of attracting an investor

- Strategic partnership in the development of the enterprise and the improvement of performance
- By improving the mechanisms of economic management and control
- by joint implementation of investment projects

Form of cooperation

- Selling the blocking stake (25% + 1 share) to the strategic investor
- Coordination in the decision-making regarding the management system (assignment and relocation of managers) and business mechanisms
- Joint design and implementation of investment projects
- Harmonization of marketing and sale policy

Benchmarking

	Strategic partnership	Long-term investments	Purchase of blocking stake
Blocking stake	+	+	+
Investment into development	+	+	—
Balance structure optimization	+	+/-	—
Possibility of redemption of shares at par	+	—	—
Additional proposal *	+	—	—
Amount of investment, thousand USD	7 605,7	7 722,3	5 919,1

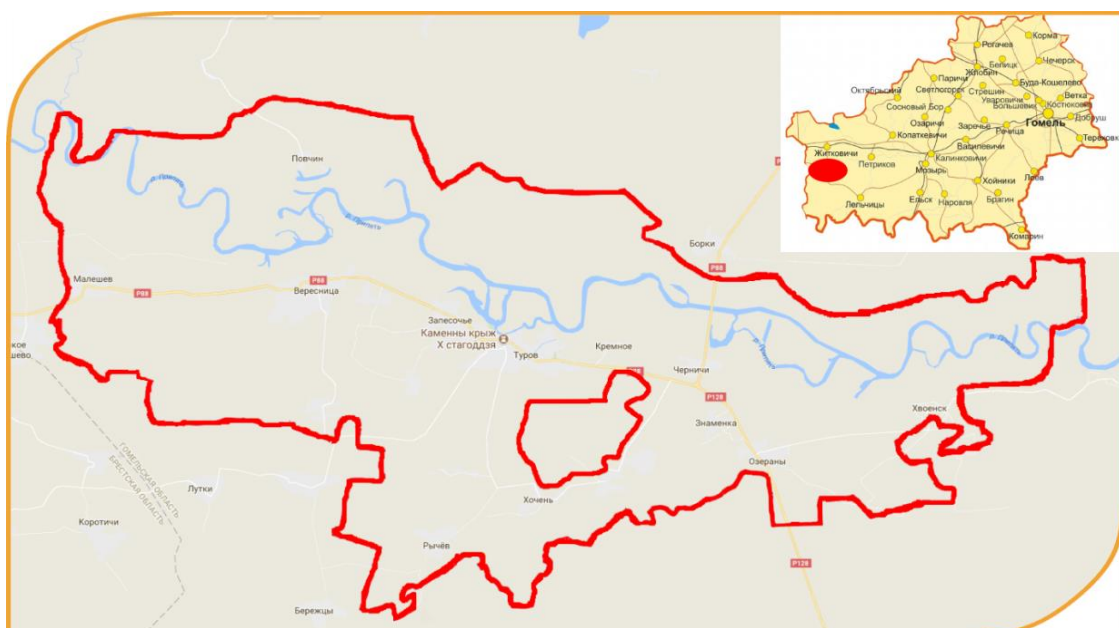
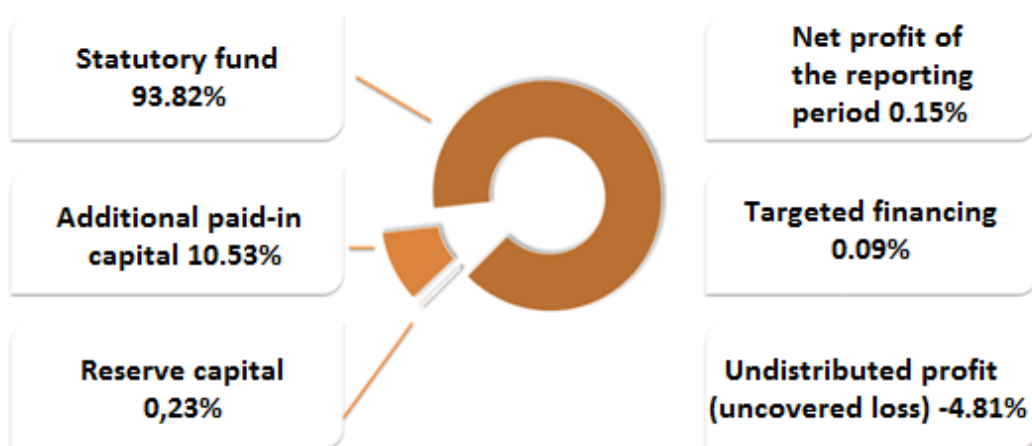
* ADDITIONAL PROPOSAL

- Possibility of maintaining a portfolio of preferential borrowed funds for at least 5 years by JSC Belagroprombank
- The possibility of restructuring on the agreed terms of the loan portfolio for loans granted to JSC Belagroprombank

Structure of the balance sheet, thousand USD.

Indicators	2015	2016
Fixed assets	40 726	41 540
Inventory	10 874	13 159
Receivables	2 576	1 256
Equity	19 834	23 440
Credits and loans	28 659	26 178
Accounts payable	7 285	7 595

Structure of net capital as of 04.01.2017



OVERVIEW

Joint-stock company Turovshchina

- Registered on 20.08.2009 under № 490526759 in the Unified State Register of legal entities and individual entrepreneurs, the decision of Zhytkovich District Executive Committee
- Created by way of reorganization of CFUE «Agropripyat» and merger with CFUE “Richevsky”, CFUE “Zapesochye”, CFUE “Veresnitsa”
- The legal successor of the rights and obligations of CUE “Turov canning plant” and the collective farm “Novaya Zhizn”

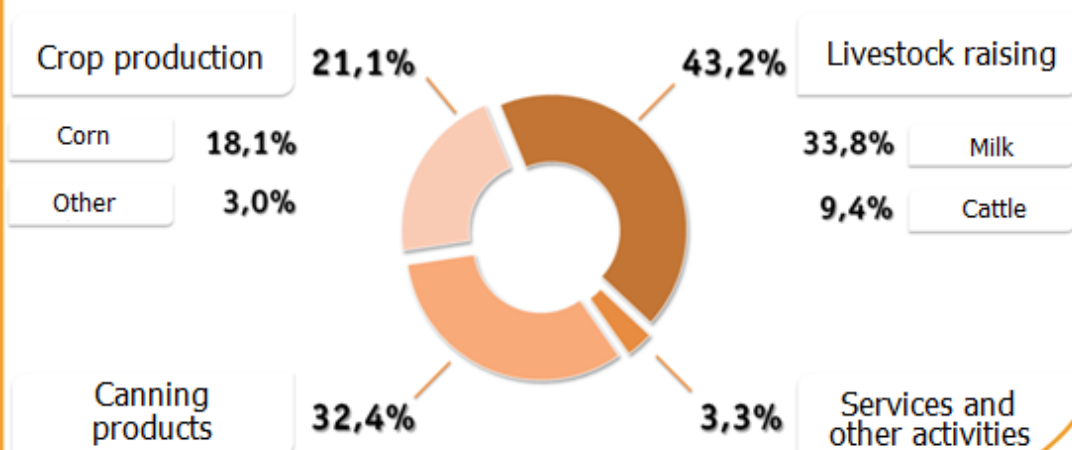
Share capital structure as of 01.01.2017

- Net capital, thousand USD – 23 808
 - Net capital per 1 share, USD – 0,27
- Authorized fund, thousand USD – 44 672
 - Cost per share, USD – 0,25
- Common shares – 89 344 596
 - JSC Belagroprombank – 84 859 230
 - State committee of Property of the Republic of Belarus – 828 633
 - JSC “Gomeloblagroservis” – 31 449
 - Individuals – 3 625 284
- Preferred shares – none.

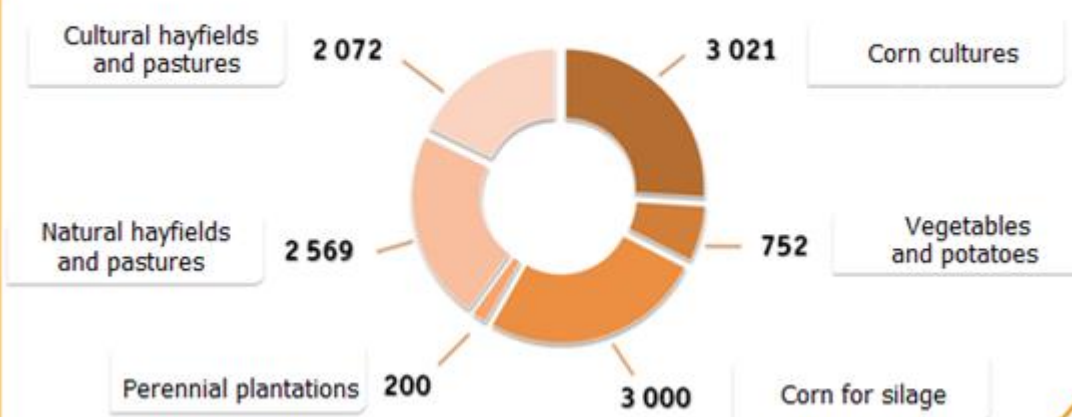
Location

- Gomel region, south-western part of Zhytkovich District, central part of the Polessye lowland on both sides of the Pripyat River.
- The climate is moderately warm with unstable winter (average temperature in July +18,4, in January – 5,9°C), average annual precipitation 573 mm, vegetation period 197-200 days, natural fertility of agricultural lands 31,8 points, of arable lands 44,7 points.
- The enterprise consists of 19 settlements (Ozerany (central farmstead), Znamenka, Pogost, Chernichi, Kvoyensk, Bechi, Richev, Ridcha, Khochen, Storozhovtsy, Semuradtsy, Zapesochye, Voronino, Veresnitsa, Maleshev, Lubovich, Burezh, Povchin, Turov). The area infrastructure: 2 general education schools-kindergartens, 5 clubs, 10 shops, 2 canteens, 2 saunas, 2 feldsher-midwife stations, 1 pharmacy

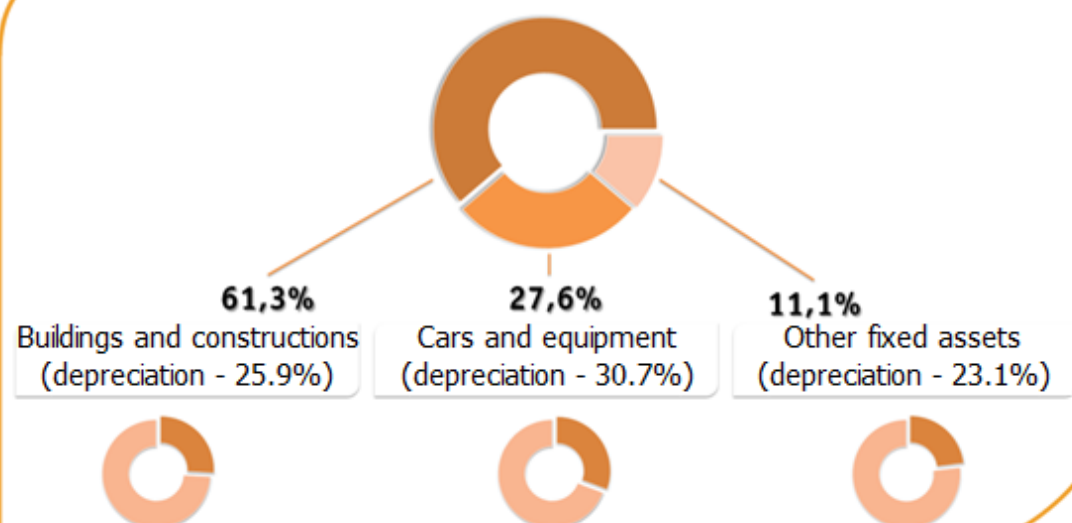
Information about the main indicators of specialization



Land area, ha



Structure of fixed assets



PRINCIPAL ACTIVITY

JSC Turovshchina is a large multi-field agro-industrial enterprise covering an area of 26 396 ha and consisting of:

- JSC Turovshchina – agricultural production, area of the territory 26 396 ha.
 - Crop production – growing of cereals, legumes, fodder and industrial crops
 - area of agricultural lands 11 909 ha.
 - arable lands 6 095 ha.
 - garden 200 ha.
 - Cattle breeding – large-scale cattle breeding («Limousine»)
 - Total stock 12 091 heads,
 - Milking herd 3 268 heads
 - Beef cattle 679 heads.
- «Turov Canning Plant» affiliated branch – processing of agricultural produce, производство консервов
 - Natural canned food – green peas, sweet corn, natural beans
 - Canned snacks – vegetable saute, beans with garnish
 - Marinades – canned cucumbers
 - Jams – apple jam,
 - Juices – birch sap, berry juices
- «Losiny Ostrov» affiliated branch – tourism, hunting and fishing.

The area of hunting grounds is 128 400 ha

 - Hotel «Turov» – accommodation services and events
 - Hoptel Complex «Strumen» – tourism and fishing, accommodation services and events
 - Torust complex «Beloye» – tourism and fishing
 - Floating hotel «Polessye» – tourism and events



MATERIAL AND TECHNICAL RESOURCES

JSC Turovschina

• Structures

- Commercial dairy farms – 10 units
- Cattle fattening operation and completion of growing farms – 8 units
- Grain cleaning plants and drying equipment – 2 units
- Vegetable and fruit storage per 5 000 tons – 1 units

• Transportation department

- trucks – 83 units
- load carrying vehicles – 32 units
- harvester-threshers – 19 units
- forage harvesters – 8 units
- potato combine harvester – 2 units

«Turov Canning Plant» affiliated branch

• Canning department

- Green peas production line – 8 t per hour
- Sweet corn processing line – 3,5 t per hour
- Cucumber canning line – 10 tubes per day

• Juice workshop

- Juice production – 30 tubes per day
- Strained tinned food production – 10 tubes per day

«Losiny Ostrov» affiliated branch

- Fenced open-air cages for wild animals – 1 840 ha
 - Length of fence – 22,48 km
- Use of river Pripyat' – 31,5 km

• Hotel “Turov”

(49 sleeping accommodations, 24 seats in the restaurant)

• Hotel facilities «Strumen»

(24 sleeping accommodations, 45 seats in the coffee-bar)

- Hotel building (16 beds) – 1 building
- Two-storied guest houses (up to 10 beds) – 2 buildings

• Tourist center “Beloe”

(25 beds)

- Guest house 7 rooms – 1 building
- Guest house 2 rooms – 2 buildings
- Guest house 4 rooms – 2 buildings

• Floatel “Polesia”

(16 beds)



GROSS FIGURES

Animal production

- **Dairying**
 - Gross yield, t – 19 389
 - Milk yield per cow, t – 5, 933
 - Milk distribution, t – 17 001
 - Marketability of milk, % – 88
 - Distribution in standard weight, t – 16 796
 - Valid fat status, % – 3, 6
- **Growing of beef cattle**
 - Number of cattle, animal units – 12 091
 - Animal yield, animal units – 4 008
 - Output of raising, t – 1 724
 - Average daily gain, g – 645
 - Gross gain in weight of beef cattle, t – 1 639
 - Implementation in live weight basis, t – 1 266

Plant production

- **Commercial farming**
 - Cereals and grain legume crops, ha – 3 021
 - In weight after processing, t – 21 279
 - Field vegetables, ha – 625
 - Yielding, t – 6 550
 - Fruit (apples), ha – 40
 - Yielding, t – 995
- **Internal business volume**
 - Peas, ha – 284
 - Yielding, t – 1 455
 - Sweet corns, ha – 250
 - Yielding, t – 1 827

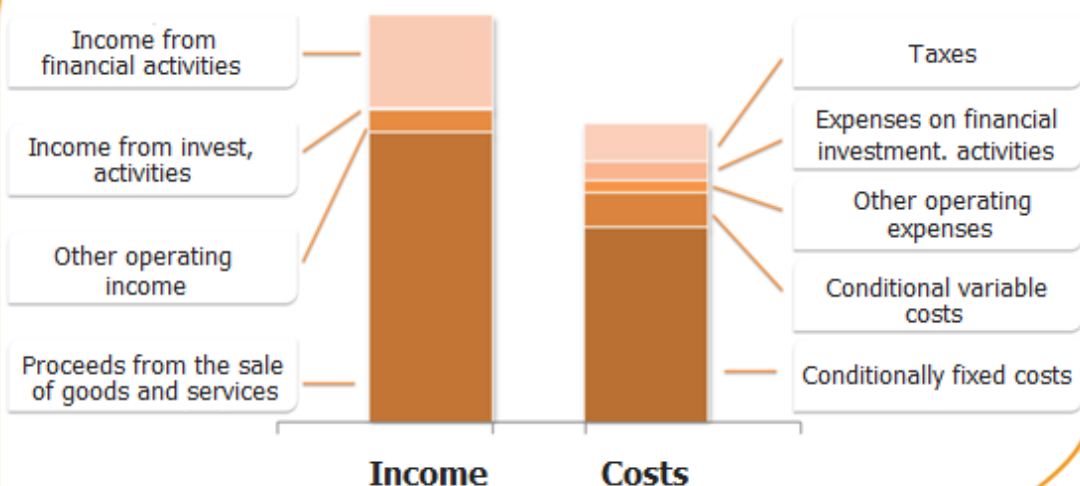
Canned products

- Natural packs, tubes – 9 489, 6
- Tinned snacks, tubes – 78, 6
- Pickled (marinade) products, tubes – 7, 2
- Jam, tubes – 259, 4
- Juice – 68, 6

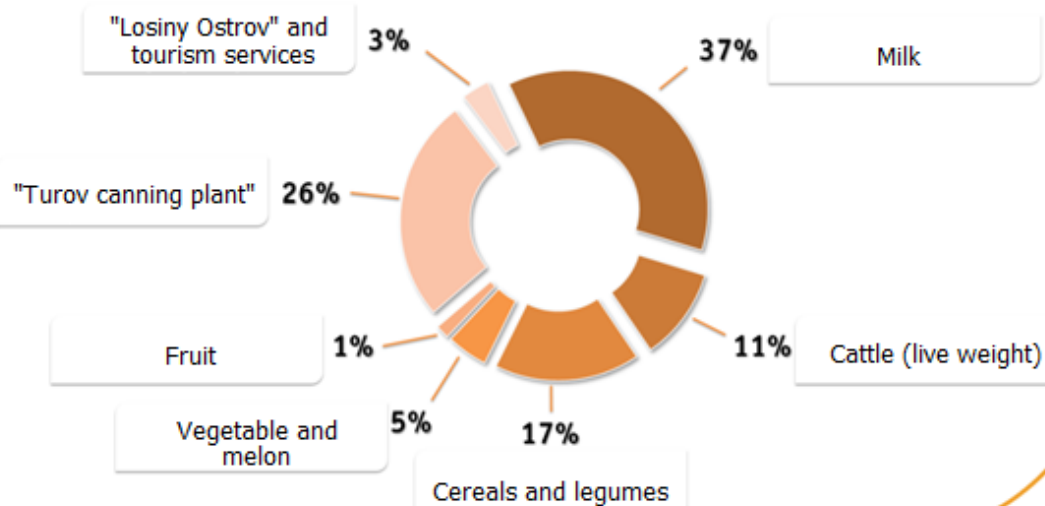
Tourism and recreation services

- Received guests, persons – 9 030
- Accommodation, room-nights – 7 747

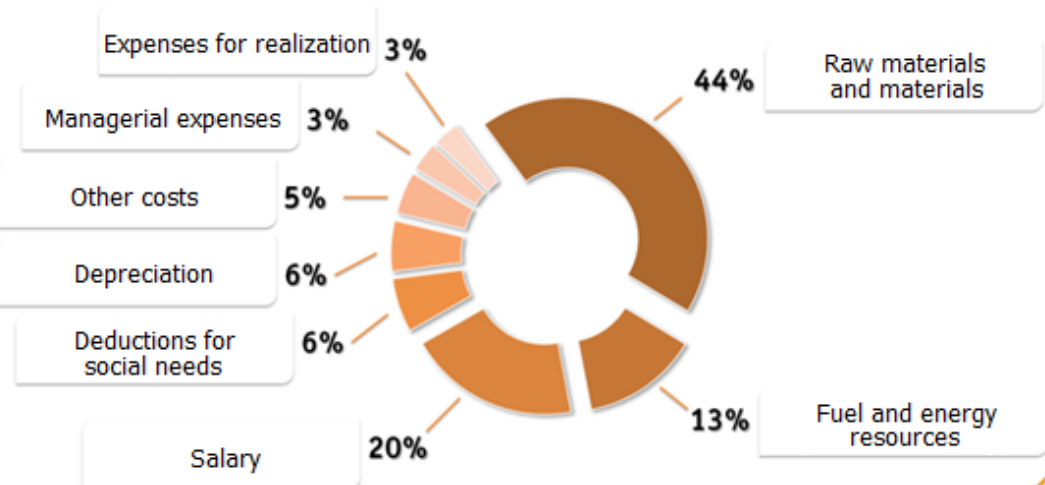
Comparison of income and expenses on the balance sheet



Revenue structure



Cost structure



ECONOMIC EFFICIENCY

Assets analysis as of 01.01.2017

- Long-terms assets have a 72,6% share in the balance sheet structure (fixed assets) – the balance value of fixed assets is 41 540,0 thousand USD
- The enterprise has no uncompleted large investment projects– investments into long-terms assets total 681,0 thousand USD or 1%
- The principal part of current assets consists of highly liquid assets –the total amount of inventories is 13 159 thousand USD or 87,8% (of which 39,2% are animals in farming and fattening)
- Accounts receivable have a small share in the balance sheet structure: 1 255,5 thousand USD or 2,2%.

Liabilities analysis as of 01.01.2017

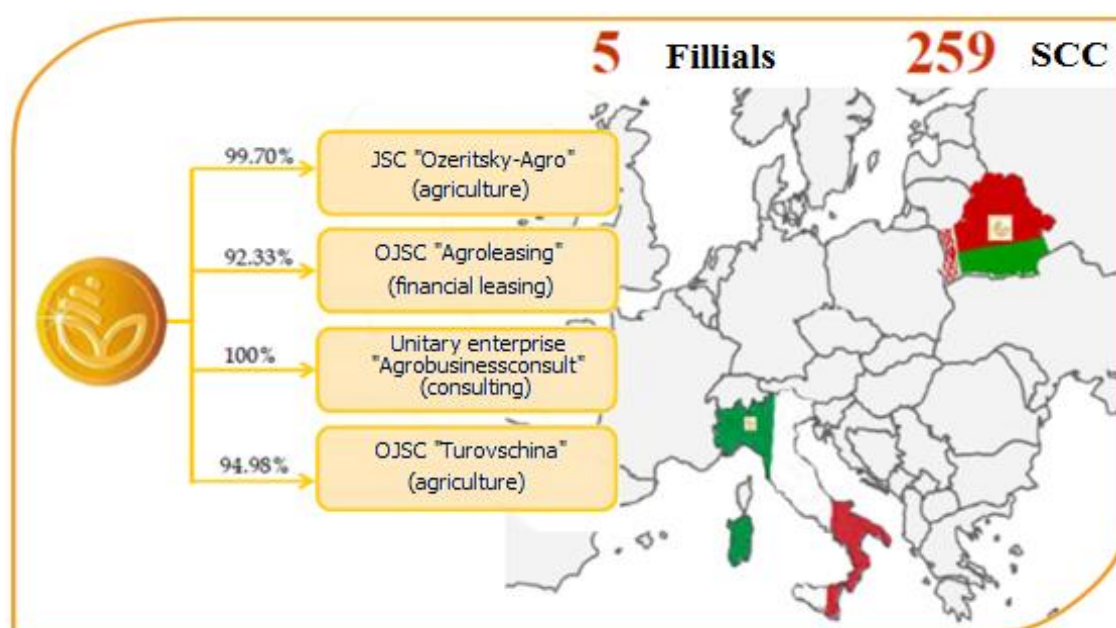
- Equity has the biggest share in the liabilities in the balance sheet structure: 23 440,0 thousand USD or 41,0%.
- The share of long-term liabilities (credits and loans) is 25 568,5 thousand USD or 44,7%. The average weighted annual interest rate on borrowed resources is 2,02%.
- Short-term liabilities have a 14,3% share in the balance sheet structure, the main part of which accounts for internal turnover between the affiliated branches. Liabilities owed to suppliers and contractors: 2 935,0 thousand USD or 5,1%.

Financial stability and solvency analysis

- The amount of short term assets exceeds the amount of short-term liabilities, which evidences the enterprise's ability to pay off its short-term liabilities. The current liquidity ratio is 1,83 (standard $\geq 1,5$).
- Working capital to current assets ratio is 0,45, which evidences the adequacy of own circulating assets (standard $\geq 0,2$).
- The ratio of financial assets to financial liabilities is 0,59, which evidences the enterprise's ability to pay its financial liabilities subject to sale of assets (standard $\leq 0,85$).



Key financial indicators	Q1 2017 million USD
Assets	4 553
Capital	554
Credits provided by customers	2 588
Customer accounts	2 867
Standard & Poor's	B/B- (stable outlook)



INITIATOR OF THE PROJECT

Initiator of this investment memorandum is the Joint-Stock Company Belagroprombank

- Universal commercial bank, 99% of shares is owned by the State
- Incorporated on 03.09.1991 (letter of the national Bank of the Republic of Belarus dd. 03.09.1991 №03005/184);
- Parent company of the bank holding company (consisting of 4 affiliated enterprises);
- Government Agent on servicing state programs
- About 50 000 corporate and 2 000 000 retail clients.

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

- №2 by authorized fund and equity, assets and deposits;
- Branch network: 5 regional branches и 259 outlets, Representative offices in the Italian Republic (Milan);
- Has stable rating assigned by Standard & Poor's: B-, Stable outlook (at sovereign level).

JSC Belagroprombank is an active player at the global financial market

- Cooperates with over 100 banks from 30 world countries;
- Accepted by 18 ECA to participate in the cofinancing of trade operations of the bank's clients;
- One of the leading credit and financial institutions of the Republic of Belarus in terms of attracted credit facilities at the global capital markets



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CONTACT INFORMATION

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