



**National investments agency under the
President of the Kyrgyz Republic**

INVESTMENT PROJECT

Construction of modern slaughterhouse and logistics center "Talas-Eti, Trade and Logistics Center LLC "Talas-Stroy"

Project overview

Project location: Chymgent village, Cholponbai ayil aimak, Kara-Buurinsky district, Talas region.

Project aims to construct a slaughterhouse and trade and logistics centers (TLC) with the aim to create a closed production cycle: from raising livestock and farming products to its deep processing and its subsequent sale to the domestic and foreign markets.

The implementation of the slaughterhouse project will increase the production capacity of the workshop in the future to 15-20 tons per day, processing up to 1 ton of meat products.

Processing, storage, packaging and sale in the TLC will be up to 1,500-2,000 tons of crop, melon and garden products for the first years.

The planned project implementation period is 9 months. Negotiations are underway with the Russian companies "SelkhozLider", "Kolaks", "Top Engineer", "Stroytrejding-project and construction company", "Bestlog", on the project planning, acquisition and installation of equipment, slaughterhouse modules with processing and storage workshops for the trade and logistics center.

Objective

To increase the production of meat and crops, horticulture, its processing, to increase the employment of the rural population.

Financial indicators

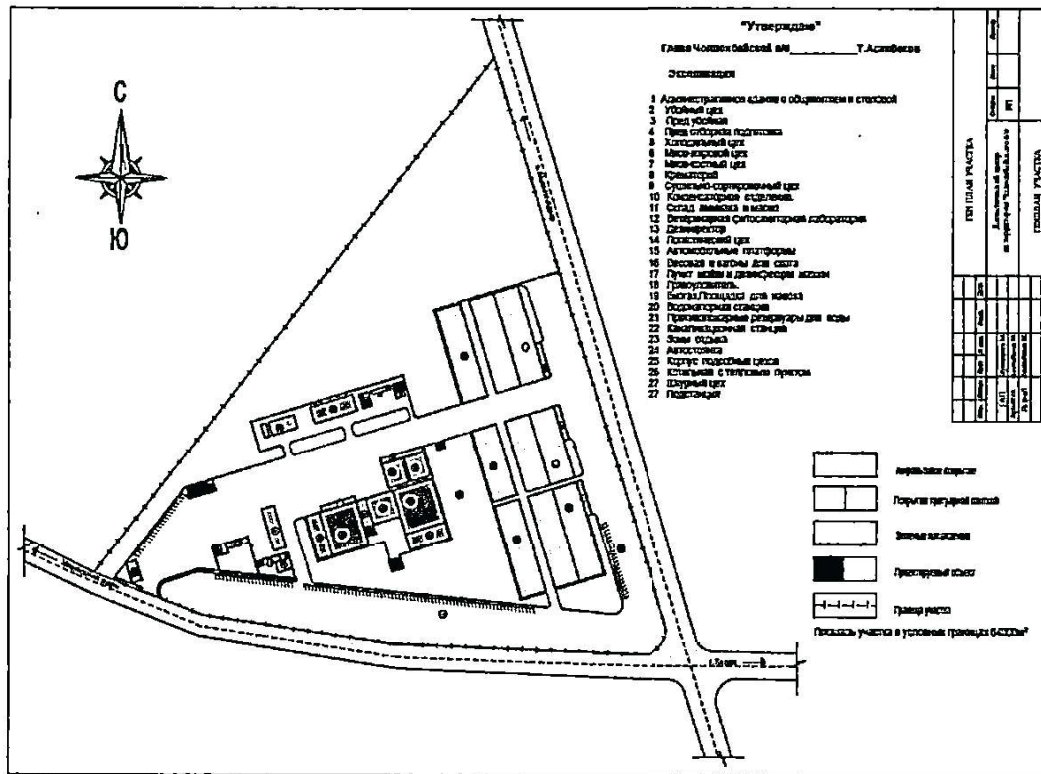
Required investment - 6.310 mln. USD

Payback period - 5 years

Repayment period - 7-9 years

Project profitability - 24%

Architecture and planning of the slaughterhouse.



Construction

The construction of the slaughterhouse includes the acquisition of a land plot of 8.4 hectares. Excavation and concrete works (for arranging the foundations of columns), installation of metal structures, installation of external walls and internal partitions, installation of external doors and windows, installation of the roof, interior design and connection of engineering systems will be carried out at its own expense.

The total cost of the construction and installation work for the construction of the meat processing complex and the logistics center amounts to 3,500 thousand US dollars. The planned project implementation period is 9 months.

Now design construction documentation is being prepared for construction and installation works for arranging the main buildings of the complex and its infrastructure. The main construction works are planned to be implemented by using the project initiator's own labor resources, as well as by attracting third-party organizations, the selection of which is planned to be carried out in terms of price / quality ratio for the services offered.

SWOT Analysis

Strengths

- activity in one of the profitable, fast-growing, competitive sectors of the Kyrgyz economy with liquid goods;
- significant experience in the livestock market;

- production lines in an economically attractive region, with significant volumes of raw materials and developed infrastructure;
- direct contracts for the supply of raw materials and sales of finished products;
- low comparative cost of finished products;
- use of modern equipment and advanced technologies;
- environmentally friendly production;
- qualified highly educated management;
- modern production management and sales technologies.

Weaknesses

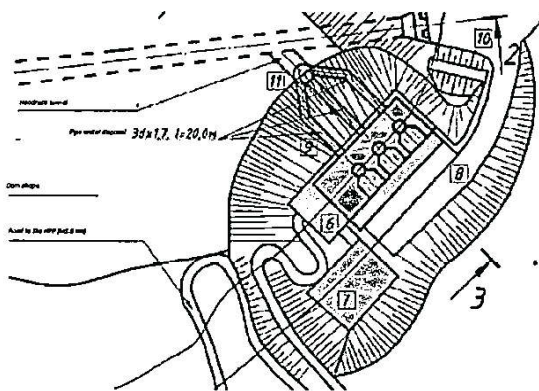
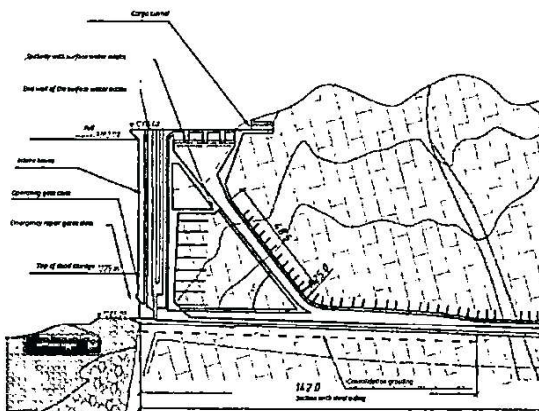
- significant competition in the market from domestic and foreign importing players;
- lack of equity capital for the implementation of large investment projects;
- instability of the pricing environment for raw materials and finished products, depending on external factors;

Opportunities

- stable demand growth for meat;
- expansion of production and sales;
- the possibility of further processing of products to improve profitability;
- expanding the crop base to fully meet the needs of livestock in feed and diversify risks.

Threats

- increased competition and reduced profitability;
- infrastructure constraints;
- epizootic situation;
- changes in tax legislation;
- rising prices for feed and energy;
- negative change in prices for finished products under the influence of external factors.



Name of the company:

"Chakan HPP" OJSC

Brief description of the Project:

The project involves the construction of a hydro power plant (hereinafter referred to as the HPP) with potential capacity of 20 MW, based on the Papan reservoir located in the middle course of the Ak-Buura river and designed to improve water supply to lands of the Osh Region and water supply to Osh. The reservoir has a capacity of 260 million m³. The dam site is located in the narrow Qatar Gorge, cut by a river in a mountain group.

The potential annual average electric energy output is 93 million kWh.

Description of the Project Initiator:

"Chakan HPP" OJSC is a domestic company, wholly-owned by "National Energy Holding Company" OJSC. The main areas of activity are operation, design and construction of SHPPs in the Kyrgyz Republic, and generation, transmission and sale of electric energy.

"Chakan HPP" OJSC sells electric energy in the domestic market and has 28 electricity consumers. At the same time, 80-90% of the electric energy is sold through "Severelectro" OJSC. The average annual electric energy output of "Chakan HPP" OJSC is 162.0 million kWh.

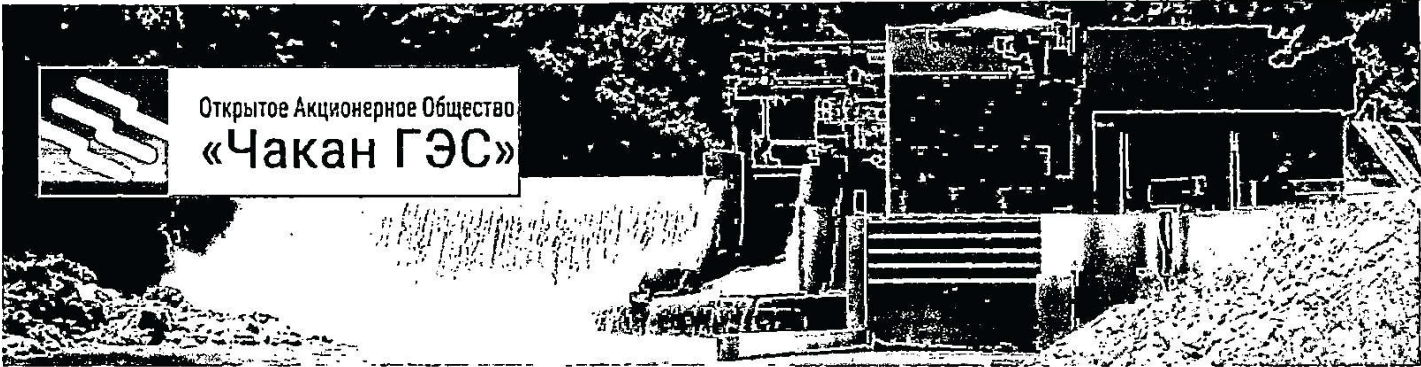
Project cost - \$26,000,000

- Total cost estimate for the construction, including supply and supervised installation of electrical equipment, is \$26,000,000

Amount of investments - \$26,000,000

IRR – 4.45%

Payback period - 7.93 years



Открытое Акционерное Общество
«Чакан ГЭС»

Name of the company:

“Chakan HPP” OJSC

Brief description of the Project:

The project involves the construction of a small hydro power plant (hereinafter referred to as “SHPP”) with a capacity of 5.4 MW at a potential site located on the Talas River, Talas District, Talas Region. The topography of the terrain makes it possible to build the SHPP with an open-flow intake system.

The location of the SHPP was chosen given the highest slope with maximum development of the river hydroelectric potential.

The potential annual electric energy output is 36.8 million kWh.

Description of the Project Initiator:

“Chakan HPP” OJSC is a domestic company, wholly-owned by “National Energy Holding Company” OJSC. The main areas of activity are operation, design and construction of SHPPs in the Kyrgyz Republic, and generation, transmission and sale of electric energy.

“Chakan HPP” OJSC sells electric energy in the domestic market and has 28 electricity consumers. At the same time, 80-90% of the electric energy is sold through “Severelectro” OJSC. The average annual electric energy output of “Chakan HPP” OJSC is 162.0 million kWh.

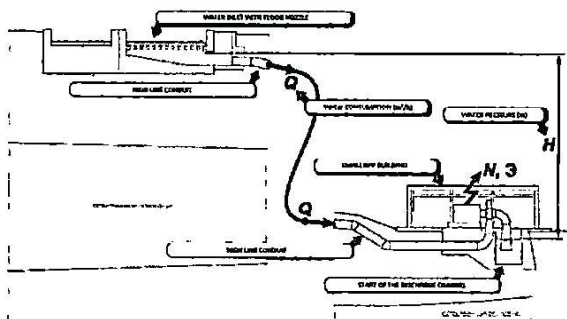
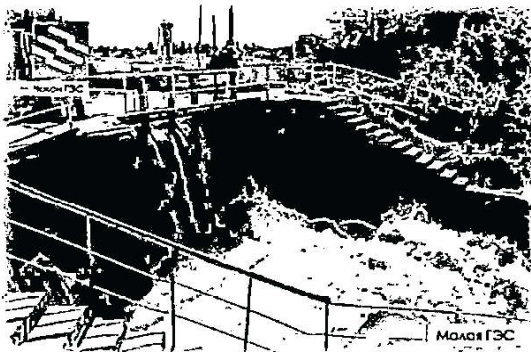
Project cost - \$8,375,960

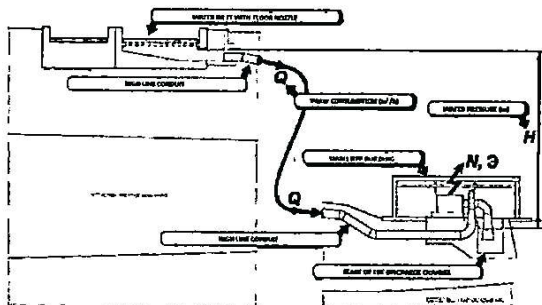
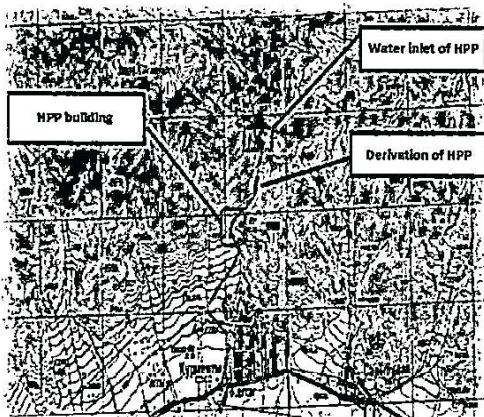
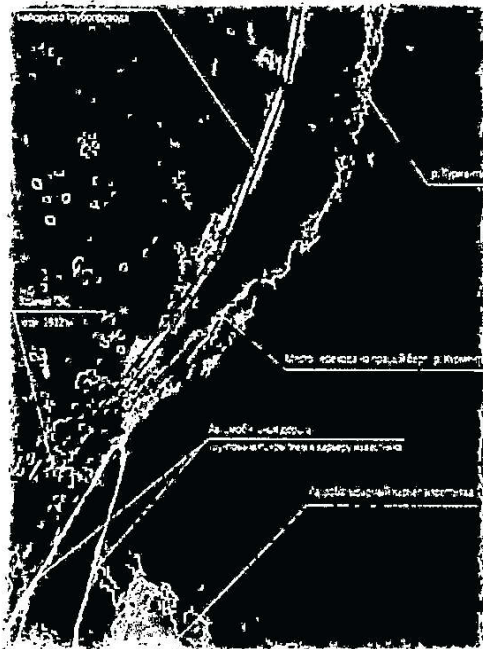
- Hydraulic structure – \$3,327,333
- Hydromechanical structure – \$2,740,000
- Electrical structure – \$1,280,000
- Unforeseen expenses – \$587,787
- Administrative expenses – \$440,840

Amount of investments - \$8,375,960

IRR – 9.23%

Payback period - 6.35 years





Name of the company:

"Chakan HPP" OJSC

Brief description of the Project:

The project involves the construction of a small hydro power plant (hereinafter referred to as "SHPP") with a capacity of 2.3 MW at a potential site located on the Kurmenty River, Tup district, Issyk-Kul Region. The topography of the terrain makes it possible to build the SHPP with a pressure intake system.

There are plans to build the water inlet at the elevation of 2,193.0 m and the SHPP building at the elevation of 1,912.0 m.

The potential annual electric energy output is 11.9 million kWh.

Description of the Project Initiator:

"Chakan HPP" OJSC is a domestic company, wholly-owned by "National Energy Holding Company" OJSC. The main areas of activity are operation, design and construction of SHPPs in the Kyrgyz Republic, and generation, transmission and sale of electric energy.

"Chakan HPP" OJSC sells electric energy in the domestic market and has 28 electricity consumers. At the same time, 80-90% of the electric energy is sold through "Severelectro" OJSC. The average annual electric energy output of "Chakan HPP" OJSC is 162.0 million kWh.

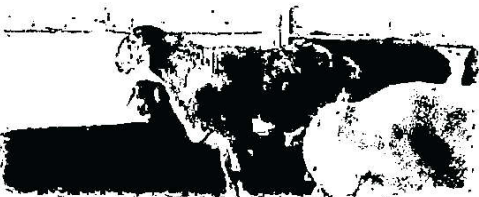
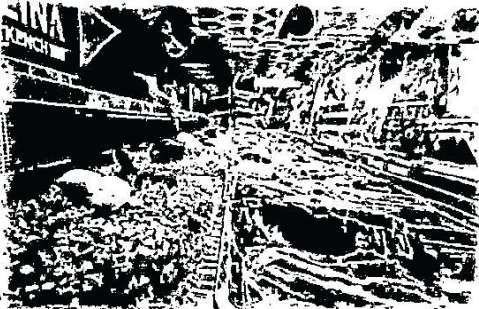
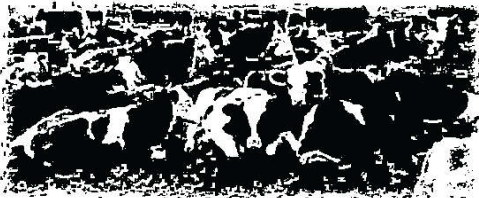
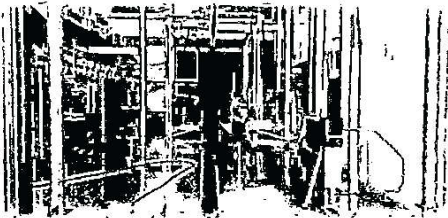
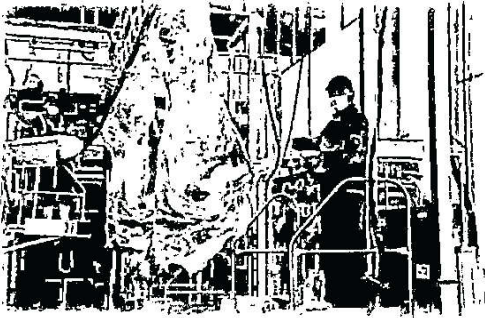
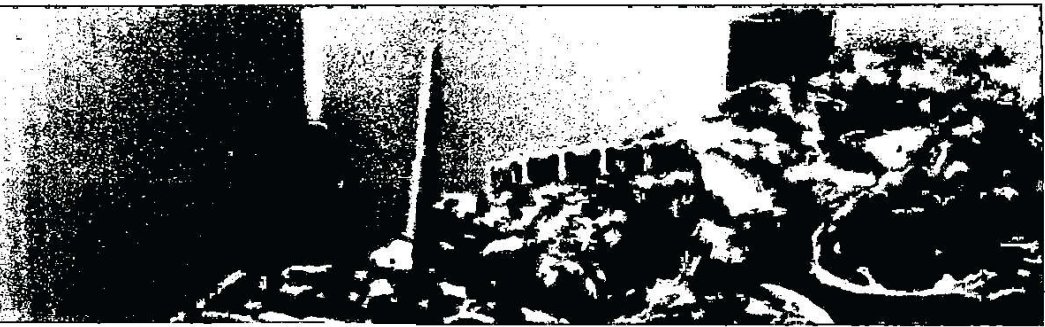
Project cost - \$2,259,213

- Hydraulic structure – \$744,003
- Hydromechanical structure – \$1,172,298
- Electrical structure – \$65,465
- Unforeseen expenses – \$158,541
- Administrative expenses – \$118,906

Amount of investments - \$2,259,213

IRR – 11.53%

Payback period - 5.76 years



Name of the company:

"Reina Kench" LLC

Brief description of the Project:

The project involves launching a sausage making shop on the basis of the existing slaughterhouse of "Reina Kench" LLC in the city of Karakol, Issyk-Kul Region. The project implies production of premium sausage products with minimum addition of non-natural components. The estimated capacity of the sausage making shop is 4 tons/day. A production area of 1,200 m² has already been prepared for launching the sausage making shop, located in the basement of the slaughterhouse.

Description of the Project Initiator:

The Project initiator is "Reina Kench" LLC, which has operated in the agricultural sector since 2001. The main areas of its activity are: breeding cattle, sheep and goats, slaughtering the same, regional training center for farmers, and crop production. The company has three retail sales points in Bishkek.

**Representative of "Reina Kench" LLC
Aydin Jumadilov**

- He designed and accompanied the "Reina Kench" project from inception to commissioning
- He provides full support for further stages of the Company's development

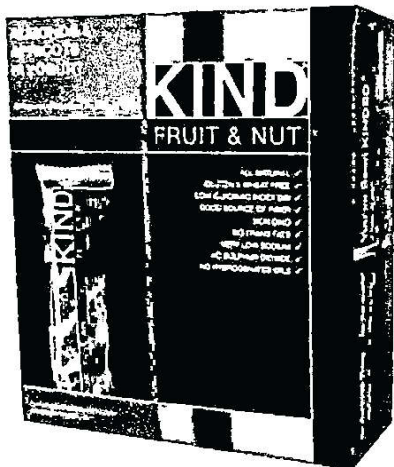
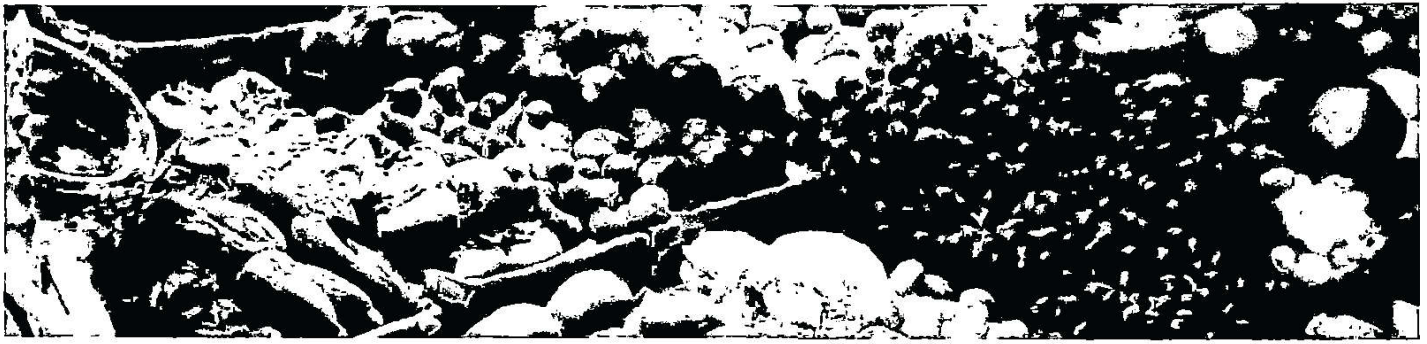
Project cost - \$1,000,000

- Production shop repair- \$285,000
- Equipment- \$450,000
- Utility system - \$200,000
- Training and certification of personnel - \$15,000
- Others - \$50,000

Amount of investments - \$1,000,000

IRR - 31.58%

Payback period - 2.01 years



Project Initiator:

Mirage LLC

Brief Project Description:

The project involves the construction of a logistics center in the village of Lenin, Suzak district, Jalal-Abad region. The logistics center assumes three areas of activity: storage of its own products for export, fruit processing for the production of fruit bars and their subsequent export, as well as the production of dried fruit.

The full load of the warehouse is expected to hold up to 10,000 tons of products.

Project Initiator Description:

The Project Initiator is Mirage LLC, which is engaged in non-specialized trade. The main activity of the Company is cargo transportation of fuels and lubricants.

Today, the Company owns land with an area of 60 ares. There is a concrete plant on the land plot.

CEO: Tugolbay Seidaliyev

- More than 5 years of experience in construction
- More than 10 years of experience in trading and exporting dried fruit
- Active member of the JIA Business Association

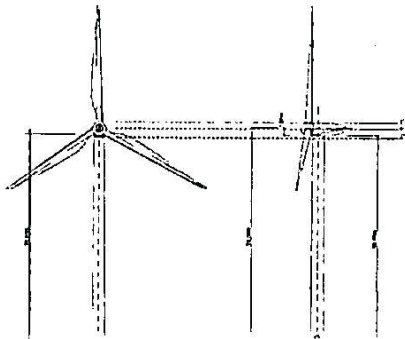
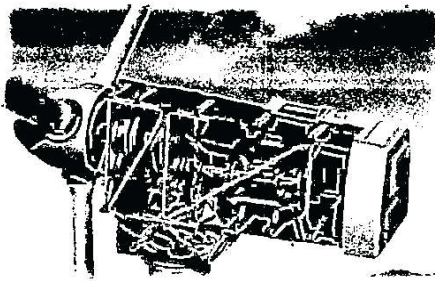
Project cost: \$5,500,000

- Land plot - \$200,000
- Construction - \$800,000
- Equipment - \$2,500,000
- Working capital - \$2,000,000

Investment required: \$5,000,000

IRR: 38.27%

Payback period: 1.63 years



Name of the company:

"Kyrgyz Wind System" OJSC

Brief description of the Project:

The project involves the creation of a wind farm by erecting wind turbines in Ak-Olon village. The designed capacity of the wind farm is 60 MW, which requires the installation of at least 30 wind turbines with a rated capacity of 2 MW each, and the installation of crane bases adjacent to each turbine, internal roads, an internal electric grid, an electrical substation, which includes control room and connection to the electric grid. The implementation of the project will make it possible to create the first industrial wind farm in Kyrgyzstan and create an opportunity to enter the renewable energy market.

Description of the Project Initiator:

The Project Initiator is "Kyrgyz Wind System" OJSC, whose main purpose was the creation of the first profitable and environmentally friendly wind farm in Kyrgyzstan, which will provide a steady stream of income from the sale of clean electric energy. As part of the project, 30 wind turbines will be launched to generate 60 MW of energy. The wind farm will provide sustainable electric energy to part of the Issyk-Kul Region and simultaneously help prevent emissions of carbon dioxide and other harmful substances into the atmosphere, with the annual environmental impact equal to 35,000 cars removed from the roads. The wind farm will provide additional energy both for the Issyk-Kul Region and for the export under the CASA 1000 project.

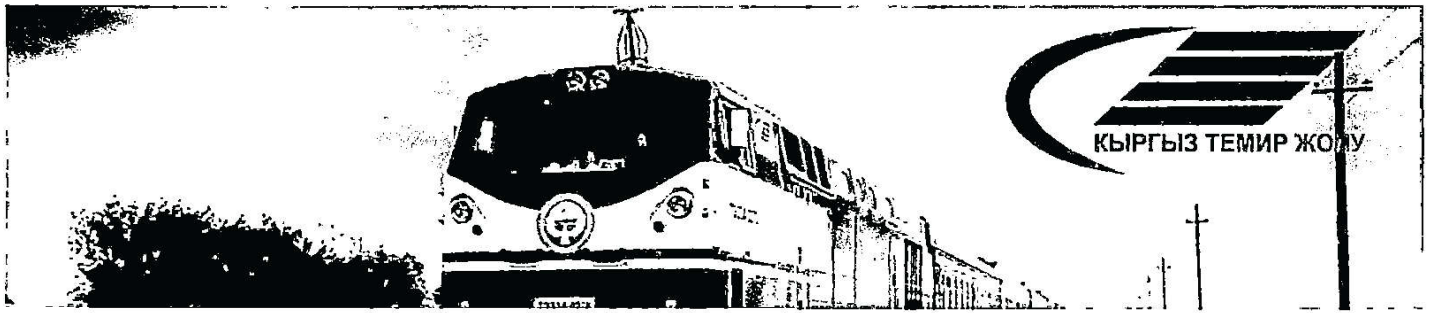
Project cost - \$60,000,000

- Wind generators, internal electrical installations, substations and power lines - \$58,000,000
- Design and construction works - \$1,200,000
- Unforeseen expenses- \$300,000
- Administrative expenses- \$500,000

Amount of investments - \$60,000,000

IRR - 6.28%

Payback period - 11.3 years



Name of the company:

SE NC "Kyrgyz Temir Zholu"

Brief description of the Project:

The project involves the electrification of the Lugovaya-Balykchy railway section. With the conversion to electric traction of the Lugovaya-Balykchy section, the fleet of diesel locomotives in freight, passenger and suburban traffic will be replaced by electric locomotives. The Lugovaya-Balykchy railway section is the main transport artery linking Kyrgyzstan with Kazakhstan and other countries. The section has one track, with a 321.5 km usable length, of which 60.3 km are in Kazakhstan and 261.2 km in Kyrgyzstan. The 60.3 km section located in Kazakhstan belongs to Kyrgyzstan.

Electric traction will make it possible to improve travel speeds, increase line capacity and working conditions and eliminate diesel engines' harmful emissions into the atmosphere.

Electrification of the Lugovaya-Balykchy section will open access to other electrified railway sections in directions of almost all Kazakhstan, with about 5,000 km of the 16,000 km railway electrified, and towards Russia. Access will open to western, eastern and northern directions of Kazakhstan and further to Russia.

Description of the Project Initiator:

The Project Initiator is the State Enterprise "National Company "Kyrgyz Temir Zholu". SE "NC KTZh" transports passengers and cargo by rail. Kyrgyz railways transport more than 7 million tons of cargo each year.

**General Director of the SE "NC Kyrgyz Temir Zholu"
Azamat Sakiev**

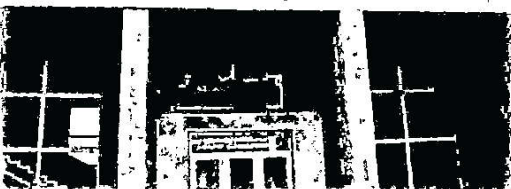
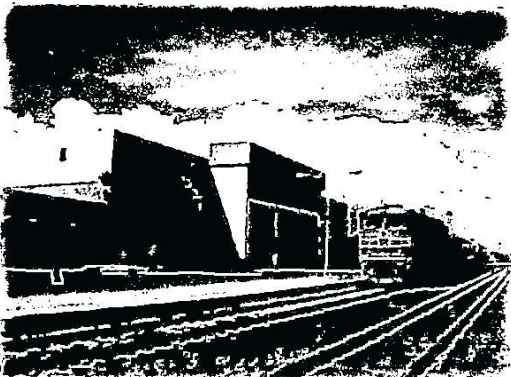
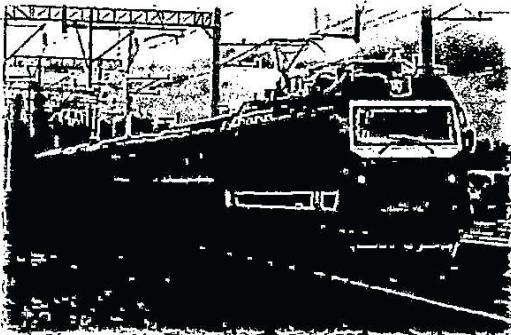
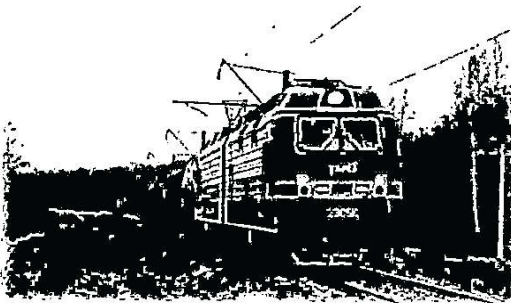
- More than 12 years of experience in management positions

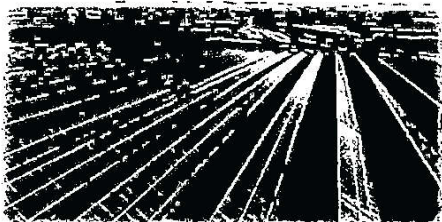
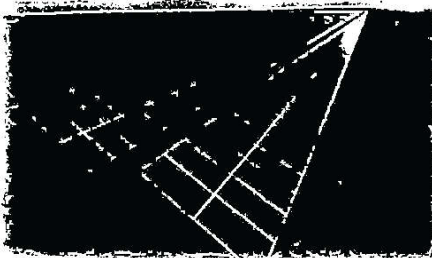
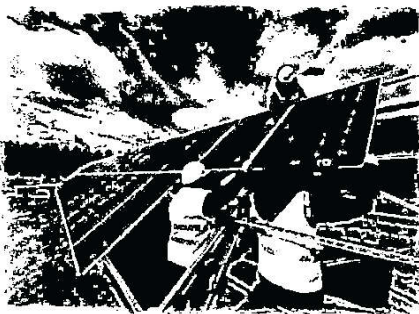
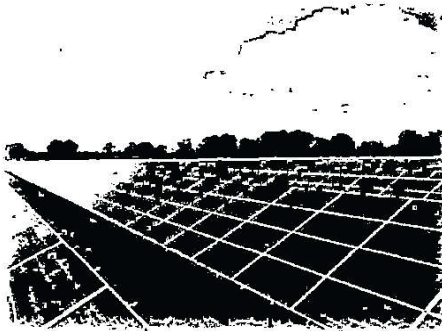
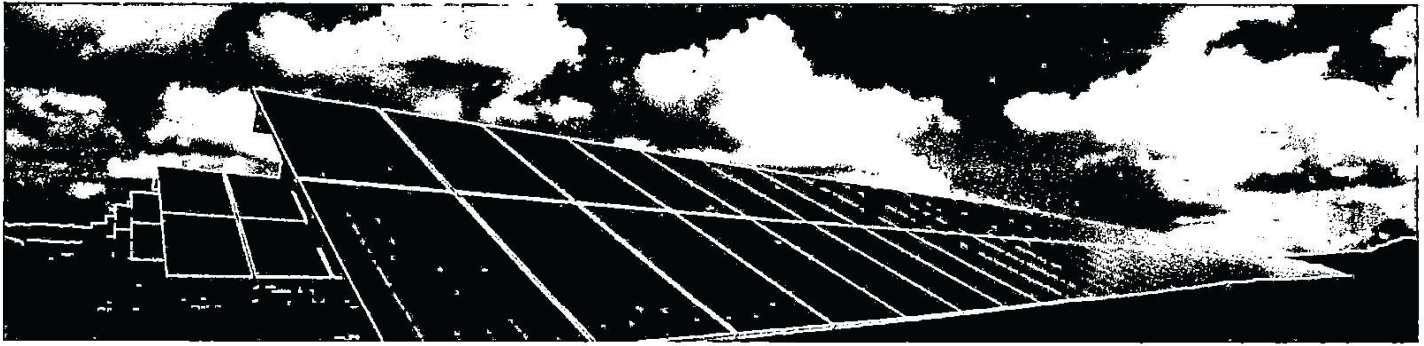
Project cost - \$297,670,000

- Electrification of the area - \$274,520,000
- Construction of supply power lines - \$15,700,000
- Repair depot in Bishkek, Balykchy - \$5,150,000
- Others - \$2,300,000

Amount of investments - \$297,670,000

Payback period - 4.75 years





Name of the company:

"Bishkek Solar" LLC

Brief description of the Project:

The project involves the construction of high-rise grid solar power plants in the Kyrgyz Republic to supply electric energy to the centralized grid without intermediate storage. The designed capacity of the solar power plant (hereinafter referred to as the SPP) is 300 MW, annual electric energy output is 528.7 million kWh.

Alternative option of the project: Solar power plant with the use of photovoltaic modules (photovoltaic panels). This type of SPP was selected due to the convenience of installing photovoltaic panels, regardless of the SPP location.

The Project is located in the Issyk-Kul Region, the area of the land plot allocated for the installation of solar panels is 300 ha.

Description of the Project Initiator:

The Project Initiator is "Bishkek Solar" LLC, one of the leading solar energy companies in the Kyrgyz Republic, which has been professionally implementing "green" energy projects since 2016. During this time, the Company has gained significant practical experience in implementing private and commercial projects with the use of advanced solar energy technologies.

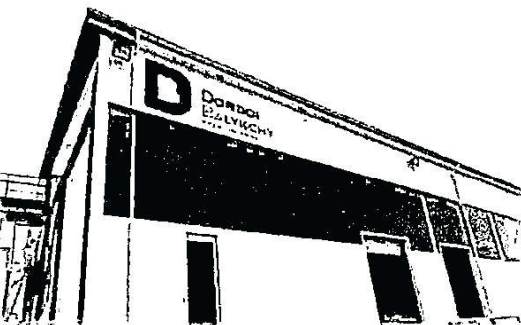
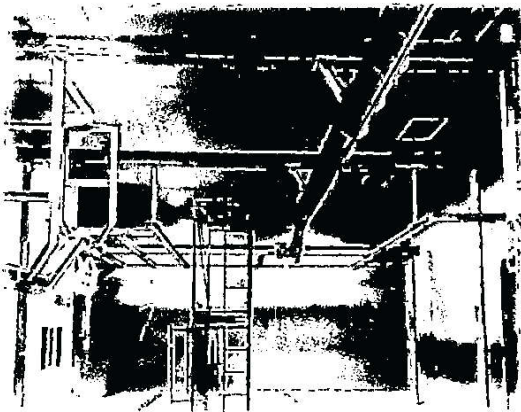
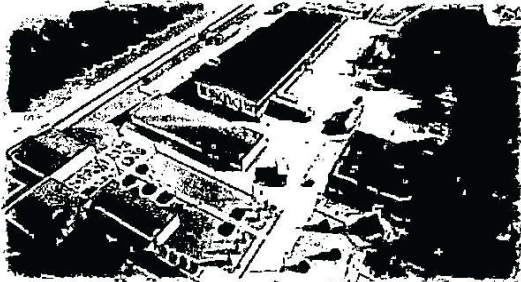
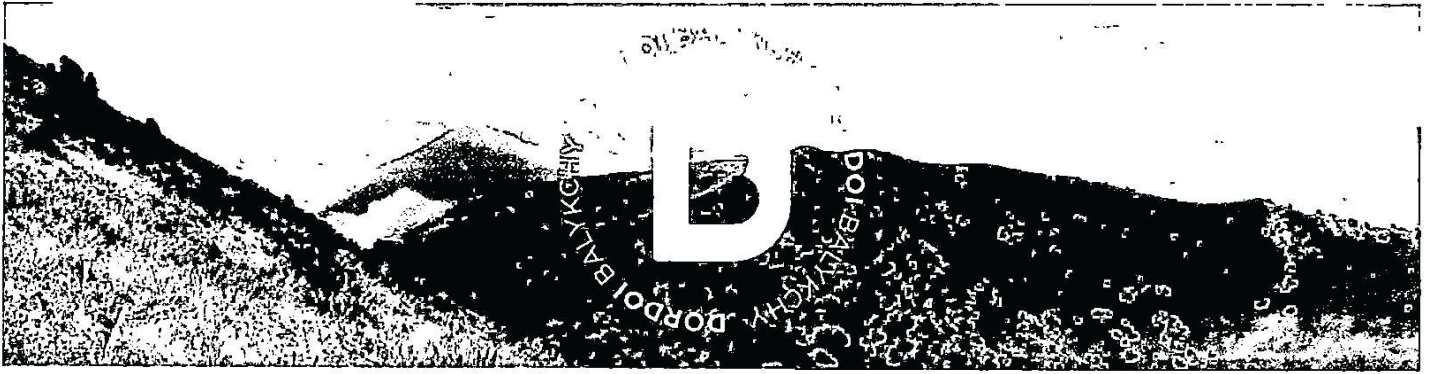
Project cost - \$150,000,000

- Solar modules - \$115,385,000
- Fixed supporting structure - \$12,600,000
- Grid solar inverter - \$15,750,000
- Development of design and estimate documentation and Construction and installation works - \$5,800,000
- Other expenses - \$465,000

Amount of investments - \$150,000,000

IRR - 8.49%

Payback period - 8.6 years



Project Initiator:

Dordoi Balykchy LLC

Brief Project Description:

The project aims to launch an advanced and modern meat processing plant in Balykchy, Issyk-Kul region. Construction of the meat processing plant is currently at its final stage.

Capacity of the meat processing plant is 100 head of cattle and 1000 head of small cattle per shift.

The company's mid-term development strategy includes the following stages: waste processing, launching sausage and canning departments, launching cattle fattening farms in several parts of Kyrgyzstan, production of hydroponic green fodder for fattening farms.

Project Initiator Description:

The project is initiated by three successful entrepreneurs with extensive experience in management also representing different activity areas of the Dordoi Association.

CEO: Marat Zarypbek uulu

- Author of the idea, Project implementer since 2016
- More than 5 years of experience in meat cluster development
- Trained over 5000 people in business management and planning

Project cost – \$ 3,300,486

- Sausage and canning departments – \$1,000,000
- Cattle fattening farm – \$1,585,882
- Equipment for blood processing – \$50,000
- HGF production – \$150,000
- Feed production facility – \$514,964

Investment required - \$3,300,486

IRR – 33,05%

Payback period - 1.63 years