



PROJECT JUSTIFICATION – SUGAR PLANT



THE LIST OF WORKS

NAME OF WORKS	cost thousands €	cost thousands ₪
PROJECT DOCUMENTATION	6,513	366,110
Design and estimate work	6,300	354,110
Expertise of DED (design and estimate documentation)	213	12,000
CONSTRUCTION OF OBJECTS	73,046	4,105,760
Construction work	29,207	1,641,660
Ventilation, heating	2,199	123,600
Water supply, Sewerage	2,521	141,700
Gas supply	2,416	135,800
Electrosupply	2,469	138,800
Network communication	2,275	127,900
Fire alarm system	2,238	125,800
Local treatment facilities	6,058	340,500
Purchase of raw materials	23,662	1,330,000
EXTERNAL ENGINEERING NETWORKS	5,586	313,950
Intra-network power supply	774	43,500
Network communication external	973	54,700
Network drinking water	1,059	59,500
Network of household sewage	682	38,350
Gas pipeline network	2,098	117,900
BEAUTIFICATION & LANDSCAPING	1,489	83,700
Vertical layout	1,011	56,800
Sidewalks, walkways, playgrounds	297	16,700
Landscaping	181	10,200
OTHER EXPENSES	1,763	99,100
Temporary buildings and structures	105	5,900
Cost of production works	324	18,200
Cost of supervision	89	5,000
Reserve for unforeseen work and costs	1,245	70,000
PROCESS EQUIPMENT	98,933	5,560,800
Shipping, insurance on the terms CIP (Carriage and Insurance Paid to)	192	10,800
Technological equipment TECHNOEXPORT, a.s. (SAFICHEM GROUP AG)	98,741	5,550,000
GENERAL CONTRACTOR SERVICES (EPC/EPCM contractor)	9,280	521,609
Control of construction works and technical supervision	9,280	521,609
COST Export Contract Value (ECV), without VAT	196,610	11,051,029
value-added tax (VAT) 18 %	35,390	1,989,185
COST OF THE PROJECT, including VAT	232,000	13,040,214

Rate € to ₪ CBR (04.2015) – 56,2079

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FEASIBILITY STUDY OF INVESTMENTS

NAME OF WORKS	1 YEAR	2 YEAR	3 YEAR	TOTAL, ths. ₺
Design and estimate work, Expertise of DED	366,110			366,110
Construction and installation work	757,025	1,009,367	1,009,367	2,775,760
Imported production equipment	1,665,000	1,665,000	2,230,800	5,560,800
Purchase of raw materials	362,727	483,636	483,636	1,330,000
External engineering networks	85,623	114,164	114,164	313,950
Landscaping and gardening	56,800		26,900	83,700
Other expenses and costs, supervision	210,836	204,936	204,936	620,709
TOTAL, thousands ₺	3,504,122	3,477,104	4,069,804	11,051,029
Share, %	31,7	31,5	36,8	100

Project Cost: 232,000,000 (100 %)

Cost Export Contract Value (ECV): 196,610,000 EUR (84,7 %) of which:

- 15 % advance payment 29,490,000 EUR due to post- import financing from the Russian Bank lender, with validity of the letter of credit (UCP 600) for 36 months (the period of design, supply of technological equipment, construction and installation works);
- 85 % credit 167,120,000 EUR at the expense of long-term export loan from the Czech Bank of the creditor, under the cover of export-credit Agency, EGAP (Czech Republic);

The investment phase of the project (grace period) 3.5 years (42 months) of which:

- the development (Basic Design, Detail Design) and examination of the project (3 months);
- supply of technological equipment, construction and commissioning (33 months);
- edition trial production during the commissioning works, commissioning of the object and reaching the design performance (6 months);

Equity: VAT (15,3 %) to acquired non-current (fixed) assets, provided works and services in amount of 35,390,000 EUR presented to offset, and offset by a tax on current activities.

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The share of deliveries and works (services):

The cost of the work of the General designer of the Czech company TECHNOEXPORT, a.s. (SAFICHEM GROUP AG) is: 6,513,000 EUR

The cost of the work TECHNOEXPORT, a.s. (SAFICHEM GROUP AG) – the seller (exporter) process equipment (including packaging, transport, insurance), provision of services for installation, commissioning of equipment and training of staff amounts to: 98,933,000 EUR

The cost of the work (EPC/EPCM-contractor) project management is: 9,280,000 EUR – paid company IMPEX OIL s.r.o. for the management of the project during the construction period (36 months) equal monthly payments in the amount of 257,777 EUR

The cost of construction and installation works on construction of a sugar factory (includes purchase of raw materials) amounts to: 81,884,000 EUR

TOTAL: share of deliveries and works (services) of the Czech company IMPEX OIL s.r.o. (EPC/EPCM-contractor) is: 91,164,000 EUR

TOTAL: share of the deliveries and works (services) of the Czech company TECHNOEXPORT, a.s. (SAFICHEM GROUP AG) is: 105,446,000 EUR

Czech company **IMPEX OIL s.r.o.** (Prague) performing the functions of engineering, fully assumes the risk of project management from the design stage and before handing over the completed facility to the Customer – IIC «Translogistik», (including the implementation of the warranty).

Czech company **IMPEX OIL s.r.o.** (Prague) exercise from scratch on undeveloped (green-field) of the territory of regional Industrial Park in the city of Novoaleksandrovsk, Stavropol Region, Russian Federation construction of: buildings and constructions (build-to-suit), supply and installation of high-tech equipment of the Czech manufacturer of company **TECHNOEXPORT, a.s. (SAFICHEM GROUP AG)**.

P.S. Built-to-suit (BTS) – the construction of the facility for a particular client, which takes into account its requirements and features of business.