



THE MANAGEMENT BOARD CHAIRMAN'S STATEMENT



M. AIMANBETOV

CHAIRMAN OF THE MANAGEMENT BOARD

Dear partners, lessees, colleagues!

The year 2023 is identified as a new milestone in the activities of Samruk-Kazyna Construction JSC (hereinafter referred to as the Company) in connection with participation in the implementation of the pilot national project in the field of education – “Comfortable School” (hereinafter – the National Project) – as the **main Operator**.

The goal of the National Project is to ensure the construction of at least 359 comfortable schools for 707.2 thousand student places in two shifts in cities and rural areas of the country until 2026 in order to eliminate emergency facilities, three-shift schooling, and a shortage of student places.

In the year under review, the Company's main efforts were aimed at implementing the national project in 3 megacities and 17 regions of the country; in 2024, 208 comfortable schools are planned to be put into operation. Contracts have been signed and sites prepared for the start of construction.

In order to ensure transparency and timeliness in the implementation of the National Project, for the first time across the country, the Company has provided:

- implementation of the selection process through the electronic portal of contractors dealing with the foreign construction management methodology EPC contract according to which all processes are carried out simultaneously by one contractor or consortium, which will save time by concluding an EPC contract;
- implementation of an information system for 24/7 facility video monitoring, which will allow the progress of the construction of facilities to be monitored online by displaying four surveillance video cameras and will be accessible to all parties involved;
- legislative consolidation of the participation of domestic commodity producers in the implementation of the National Project: the purchase of furniture exclusively from individuals and legal entities included in the register of commodity producers of Samruk-Kazyna JSC and/or the register of domestic manufacturers of NCE Atameken.

Despite the presence of a number of problems associated with untimely registration of land plots by local executive authorities and delays in the consideration of design and estimate documentation, the Company is taking all measures to ensure the timely commissioning of schools.

One of the Company's main benchmarks is to provide quality services to the population in the provision of housing and to ensure that there are no complaints or claims on their part.

For these purposes, **in the course of property management**, the Company constantly cooperates with inhabitants and lessees by responding to their requests in a timely manner, ensures the elimination of construction defects within the warranty period, landscaping of the local area adjacent to residential buildings, repairs and arrangement of children's playgrounds, and participates in the formation and operation of Property owners' associations, conducts audits for compliance with safety regulations of assets recorded in the Company's balance sheet.

Similar work was performed on business centres that are both owned and managed by the Company.

In the field of investing activities, the Company's real estate pool under signed contracts as of 31 December 2023 amounted to 309.9 thousand m² and 996 parking spaces, the total cost of projects is 125.9 billion tenge, including the Company's investments in the amount of 76.9 billion tenge. The Company's share in projects makes up 60% on average. In the year under review, 7 facilities with the area of 82 thousand m² were put into operation: in Almaty City – Gul-ana Residential Complex, Akkent Residential Complex; Konayev Town – Sun City Residential Complex; Aktobe City – Bavaria-2 Residential Complex; Atyrau City – Residential Complex on Beybarys Avenue, building No. 498; Astana City – Residential Complex 'On Millennium Alley, 2nd stage', plant for the production of roofing and facing materials.

The head of the state Kassym-Jomart Tokayev, during his visit to the production, has positively assessed the products of MetalFormer LLP and noted “the importance of supporting such enterprises and the need to switch from imported construction materials to domestic products”. In order to support the plant, the Company provides comprehensive assistance in using of MetalFormer LLP's products in the Company's projects and loading the plant's production capacities.

As a result of the well-coordinated work of the Company, investors and other stakeholders, based on the results of activities in 2023, the Company earned profit in the amount of 7.4 billion tenge.

As part of the trust management of CCGT Turkestan LLP, in the year under review, agreements were concluded for the purchase of complex turnkey works on a third category access road, a water intake system from the Badam reservoir with the construction of a water pipeline, the main site; affirmative conclusions were received for the working projects: Water intake system from the Badam reservoir with the construction of a water pipeline, External gas supply, and Power distribution from the electrical power system to Shymkent 500 kV hub substation for voltages of 500 and 220 kV.

To manage operating activities in 2023, significant work was done to automate internal corporate business processes, information systems were introduced to monitor the implementation of the national project, procurement and BMP.

Realizing the importance of following appropriate **corporate governance** standards, in the year under review the Company expanded the composition of the Board of Directors, the Management Board, and formed the Audit Committee and the Nomination and Remuneration Committee. The Company will also continue to improve its corporate governance system and introduce sustainable development principles through the implementation of activities approved by the ESG Implementation Plan for 2024–2025.

The Company has significant potential and the necessary resources for further growth and contribution to the development of the construction industry in Kazakhstan.

I am confident that the consistent implementation of the Strategy chosen will allow for the high-quality and timely commissioning of facilities within the framework of implementation of the National Project, investing activities, and, in the future, the implementation of large-scale social and infrastructure projects, including in the construction industry, which will stimulate the growth of people's well-being and the economy as a whole.

Finally, I would like to appreciate my team for their invaluable work and contribution to the development and prosperity of the Company, which turns 15 this year, and wish them success in the future.

M. AIMANBETOV
Chairman of the Management Board
of Samruk-Kazyna Construction JSC