



SAMRUK-KAZYNA  
CONSTRUCTION



# 2023

[www.skcn.kz](http://www.skcn.kz)

## ANNUAL REPORT

SAMRUK-KAZYNA CONSTRUCTION JSC



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# CHAIRMAN'S STATEMENT



## S.SATZHAN

**CHAIRMAN OF THE BOARD OF DIRECTORS  
OF SAMRUK-KAZYNA CONSTRUCTION JSC,**

**MANAGING DIRECTOR FOR DEVELOPMENT  
AND PRIVATIZATION,**

**MEMBER OF THE MANAGEMENT BOARD  
OF SAMRUK-KAZYNA JSC**

### Dear colleagues, investors, partners!

We are pleased to present to your attention the annual report on the activities of Samruk-Kazyna Construction JSC (hereinafter referred to as the Company) for 2023.

The year 2024 is an anniversary year for the Company. Fifteen years ago, it was established to realize a responsible mission – implementing of the state anti-crisis program to ensure the commissioning of unfinished facilities and solving the problems of thousands of equity holders in the country. The impressive experience and specialized skills of the staff accumulated over 15 years determined the Company's role as a successful operator of government programs.

In the year under review, the Company made every effort to begin the implementation of the pilot national project "Comfortable School". In this role, the Company acted as the Directorate monitoring the compliance of construction work with specified deadlines and requirements, ensuring transparency and efficiency in the selection of contractors, and being responsible for the quality and timely commissioning of facilities.

The "Comfortable School" national project aims to systematically solving the problem of insufficient places in existing educational institutions, eliminating emergency facilities and three-shift schooling in the secondary education organizations. From 2023 to 2025, the Company plans to manage the construction of 359 comfortable schools for 707.2 thousand student places in two shifts both in cities and in remote settlements in all regions of our country.

The Company continues to work to improve the corporate governance system; thus, following the best global practices regarding the recommended number of independent directors and gender diversity on the Board of Directors, the number of independent directors has been increased to 50%, the number of women makes up at least 30%.

I would also like to note that in 2023 the international rating agency Fitch Ratings confirmed the Company's long-term credit ratings in foreign and national currencies at the level of 'BB' with a 'Stable' outlook.

Summing up the results of 2023, I would like to appreciate the team of Samruk-Kazyna Construction JSC, members of the Board of Directors, as well as our partners, and assure that the Company will continue to successfully fulfil all the tasks assigned to it in key areas of activity as part of the implementation of the Development Strategy.

**S. SATZHAN**

**Chairman of the Board of Directors  
of Samruk-Kazyna Construction JSC,  
Managing Director for Development and Privatization,  
member of the Management Board  
of Samruk-Kazyna JSC**



# 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 m<sup>2</sup> 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 m<sup>2</sup> 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, 2<sup>nd</sup> 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





# ABOUT REPORT

Samruk-Kazyna Construction JSC's annual report for 2023 is the fifteenth in a row and continues the practice of publishing the corporate reports annually. All reports are available on the Company's official website [www.skcn.kz](http://www.skcn.kz). This report is an integration of the Company's financial and non-financial statements for 2023 and reflects the relationship between corporate management systems and sustainable development. At the stage of developing the concept of the annual report, the results of dialogues with stakeholders and the recommendations of the Company's Board of Directors received in relation to the previous report in the field of sustainable development were monitored.

The annual reports of leading companies published on their corporate websites were also benchmarked to improve the quality of the Company's annual report.

The purpose of this report is to inform readers about all significant events that affect the Company's activities. The Company aims to help stakeholders to understand how we have developed our strategy, how we manage our assets, achieve the necessary financial performance, ensure sustainable operations in the long term and work on creating the value that we strive to generate for the shareholder and all parties interested in our activities. The target audience of the annual report is traditionally a wide range of the Company's stakeholders, including employees, the Sole Shareholder and members of the Board of Directors, residents of the regions in which the Company operates, government agencies, financial institutions, customers and partners of the Company. The Company has various channels to receive feedback. The comments and suggestions on the annual report are accepted by phone and e-mail specified in the Contact Information section. In some cases, the annual report refers to other publicly available documents to avoid duplication of information.

A survey was conducted among the Company's employees and external stakeholders' representatives to update the material topics. Based on the work performed, a matrix of material topics was compiled.

GRI 3-3

GRI 2-3, 2-4, 2-5, 2-14, 3-3

Topics with the highest scores were considered significant. In comparison with the aspects disclosed in the annual report for 2022, based on the results of stakeholders' questioning, the topics of 'procurement practices', 'water and wastewater' have been identified as significant, and the topics of 'diversity and equal opportunity', 'public policy' were considered less relevant to disclosures in the annual report for 2023. The scope of the material topics is determined in such a way that the annual report describes all of the Company's most significant impacts. Compared to the previous reporting period, the scope of information collection includes the details of the subsidiary – Samruk-Kazyna Development LLP in which the Company's participatory interest in 2023 was 100%. There have been no changes to the information published in the previous report.

*This report has not been externally certified.*

GRI 2-5

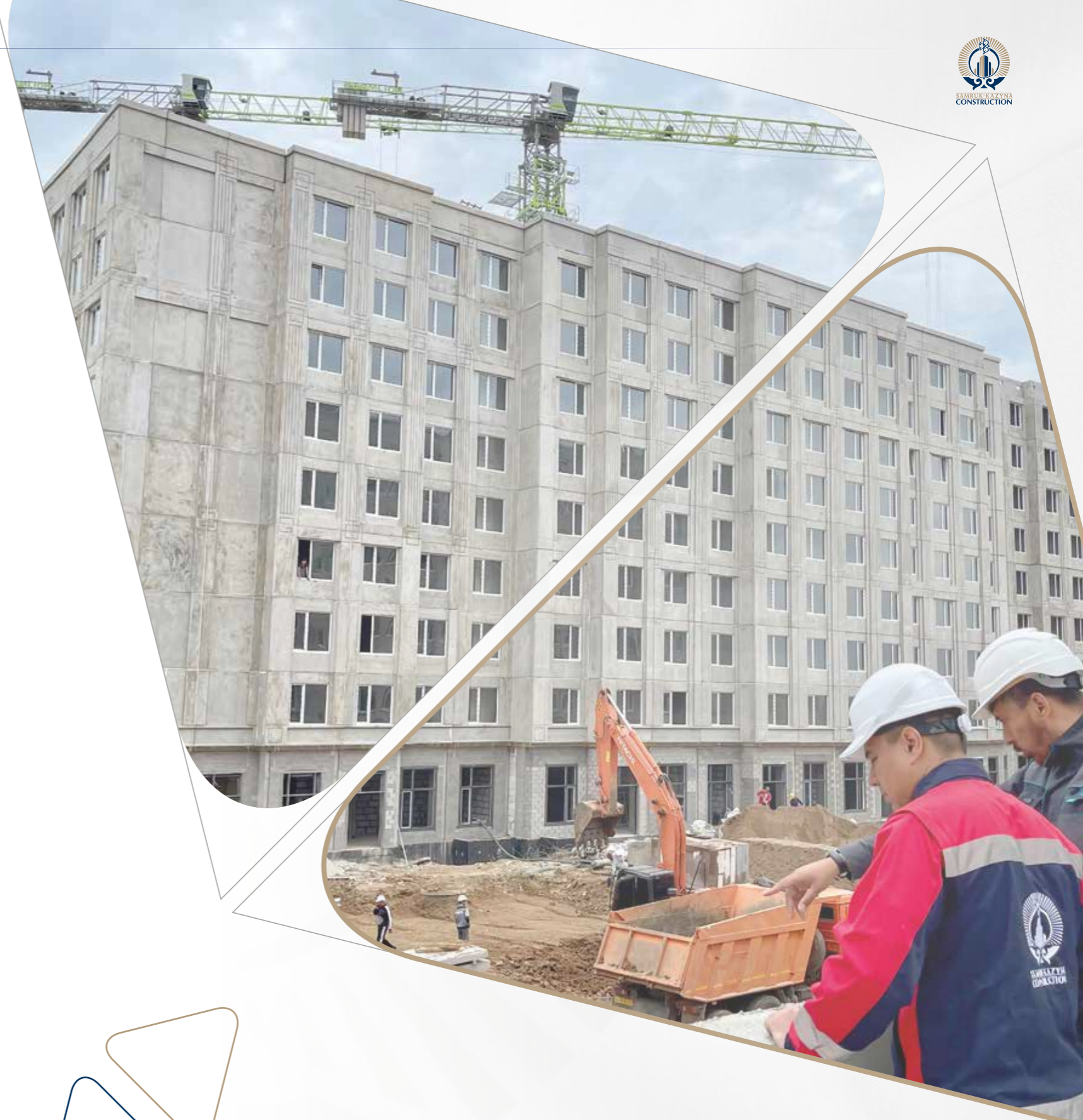
In preparing and presenting data, the Company focuses on the application of GRI Standards, as well as international financial reporting standards in terms of financial and operational performance. Annex 1 to the annual report provides information on the Company's third-party transactions and major transactions, Annex 2 presents the GRI content index, Annex 3 – Strategy for communication with stakeholders, Annex 4 – GRI indicators, Annex 5 – Consolidated financial statements for the year ended 31 December 2023, with an independent auditor's report. The report was prepared with reference to the GRI Standards. Reporting period: 1 January 2023 to 31 December 2023.

GRI 2-3

The report is published identically in Kazakh, Russian and English. The document can be viewed on the Company's Internet resource.

The report is preliminarily approved by the Management Board of the Company, then approved at a meeting of the Board of Directors.

GRI 2-14







# ABOUT THE COMPANY

Samruk-Kazyna Construction JSC (hereinafter – the Company) was established in pursuance of Resolution of the Government of the Republic of Kazakhstan No. 265 On certain measures to resolve the problems in the real estate market dated 6 March 2009. In accordance with the amendments and alterations to the Company's Articles of Association approved by the resolution of Sovereign Wealth Fund Samruk-Kazyna JSC (hereinafter referred to as Samruk-Kazyna JSC, the Sole Shareholder, the Fund), the main goal of the Company's activities is to promote the development of housing construction in the Republic of Kazakhstan.

The sole shareholder of the Company is the Fund, which is a commercial structure – an investment holding company having the mission to improve the national welfare of the Republic of Kazakhstan and ensure long-term sustainability for future generations.

The nature of ownership and the form of incorporation of the Company is a private form of ownership, a legal entity incorporated as a joint stock company.

## DEVELOPMENT HISTORY



**Since 2009** – activities within the framework of the anti-crisis program aimed at helping to stabilize the real estate market and solving the problems of equity holders and completing problematic construction projects.

**Since 2012** – the program “Affordable Housing – 2020” has been implemented, which was later included in the Regional Development Program until 2020.

**Since 2016** – the Company has been designated as one of the operators of the implementation of the Nurdy Zhol infrastructure development program.



**Since 2018** – the Company has been managing construction for the Group of Companies of Samruk-Kazyna JSC. At the same time, the Company acts as a consultant on project management, including agreements on trust management of shares of the companies of Samruk-Kazyna JSC.

**Since 2020** – the Company has expanded its investing activities, while implementing investment projects for the construction of residential complexes.

**Since 2023** – the Company has been identified as the Directorate within the framework of the implementation of the large-scale pilot national project “Comfortable School”, which has no analogues in Kazakhstan.

# 01



## ABOUT THE COMPANY

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# BUSINESS MODEL

GRI 2-6



## COMPETENCES:

- initiation, analysis and selection of investment projects
- attraction of partners and contractors at all stages of construction projects
- sale of real estate to end consumers
- analysis of the real estate market
- management of construction projects from monitoring pricing, controlling the progress of work, the quality of construction materials used, and commissioning facilities to property management
- work with local executive authorities and other government authorities
- automation of business processes and monitoring of construction progress
- engineering services for technical supervision at technically and technologically complex facilities of the first level of responsibility



**IMPLEMENTATION OF GOVERNMENT PROGRAMS**



**INVESTING ACTIVITIES**



**COMPLETION OF PARTICIPATION IN GOVERNMENT PROGRAMS**

## ● SOLE SHAREHOLDER

Timely repayment of the principal debt on issued credit facilities and interest, according to schedules

## ● GROUP OF SAMRUK - KAZYNA JSC

Systematization of work and optimization of costs for design, construction, project management, freeing portfolio companies from non-core activities

## ● GOVERNMENT AUTHORITIES AND LEA

Implementation of national projects and government programs. Timely commissioning of social and residential facilities

## RESOURCES

## SERVICES

## SATISFACTION OF STAKEHOLDERS' EXPECTATIONS

### MANUFACTURING PERSONNEL

The following production personnel have been created:

# 253

 units

**MANAGEMENT OF REAL ESTATE, SUBSIDIARIES, AS WELL AS INTERESTS AND SHARES IN COMPANIES INCLUDED IN THE GROUP OF COMPANIES OF SAMRUK - KAZYNA JSC, WHICH ARE BEING INVESTED – DESIGN AND CONSTRUCTION**

## ● POPULATION

Elimination of emergency residential and social facilities, three-shift schooling and shortage of student places in secondary education organizations, creation of jobs in populated areas

## ● PARTNERS

Timely fulfillment of contractual obligations

## ● EMPLOYEES

Work experience, advanced training and decent working conditions



# STRUCTURE OF AUTHORIZED CAPITAL

As of 31 December 2023, the authorized capital of the Company amounted to 19,990,162 thousand tenge.

100% of the Company's shares are held by the Sole Shareholder.

A total of 16,247,541 shares were authorized and allocated, including:

- 15,000,000 shares at a par value of one share of 1,000 tenge;
- 1,247,540 shares at a par value of one share of 4,000 tenge; and
- 1 share at a par value of one share of 2,490 tenge.

*All shares are ordinary.*

The register of holders of the Company's securities is maintained by Central Securities Depository JSC.



# INFORMATION ABOUT DIVIDEND DISTRIBUTION

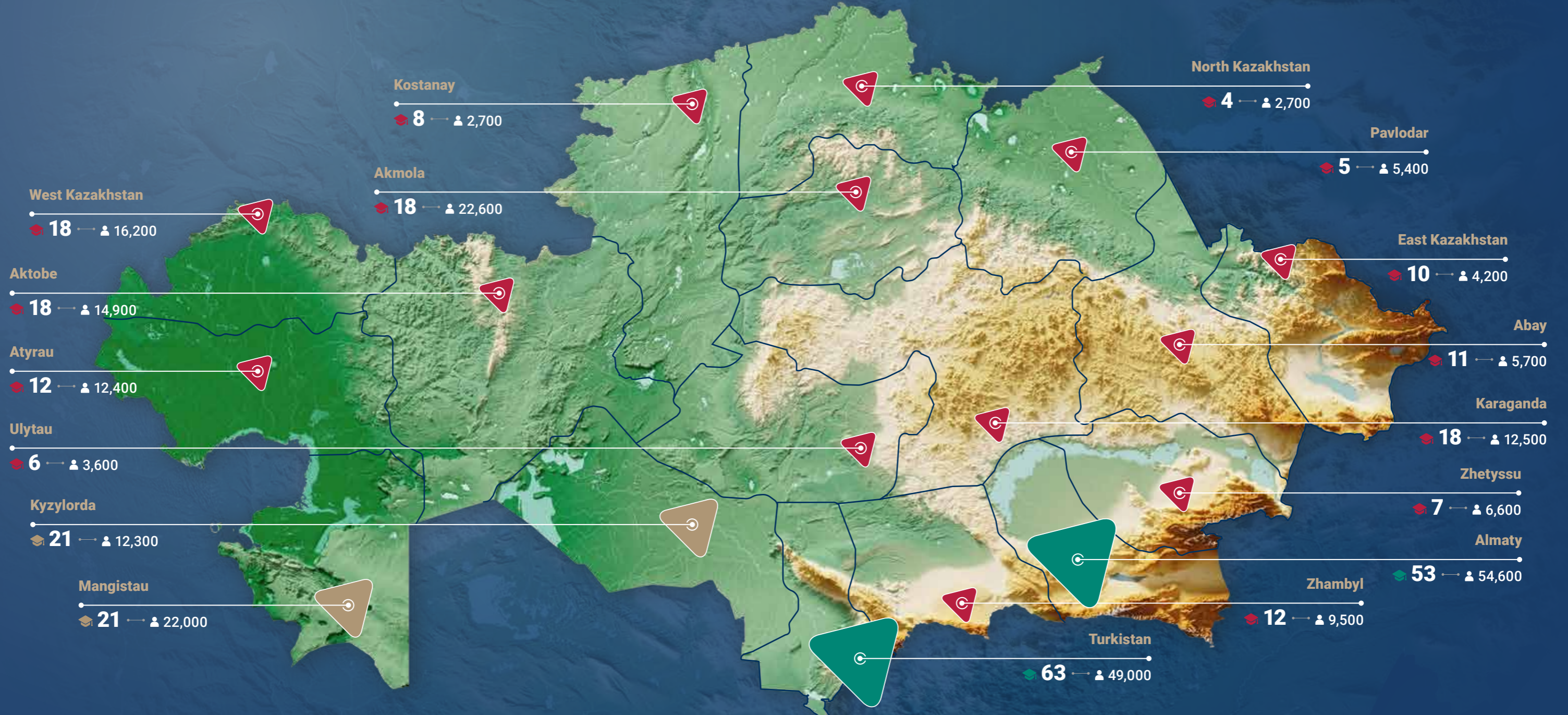
In 2023, the Company distributed 100% dividends to the Sole Shareholder for 2022 in the amount of 6,437,115 thousand tenge, in accordance with the Dividend Policy of Samruk-Kazyna JSC in relation to its subsidiaries. The dividend amount per an ordinary share in the Company amounts to 396.2 tenge.





# BUSINESS GEOGRAPHY

In the year under review, Samruk-Kazyna Construction JSC conducted business in 3 cities of republican significance and 17 regions of the republic.



## ORGANIZATION STRUCTURE

The Company's organization structure is published on the website: <https://skcn.kz/ru/page/struktura>.

It should be noted that in connection with the designation of the Company as a single customer within the framework

of the implementation of the pilot national project "Comfortable School", in 2023, the number of personnel of the Company increased to 342 persons.

GRI 2-9

Schools / Student places

>50 20-50 <20





# DEVELOPMENT STRATEGY AND ITS IMPLEMENTATION

The Company's development strategy for 2023–2032 was approved by the Company's Board of Directors on 25 December 2023 (**Minutes No. 197**)

## MISSION



Improving living conditions and providing quality housing to the population of the Republic of Kazakhstan, as well as developing the construction industry through investing activities, increasing construction efficiency and project management of the Group of Companies of Samruk-Kazyna JSC

## VISION



An organization with sufficient resources, a wide range of reliable partners, as well as competencies and experience for investing in the construction and construction industry, effective management of projects, construction and real estate

# 02

## DEVELOPMENT STRATEGY AND ITS IMPLEMENTATION

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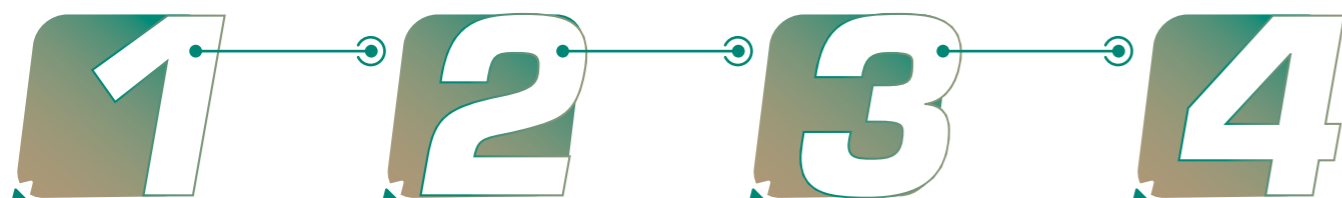
Management of real estate, subsidiaries, as well as interests and shares in companies included in the Group of companies of Samruk-Kazyna JSC being invested – design and construction .....	27
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## VALUES



## STRATEGIC GOALS



### Implementation of government programs

- Implementation of the pilot National project in the field of education – “Comfortable School”
- Promising National Projects
- Implementation of government construction projects abroad

### Investing activities

- Implementation of the renovation program (dilapidated and hazardous houses)
- Integrated development of neighbourhoods with residential complexes (changing the appearance of cities)
- Investing in the construction of residential complexes
- Investing in the construction of factories aimed at import substitution of construction materials and equipment
- Investing in construction abroad

### Management of real estate, subsidiaries, as well as interests and shares in companies included in the Group of Companies of Samruk-Kazyna JSC, which are in being invested – design and construction

- Real estate management
- Samruk-Kazyna Development LLP
- CCGT Turkestan LLP

### Completion of participation in government programs

- Anti-crisis program “Nurly Zher” program for leasehold

## CUSTOMERS



Providing owners of dilapidated houses with new apartments, relieving social tension in cities, as well as improving the investment climate for the development of the construction sector

Creating a comfortable living environment for the population through the integrated development of residential neighbourhoods

Development of the construction industry of the Republic of Kazakhstan and improvement of living conditions of the country’s population

Increasing the accessibility of residential and commercial construction through import substitution of construction materials

## FINANCES

Development of competencies in raising capital through issuing bonds, attracting project financing, financing from international financial institutions and through the organization of funds and REITs.

The strategy provides for the gradual development of competencies in the field of funds raising as the need arises to attract funds from appropriate sources

## INTERNAL PROCESSES

### Business process automation and digitalization

Improving operational efficiency	Creating an office to manage and invest in construction	Organizing prompt feedback aimed at constructive dialogue with lessees	Automating business processes to eliminate direct contact and prevent information and corruption risks

## ORGANIZATIONAL OPPORTUNITIES

### Adherence to ESG principles

Occupational health, occupational safety and environment	Human resource development strategy	Improving selection when choosing a project taking into account green construction with minimal impact on the environment	Anti-corruption	Improving the corporate governance system

## STRATEGIC KPI







# IMPLEMENTATION OF GOVERNMENT PROGRAMS

By Resolution of the Government of the Republic of Kazakhstan No. 963 dated 30 November 2022 On Approval of the Pilot National Project in the field of Education 'Comfortable School', the Company has been designated since 2023 as the Directorate for the targeted construction of facilities of secondary education organizations and manages the project in accordance with the Rules for the provision of engineering services in the field architectural, urban planning and construction activities, while the Company is vested with the function of a customer.

The Government has developed a unified approach to the design of comfortable schools, identified a single operator, and developed a single technical specification, which will make it possible to build equally high-quality schools in all regions of the country, both in urban and rural areas.

One of the innovations introduced by the Company was the initiation of the national project "Comfortable School" through the conclusion of an EPC contract. An EPC contract is a foreign construction management methodology according to which all processes will be carried out simultaneously by one contractor or consortium (Engineering – design, Procurement – supply of equipment, and Construction – building process), which will save the time.

In order to ensure transparency, the Company made procurement through a special procedure using a web portal. Potential suppliers submit bids electronically through the portal to eliminate corruption risks and ensure transparency and openness of procedures.

In addition, a tender commission of experts and observers was formed including 44 people from among the deputies of the Mazhilis of the Parliament of the Republic of Kazakhstan, members of public councils of the Ministry of Education of the Republic of Kazakhstan, Samruk-Kazyna JSC, NCE Atameken and representatives of central and local executive authorities.

An electronic cross-platform previously agreed upon with all supervisory and controlling authorities, including the Supreme Audit Chamber of the Republic of Kazakhstan, has been developed and put into operation, where all the necessary documents for each facility are collected, which allows the supervisory authorities monitoring the situation in real time.

In order to effectively monitor the construction of facilities, a 24/7 video monitoring service for facilities has been integrated into the Bitrix project management information system. This service allows monitoring online the progress of construction projects. Out of 208 facilities, 205 facilities were connected to the video monitoring system. 4 surveillance cameras were installed in the video monitoring system. All parties involved are given access to 4 surveillance cameras.

To ensure transparency, the information system fully covers tasks from the initial stage of construction to completion. In addition to daily reports, the contractors post photographs, drone reports and progress updates on a daily basis. All construction operations can be fully monitored online using cameras installed on sites. Also, from the start of construction, reports on designer's and technical supervision of contractors' work will be available on a daily, weekly and monthly basis.

Particular attention was paid to discussing with the general public the architectural solutions for building facades, external and internal design, interiors, as well as plans for space-planning solutions for comfortable schools. The design and estimate documentation takes into account the wishes of the population to increase the equipped places for changing spare clothes and storing personal belongings, comfortable stay for children outside the classroom, etc.

## CONSTRUCTION OF COMFORTABLE SCHOOLS

### OUT OF 208 FACILITIES, FOR 2023–2024:

● 1 and more storeys are built	<b>22 facilities</b>	<b>11 %</b>
● Foundation is poured	<b>22 facilities</b>	<b>20 %</b>
● Basis for foundation is ready	<b>67 facilities</b>	<b>32 %</b>
● Ditch for foundation is dugged out	<b>60 facilities</b>	<b>29 %</b>
● Preparatory work has begun	<b>17 facilities</b>	<b>8 %</b>



**98**  
schools

by 1 September 2024

**110**  
schools

by 15 December 2024

During the reporting period, out of 208 comfortable schools planned at the first stage (2023–2024), procurement contracts for complex work on the design and construction of turnkey facilities were signed for 207 schools.

In 2023, contractors prepared land plots for construction (fencing, installing video monitoring cameras, mobilizing construction equipment, site investigations, driving test piles, etc.). At the same time, the development of design

and estimate documentation for schools was in process. As soon as affirmative state examination of the design and estimate documentation is received, construction and installation operations begin.

For the provision of engineering services (technical supervision), **191** contracts were signed for technical supervision services for the construction of schools.





## INVESTING ACTIVITIES

In order to increase the housing affordability for the population and support construction companies, the Company is investing in the construction of new facilities. The Company will sell independently a part of the specified new real estate using the direct sale method. These projects are financed by obtaining borrowed funds on market terms and using own funds. As of 31 December 2023, the Company entered into agreements for investment in construction (hereinafter – the AIC) for 19 facilities<sup>1</sup> in the cities of Astana, Almaty, Atyrau, Aktobe, Konayev, Kokshetau, Aksu (Pavlodar region), Taraz and Ust-Kamenogorsk, a commercial pool and residential real estate of the Company according to concluded AICs as of 31 December 2023 makes up 309.9 thousand m<sup>2</sup> and 996 parking spaces, the total cost of projects is 125.9 billion tenge, including the volume of the Company's investments in the amount of 76.9 billion tenge.

As of 31 December 2023 within the framework of these projects, the Company invested 57.4 billion tenge, including the transfer of land plots (as part of the project "Akkent Residential Complex in Almaty City" and "Residential Complex on Millennium Alley, 1<sup>st</sup> stage in Astana City") priced at 2.2 billion tenge; 10 facilities were put into operation, the total share of the Company in the commissioned real estate was 240.8 thousand m<sup>2</sup>; 203.9 thousand m<sup>2</sup> were sold. The projects "Residential Complex on Millennium Alley in Astana City, 1<sup>st</sup> stage", "Bavaria Residential Complex in Aktobe City", "EXPO Residential Complex in Astana City", "Gul Ana Residential Complex in Konayev Town" were completed in full; funds invested in these projects, were refunded by the Company, and the developers paid an interest.

For the project "French Quarter Residential Complex in Atyrau City", the developer returned the Company's investment with residential premises the ownership to which was transferred to the Company in 2022 and a part was sold: out of 153 apartments, 149 were sold.

As part of participation in the program for the construction of factories aimed at import substitution of construction materials, in the year under review, the Company implemented the project "Plant for the production of roofing and facing materials in Astana City".

As of 31 December 2023, 3.8 billion tenge was invested within the framework of this project. On 26 December 2023, the facility was put into operation according to the certificate of facility acceptance for operation; the total area of the plant is 6,262.6 m<sup>2</sup>, including the Company's share of 5,010.1 m<sup>2</sup>.

On 15 December 2023, the head of the state K.K. Tokayev visited the plant; during his familiarization with the production, the MetalFormer LLP products were assessed positively, and "the importance of supporting such enterprises and the need to switch from imported construction materials to domestic products" was noted. In order to support the plant, the Company provides comprehensive assistance in using the MetalFormer LLP products in the Company's projects and loading the plant's production capacity.

## FACILITIES COMPLETELY CONSTRUCTED IN 2023:



### ASTANA CITY / CONSTRUCTION OF THE PLANT FOR THE PRODUCTION OF ROOFING AND FACING MATERIALS

**Developer:** MetalFormer LLP

**Productive capacity per month:**  
7.2 thousand tons of aluminium profiles,  
1.0 million m<sup>2</sup> of laminated and painted  
fibre cement panels, 800 thousand m<sup>2</sup>  
of roofing and facade materials

**Project beginning:** 15.09.2022

**Commissioned under certificate  
of acceptance for operation dated:**  
26.12.2023

**Total area:** 6,262.6 (m<sup>2</sup>)

**Total project amount:**  
4,985,883 thousand tenge

**Company's share:** 80%



### ALMATY CITY / RENOVATION OF GUL-ANA RESIDENTIAL COMPLEX (3<sup>RD</sup> STAGE)

**Developer:** KazSMU LLP

**Quantity of apartments:** 184

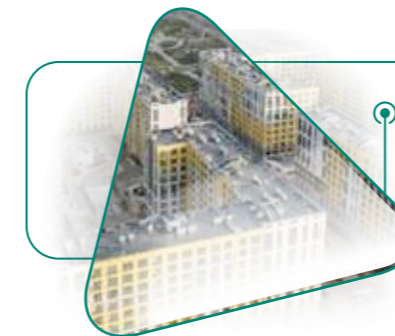
**Project beginning:** 10.08.2022

**Commissioned under certificate  
of acceptance for operation dated:**  
07.08.2023

**Total area:** 9,756 (m<sup>2</sup>)

**Total project amount:**  
4,365,449 thousand tenge

**Company's share:** 37.95%



### ASTANA CITY / CONSTRUCTION OF APARTMENT RESIDENTIAL COMPLEX ON MILLENNIUM ALLEY (2<sup>ND</sup> STAGE)

**Developer:** Argon Stroy LLP

**Quantity of apartments:** 1,040

**Project beginning:** 09.04.2021

**Commissioned under certificates  
of acceptance for operation dated:**  
20.11.2023

**Total area:** 53,700 (m<sup>2</sup>)

**Total project amount:**  
20,034,091 thousand tenge

**Company's share:** 60%



### ALMATY CITY / CONSTRUCTION OF RESIDENTIAL QUARTER IN AKKENT MICRODISTRICT

**Developer:** AYT HOUSING COMPLEX LLP

**Quantity of apartments:** 1,089

**Project beginning:** 16.04.2021

**Commissioned under certificate  
of acceptance for operation dated:**  
30.06.2023

**Total area:** 51,997 (m<sup>2</sup>)

**Total project amount:**  
10,325,700 thousand tenge

**Company's share:** 80%

<sup>1</sup> Including 3 problematic facilities: Kok Tobe Residential Complex in Astana City, Apple Residence Residential Complex, and Qazyna Residential Complex in Almaty City. Also, for the Akkent project in Almaty City, investments and a real estate pool are indicated after termination of the contract and completion of construction of the first phase of the project (11 buildings).



### AKTOBE CITY / CONSTRUCTION OF BAVARIA RESIDENTIAL COMPLEX (2<sup>ND</sup> STAGE)



**Developer:** Bavaria Construction LLP  
**Quantity of apartments:** 231  
**Project beginning:** 22.10.2021  
**Commissioned under certificates of acceptance for operation:** 2 building area dated 27.12.2022, 4 building area dated 24.05.2023, 5 building area dated 29.09.2023  
**Total area:** 16,894 (m<sup>2</sup>)  
**Total project amount:** 3,331,195 thousand tenge  
**Company's share:** 80%

### KONAYEV TOWN / CONSTRUCTION OF SUN CITY RESIDENTIAL COMPLEX



**Developer:** KazSMU LLP  
**Quantity of apartments:** 360  
**Project beginning:** 10.10.2022  
**Commissioned under certificate of acceptance for operation dated:** 09.10.2023  
**Total area of apartments:** 23,061 (m<sup>2</sup>)  
**Total project amount:** 6,612,082 thousand tenge  
**Company's share:** 80%

### ATYRAU CITY / RECONSTRUCTION OF THE HOTEL BUILDING FOR MULTI-PURPOSE RESIDENTIAL COMPLEX AT: BUILDING NO. 498, SULTAN BEIBARYS AVENUE, ATYRAU CITY



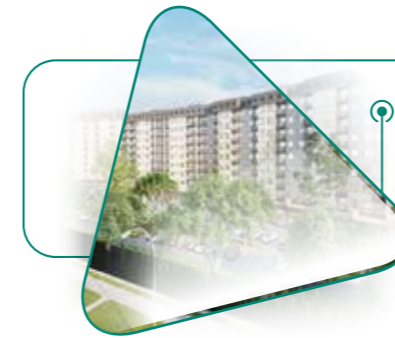
**Developer:** DIRECT CONSTRUCTION SERVICE LLP  
**Quantity of apartments:** 40  
**Project beginning:** 23.05.2023  
**Commissioned under certificate of acceptance for operation dated:** 30.11.2023  
**Total area of apartments:** 3,600 (m<sup>2</sup>)  
**Total project amount:** 2,338,626 thousand tenge  
**Company's share:** 34.5%

### ASTANA CITY / CONSTRUCTION OF SAPSAN APARTMENT RESIDENTIAL COMPLEX LOCATED IN ASTANA CITY



**Developer:** Stroy-Invest-Group KZ LLP  
**Quantity of apartments:** 462  
**Project beginning:** 13.03.2023  
**Commissioning:** 20.04.2024  
**Construction period:** 13 months  
**Total area:** 26,387 (m<sup>2</sup>)  
**Total project amount:** 8,905,207 thousand tenge  
**Company's share:** 40%

### TARAZ CITY / CONSTRUCTION OF BAITEREK APARTMENT RESIDENTIAL COMPLEX LOCATED IN TARAZ CITY



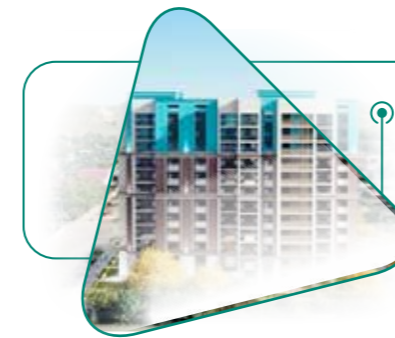
**Developer:** BAITEREK GROUP – 2022 LLP  
**Quantity of apartments:** 240  
**Project beginning:** 19.04.2023  
**Commissioning:** 28.01.2024  
**Construction period:** 9 months  
**Total area:** 15,962 (m<sup>2</sup>)  
**Total project amount:** 4,414,142 thousand tenge  
**Company's share:** 71.6%

### AKSU CITY / CONSTRUCTION OF LOW-RISE RESIDENTIAL COMPLEX LOCATED IN AKSU CITY



**Developer:** Karzhau Development LLP  
**Quantity of apartments:** 54  
**Project beginning:** 23.05.2023  
**Commissioning:** 13.06.2024  
**Construction period:** 12 months  
**Total area:** 3,548 (m<sup>2</sup>)  
**Total project amount:** 780,516 thousand tenge  
**Company's share:** 80%

### KOKSHETAU CITY / CONSTRUCTION OF APARTMENT RESIDENTIAL COMPLEX LOCATED IN KOKSHETAU CITY



**Developer:** Ademi Holding LLP  
**Quantity of apartments:** 99  
**Project beginning:** 11.07.2023  
**Commissioning:** 11.07.2024  
**Construction period:** 12 months  
**Total area:** 8,512 (m<sup>2</sup>)  
**Total project amount:** 2,645,460 thousand tenge  
**Company's share:** 60%

## CURRENT INVESTMENT PROJECTS

### UST-KAMENOGORSK CITY / CONSTRUCTION OF APARTMENT RESIDENTIAL COMPLEX LOCATED IN UST-KAMENOGORSK CITY



**Developer:** UK Building LTD LLP  
**Quantity of apartments:** 279  
**Project beginning:** 15.12.2022  
**Commissioning:** 15.03.2024  
**Construction period:** 15 months  
**Total area:** 18,621 (m<sup>2</sup>)  
**Total project amount:** 5,321,548 thousand tenge  
**Company's share:** 80%





## COMPLETION OF PARTICIPATION IN GOVERNMENT PROGRAMS

As part of the implementation of the anti-crisis Program, the Company continued to monitor the return of funds in accordance with the repayment schedules made with lessees for rent-to-own arrears. The source of financing for the anti-crisis program was borrowed funds in the amount of 98.4 billion tenge provided by the Fund at the expense of the National Fund of the Republic of Kazakhstan. These borrowed funds are fully repaid by 2020.

The source of funding for the Nurlı Zher Housing Construction Program in the area of rent-to-own housing was the funds from the credit facility provided by the Fund. Out of the amount of 95.8 billion tenge of borrowed funds received by the Company under this program, the Company repaid 55.7 billion tenge according to the schedule, including 4.7 billion tenge repaid in the reporting period. The loan balance as of 31 December 2023 amounted to 40.1 billion tenge.

The Company will make every effort to fulfill its obligations to repay borrowed funds to the Fund.

For the "Green Quarter" project implemented on the principle of public-private partnership, the Company has been designated as the main contractor for the project of construction of the "Green Quarter" administrative-

residential complex in Astana City using advanced environmental and energy-efficient technologies.

In 2013, in order to implement the project, a subsidiary organization was established – Samruk-Kazyna Development LLP. In 2016, to finance the construction of the Green Quarter project, the Fund allocated 29 billion tenge to the Company for 18-year period. The total cost of investments amounted to 44 billion tenge of which 15 billion tenge were the authorized capital of the Company, which were used for the capitalization of Samruk-Kazyna Development LLP, and 29 billion tenge were obtained in the form of a credit facility through the reuse of anti-crisis funds.

The project was financed through the placement of targeted deposits with the second-tier banks of Kazakhstan for further lending to the project company constructing the facility and real estate buyers. In 2018, construction of all facilities in the project was completed.

At the reporting date, 22.8 billion tenge were repaid under the credit facility, including the amount of 8.0 billion tenge repaid in the reporting period. As of 1 January 2024, the loan balance amounted to 6.2 billion tenge.



## THE MANAGEMENT OF REAL ESTATE, SUBSIDIARIES, AND SHARES OF COMPANIES

included in the Group of Companies of JSC «Samruk-Kazyna» that are in the investment period – design and construction

### MANAGEMENT OF REAL ESTATE

Taking into account the accumulated experience in the implementation of housing programs and qualified personnel, the Company both manages real estate owned by it and provides such services to the Fund and the companies of the Group of Samruk-Kazyna JSC.

To achieve the goal, the Company implements the following tasks:

- Marketing;
- Renting or selling real estate;
- Financial management;
- Cash flow and risk management.


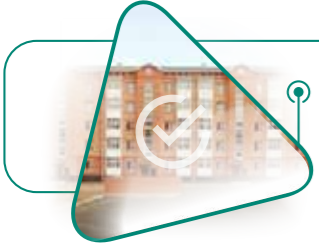



As part of the purpose of real estate management, the Company manages assets (Green Quarter Business Centre (T4) owned by Samruk-Kazyna JSC and transferred to trust management of the Company; Kazyna Tower Business Centre and other real estate objects beneficially owned by the Company; objects transferred to trust management of the Fund in 2015 (Akkent RC and Edelweiss RC). On 27 July 2023, the ownership of Kazyna Tower Business Centre was transferred to the State, according to resolution of the Management Board of the Fund No. 28/23 dated 14 June 2023 and orders of the State Property and Privatization Committee of the Ministry of Finance of the Republic of Kazakhstan No. 487 and 488 dated 30 June 2023.



## CLAIM SATISFACTION

Realizing its responsibility to equity holders and lessees of residential complexes and business centres, the Company carries out systematic work to effectively communicate with them, promptly responds to their claims and complaints, ensures the elimination of construction defects within the warranty period, improves the local area around

the residential buildings, repairs and arranges children's playgrounds, participates in the formation and functioning of property owners' associations, conducts an audit for compliance with safety regulations of assets recorded in the Company's balance sheet, etc.

RC name and location	Claim/complaint satisfaction
<b>Residential complexes</b>	
	<b>ASTANA CITY / ARC "AT VODNO-ZELENY BOULEVARD"</b> <ul style="list-style-type: none"> <li>Replacement of booster and circulation pumps of cold and hot water supply systems.</li> </ul>
	<b>KYZYLORDA CITY / MRC AT DEMESSINOV ST.</b> <ul style="list-style-type: none"> <li>cleaning and disinfection of the roof of houses Nos. 77A, 77B, 77C;</li> <li>installation of grilles on dormer windows;</li> <li>repair of entrances;</li> <li>repair of existing playground equipment.</li> </ul>
	<b>ASTANA CITY / ULY DALA MRC AT 17, 17/1</b> <ul style="list-style-type: none"> <li>sealing of stained glass windows at the junction of parapets;</li> <li>replacement of polypropylene couplings and revisions on vertical storm sewer pipelines;</li> <li>replacement of steel pipes on horizontal storm sewer pipelines;</li> <li>current repairs of the ground floor and basement;</li> <li>sealing of mounting holes on the walls of the parking lot.</li> </ul>
	<b>UST-KAMENOGORSK CITY / MRC AT YESSENBERLIN - KAZYBEK BI</b> <ul style="list-style-type: none"> <li>covering the end wall of building No. 23/2 with metal siding;</li> <li>lawn landscaping;</li> <li>arrangement of flower beds;</li> <li>installation of ARH (artificial road hump – "speed bump");</li> <li>fire equipment instalment;</li> <li>asphalting the access road;</li> <li>storm drainage system.</li> </ul>
	<b>AKTOBE CITY</b> <ul style="list-style-type: none"> <li>restoration of the blind areas of the 3<sup>rd</sup> building;</li> <li>relocation of sewer pipes with an increase in diameter from 110 to 160 mm.</li> </ul>



### AKTAU CITY / MRC IN 32A MICRODISTRICT 32A

- purchase and installation of 29 units of pumping equipment for heating, hot and cold water supply systems;
- installation of fire equipment (fire cabinet, hoses and nosepieces);
- facade repair;
- replacement of fittings;
- replacement of heating system pipes;
- replacement of water supply and sewerage pipes;
- installed ARH (artificial road hump – "speed bump");
- disinfection and odour neutralization work at the sewerage pumping station.



### ASTANA CITY / SEVERNOYE SIYANIYE RC

- Overhaul of heating unit equipment.



### ASTANA CITY / ZAPAD BC

- Overhaul of the heating unit automation system.



### ALMATY CITY / ASSYL ARMAN RC

- repair of entrances, area – 1,600 m<sup>2</sup>;
- landing 200 trees on the area of 3.0 hectares and 40 rose bushes;
- courtyard lighting restored;
- 2 CCTV cameras connected;
- short-term repairs of roofs in all houses, all parapets were reinforced and covered with silicone;
- defects in the facade of buildings Nos. 6, 8 13, 20, 21 were corrected;
- storm sewer repair;
- sewer networks have been replaced;
- 18 outdoor lighting poles were installed.



### ALMATY CITY / ETHALON RC

- whitewashing the walls on the ground floor of entrances 1-4;
- current repairs of the roof of entrances 1 and 3.



### ALMATY CITY / SHUGYLA RC

- Roof repair.



### KARAGANDA CITY / ZHANUYA RC

- children's playgrounds have been installed;
- a football field has been mounted;
- arrangement of car parking;
- barriers have been installed.

### SHYMKENT CITY / ADIYA RC

- installation of a bus stop pavilion;
- repair of the irrigation channel.

### SEMEY CITY / ASSYL RC

- Asphalting the access road.

RC name and location	Claim/complaint satisfaction
Administrative buildings	

### ASTANA CITY / GREEN QUARTER BC, BLOCK T4

- purchase of mobile air conditioners;
- purchase of indoor plants;
- repair of the conference hall, 18<sup>th</sup> floor;
- installation of curtains;
- replacement of entrance doors;
- replacement of carpet;
- installation of a cold water tank;
- replacement of batteries in cross-connection and server rooms;
- replacement of starters and fire extinguishers in cross-connections and servers.

### ASTANA CITY / KAZYNA TOWER VC

- replacement of refrigeration equipment (chiller);
- façade sealing;
- installation of partitions.

### ALMATY CITY / EDELWEISS CT

- gasification of cottages;
- landscaping, replacing slabs in the waterfall area.

## TRUST MANAGEMENT OF INTERESTS IN COMPANIES AT THE STAGE OF DESIGN AND CONSTRUCTION

The Company manages interests/shares in companies that are at the stage of design, construction and installation work, until the facilities/projects are put into operation. This area of activity is defined as strategic, based on the possibility of intra-holding distribution of available resources and their effective use, including the availability of the necessary experience and skills among the Company's personnel to maintain a unified effective construction project management system (price monitoring, control of the progress of construction, the quality of construction materials used, construction periods and timely commissioning of the facility).

### TRUST MANAGEMENT OF KARABATAN UTILITY SOLUTIONS LLP

In December 2018, in accordance with the decision of Samruk-Kazyna JSC and agreement for trust management of interests in the authorized capital of Karabatan Utility Solutions LLP No. 10-13/96 dated 29 December 2018, the subsidiary of Samruk-Kazyna JSC – United Chemical Company LLP (currently – Samruk-Kazyna Ondeu LLP) – transferred an interest in the authorized capital of Karabatan Utility Solutions LLP to trust management of the Company. This company was in the investment period – design and construction. In 2023, EPC contracts (design and construction) were signed for the following projects: Installation of water treatment and wastewater treatment (2<sup>nd</sup> stage), Utility network corridor (2<sup>nd</sup> stage), External water pipeline (2<sup>nd</sup> stage), Gas pipeline with AGDS, and Evaporator pond. Also in 2023, contracts were signed for the projects: Adjustment of feasibility study 3.0 and Development of feasibility study for an additional power unit of a 165 MW combined steam and gas power plant.

On 20 November 2023, the participation interest of Karabatan Utility Solutions LLP was transferred to Samruk-Kazyna Ondeu LLP, with subsequent transfer to trust management in KazMunaiGas NC JSC.

### TRUST MANAGEMENT OF CCGT TURKESTAN LLP

On 22 September 2022, in accordance with the decision of Samruk-Kazyna JSC, within the framework of the project of Construction of a power plant based on a combined cycle plant with a manoeuvrable generation mode with a total capacity of up to 1,000 MW in Turkistan region, CCGT Turkestan LLP was transferred to 100% trust management of the Company.

During 2023, contracts were signed for the purchase of complex turnkey works on the 3<sup>rd</sup> category access road, the water intake system from the Badam reservoir with the construction of a water pipeline, and the main site.

A contract for the purchase of project management services was signed with Samruk-Kazyna Development LLP.

On 29 December 2023, affirmative conclusions were received on the detail designs of the Water intake system from the Badam reservoir with the construction of a water pipeline, External gas supply and Power distribution from the electric power system to Shymkent 500 kV hub substation for voltages of 500 and 220 kV.



# 03

## MARKET REVIEW



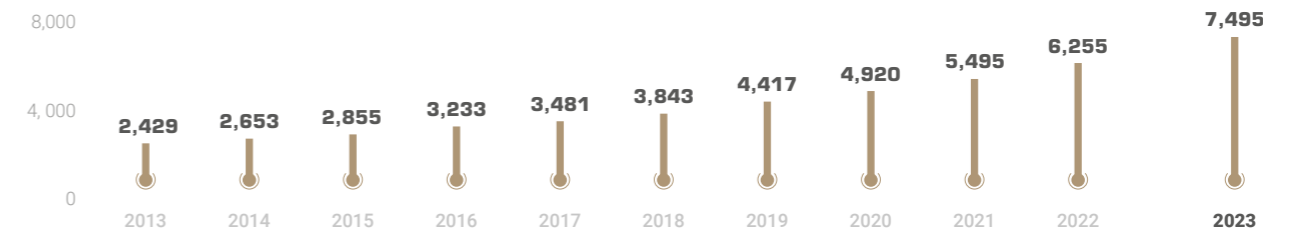
# MARKET REVIEW

In 2023, an increase was evidenced in the construction industry compared to 2022 (13%). The volume of construction work increased by 13.3% and amounted to 7,495 billion tenge. The increase in the volume of construction work in 2023 compared to 2022 is associated with work on the construction and repair of structures (by 26.4%) and residential buildings (by 7%). By type of construction work (services) performed during the period from January to December 2023, the largest share is occupied by work on the construction of non-residential buildings (19.5% of the total volume), residential buildings (14.7%) and highways (14.5%). Out of the total volume of construction work in the republic, 88.5% of work was performed by private construction organizations, foreign companies – 11.3% and state-owned companies – 0.2%.

The volume of investments in housing construction in 2023 increased by 5.9% compared to the previous year and amounted to 3,090 billion tenge.

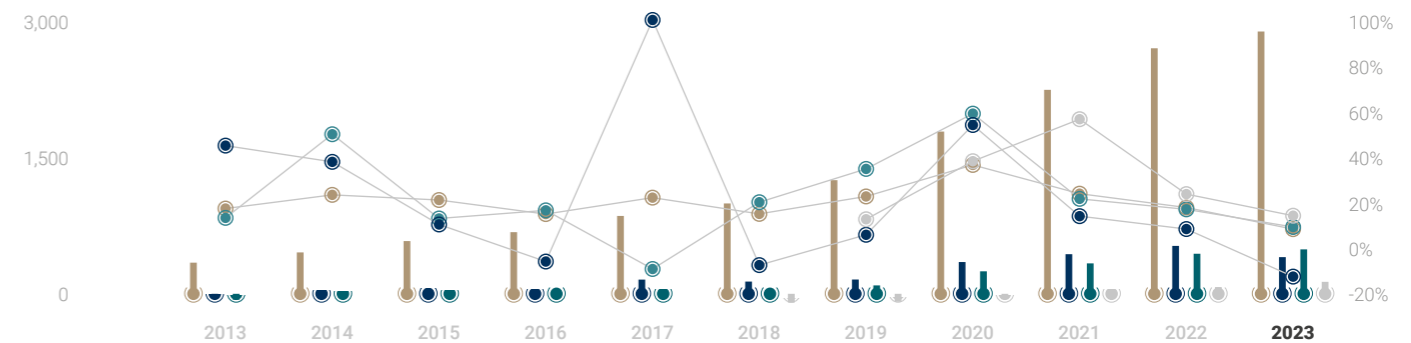
In a regional context, investments in the amount of 560 billion tenge were directed to Astana City (13.1% less than in the same period last year), Almaty – 647 billion tenge (8.0% more than in the same period last year) and Shymkent – 283 billion tenge (21.2% more than in the same period last year). The largest share in the total volume of investments in housing construction remains in the cities of Astana and Almaty (18.1% and 20.9%, respectively).

### VOLUME OF PERFORMED CONSTRUCTION WORK (KZT bln)



Source: National Statistics Bureau of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan

### INVESTMENTS IN HOUSING CONSTRUCTION (KZT bln)

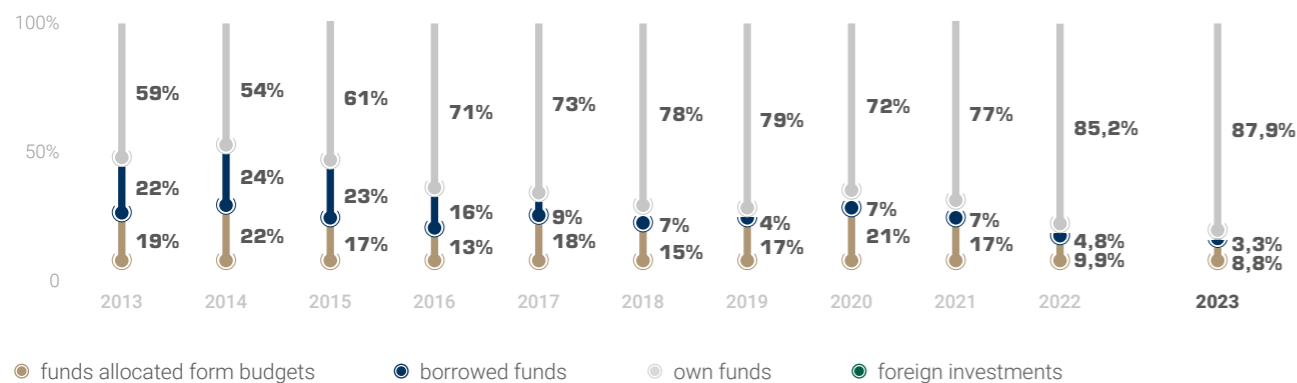


	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
● Kazakhstan	498	613	740	840	1,022	1,162	1,423	1,968	2,436	2,902	<b>3,090</b>
● Astana	99	143	162	153	308	286	309	505	593	686	<b>560</b>
● Almaty	83	129	145	169	147	177	243	401	490	598	<b>647</b>
● Shymkent						50	60	89	151	224	<b>283</b>
● Kazakhstan	16.3%	23.2%	20.6%	13.5%	21.8%	13.6%	22.4%	38.3%	23.8%	16.8%	<b>5.9%</b>
● Astana	53.0%	44.8%	13.2%	-5.5%	101.6%	-7.3%	8.0%	63.4%	17.4%	10.9%	<b>-13.1%</b>
● Almaty	12.6%	54.8%	12.3%	16.4%	-13.2%	20.5%	37.3%	65.2%	22.2%	16.9%	<b>8.0%</b>
● Shymkent							19.4%	48.7%	69.9%	43.1%	<b>21.2%</b>

Source: National Statistics Bureau of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan



**SOURCES TO FINANCE INVESTMENTS IN HOUSING CONSTRUCTION**



Source: National Statistics Bureau of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan

The predominant sources of financing in the structure of investments in housing construction in Kazakhstan for 2023 remain the own funds of developers and the population (87.9%).

There is a significant reduction in the share of funds allocated from the budget – 8.8% versus 9.9% in 2022. The share of borrowed funds for housing construction decreased – 3.3% against 4.8% in 2022. The share of borrowed funds allocated by banks for housing construction was 0.9%, other borrowed funds (except for bank loans) made up 2.4% of the total investment.

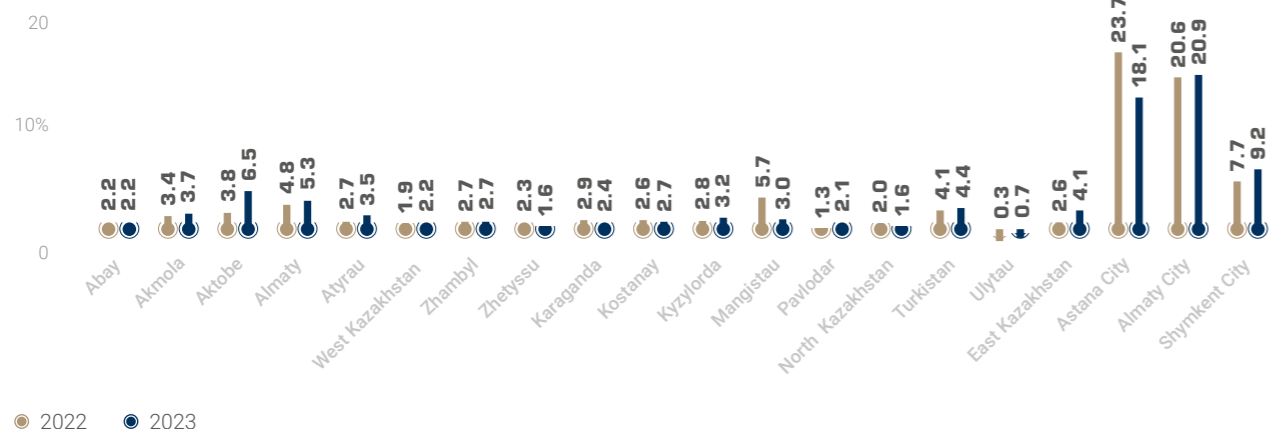
In Astana City, the share of budget funds in the total volume of investments was 3.1%, population’s own funds – 94.0%, borrowed funds – 2.9%. In Almaty City, the share of budgetary funds in the total volume of investments was 0.03%, population’s own funds – 94.8%, borrowed funds – 5.2%. In Shymkent City, the share of budgetary funds in the total volume of investments was 10.6%, population’s own funds – 89.4%, investments were not made using borrowed funds.

The total area of residential buildings put into operation increased by 11.9% compared to January-December 2022

and made up 17,537 thousand m<sup>2</sup>, of which 10,911 thousand m<sup>2</sup> were apartment buildings and 6,481 thousand m<sup>2</sup> were individual houses. The pace of commissioning of residential space in comparison with January-December 2022 increased in the cities: Astana – 58.1%, Almaty – 30.7%, Shymkent – 1.0%, in the regions of Zhetysay and Ulytau – 11.0% and 31.6%. Most of the housing – 15,850 thousand m<sup>2</sup>, or 90.4% – was commissioned by private developers, of which 6,635 thousand m<sup>2</sup> were commissioned by the population, which makes up 37.8% of the total commissioning volume.

Housing prices in Kazakhstan increased in December 2023. Thus, on average across the country in December 2023, the price for 1 m<sup>2</sup> of new housing was 494.9 thousand tenge (3.4% higher than in December 2022). An increase in average prices for new housing in comparison with December 2022 is observed in the following cities: Astana (2.3%), Almaty (5.4%), Aktau (7.3%), Pavlodar (8.5%), Semey (4.2%), and Petropavlovsk (10.6%). The price for 1 m<sup>2</sup> of new housing in the cities of Astana and Almaty was higher than the republican average and amounted to 588.8 thousand tenge and 577.6 thousand tenge, respectively. The price for 1 m<sup>2</sup> of new housing in Shymkent City was 435.7 thousand tenge.

**SHARE OF THE REGION IN TOTAL VOLUME OF INVESTMENTS IN HOUSING CONSTRUCTION (%)**



Source: National Statistics Bureau of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan

The comfortable housing resale price compared to December 2022 decreased by 3.7% and amounted to 494.4 thousand tenge.

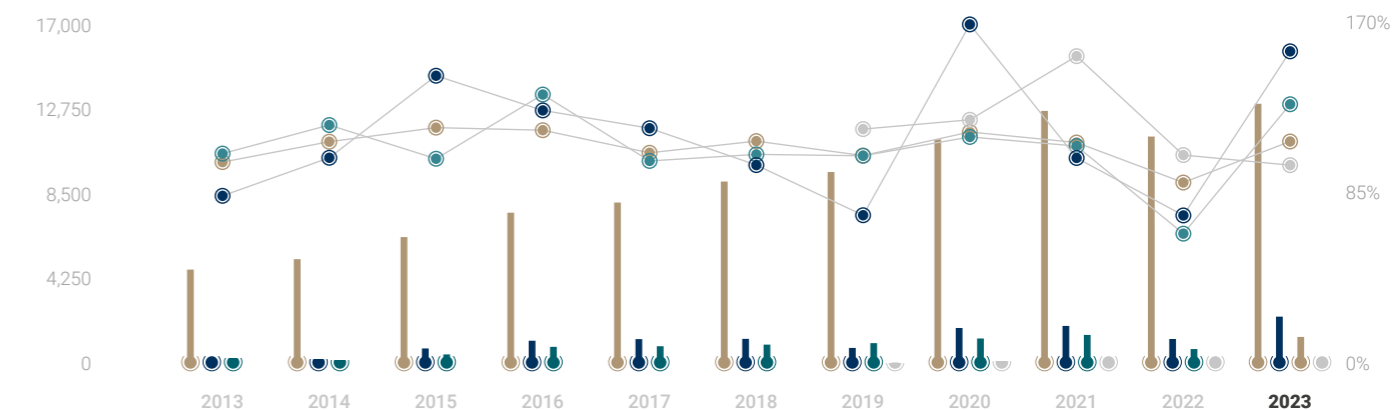
On average across the country in December 2023, the comfortable (secondary) housing resale price for 1 m<sup>2</sup> decreased by 3.7% (compared to December 2022) and amounted to 494.4 thousand tenge. On a yearly basis, a significant increase in prices is observed in the following cities: Kostanay (2.5%), Kyzylorda (6.9%), Aktobe (5.0%), Atyrau (8.2%), and Zhezkazgan (5.4%). The price for 1 m<sup>2</sup> in the secondary real estate market was higher than the republican average in the cities of Astana (575.5 thousand tenge) and Almaty (612.0 thousand tenge).

The average rental price for comfortable housing in December 2023 was 4,871 tenge for 1 m<sup>2</sup> (compared to December 2022 – 1.6% higher).

On a yearly basis, the rental price of comfortable housing in December 2023 increased by 1.6% compared to the same period in 2022. A significant increase in rental prices for comfortable housing is observed in the cities: Petropavlovsk (15.8%), Kokshetau (26.1%), Kyzylorda (21.4%), Zhezkazgan (33.4%), Taldykorgan (17.1%), and Karaganda (23.0%). In Almaty City, the price for 1 m<sup>2</sup> was higher than the republican average and amounted to 5,549 tenge.

The number of housing purchase and sale transactions in December 2023 increased by 12.6% compared to the corresponding month of the previous year, when 33,587 transactions were registered. The negative highest rate was recorded in Aktobe region (by 15.3%), and the largest increase was recorded in Almaty region (by 62.3%). At the same time, a decrease in dynamics is observed in the number of transactions from January-December 2023 to January-December 2022 and amounts to –20.5%.

**COMMISSIONING OF TOTAL AREA OF RESIDENTIAL BUILDINGS (THOUSAND SQUARE METERS)**



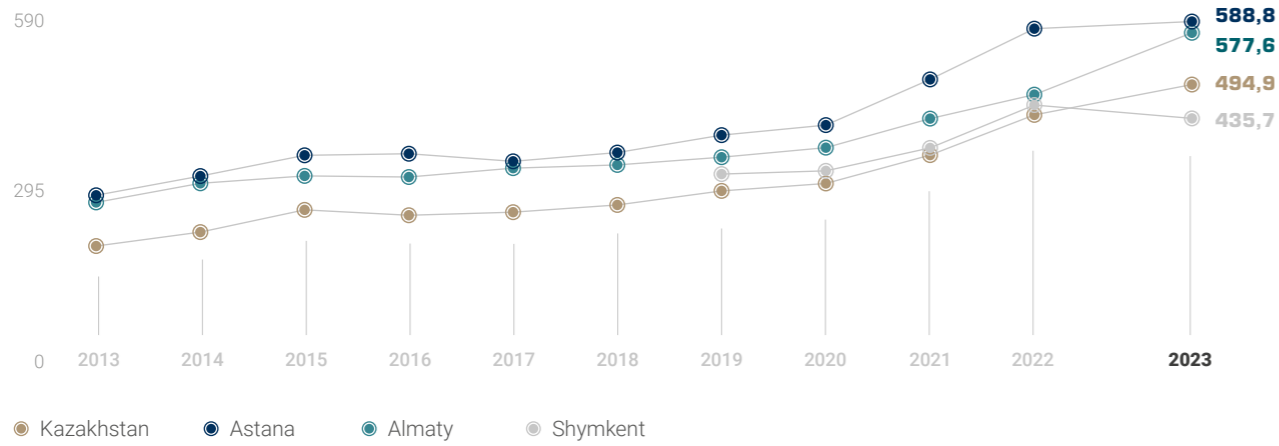
● Kazakhstan	6,844	7,516	8,940	10,513	11,168	12,521	13,134	15,239	17,076	15,422	<b>17,537</b>
● Astana	1,101	789	1,759	2,257	2,360	2,378	1,793	3,079	3,212	2,369	<b>3,810</b>
● Almaty	832	717	1,374	1,862	1,902	2,006	2,102	2,402	2,632	1,720	<b>2,502</b>
● Shymkent							524	649	1,013	1,073	<b>1,084</b>
● Kazakhstan	101.5%	111.8%	118.9%	117.6%	106.2%	112.1%	104.80%	116.7%	111.4%	91.2%	<b>111.9%</b>
● Astana	85.2%	104.4%	145.8%	128.3%	104.5%	100.7%	75.4%	171.7%	104.3%	75.3%	<b>158.1%</b>
● Almaty	105.8%	120.2%	103.2%	135.6%	102.1%	105.4%	104.7%	114.2%	109.6%	65.4%	<b>130.7%</b>
● Shymkent							119.2%	123.9%	156.0%	106.1%	<b>101.0%</b>

Source: National Statistics Bureau of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan



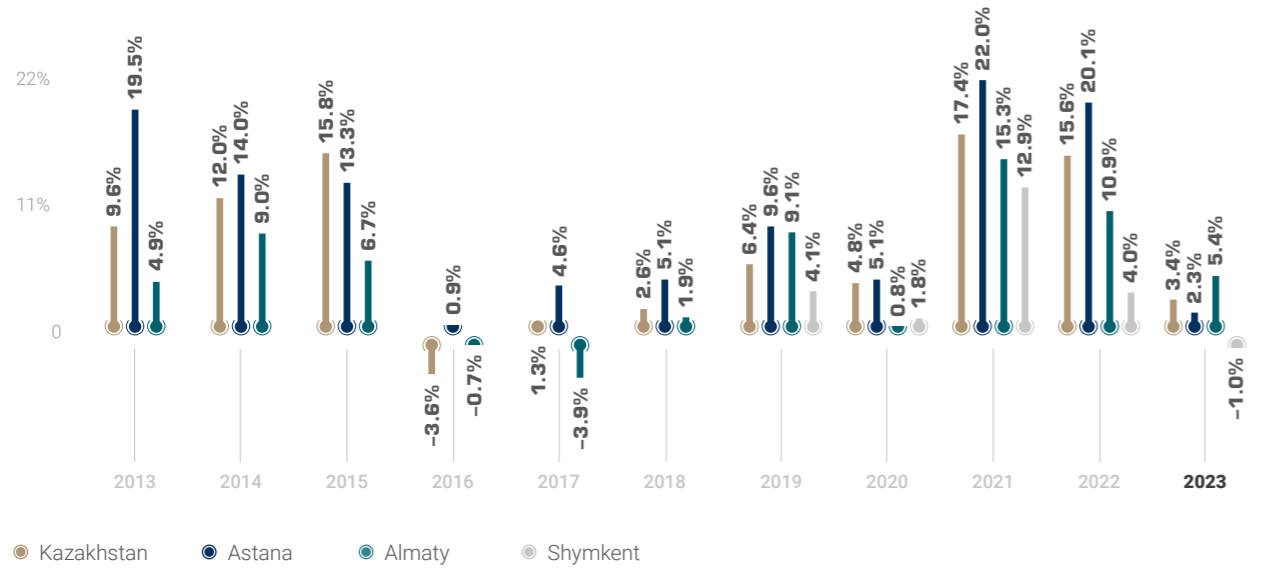
MARKET REVIEW

NEW HOUSING SELLING PRICES (KZT THOUSAND/M<sup>2</sup>)



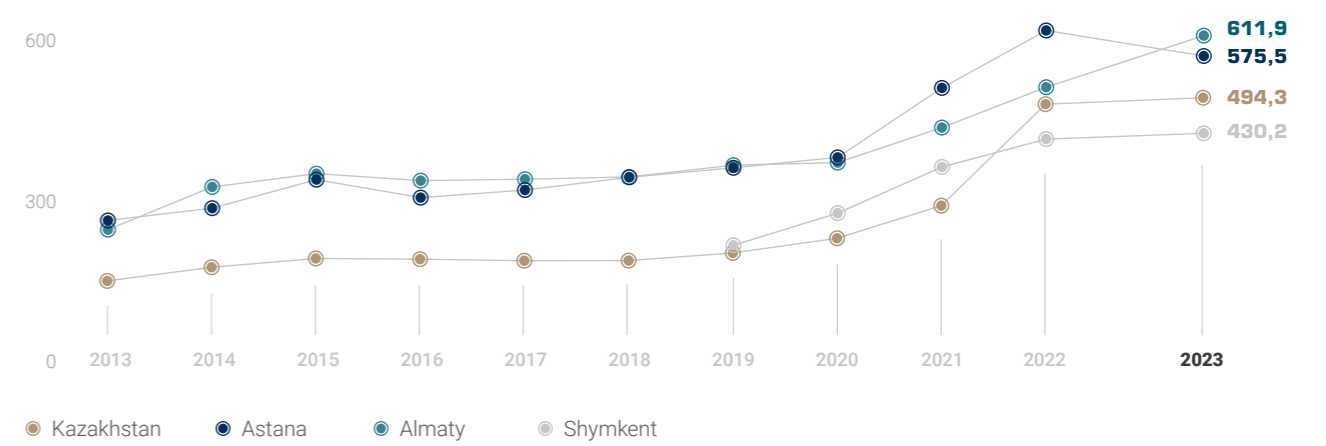
Source: National Statistics Bureau of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan

CHANGES IN NEW HOUSING SELLING PRICES (% TO THE LEVEL IN PREVIOUS YEAR)



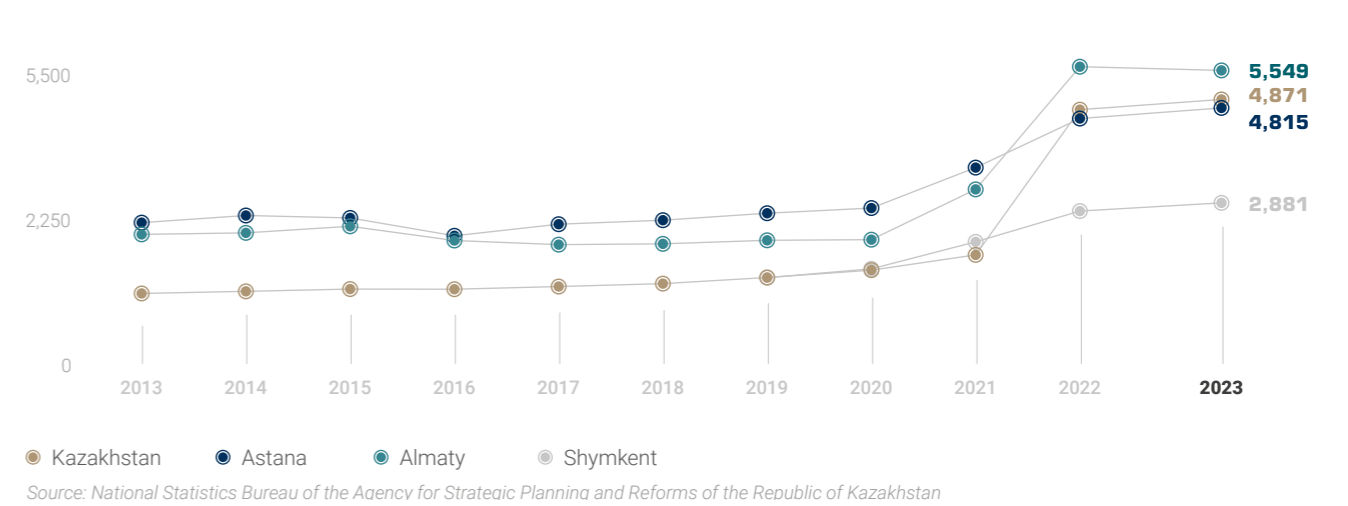
Source: National Statistics Bureau of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan

COMFORTABLE (SECONDARY) HOUSING RESALE PRICES (KZT THOUSAND/M<sup>2</sup>)



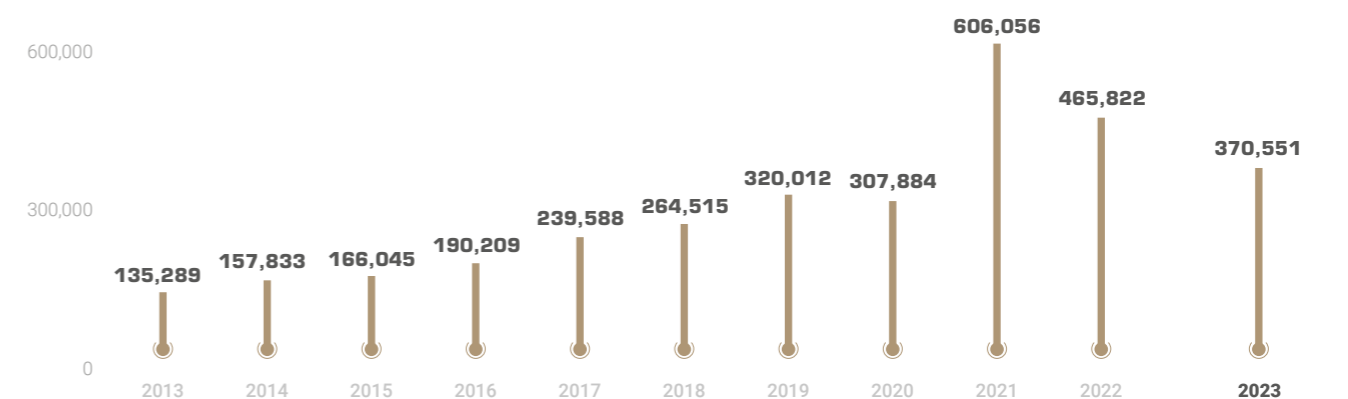
Source: National Statistics Bureau of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan

COMFORTABLE HOUSING RENTAL PRICES (KZT THOUSAND/M<sup>2</sup>)



Source: National Statistics Bureau of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan

NUMBER OF HOUSING SALE AND PURCHASE TRANSACTIONS



Source: National Statistics Bureau of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan





## KEY PERFORMANCE INDICATORS

№	Strategic KPI	2021	2022	2023		% of plan	% of 2022
				plan	actual		
<b>Performance indicator</b>							
1	Real estate commissioning, thousand m <sup>2</sup>	8.18	150.65	<b>95.42</b>	<b>82.00</b>	86%	54%
2	Sold real estate, thousand m <sup>2</sup>	29.07	99.1	<b>142.15</b>	<b>96.66</b>	68%	98%
<b>Financial performance</b>							
3	Net income, million tenge	9,786.1	5,284	<b>12,033</b>	<b>7,437</b>	62%	141%
4	ROACE, %	8.08%	5.29%	<b>10.47%</b>	<b>7.04%</b>	67%	133%
5	Debt/Equity, ratio	1.54	1.13	<b>0.75</b>	<b>0.76</b>	101%	67%
6	NAV, million tenge	65,343	70,612	<b>78,268</b>	<b>77,891</b>	100%	110%

- Real estate commissioning** reflects the commissioning of real estate under all programs and projects of the Company. In the reporting period, with a plan of 95.42 thousand m<sup>2</sup>, 82 thousand m<sup>2</sup> of real estate were put into operation (86% of the plan), including 7 facilities commissioned – Gul-Ana RC in Almaty City, Sun City RC in Konayev Town, “On the Millennium Alley, 2<sup>nd</sup> stage” in Astana City, Akkent RC in Almaty City, Bavaria-2 RC in Aktobe City, Residential Complex on Beybarys Avenue, building No. 498 in Atyrau City, and plant for production of roofing and facing materials in Astana City.
- Sold real estate.** With a plan of 142.15 thousand m<sup>2</sup>, 96.66 thousand m<sup>2</sup> were sold (68% of the plan). The deviation is due to the termination of the agreement on investment in construction for one project, the refusal of joint operations for three projects, and low financing of mortgage loans.
- Net income.** The Company’s net income at the end of 2023 amounted to 7,437.3 million tenge, with net income in 2022 being 5,283.7 million tenge (+41% compared to the same period in 2022). The deviation of the indicator from the plan of 62% is due to the recognition of additional reserves within the framework of investment activities, the termination of the contract for one project, the lack of an affirmative conclusion on a due diligence non-departmental examination of the design and estimate documentation within the framework of the national project “Comfortable School”.
- ROACE.** In the reporting period, the indicator was 7.04%, which is 33% higher than in 2022. The deviation is due to a decrease in debt on loans received, including full repayment of the bond loan, partial prepayment of the loan as part of the Green Quarter project and repayment of the loan as part of the “Rental Housing” direction of the Nurly Zher Program in accordance with schedule, in the reporting period. The growth of the indicator was also influenced by the increase in net income.
- Debt/Equity** in the reporting period was 0.76, which is 33% lower than in 2022. The deviation is due to a decrease in debt on loans received, including full repayment of the bond loan, partial prepayment of the loan within the framework of the Green Quarter project and repayment of the loan within the “Rental Housing” direction of the Nurly Zher Program in accordance with schedule, in the reporting period.
- Net asset value.** Compared to 2022, the indicator increased by 10%, which was due to an increase in equity. In the reporting period, the Company paid dividends to the Sole Shareholder in the amount of 6.4 billion tenge, which is 4.4 billion tenge higher than in 2022. In addition, the Company transferred the ownership of the building of Kazyna Tower Business Centre to the State, which was previously transferred by the Sole Shareholder to the Company as a contribution to the authorized capital.



## KEY PERFORMANCE INDICATORS

# 04







## GROUP STRUCTURE (AS OF 31.12.2023)

Samruk-Kazyna Construction JSC holds 100% of the participation interest in Samruk-Kazyna Development LLP since its re-registration on 4 May 2023 in connection with the decision of the Board of Directors of the Company dated 28 March 2023 (Minutes No. 186) to conclude an Agreement to terminate the Agreement of Sale and Purchase of 51% interest in the authorized capital of Samruk-Kazyna Development LLP.

Samruk-Kazyna Development LLP was established on 20 March 2013; it carries out project management activities in the field of architecture, urban planning and construction and provides engineering services for technical supervision at technically and technologically complex facilities of the first level of responsibility.

05



## GROUP STRUCTURE (AS OF 31.12.2023)





# 06

## SIGNIFICANT EVENTS OF THE YEAR



## SIGNIFICANT EVENTS OF THE YEAR

- 01** — **MARCH**

  - the Board of Directors of the Company made a decision to approve the conclusion of the Agreement on the termination of the Agreement of sale and purchase of 51% interest in the authorized capital of the Samruk-Kazyna Development LLP (Partnership) dated 29 December 2020 with VentKarkaraServis LLP and approve a new version of the Partnership's Articles providing for 100% participation of the Company in the authorized capital.
- 02** — **APRIL**

  - On 20 April 2023, S. Mynsharipova was elected as an independent director of the Board of Directors of the Company.
- 03** — **MAY**

  - On 5 May 2023**, M. Aimanbetov, the Chairman of the Management Board of Samruk-Kazyna Construction JSC, was elected a member of the Board of Directors of the Company;
  - On 12 May 2023**, Y. Kydyrbayev was elected as an independent director of the Board of Directors of the Company;
  - On 19 May 2023**, A. Milyutin was elected as an independent director of the Company's Board of Directors.
- 04** — **JUNE**

  - buildings Nos. 6, 7, 11, 8, 9, 10 of Akkent Residential Complex in Akkent Microdistrict of Almaty City were put into operation.
- 05** — **JULY**

  - On 27 July 2023**, S. Satzhan, the Managing Director for Development and Privatization, Member of the Management Board of Samruk-Kazyna JSC, was elected as the Chairman of the Board of Directors of the Company;
  - On 5 July 2023**, the Company paid dividends to the Sole Shareholder in the amount of 3,218,558,000 tenge.
- 06** — **AUGUST**

  - Gul-Ana Residential Complex in Almaty City was put into operation;
  - the Company's bonds (ISIN KZX000000633) in the amount of RUB 2 billion were early redeemed in full on AIX.
- 07** — **SEPTEMBER**

  - the international rating agency Fitch Ratings confirmed the Company's long-term credit ratings in foreign and national currencies at the level of 'BB' with 'Stable' outlook;
  - Bavaria Residential Complex in Aktobe City was put into operation.
- 08** — **OCTOBER**

  - Sun City Residential Complex Konayev Town was put into operation in;
  - the Business Plan of Samruk-Kazyna Construction JSC for 2024–2028 was approved;
  - by Resolution of the Government of the Republic of Kazakhstan No. 957 dated 31 October 2023, amendments and alterations to Resolution of the Government of the Republic of Kazakhstan No. 963 dated 30 November 2022 On Approval of the Pilot National Project in the Field of Education "Comfortable School" were approved.
- 09** — **NOVEMBER**

  - an apartment residential complex was put into operation on Millennium Alley (2<sup>nd</sup> stage) in Astana City;
  - a multi-purpose residential complex was put into operation at the address: building No. 498, Sultan Beybarys Avenue, Atyrau City.
- 10** — **DECEMBER**

  - a plant for the production of roofing and facing materials was put into operation in Astana City;
  - On 19 December 2023, the Company paid dividends to the Sole Shareholder in the amount of 3,218,557,000 tenge;
  - by resolution of the Board of Directors of the Company No. 197 dated 25 December 2024, the Development Strategy of the Company for 2023–2032 was approved.





## GOALS AND PLANS FOR 2024

In 2024, the Company plans to continue to implement its goals and objectives determined on the basis of the Company's Mission and Vision, including, as part of the implementation of the pilot national project "Comfortable School", it plans to complete the construction of 208 schools in 17 regions and 3 metropolises of the country.

As part of its investing activities, the Company plans to complete the construction of 5 residential complexes in the cities of Astana, Taraz, Ust-Kamenogorsk, Kokshetau, and Aksu (Pavlodar region).

The Company will continue to work on the return of investments under the Nurlı Zher program, management of premises sold for lease and on a rent-to-own basis within the framework of the anti-crisis program, trust management of interests in CCGT Turkestan LLP.

To achieve its goals for 2024, the Company plans to increase the level of automation and digitalization of all business processes by increasing operational efficiency, organizing prompt feedback aimed at constructive dialogue with lessees, as well as automating business processes in order to eliminate direct contact and prevent information and corruption risks.

The work will continue to expand investing activities in order to increase the Company's income.

In 2024, activities will continue to improve the corporate governance system and introduce the sustainable development principles through the activities approved by the ESG Implementation Plan for 2024–2025.

# 07

## GOALS AND PLANS FOR 2024







# SUSTAINABLE DEVELOPMENT OF THE COMPANY

GRI 2-22

The Company fully supports the 17 Sustainable Development Goals adopted in 2015 by the UN General Assembly and carries out activities aimed at achieving 8

of them. Recognizing the UN Global Compact principles, the Company declares its commitment to the following principles in its activities:



<b>HUMAN RIGHTS</b>	Principle 1	Ensuring and respecting the protection of internationally proclaimed human rights.
	Principle 2	Ensuring non-involvement in human rights infringements.
<b>EMPLOYMENT RELATIONS</b>	Principle 3	Supporting freedom of assembly and recognizing the right to collective bargaining.
	Principle 4	Promoting the elimination of compulsory or forced labour.
	Principle 5	Promoting the elimination of child labour.
	Principle 6	Promoting the elimination of discrimination in labour and employment.
<b>ENVIRONMENT PROTECTION</b>	Principle 7	Promoting the prevention of negative impacts on the environment.
	Principle 8	Taking initiatives and promoting environmental responsibility.
	Principle 9	Contributing to the development and dissemination of environmentally friendly technologies.
<b>ANTI-CORRUPTION</b>	Principle 10	Committing zero tolerance to all forms of corruption and other illegal activities, including blackmail and bribery.

In accordance with the Corporate Governance Code of Samruk-Kazyna JSC and the Sustainable Development Policy, the Company has built a management system in the field of sustainable development, which includes:

- commitment to the principles of sustainable development at the level of the Board of Directors, executive body and employees;
- analysis of the internal and external situation based on three components (environmental, social and corporate aspects);
- identification of risks in the field of sustainable development;
- building a stakeholder map;

- defining goals and KPIs in the field of sustainable development, developing an action plan and identifying responsible persons;
- integration of sustainable development into key processes, including risk management, planning, human resource management, investments, reporting, operating activities and others, as well as into development strategy and decision-making processes;
- advanced training of officials and employees in the field of sustainable development;
- regular monitoring and evaluation of activities in the field of sustainable development, assessing the achievement of goals and KPIs, taking corrective measures, introducing a culture of continuous improvement.

## SUSTAINABLE DEVELOPMENT OF THE COMPANY

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## ACHIEVING THE GOALS OF SUSTAINABLE DEVELOPMENT

PRIORITY OBJECTIVES	COMPANY'S CONTRIBUTION
	<p><b>INCREASING THE LEVEL OF KNOWLEDGE ON PRESERVING HEALTH AND PREVENTING ACCIDENTS</b></p> <ul style="list-style-type: none"> <li>An appeal from the Chairman of the Management Board was sent to SDOs for attention of the employees regarding the safe performance of work. Persons responsible for occupational safety among the lessees of office premises were identified, and a training in fire and occupational safety in the building was conducted on 24 February 2023 with the participation of employees of the Emergency Situations Department of Astana City and the head of the building's fire station.</li> <li>On 2 August 2023, a practical training was conducted with the evacuation of employees of Green Quarter BC, block T4, with the involvement of forces of the Emergency Situations Department. Based on the results of the practical training, a report with comments was made and sent to all the lessees of Green Quarter BC, block T4, and a letter of claim was also sent to the maintenance company responsible for fire safety – Zeus Energy LLP. On 29 August 2023, a training was conducted in fire safety and behavioural measures in case of emergencies and contingency situations; all lessees were notified of the need to send responsible employees.</li> <li>83 employees were trained in first aid, cardiac massage and artificial respiration using a mannequin connected to sensors indicating the condition of the organs.</li> </ul> <p><b>Result:</b> 97% of the occupational safety action plan for 2023 were implemented.</p>
	<p><b>COMMISSIONING OF 208 SCHOOLS IN 2024</b></p> <p>During the reporting period, contractors prepared land plots for construction (fencing, installing video cameras, mobilizing construction equipment, geotechnical surveys, driving test piles, etc). At the same time, the development of design and estimate documentation for schools was in process. As soon as an affirmative state examination of the design and estimate documentation was received, construction and installation work began.</p> <p><b>Result:</b> in the reporting period, 207 contracts for purchase of complex work on the design and construction of turnkey facilities were signed with domestic contractors and 191 contract for the provision of engineering services (technical supervision) were signed, including 96 contracts with the subsidiary of the Company – Samruk-Kazyna Development LLP.</p>
 	<p><b>INCREASING THE NUMBER OF MANAGING WOMEN AT ALL LEVELS IN THE ORGANIZATIONAL CHART</b></p> <p>When recruiting new employees for vacant positions, the Company is guided by the principles of gender equality and increases the proportion of women in management personnel.</p> <p><b>Result:</b> in 2023, the number of women on the Board of Directors was brought to the level recommended by best global practice of at least 30%, the number of managing women made up 24% of the total number of newly appointed managers at all levels.</p>
	<p><b>ENSURING THE SAFETY AND HEALTH OF WORKERS</b></p>
	<p><b>ELIMINATION OF EMERGENCY SCHOOLS, THREE-SHIFT EDUCATION AND SHORTAGE OF STUDENT PLACES IN SECONDARY EDUCATION ORGANIZATIONS</b></p>
 	<p><b>ADHERING TO THE PRINCIPLES OF GENDER EQUALITY</b></p>

### PRIORITY OBJECTIVES

### COMPANY'S CONTRIBUTION



#### APPLICATION OF BEST PRACTICES IN THE FIELD OF HUMAN RESOURCE MANAGEMENT, DEVELOPMENT OF CORPORATE CULTURE TO ACHIEVE HIGH LABOUR PRODUCTIVITY

Formation and development of an effective corporate culture based on strong leadership teams, implementation of the fundamental principles of meritocracy, promotion of corporate values that contribute to the achievement of strategic goals and key priorities of the Company, transition from measuring indicators of personnel involvement to measuring indicators of the employees' general well-being, which will allow for specific targeted impact on improving the working environment and conditions for further increasing the productivity of the Company's employees.

**Result:** in 2023, the employee well-being index was 55%.



#### CONSTRUCTION OF A POWER PLANT BASED ON A COMBINED CYCLE GAS PLANT WITH A MANOEUVRING GENERATION MODE WITH A TOTAL CAPACITY OF UP TO 1000 MW IN THE TURKISTAN REGION

#### ENSURING HIGH-QUALITY MANAGEMENT OF INTERESTS IN THE AUTHORIZED CAPITAL OF CCGT TURKESTAN LLP.

- Badam reservoir with the construction of a water pipeline, and the main site.
- A contract for the purchase of project management services was signed with Samruk-Kazyna Development LLP.
- On 29 December 2023, affirmative conclusions were received on the working projects of Water intake system from the Badam reservoir with the construction of a water pipeline, External gas supply and Power distribution from the electric power system to 500 kV hub substation for voltages of 500 and 220 kV in Shymkent City.

**Result:** in 2023, contracts were signed for the purchase of complex turnkey works on the 3<sup>rd</sup> category access road, a water intake system from the Badam reservoir with the construction of a water pipeline, and the main site.



#### REAL ESTATE COMMISSIONING

- Increasing the comfort and affordability of housing, improving the quality of the urban environment
- Formation of competitive construction of residential and civil facilities
- Involvement of land plots previously not used for construction into economic circulation, increasing the efficiency of use of land plots intended for construction
- Minimizing the negative impact of the construction industry and housing and utilities infrastructure on the environment

As of 31 December 2023, the Company entered into agreements for investment in construction (hereinafter – AIC) for 19 objects in the cities of Astana, Almaty, Atyrau, Aktobe, Konayev, Kokshetau, Aksu (Pavlodar region), Taraz and Ust-Kamenogorsk; as of 31 December 2023, a commercial and residential real estate pool of the Company according to the concluded AICs is 309.9 thousand m<sup>2</sup> and 996 parking spaces, the total cost of projects is 125.9 billion tenge, including the Company's investments volume of 76.9 billion tenge. These projects are financed using own funds and borrowed funds on market terms.

**Result:** in 2023, 82 thousand m<sup>2</sup> of real estate properties were commissioned.





## APPROACH TO SUSTAINABILITY MANAGEMENT

GRI 2-12, 2-13

The Board of Directors and the Management Board ensure the formation of an appropriate system in the field of sustainable development and its implementation. All employees and officials at all levels contribute to sustainable development. A consulting and advisory body has been formed under the Management Board of the Company – the Sustainable Development Committee, the main task of which is to develop policies and procedures in the field of sustainable development, as well as to submit proposals for consideration by the Management Board concerning the implementation of the sustainable development system. The Chairman of the Committee is an executive employee responsible for sustainable development. In this annual report, we seek to disclose our impact (both positive and negative) on the environment, society and the economy. Measures taken in these directions have the greatest positive effect in terms of achieving

long-term sustainability, ensuring economic efficiency and social stability of the Company. Implementing the Sustainable Development Policy, within the framework of the ESG Implementation Plan, the Company provides for the activities in the field of sustainable development. Issues related to the sustainable development activities were discussed on a quarterly basis at the meetings of the Board of Directors. On 21 February 2023, by resolution of the Board of Directors of the Company (Minutes No. 200), the updated ESG Implementation Plan of Samruk-Kazyna Construction JSC for 2024–2025 was approved.

Realizing the importance of compliance with ESG principles when building relationships with investors and financial institutions, the Company strives to improve its approaches to managing environmental, social and corporate aspects of its activities and reporting to stakeholders.

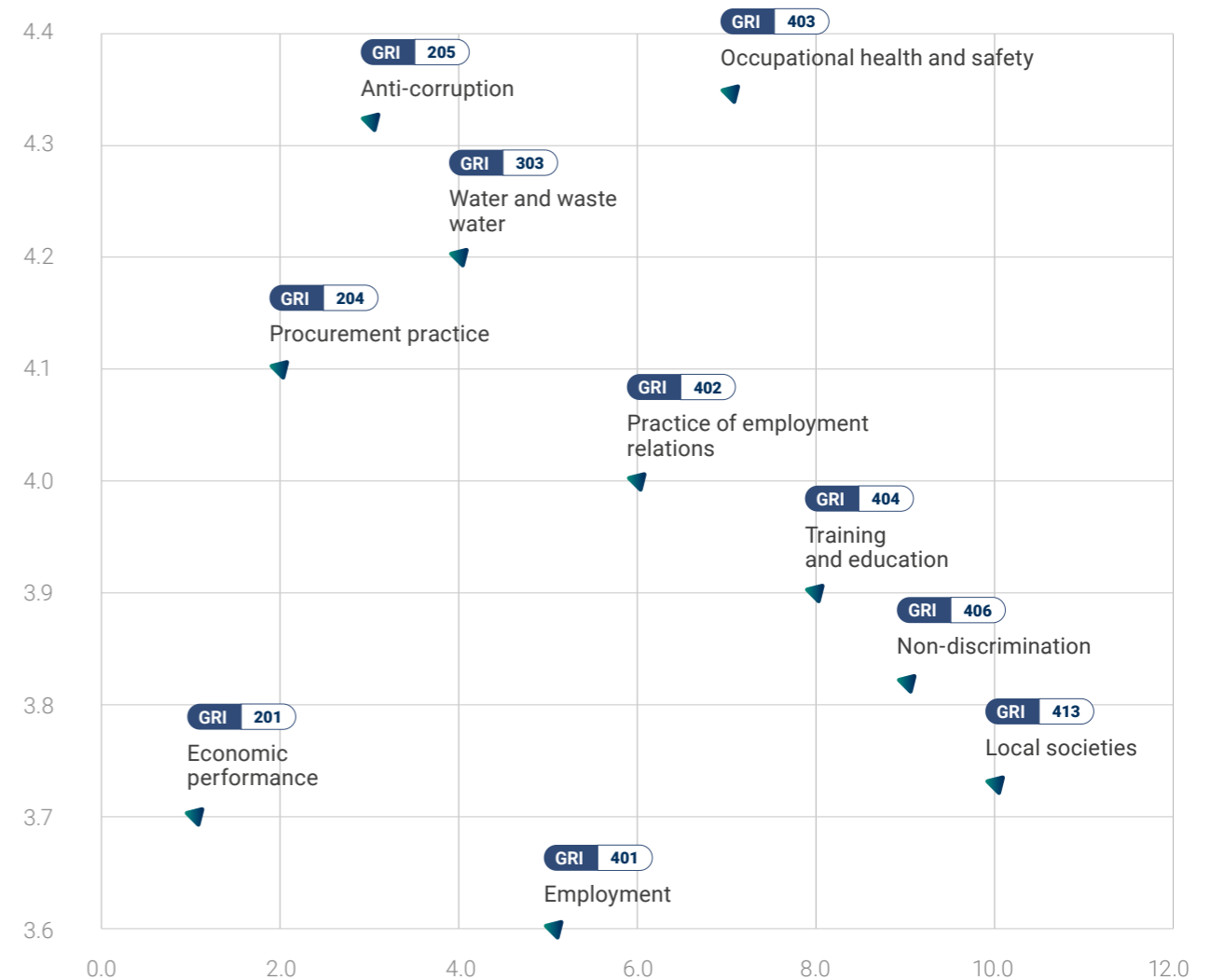
## DETERMINATION OF MATERIAL TOPICS

GRI 3-1, 3-2, 3-3

A sustainability stakeholder survey is conducted annually to determine the content of the sustainability report. In 2023, a stakeholders survey was conducted through a questionnaire in accordance with GRI Standards with the result that a Matrix of materiality of identified aspects was developed, which illustrates the relationship between the importance of aspects for the Company

and stakeholders. Along the horizontal axis of the Matrix, aspects are ranked based on the degree of their significance for the Company, and along the vertical axis – based on the assessment of stakeholders. Ranking of material aspects allows constructive communication with stakeholders based on a clear understanding of their priorities.

### MATERIAL TOPIC MATRIX





## EFFECTIVE COMMUNICATION WITH STAKEHOLDERS

GRI 2-29

The Company strives to create an effective system of communication with stakeholders, which is based on respect and cooperation.

The Company determines a full list of stakeholders with whom it communicates in the course of its activities, with a description of the contributions of stakeholders and their interests. When assessing the importance of stakeholders, stakeholders are ranked according to their importance for the Company based on two factors: the strength of influence of the stakeholder on the Company and the degree of interest of the stakeholder in the Company's activities.

The parties involved (stakeholders) of the Company are buyers and lessees of the Company's residential

premises, the Company's employees, the Sole Shareholder and the Board of Directors, subsidiaries and dependent organizations, general contractors and developers, enterprises in trust management, customers, local executive authorities and government authorities, financial institutions, mass media and social network users.

The principles, mechanisms and procedures for communication with stakeholders are enshrined in the Code of Conduct, Sustainable Development Policy and Stakeholder Map posted on the corporate website. The strategy for communication with stakeholders is presented in Annex 3.



## CORRUPTION PREVENTION AND COUNTERACTING

GRI 2-15, 2-16, 2-25, 205, 406-1

The Company strictly observes human rights in its activities. The Company does not allow discrimination based on nationality, gender, origin, age or other grounds, and recognizes the right of employees to create public associations and organizations to protect their rights and interests.

*During the reporting period, no cases of discrimination on any grounds were registered in the Company.*

GRI 406-1

The strategic goals of the Company and the conduct of its business are incompatible with any manifestations of corruption. The Company adheres to honest business practices, including counteracting corruption and fraud, preventing corporate conflicts and conflicts of interest as necessary factors for ensuring communication with stakeholders and building trusting intra-corporate relationships.

In accordance with the legislation of the Republic of Kazakhstan, all companies of the Fund Group have a compliance service the task of which is to build an effective compliance system that provides reasonable assurance

that the Company's significant compliance and corruption risks are properly managed.

The Company has the Compliance Controller, who is appointed by resolution of the Board of Directors; he/she is designed to ensure compliance with the anti-corruption laws of the Republic of Kazakhstan, the adoption of policies on compliance issues, as well as the formation of an internal corporate culture based on the principles of transparency and reliability in accordance with the law and best international practices.

Every year, work continues to create an anti-corruption culture of the Company through compliance training, testing for knowledge of the Law of the Republic of Kazakhstan On Counteracting Corruption, the Code of Conduct, and explanatory work is also carried out on an ongoing basis among the Company's employees on the operation of the hotline and on anti-corruption events.

Compliance training was conducted on compliance with the Anti-Fraud and Anti-Corruption Policy, which was

attended by 118 employees of the Company. A meeting was held concerning universal declaration of income and property.

In order to comply with anti-corruption restrictions and to prevent conflicts of interest, control is ensured, the need to disclose information is brought to the attention of persons, a list of affiliates is prepared in accordance with the legislation of the Republic of Kazakhstan, control is carried out on the timeliness of posting the list of affiliates on the Financial Statement Depository, checks are carried out for affiliation and existence/absence of a conflict of interests in relation to CEO-1; consultations are held with the Company's employees on an ongoing basis in order to avoid conflicts of interest.

Compliance with the requirements of the Law of the Republic of Kazakhstan On Counteracting Corruption and approved compliance policies is monitored on an ongoing basis. In 2023, the Compliance Controller of the Company did not record any confirmed facts of violation.



## PROCUREMENT PRACTICE

GRI 3-3, 308

The main goal of the Company in the field of procurement activities is timely, effective and complete provision of resource requirements for the stable operation of all divisions, with optimal conditions for their acquisition. The Company has established an effective procurement system based on the principles of information openness, transparency, equality and the development of fair competition. Procurement procedures are public, transparent, standardized and simple. The priorities of the Company's procurement activities are: purchase of goods, works, services from organizations of disabled people included in the Register of organizations of disabled people of the Group of Companies of Samruk-Kazyna JSC; purchase of goods from producers of the purchased goods that are entered in the Register of Producers of the Group of Companies of Samruk-Kazyna JSC. A supplier in the Company is selected in the following ways: holding an open tender (including using reverse auction); request

for price quotations (including using reverse auction); from a single source, as well as procurement using a special order, and an electronic store.

In 2023, in order to extend the principles of sustainable development to potential suppliers, the Company approved the Code of Conduct for Counterparties, which is a binding annex to the purchase contract and agreements for investment in construction, covering the requirements for hiring workers and ensuring working conditions, compliance with business ethics, environmental protection, and social responsibility.

GRI 308

*Procurement indicators are presented in Annex 4.*

GRI 204-1





## E-COMPONENT. ENVIRONMENTAL ASPECT

### MANAGEMENT OF EFFECT ON ENVIRONMENT PROTECTION

GRI 3-3, 303

The Company considers environmental protection activities as an important part of its current work, with recognizing the need to maintain ecological balance and care for the environment.

As part of the implementation of housing construction investment projects, the environmental protection activities of the Company are carried out by controlling the quality of construction carried out by the developer/contractor. At the same time, the Company, together with the developer, monitors indirect environmental emissions generated at contractors' construction sites. The air is experiencing a great negative impact from the construction site. The situation is aggravated often by the fact that construction sites are located in close proximity to residential buildings, thereby forming the centres of negative impact on the atmosphere of built-up areas and public health. Pollution emissions into the atmosphere are generated at all stages of the construction process, from engineering preparation of the construction site to creation of living environment and landscaping of the area. Sources of air pollution at construction sites are construction machines and mechanisms – truck cranes, excavators, graders, dump trucks, high sided trucks, concrete pumps and concrete mixers, rollers, asphalt pavers, asphalt spreaders, diesel generators, welding machines, cutting machines, grinding machines, etc. Construction projects Companies have a negative impact on the atmosphere to varying degrees, and primarily this depends on the volume of construction

and mounting work performed. The legislation of the Republic of Kazakhstan regulates emissions of harmful substances into the environment. According to the provisions of the Code of the Republic of Kazakhstan On Taxes and Other Compulsory Payments to Budget (Tax Code), a fee is charged for emissions into the environment. The taxable item is the actual volume of emissions into the environment within and (or) in excess of the established standards for emissions into the environment: emissions of pollutants; discharges of pollutants; disposed production and consumption waste. The Company monitors that the developers shall mandatorily make a comprehensive assessment of pollution during the construction of a facility and the fulfilment of their obligations and standards.

In addition, an inspection is carried out to ensure that developers have received permits for environmental emissions from the regional departments of natural resources and environmental regulation when developing a working draft environmental expertise, as well as in the process of construction and installation work.

In order to manage its own impact on the environment, the Company takes measures to use sparingly paper, consumables and energy resources, introduces and improves electronic document management and electronic reporting systems, and applies measures to reduce energy consumption and increase energy efficiency.

Energy resources consumption	Green Quarter BC		Kazyna Tower BC*	
	2022	2023	2022	2023
Electric power consumption, thousand kilowatt-hour	3,697	<b>4,169</b>	1,355	<b>659</b>
Water consumption, m <sup>3</sup> <span style="border: 1px solid black; border-radius: 5px; padding: 2px;">GRI 303-5</span>	20,836	<b>19,580</b>	6,042	<b>3,854</b>
Heat supply, Gcal	4,519	<b>3,406</b>	2,727	<b>1,497</b>

\* On 27 July 2023, the ownership of Kazyna Tower Business Centre was transferred to the State.



## S-COMPONENT. SOCIAL ASPECT

### HUMAN RESOURCES MANAGEMENT

GRI 2-7, 3-3, 401-1

Personnel are the key asset of the Company, its strategic partner in achieving sustainable development goals. Based on the Corporate Standard for Human Resource Management approved by the Sole Shareholder of the Company, the main business processes in terms of human resource management are updated in portfolio companies. Personnel engagement assessments are carried out annually. In 2023, based on the results of the analysis of the work performed, PE Centre for Social Interaction and Communications expanded this indicator and assessed the well-being index of the Company's employees, which includes physical and mental well-being index, social well-being index, financial well-being index and personnel engagement. In 2023, the well-being index was 55%, which corresponds to the "conditionally favourable" range. Respondents generally demonstrate a high level of satisfaction with various aspects of life, are involved in the company's activities and are motivated to work. There are some shortcomings that require a targeted solution.

The Company's priority areas in terms of human resource management are to meet the Company's need for specialists with appropriate professional competencies to implement the Company's tasks, develop competencies in the field of project management in construction and design, attract and implement investment projects, and increase the profitability of the Company's activities. One of the important directions of the Company's personnel policy is the development of employees and providing them with opportunities for professional and career growth, increasing the motivation of employees to introduce a corporate culture of high labour productivity. Taking into account the development of digital technologies, training methods such as distance learning courses, webinars and on-the-job training are actively used.

In order to attract specialists with the necessary skills and competencies, the Company conducts open competitive procedures for searching and recruiting personnel. Additionally, social media and the Company's corporate website are used to post information about announced competitions in order to reach more applicants.

In 2023, 277 employees were hired through competitive procedures, including manufacturing personnel for the implementation of the national project "Comfortable School". All candidates for vacant positions of administrative and managerial personnel undergo procedures for testing professional knowledge and assessing potential for further development through the provider – PE Samruk Business Academy.

In order to effectively and efficiently select and hire qualified personnel for the timely implementation of the national project, competitive procedures for filling vacant positions of manufacturing personnel have been simplified. Candidates' professional knowledge and necessary skills were assessed through interviews with members of the Personnel Commission of the Department for Implementation of the National Project and Regional Development formed by the order of the Chairman of the Management Board of the Company.

In 2024, it is necessary to improve the adaptation of hired employees, increase the level of involvement, satisfaction and motivation of personnel to increase the efficiency and team spirit of the employees.



## ASSESSMENT OF EMPLOYEES' PERFORMANCE

For executive employees (members of the Management Board), key performance indicators (KPIs) for the year are approved by the Board of Directors, and KPI performance is also assessed at the end of the year. The performance of employees accountable to the Board of Directors (3 employees) is assessed by the Board of Directors on the basis of KPIs approved at the beginning of the year.

Key performance indicators are cascaded to employees through each employee's approval of a goal card for the year. The effectiveness of performance assessment is reviewed by monitoring the implementation of the goal

map for the half-year and a comprehensive assessment of employee performance for the year.

In accordance with the Procedure for assessing the performance of employees, a comprehensive assessment of administrative and managerial employees is carried out annually before December 31 of the reporting year. Thus, in 2023, regular review of performance and career development made up 63%, of which 58% were men, 77% were women.

GRI 404-3

## PERSONNEL TRAINING

The requirements for the professional training process are regulated in the Rules for the training and development of the Company's employees.

To meet the need for training and development of the Company's employees, in accordance with the approved Individual Development Plans for employees, a Training Calendar Plan was approved; throughout the year, employees were provided with opportunities to take online and offline advanced training courses, seminars, trainings,

participation in exams and tests for the compliance of knowledge and qualifications offered by training organizations of the Republic of Kazakhstan.

In 2023, based on the results of training, the knowledge and competencies of employees were confirmed (diploma of professional financial manager – 1 person and diploma of completion of the HR-Professional advanced training course – 1 person).

## RELATIONSHIP BETWEEN EMPLOYEES AND MANAGEMENT

GRI 2-26

Thus, in 2023, the appeal to the Company's employees concerned the implementation of the pilot national project "Comfortable School" and awareness of anti-corruption issues. At the same time, as part of the relationship between employees and management, the Company regularly conducts:

- weekly staff meetings with the participation of executive employees and heads of business units on operational issues;
- semi-annual meetings of the Chairman of the Management Board with all employees of business units on the implementation of functional tasks and the achievement of approved goal maps for the reporting period;
- quarterly meetings of management with the personnel in the "Casual Meeting" format to discuss issues,

problems and suggestions of employees in an informal setting. Hours have been set for management to meet with employees on personal matters on a weekly basis.

The Company has committees and working groups to discuss and make collegial decisions on current issues concerning the Company's activities.

The Company has an Ombudsman who receives and monitors responses to employees' complaints and appeals of a social and labour nature. 6 complaints were received through Nysana line of which 3 facts were confirmed, measures were taken to eliminate the identified violation in 2 facts, and 1 fact was left without consideration due to the consideration and settlement of the issue by representatives of the local executive authority.

## MOTIVATION SYSTEM AND SOCIAL SUPPORT

GRI 401-2, 401-3

The Company's remuneration system is regulated by the Rules for remuneration and bonuses for the Company's employees the purpose of which is to assist in achieving the Company's strategic goals by establishing a remuneration system that allows rewarding employees for their performance in the reporting period and assessing the effectiveness of employees in achieving their goals. In 2023, 61 new positions were described, positions were graded and the salary market was analysed to assess the level of competitiveness of salaries for the Company's employees; a salary system was introduced taking into account the established grades for positions of executive and administrative employees. In accordance with the Rules for the provision of social support to the Company's employees, the following

types of social support are provided: financial assistance, compensation expenses, medical insurance for employees and members of their families, assistance in resolving housing issues. The Company provides equal remuneration for the work of men and women.

Based on the results of the performance assessment, employees are provided with remuneration in the form of bonus payments within the planned funds for payment of the variable part of wages.

In honour of the professional holiday – the Builder's Day – and the state holiday – the Republic Day, the Company's employees are nominated for awards with certificates of honour and badges, including proposals for state awards.

## OCCUPATIONAL HEALTH AND SAFETY

GRI 403

The Company pays special attention to the health of employees, working conditions and ensuring safety at work place. To increase the personal health potential of employees and members of their families, the Company provides:

- access to health insurance services (sickness insurance), including a 24-hour consulting and dispatch service (call centre), ambulance services, inpatient treatment, outpatient care, preventive medical examination for an employee, family doctor and medical services home health nurses, dental services, flu vaccinations, etc.;
- financial support is provided in the form of a health benefit for a leave.

The Company also carries out organized work to ensure the safety of employees at work place:

- training of employees on production processes is carried out through mandatory instruction and testing of knowledge on issues of safety and labour protection of employees, instructions are given concerning fire safety and labour protection, primarily for newly hired employees;
- regulated preventive repairs of equipment and utility networks in the office premises of the administrative building, computers and office equipment at employees' work places are carried out.

The Company's employees are located on floors 6, 8, 11, 14, and 15 of Green Quarter Business Centre, block T4 (hereinafter referred to as the Building). Each workplace is equipped with office equipment that meets their functionality and occupational safety and health requirements. Emergency routes and exits from the premises of the Building are marked with signs. The functionality of the Building's fire automatics and the fire safety of employees while at work is ensured by a specialized service organization under a service contract. The inspection is carried out in accordance with technical regulations once every six months.

Training of technical personnel's response skills in case of accidents and fires is carried out in accordance with the approved Training Plan. Newly hired employees are given induction training on fire safety. During working hours, the temperature, lighting, as well as the microclimate in the premises of the Building where the workplaces are located comply with sanitary and epidemiological requirements and are ensured by regulated periodic maintenance and scheduled preventative repairs and inspections of the Building's engineering systems and equipment.

The Company's employees were trained at PE Samruk Business Academy in the following courses: behavioural safety audits, hygiene and compliance with sanitary standards at a work place, safety in managing contractors. Also, PE Samruk Business Academy provided training in the Vision Zero concept with the issuance of an international level certificate for excellence in leadership in occupational health and safety.

The Company's person authorized in the field of occupational health and safety, in accordance with the Regulations for inspections of construction projects of Samruk-Kazyna Construction JSC, inspects at construction sites the developers, contractors (subcontractors) compliance with labour protection, industrial, fire safety and environmental protection. In 2023, based on the results of the audit, 198 inconsistencies in the field of industrial safety in contracting organizations were identified, which were eliminated.

## SPONSORSHIP AND CHARITY

In accordance with the Charity Policy and the Charity Program of Samruk-Kazyna JSC, sponsorship and charitable activities are carried out through a single operator of the Group of Companies of Samruk-Kazyna JSC – the Social Projects Development Fund – Samruk-Kazyna Trust JSC. Funds for activities in this area were not provided for in the Company's budget for 2023.

As part of the charity action plan in the Group of Companies of Samruk-Kazyna JSC, in accordance with clause 8 of the Roadmap for the development of corporate volunteering for 2021–2023 of the Group of Companies

of Samruk-Kazyna JSC (hereinafter – the Roadmap) as approved by the Chairman of the Management Board of Samruk-Kazyna JSC dated 05.08.2021, the Company's employees took part in:

- the "I am a Donor" campaign on 31 May;
- the "Road to School" campaign in August;
- they actively participated in December in the "Wish Tree" campaign, selecting and fulfilling more than 15 letters with children's wishes.

In order to strengthen its conscious environmental position, the Company organized a clean-up day to clean up the area.

Construction of a power plant based on a combined cycle gas plant with a capacity of up to 1000 MW in Turkistan City will increase the energy security of the country, in particular, it will compensate for missing energy capacities, level out emergency voltage drops that are created by the power system of the Central Asia (Uzbekistan, Kyrgyzstan) and independently uninterruptedly supply energy to socially oriented life-supporting facilities. Moreover, this station will create favourable conditions for the integration of renewable energy sources into the national energy system. For the construction of the station, 2 thousand new jobs will be created.

As part of the implementation of the national project "Comfortable School", the participation of domestic producers is enshrined in law. In accordance with Resolution of the Government No. 963 dated 30 November 2022, the Directorate represented by Samruk-Kazyna Construction JSC ensures, within the framework of signed contracts for complex turnkey design and construction, 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 (industrial register based on the certificate of origin of goods of ST-KZ form and/or industrial certificate) NCE Atameken.

In addition, in accordance with the contract for purchase of complex work on the turnkey design and construction of a facility, the Contractor undertakes to:

- p. 5.1.7. "After receiving a, affirmative conclusion on comprehensive non-departmental examination of the design and estimate documentation, to conclude within 30 (thirty) business days the contracts for the supply of furniture, educational, engineering and interactive equipment with software to the Facility and provide the Customer with supporting documents confirming payment";

- p. 5.1.10.20. "To purchase furniture from the legal entities entered in the Register of goods producers of Samruk-Kazyna JSC and/or the Register of domestic goods producers of NCE Atameken, as well as from other domestic goods producers";
- p. 10.13. "In case the Contractor violated the obligation to purchase furniture from domestic producers according to the register of domestic producers (industrial register based on the Industrial Certificate) of Republic of Kazakhstan NCE Atameken, the Contractor is responsible for failure to fulfil the obligation in accordance with the legislation of the Republic of Kazakhstan".

As part of the national project, a list of technological equipment and furniture for equipping schools has been determined as agreed upon with the Ministry of Education of the Republic of Kazakhstan and NCE Atameken for placing orders in domestic production. In addition, a decision was made on the use of facade materials broken down by regions from local production (the cities of Astana, Almaty, Shymkent – fibre cement panels (FCP), Akmola, Kyzylorda, Karaganda, Ulytau regions, East Kazakhstan and West Kazakhstan regions – linear panels, Almaty, Zhetysay regions – volcanic tuff, Pavlodar, Kostanay, Abay, Aktobe regions and North Kazakhstan region – facing brick, Turkistan, Zhambyl regions – combined facade of travertine and FCP, Mangistau, Atyrau regions – polished shell stone (LIMESTONE)).

In the reporting period, 207 contracts for purchase of complex work on the turnkey design and construction of facilities were signed with domestic contractors and 191 contracts – for the provision of engineering services (technical supervision), including 96 contracts signed with the subsidiary of the Company – Samruk-Kazyna Development LLP.

## SUPPORT OF REGION DEVELOPMENT

GRI 203, 413-1

As part of the implementation of projects, the Company contributes to the development of the regions in which it operates by ensuring that contractors and partners of the Company pay taxes and fees to the budget, create new jobs, and purchase goods, works and services from local producers.

The socially oriented activities of the Company are expressed in increasing the affordability of housing for the population by introducing new residential facilities; creating favourable and comfortable living conditions for residents through the implementation of a program for the renovation of dilapidated and hazardous housing; updating the architectural appearance of the city; improving the investment climate in the field of housing construction and territorial development.

In addition, support for the construction segment in the regions promotes the increase of the affordability of housing for different categories of the population and revitalization of the real estate market.

As part of participation in the plant construction program aimed at import substitution of construction materials, in the year under review the Company completed construction on the project of the "Plant for the production of roofing and facing materials in Astana City".

On 26 December 2023, the plant was put into operation. In order to support the plant, the Company provides comprehensive assistance in the use of MetalFormer LLP products in the Company's projects and loading of the plant's production capacity.





# G-COMPONENT. MANAGEMENT ASPECT

## CORPORATE GOVERNANCE STRUCTURE

In the present-day economy, corporate governance is one of the important factors that determine not only the level of development of an organization, but also the degree of investment attractiveness.

The corporate governance system includes the work of the Sole Shareholder, Board of Directors, Management Board, Corporate Secretary, Internal Audit Service and Compliance Controller. Such a system refers to internal means of support, which determines the mechanisms for setting goals, means of achieving them and controlling them.

GRI 2-9

Corporate governance optimizes the processes of risk management and management control, increases transparency, and allows for compliance with the procedures for considering issues and making decisions.

There is a clear delineation of powers and responsibilities between the Board of Directors, the Management Board, officials and employees. The competencies, powers, and responsibilities of the bodies are determined by the Articles of Association, Regulations on the Board of Directors and the Management Board.

The Company traditionally assigns a key role to the creation of an effective corporate governance system, based on the best global practices. The Company considers compliance with the basic principles of the Corporate

Governance Code to be a necessary condition for the long-term successful development of the Company and increasing its investment attractiveness.

The principles formulated in the Corporate Governance Code are a significant source for the Company for developing its own internal documents and a guideline for developing the best corporate governance practices. The Company strives to ensure that the corporate governance structure complies with the legislation of the Republic of Kazakhstan and the Corporate Governance Code of Samruk-Kazyna JSC and clearly defines the division of responsibilities between governing bodies. Following the principles of corporate governance contributes to the creation of an effective approach for conducting an objective analysis of the Company's activities. Corporate governance is built on the principles of fairness, honesty, responsibility, openness, accountability, transparency, professionalism and competence.

An effective corporate governance structure involves respect for the rights and interests of all stakeholders, contributes to the successful activities of the Company, including the growth of its value and market value, maintaining financial stability and profitability. The Company is constantly taking measures to improve the corporate governance system. The Report on compliance with the principles of the Corporate Governance Code of Samruk-Kazyna JSC can be found on the Company's website: <https://skcn.kz/ru/news/otchet-o-sledovanii-principam>.

## BOARD OF DIRECTORS

GRI 2-9, 2-10, 2-11, 2-13, 2-14

The general management of the Company's activities is carried out by the Board of Directors, with the exception of resolving issues referred to the exclusive competence of the Sole Shareholder.

The Chairman of the Board of Directors is elected by resolution of the Sole Shareholder. The process of searching and selecting candidates for the Board of Directors is carried out by the Fund together with the Chairman of the Board of Directors and the Chairman of the Nomination and Remuneration Committee of the Board of Directors of the Company.

GRI 2-10, 2-11

The exclusive competence of the Board of Directors includes determining priority areas and approving the Company's Development Strategy, Business Plan, ensuring the effective operation of the risk management system, monitoring the financial and economic activities of the Company, etc.

The practice of the Board of Directors is based on the principles of reasonableness, efficiency, activity, integrity, honesty, responsibility, accuracy, professionalism, prudence, objectivity, and regularity.

The Chairman of the Board of Directors is responsible for the management and effective performance of duties of members of the Board of Directors and for establishing proper communication and interaction. He/She considers emerging corporate conflicts to minimize their negative impact. Creates conditions for members of the Board of Directors, and also ensures an appropriate balance of authority, accountability and independence of decision-making. Ensures the implementation of decisions made by the Board of Directors. The Chairman has experience in successful management, enjoys respect and confidence among members of the Board of Directors and other stakeholders.

GRI 2-12

## MEMBERS OF THE BOARD OF DIRECTORS AND PARTICIPATION IN MEETINGS

As of 31 December 2023 the Company's Board of Directors included:

Nº	Name	Position	Election to the Board of Directors	Re-election to the Board of Directors
1.	<b>Saltanat Satzhan</b>	Chairwoman of the Board of Directors, representative of interests of Samruk-Kazyna JSC	27 July 2023	6 March 2024
2.	<b>Yelzhas Korabayev</b>	Member of the Board of Directors, representative of interests of Samruk-Kazyna JSC	18 February 2022	6 March 2024
3.	<b>Maulen Aimanbetov</b>	Member of the Board of Directors, Chairman of the Management Board of Samruk-Kazyna Construction JSC	5 May 2023	6 March 2024
4.	<b>Saya Mynsharipova</b>	Independent director	20 April 2023	6 March 2024
5.	<b>Yerzhan Kydyrbayev</b>	Independent director	12 May 2023	6 March 2024
6.	<b>Alexandr Milyutin</b>	Independent director	19 May 2023	6 March 2024

In the year under review, the following changes occurred in the composition of the Board of Directors:

- by resolution of the Management Board of Samruk-Kazyna JSC No. 20/23 dated 20 April 2023, the independent director S. Mynsharipova was elected as a member of the Board of Directors and re-elected on 6 March 2024, term of office – until 6 March 2027 (until expiration powers of the Board of Directors as a whole as determined by resolution of the Management Board of Samruk-Kazyna JSC dated 06.03.2024, Minutes No. 13/24);
- by resolution of the Management Board of Samruk-Kazyna JSC No. 22/23 dated 5 May 2023, the Chairman of the Management Board of the Company M. Aimanbetov was elected as a member of the Board of Directors and re-elected on 6 March 2023, term of office – until 6 March 2027 (until expiration of powers of the Board of Directors as a whole as determined by resolution of the Management Board of Samruk-Kazyna JSC dated 06.03.2024, Minutes No. 13/24);
- by resolution of the Management Board of Samruk-Kazyna JSC No. 23/23 dated 12 May 2023, the independent director Y. Kydyrbayev was elected as a member of the Board of Directors and re-elected on 6 March 2024, term of office – until 6 March 2027 (until expiration of powers of the Board of Directors as a whole as determined by resolution of the Management Board of Samruk-Kazyna JSC dated 06.03.2024, Minutes No. 13/24);
- by resolution of the Management Board of Samruk-Kazyna JSC No. 24/23 dated 19 May 2023, the independent director A. Milyutin was elected

- as a member of the Board of Directors and re-elected on 6 March 2024, term of office – until 6 March 2027 (until expiration of powers of the Board of Directors as a whole as determined by resolution of the Management Board of Samruk-Kazyna JSC dated 06.03.2024, Minutes No. 13/24);
- by resolution of the Management Board of Samruk-Kazyna JSC No. 37/23 dated 27 July 2023, Saltanat Satzhan was elected as the Chairman of the Board of Directors, representative of the interests of Samruk-Kazyna JSC, and re-elected on 6 March 2024, term of office – until 6 March 2027 (until expiration of powers of the Board of Directors as a whole as determined by resolution of the Management Board of Samruk-Kazyna JSC dated 06.03.2024, Minutes No. 13/24).

The Board of Directors of the Company consists of 6 members, including 3 independent directors and 2 representatives of the Fund's interests.

In order to create a more diverse gender composition of the Board of Directors, S. Satzhan and S. Mynsharipova were appointed to the Board of Directors in 2023, which increased the proportion of women to the recommended value of at least 30%.

GRI 405-1

Information about the full composition of the Board of Directors of Samruk-Kazyna Construction JSC can be found on the Company's website: <https://skcn.kz/ru/news/sostav>.

## MEMBERS OF THE BOARD OF DIRECTORS (AS OF 31 DECEMBER 2023)



### SALTANAT SATZHAN

GRI 2-11

**Chairman of the Board of Directors, representative of interests of Samruk-Kazyna JSC**

**Date of birth:** 24.04.1989

**Nationality:** Republic of Kazakhstan

**Date of first election to the Board of Directors:** 27 July 2023

**Date of re-election to the Board of Directors:** 6 March 2024

#### Education:

- 2007–2010 – Australian National University, Bachelor of Economy;
- 2023–2024 – University of Warwick, MBA (expected to graduate in 2024);
- ACCA – international qualification in accounting and finances, member since 2014;
- CFA, 2 levels passed.

#### Places of work and positions held in organizations over recent 5 years:

- from August 2023 till the present – managing director for development and privatization, member of the Management Board of Samruk-Kazyna JSC, Astana City;

- April 2021 – August 2023 – director of the Summary, Analytics and Control Directorate of Samruk-Kazyna JSC, Astana City;
- May 2018 – April 2021 – head of the Economic Analysis sector of the Asset Management Directorate of Samruk-Kazyna JSC, Astana City.

#### Additional information

- 'Yeren yenbegi ushin' Medal;
- Medal for the 30<sup>th</sup> Anniversary of Independence of the Republic of Kazakhstan.

#### Work in a part-time position and membership in the Board of Directors / Supervisory Boards of organization

- KAES LLP – from 2020, member of the Supervisory Board;
- Samruk-Kazyna Odeu LLP – from 2021 to July 2023, member of the Supervisory Board;
- NTIC Samgau – from 2022 to July 2023, Chairwoman of the Board of Directors;
- Qazaq Green Power – from 2023, member of the Board of Directors;
- Qazaq Air JSC – from 2023, member of the Board of Directors;
- Air Astana JSC – from 2024, representative of interests of Samruk-Kazyna JSC at AMS.

**She does not hold shares in the Company, suppliers and competitors of the Company.**





## YELZHAS KORABAYEV

**Member of the Board of Directors, representative of interests of Samruk-Kazyna JSC**

**Date of birth:** 10.07.1990

**Nationality:** Republic of Kazakhstan

**Date of first election to the Board of Directors:**  
18 February 2022

**Date of re-election to the Board of Directors:**  
6 March 2024

### Education

- 2009–2012 – The University of Manchester, Bachelor of Mathematics and Finances;
- 2011 – Oxbridge Learning Academy of New York;
- 2012–2013 – Imperial College London, Master of Finances;
- 2017 – CFA Level 2, CFA Level 3 candidate.

### Places of work and positions held in organizations over recent 5 years:

- from February 2022 till the present – director of the Department of Corporate Finances and Treasury of Samruk-Kazyna JSC;
- April 2020 – January 2022 – director of the Department of Corporate Finances of Samruk-Kazyna JSC;
- July 2018 – April 2020 – director of the Department of Treasury of Samruk-Kazyna JSC.

### Work in a part-time position and membership in the Board of Directors / Supervisory Boards of organization

- Samruk-Kazyna Invest LLP – Chairman of the Supervisory Board;
- Samruk-Kazyna Contract LLP – Chairman of the Supervisory Board;
- PC Bolashaq Investments Ltd. – member of the Board of Directors;
- PC Kazakhstan Energy Reinsurance Company – member of the Board of Directors.

He does not hold shares in the Company, suppliers and competitors of the Company.



## MAULEN AIMANBETOV

**Member of the Board of Directors, Chairman of the Management Board of Samruk-Kazyna Construction JSC**

**Date of birth:** 28.01.1966

**Place of birth:** KazSSR, Alma-Ata City

**Nationality:** Republic of Kazakhstan

**Date of first election to the Board of Directors:**  
5 May 2023

**Date of re-election to the Board of Directors:**  
6 March 2024

### Education:

- 1983-1990 – Ust-Kamenogorsk Construction and Road Institute, Almaty General Technical Department, motor road constructing engineer;
- 2000–2002 – Kazakh National Agrarian University, agricultural scientist;
- 2000–2002 – Kazakh Economic University named after T. Ryskulov, economist;
- 2011–2013 – NP EE International Business Academy (module learning), management, Master of Business Administration.

### Places of work and positions held in organizations over recent 5 years:

- from 2 May 2022 till the present – Chairman of the Management Board of Samruk-Kazyna Construction JSC;
- September 2020 – March 2022 – deputy Akim of Shymkent City, supervisory control of administrations of construction, energy and infrastructure development, architecture, urban planning and land relations, development of comfortable urban environment and emergency department;
- June 2014 – September 2020 – head of the Major Construction Division of the Department of Presidential Affairs of the Republic of Kazakhstan, design and construction and transfer to record in the balance sheet the facilities of the Department of Presidential Affairs of the Republic of Kazakhstan.

### Additional information

- He was awarded Kurmet Order (2017) and anniversary medals: 20 Years of Independence of the Republic of Kazakhstan (2011), 30 Years of Independence of the Republic of Kazakhstan (2021).

### Work in a part-time position

- Facility Construction Company Corporate Fund – from 22 August 2022 till the present – Chairman of the Board of Trustees.

He does not hold shares in the Company, suppliers and competitors of the Company.



## SAYA MYNSHARIPOVA

**Member of the Board of Directors, independent director, Chairman of the Audit Committee, member of Nomination and Remuneration Committee of Samruk-Kazyna Construction JSC**

**Date of birth:** 19.10.1970

**Nationality:** Republic of Kazakhstan

**Date of first election to the Board of Directors:**  
20 April 2023

**Date of re-election to the Board of Directors:**  
6 March 2024

### Education

- 1987-1992 – Kazakh State Economic University, Almaty City, accounting and analysis of business activities;
- 2008–2010 – Higher Business School under MSU named after Lomonossov, Moscow, Executive MBA.

### Certificates

- Certificate in Company Direction – certificate of an independent director issued by the International Association of Independent Directors 'IOD', London;
- Auditor – state license No. 0000174 МФ РК;
- 1 category tax consultant of the Republic of Kazakhstan.

### Places of work and positions held in organizations over recent 5 years:

- From April 2023 till the present – member of the Board of Directors, independent director of QazaqGaz NC JSC, KazMunaiGas NC JSC;
- September 2018 – March 2023 – director of the Tax Policy Department, AIFC Administration.

### Additional information

- Medal for the 20<sup>th</sup> Anniversary of Independence of the Republic of Kazakhstan;
- Letter of Appreciation from the Prime Minister of the Republic of Kazakhstan – 2011.

She does not hold shares in the Company, suppliers and competitors of the Company.



## YERZHAN KYDYRBAYEV

**Member of the Board of Directors, independent director, member of the Audit Committee, member of Nomination and Remuneration Committee of Samruk-Kazyna Construction JSC**

**Date of birth:** 02.04.1972

**Nationality:** Republic of Kazakhstan

**Date of first election to the Board of Directors:**  
12 May 2023

**Date of re-election to the Board of Directors:**  
6 March 2024

### Education

- 1989-1994 – Zhezkazgan Mining and Technologic University named after Baikonurov, industrial and civil construction.

### Places of work and positions held in organizations over recent 5 years:

- From May 2019 till the present – director of ARHIPLAN PROJECT LLP, ProektStroysnab LLP, Astana City.

### Additional information

- Anniversary Medal for the 20<sup>th</sup> Anniversary of the Constitution of the Republic of Kazakhstan;
- Anniversary Medal for the 25<sup>th</sup> Anniversary of Independence of the Republic of Kazakhstan;
- Certificate of Merit from the head of the Department of Presidential Affairs of the Republic of Kazakhstan (2010);
- Letter of Appreciation from the head of the Department of Presidential Affairs of the Republic of Kazakhstan (2009);
- Letter of Recognition from the Akim of Astana City (2006).

He does not hold shares in the Company, suppliers and competitors of the Company.



## ALEXANDR MILYUTIN

**Member of the Board of Directors, independent director, member of the Audit Committee, chairman of Nomination and Remuneration Committee of Samruk-Kazyna Construction JSC**

**Date of birth:** 11.03.1960

**Nationality:** Republic of Kazakhstan

**Date of first election to the Board of Directors:**  
19 May 2023

**Date of re-election to the Board of Directors:**  
6 March 2024

### Education

- 1982 – Semipalatinsk Construction Technical School, Semey City, civil technician;
- 2003 – Semipalatinsk State University named after Shakarim, Semey City, engineer-economist.

### Places of work and positions held in organizations over recent 5 years:

January 2021 – January 2023 – deputy of the Mazhilis of the Parliament of the Republic of Kazakhstan of VII convocation, Chairman of the Ecology and Environmental Management Committee of the Mazhilis of the Parliament of the Republic of Kazakhstan.

### Additional information

- Member of the Assembly of Nations of Kazakhstan (since 1995);
- Kurmet Order (2005);
- Honorary citizen of Borodulikha District (2002) and Beskaragay District (2008);
- Anniversary Medals.

He does not hold shares in the Company, suppliers and competitors of the Company.



## DIRECTORS' INDEPENDENCE CRITERIA

GRI 2-10

In accordance with paragraph 4) in clause 29 of the Articles of Association of Samruk-Kazyna Construction JSC, issues of determining the quantity of members, term of office of the Board of Directors, election of its members and early termination of their powers, election of the chairperson of the Board of Directors, as well as determining the amount and terms of payment of remuneration to members of the Board of Directors are referred to the exclusive competence of the Sole Shareholder.

In accordance with paragraph 20 of Article 1 of the Law On Joint-Stock Companies, the Articles of Association and the Corporate Governance Code define an "independent director" as a member of the Board of Directors who:

- is not an affiliate of the Company;
- was not a member during three years preceding election to the Board of Directors (except for the case of tenure as an independent director of the Company);
- is not an affiliate in relation to affiliates of the Company;
- is not subordinated to officials of the Company or organizations affiliated with the Company;
- was not subordinated to these persons during three years preceding election to the Board of Directors;
- is not an auditor of the Company and was not one during three years preceding election to the Board of Directors;
- does not participate in the audit of the Company as an auditor working for an audit organization and did not participate in such an audit during three years preceding election to the Board of Directors;
- is not a government official;

- is not a representative of the Sole Shareholder at meetings of the Company's bodies and was not one during three years preceding election to the Board of Directors.

Members of the Board of Directors of the Company notify in advance the Board of Directors of the Company of work in part-time positions in other organizations and positions of the members of the Board of Directors.

Members of the Board of Directors of the Company cannot be members of the Board of Directors or hold executive positions in organizations that are competitors of the Company.

By resolutions of the Management Board of the Sole Shareholder No. 20/23 dated 20 April 2023, No. 23/23 dated 12 May 2023 and No. 24/23 dated 19 May 2023, S. Mynsharipova, Y. Kydyrbayev, A. Milyutin respectively were elected as independent directors of the Company. The relationship between a member of the Board of Directors being an independent director and the Company is regulated by an agreement concluded on behalf of the Company by the Chairman of the Board of Directors of the Company.

The number of independent directors in the Board of Directors has been increased to 50% of the entire composition recommended by the Fund's Corporate Governance Code and the best global practice in the field of corporate governance.

## ASSESSMENT OF ACTIVITIES OF THE BOARD OF DIRECTORS

GRI 2-18

The assessment of the Board of Directors is carried out in accordance with the Policy for assessing the activities of the Board of Directors and its committees, the Chairman, members of the Board of Directors and the Corporate Secretary as approved by the resolution of the Board of Directors of the Company dated 27 February 2017 (Minutes No. 130), as amended and altered on 8 November 2019 (Minutes No. 149).

In accordance with this Policy, the Board of Directors may carry out an assessment with the involvement of a consultant, through questionnaires and interviews, or using a mixed approach: by own efforts with the coordination of the process by the consultant. The Sole Shareholder can also carry out own assessment independently or with the assistance of a consultant.

An independent assessment is carried out at least once every three years. Moreover, if during the reporting period the Company carried out a diagnostic of the corporate governance with the involvement of independent consultants, in order to avoid duplication of processes, there is no need to carry out separate assessment for the same reporting period.

In 2021, the Sole Shareholder carried out an external diagnostic of the corporate governance in the Company by independent consultants of PricewaterhouseCoopers LLP in order to provide recommendations for further

improvement of the practice of the corporate governance in the direction of similar international organizations. The completion of the assessment by an external consultant resulted in recommendations for further improvement.

The Board of Directors of the Company adopted resolution No. 197 dated 25 December 2023 to carry out a self-assessment of the activities of the Board of Directors of the Company for 2023. This resolution approved a self-assessment schedule including activities from December 2023 to May 2024.

## CAREER ENHANCEMENT OF MEMBERS OF THE BOARD OF DIRECTORS

GRI 2-17

The Company has in place the Policy on career enhancement of members of the Board of Directors of Samruk-Kazyna Construction JSC and attraction of external experts by the Board of Directors of the Company, which determines the rights and responsibilities of members of the Board

of Directors in terms of their career enhancement and attraction of external experts.

In the year under review, independent directors took part in training on ESG issues.

## REPORT ON ACTIVITIES OF THE BOARD OF DIRECTORS AND CORPORATE SECRETARY

The Board operates on the basis of an approved annual work plan.

For the effective organization of the activities of the Board of Directors and the interaction of the Board of Directors, the executive body with shareholders, the Board of Directors appoints a Corporate Secretary. The Corporate Secretary is accountable to the Board of Directors and independent of the executive body. The main responsibilities of the corporate secretary include assistance in the timely and high-quality adoption of corporate resolutions by the Board of Directors, the Sole Shareholder, acting as an adviser to members of the Board of Directors on all issues of their activities and the application of the provisions of the Corporate Governance Code, as well as monitoring implementation of the Corporate Governance Code and participation in improving corporate governance.

In 2023, Samruk-Kazyna Construction JSC held 15 meetings of the Board of Directors (meetings Nos. 183-197),

including 13 in-person meetings and 2 absentee meetings. A total of 118 issues were considered on key aspects of the Company's activities.

In accordance with the Regulations of the Board of Directors, in cases where one or more members of the Board of Directors are not able to personally attend a meeting of the Board of Directors, they can participate in the discussion of the issues under consideration using technical means of communication (i.e. video conference, telephone conference, etc.).

In 2023, the majority of the Board of Directors meetings were held in person, with the exception of two meetings of the Board of Directors, which were held in absentia.

Also, in 2023, members of the Board of Directors took part in a visiting session of members of the Board of Directors to visit the Company's investment projects.

## PARTICIPATION OF MEMBERS OF THE BOARD OF DIRECTORS IN MEETINGS OF THE BOARD OF DIRECTORS IN 2023:

Member of the Board of Directors	Independent	Participation in BoD meetings
M. Tazhigaliyev **	no	6 of 6
S. Satzhan	no	9 of 9
Ye. Korabayev	no	14 of 15
M. Aimanbetov	no	5 of 10
S. Mynsharipova	yes	11 of 11
Y. Kydyrbayev	yes	10 of 10
A. Milyutin	yes	10 of 10

\*\*The powers were early terminated under resolution of the Management Board of Samruk-Kazyna JSC No. 37/23 dated 27 July 2023.

## BASIC ISSUES CONSIDERED BY THE BOARD OF DIRECTORS FOR 2023

At the meetings of the Board of Directors in 2023, both strategic and current operational issues within its competence were considered.

In the course of its work, in 2023, the Board of Directors consistently implemented the main tasks in the priority areas of the Company's activities. Members of the Board of Directors pay great attention to the implementation of the national project "Comfortable School". Thus, on instruction of the members of the Board of Directors, a Roadmap for the implementation of the "Comfortable School" project was developed, the report thereon is considered at each meeting of the Board of Directors. Also, on a periodic basis, a report is heard from the CEO on the activities of the Company and monitoring of key corporate indicators and CEO-1, who oversees finance, on the current status of the implementation of investment projects, the repayment of receivables under previously concluded investment agreements.

The Board of Directors plays an important role in determining the main directions for improving the corporate governance in the Company.

At meetings of the Board of Directors, issues related to the Company's activities in the field of corporate

governance are regularly considered, including those related to reports on completed activities in this area and measures for further implementation.

Members of the Board of Directors regularly receive information that allows them forming an understanding and regularly monitoring the Company's activities, including information on the collection of lease payments receivable. In addition, the Board of Directors meets with external auditors several times a year. In 2023, the Board of Directors twice held meetings with the external auditors of Ernst & Young LLP concerning audit planning, preparation and results of the annual financial statements, the following issues were considered:

- Meeting with external auditors concerning preliminary approval of the audited Annual Financial Statements of Samruk-Kazyna Construction JSC (consolidated and separate) for 2022.
- Taking into account the Report on the implementation of the Action Plan to implement the recommendations of the independent audit organization – Ernst & Young LLP – based on the results of the audit for 2022.
- Meeting with external auditors to review the audit planning report for the year ended 31 December 2022.

By resolution of the Board of Directors, the following issues by category were considered and approved:

### REPORTS

- on consideration of the report of CEO-1, who oversees financial issues, based on the results of 2022, 1<sup>st</sup> quarter of 2023;
- on consideration of quarterly reports on the implementation of the Business Plan of Samruk-Kazyna Construction JSC for 2022–2026 and semi-annual reports on a detailed analysis of financial statements;
- on approval of adjustments to the Business Plan of Samruk-Kazyna Construction JSC for 2022–2026;
- on consideration of a detailed analysis of the financial statements of Samruk-Kazyna Construction JSC;
- on consideration of information on the progress of implementation of the Personnel Policy of Samruk-Kazyna Construction JSC and the implementation of KPIs for the Personnel Policy for 2022; and
- on consideration of information on the implementation of the ESG Implementation Plan of Samruk-Kazyna Construction JSC for 2022–2025 (on a quarterly basis).

### STRATEGIC ISSUES

- the conclusion of an Agreement for termination of the Agreement of sale and purchase of 51% interest in the authorized capital of Samruk-Kazyna Development LLP dated 29 December 2020 with VentKarkaraServis LLP, the return of 51% interest in the authorized capital of SK Development LLP to Samruk-Kazyna Construction JSC, re-registration of SK Development LLP, approval of the new version of the Articles of Association of SK Development LLP, re-election of the General Director of SK Development LLP;
- approval of the Development Strategy of Samruk-Kazyna Construction JSC for 2023–2032;
- approval of the Business Plan of Samruk-Kazyna Construction JSC for 2023–2027; and
- approval of adjustments to the Business Plan of Samruk-Kazyna Construction JSC for 2022–2026.

### CORPORATE GOVERNANCE ISSUES

- approval of the Annual Report of Samruk-Kazyna Construction JSC for 2022;
- approval of a report on the Company's compliance with the principles and provisions of the Corporate Governance Code for 2022;
- preliminary approval of the audited annual financial statements of Samruk-Kazyna Construction JSC for 2022, proposal of the procedure for distributing net income, adoption of a resolution on dividend distribution on ordinary shares and approval of the amount of dividend per ordinary share;
- consideration of the Report on the activities of the Board of Directors and the Corporate Secretary of the Company for 2022, as well as regular monitoring of the instructions of the Board of Directors; and
- an assessment of the activities of the Board of Directors, the Chairman, members of the Board of Directors and the corporate secretary of Samruk-Kazyna Construction JSC.

### ISSUES RELATED TO PRIMARY ACTIVITIES

- consideration of the report on the progress of implementation of the national project "Comfortable School";
- approval of the selling cost (price) of commercial (non-residential) premises of Khan Tengri RC in Almaty City;
- approval of the selling cost (price) of parking spaces in Akzhaiyk RC and Ishim RC in Astana City; and
- consideration of the report on the management activities of (commercial/non-residential) real estate Samruk-Kazyna Construction JSC for 2022.



### APPROVAL OF INTERNAL DOCUMENTS

- approval of amendments and alterations to the Sustainable Development Policy of Samruk-Kazyna Construction JSC;
- approval of the Social Policy of Samruk-Kazyna Construction JSC;
- approval of amendments to the Risk Management and Internal Control Policy of Samruk-Kazyna Construction JSC;
- approval of the Rules for payment, performance assessment, remuneration and bonuses for executive employees of Samruk-Kazyna Construction JSC;
- approval of the Investment Policy of Samruk-Kazyna Construction JSC;
- amendments to the Regulations of the Board of Directors of Samruk-Kazyna Construction JSC.

### APPOINTMENT AND REMUNERATION

- consideration of the Maps of key performance indicators of executive employees of Samruk-Kazyna Construction JSC with actual indicators for 2022;
- approval of the Maps of key performance indicators of executive and managerial employees of Samruk-Kazyna Construction JSC for 2023;
- approval of the organization chart of Samruk-Kazyna Construction JSC (repeatedly);
- appointment of the Corporate Secretary of Samruk-Kazyna Construction JSC;
- appointment of an ombudsman for Samruk-Kazyna Construction JSC;
- appointment of a Compliance Controller for Samruk-Kazyna Construction JSC;
- approval of the Succession Plan of the Board of Directors of Samruk-Kazyna Construction JSC for 2023;
- approval of the job descriptions for executive and managerial employees of Samruk-Kazyna Construction JSC.

### RISK ISSUES

- approval of the limit of liabilities to Halyk Bank of Kazakhstan JSC;
- approval of quarterly Risk Management Reports of Samruk-Kazyna Construction JSC;
- setting a limit of liabilities to Jusan Bank JSC;
- approval of the register and risk map of Samruk-Kazyna Construction JSC for 2024;
- approval of the general risk appetite, tolerance levels and key risk indicators of Samruk-Kazyna Construction JSC for 2024;
- approval of the register and risk map of Samruk-Kazyna Construction JSC for 2024.

### ISSUES OF BOD SUBDIVISIONS

- approval of the goal maps of the Internal Audit Service, the Corporate Secretary of the Company for the forecast period and assessment of their activities for the reporting period;
- consideration of the Annual Report of the Internal Audit Service of Samruk-Kazyna Construction JSC for 2022;
- approval of changes to the Annual Audit Plan of the Internal Audit Service of Samruk-Kazyna Construction JSC for 2023 (repeatedly during the year);
- consideration of quarterly reports of the Internal Audit Service of Samruk-Kazyna Construction JSC;
- approval of the Work Plan of the Compliance Controller for 2024.

## COMMITTEES OF THE BOARD OF DIRECTORS

In order to support the activities of the Board of Directors, the Company has formed the following committees, whose responsibilities include considering issues and developing recommendations on a particular issue within the framework of their functional responsibilities:

- Audit Committee;
- Nomination and Remuneration Committee;
- Committee for Strategic and Investment Issues.

By resolution of the Board of Directors No. 188 dated 6 June 2023, a new composition of the Audit Committee of the Board of Directors was elected:

- Chairman of the Audit Committee – S. Mynsharipova;
- Members of the Audit Committee – A. Milyutin, Y. Kydyrbayev.

By resolution of the Board of Directors No. 196 dated 4 December 2023, a new composition of the Nomination and Remuneration Committee of the Board of Directors was elected:

- Chairman of the Nomination and Remuneration Committee – A. Milyutin;
- Members of the Audit Committee – S. Mynsharipova, Y. Kydyrbayev;
- Expert without voting rights – N. Belgibayev, representative of the Sole Shareholder.

*In 2023, 3 meetings of the Audit Committee and 1 meeting of the Nomination and Remuneration Committee were held.*

## COMPLIANCE CONTROLLER

In accordance with the legislation of the Republic of Kazakhstan, all companies of the Fund Group have a compliance service, the task of which is to build an effective compliance system that provides reasonable assurance that the Company's significant compliance and corruption risks are properly managed.

The Company has a Compliance Controller, who is appointed by the resolution of the Board of Directors; he/she is designed to ensure compliance with the anti-corruption laws of the Republic of Kazakhstan, the adoption of policies on compliance issues, as well as the formation of an internal corporate culture based on the principles of transparency and reliability in accordance with the law and best international practices.

## INTERNAL AUDIT

The Company has in place a generally accepted internal audit model, in which the internal audit functions are separated from the internal control and risk management functions. Internal audit is in a regime of special functional and administrative subordination and accountability ensuring objectivity and independence. The Internal Audit Service was formed to facilitate the achievement of strategic goals and objectives by applying a systematic and consistent approach to assessing and improving the effectiveness of the internal control and risk management system during audits and consultations and is accountable to the Board of Directors of the Company.

The Board of Directors annually approves the risk-based Annual Audit Plan of the Internal Audit Service, as well as key performance indicators of the Internal Audit Service and its head. The report of the Internal Audit Service is provided to the Board of Directors of the Company on a quarterly and annual basis. In its activities, the Internal Audit Service takes into account the current International Standards for the Professional Practice of Internal Auditing and the Internal Auditing Code of Ethics adopted by the International Institute of Internal Auditors, and is guided by local regulations on internal audit approved in the Company. During 2023, the Internal Audit Service completed 10 planned audit engagements.

In accordance with the tasks assigned to it, the Internal Audit Service performs the following functions:

- assessment of the adequacy and effectiveness of the internal control system in the Company;
- assessment of the completeness of application and effectiveness of the risk assessment methodology and risk management procedures in the Company;
- assessment of the implementation and compliance with accepted principles of corporate governance, relevant ethical standards and values of the Company, etc.

Based on the results of assessments and audits, the Internal Audit Service issued relevant recommendations and comments aimed at eliminating the causes of identified violations and inconsistencies, as well as improving

the internal control system. All recommendations given are binding on the management of the audited entity in accordance with the agreed plan of corrective and preventive actions.

## MANAGEMENT BOARD

The current activities of the Company are managed by a collegial body in the form of the Management Board, headed by the Chairman of the Management Board. The activities of the Management Board are aimed at maximizing the interests of the Sole Shareholder, as well as fulfilling the objectives of the Company and implementing its strategy. The organization of the work of the Management Board, the procedure for convening and holding its meetings, and the procedure for adopting resolutions are determined by the Regulations of the Management Board of the Company. The main principles of the Management Board are: honesty, fairness, reasonableness, prudence, regularity. The Management Board holds regular meetings with voting in person. There are 4 Committees under the Management Board: Committee for Planning and Performance Assessment, Investment Committee, Risk Management Committee, and Sustainable Development Committee.

In 2023, the following changes occurred in the composition of the Management Board:

- on 10 February 2023, by resolution of the Board of Directors of the Company No. 184, B. Mukushev,

- Vice-Chairman of the Management Board for Economics and Finance, was elected a member of the Management Board;
- on 2 May 2023, by resolution of the Board of Directors of the Company No. 187, D. Seitbekov, Vice-Chairman of the Management Board for operating activities, and A. Sattarov, Vice-Chairman of the Management Board for the national project and regional development, were elected as members of the Management Board;
- on 4 December 2023, by resolution of the Board of Directors of the Company No. 196, the powers of D. Seitbekov, Vice-Chairman of the Management Board for operating activities, member of the Management Board, were early terminated, and employment relations with him were terminated;
- on 25 December 2023, by resolution of the Board of Directors of the Company No. 197, B. Bulatbekov, Vice-Chairman of the Management Board for operating activities, was elected a member of the Management Board.

## MEMBERS OF THE MANAGEMENT BOARD (AS OF 31 DECEMBER 2023)



### MAULEN AIMANBETOV

#### Chairman of the Management Board

**Date of birth:** 28.01.1966

**Place of birth:** KazSSR, Alma-Ata City

**Nationality:** Republic of Kazakhstan

**Date of election as the Chairman of the Management Board:** 2 March 2022

#### Education

- 1983-1990 – Ust-Kamenogorsk Construction and Road Institute, Almaty General Technical Department, motor road constructing engineer;
- 2000–2002 – Kazakh National Agrarian University, agricultural scientist;
- 2000–2002 – Kazakh Economic University named after T. Ryskulov, economist;
- 2011–2013 – NP EE International Business Academy (module learning), management, Master of Business Administration.

#### Places of work and positions held in organizations over recent 5 years:

- from 2 May 2022 till the present – Chairman of the Management Board of Samruk-Kazyna Construction JSC;

- September 2020 – March 2022 – deputy Akim of Shymkent City, supervisory control of administrations of construction, energy and infrastructure development, architecture, urban planning and land relations, development of comfortable urban environment and emergency department;
- June 2014 – September 2020 – head of the Major Construction Division of the Department of Presidential Affairs of the Republic of Kazakhstan, design and construction and transfer to record in the balance sheet the facilities of the Department of Presidential Affairs of the Republic of Kazakhstan.

#### Additional information

He was awarded Kurmet Order (2017) and anniversary medals: 20 Years of Independence of the Republic of Kazakhstan (2011), 30 Years of Independence of the Republic of Kazakhstan (2021).

#### Work in a part-time position

From 22 August 2022 till the present – Chairman of the Board of Trustees of Facility Construction Company Corporate Fund.

He does not hold shares in the Company, suppliers and competitors of the Company.





## GABIT MALGAZDAROV

**First Vice-Chairman of the Management Board – member of Management Board**

**Date of birth:** 26.05.1975

**Nationality:** Republic of Kazakhstan

**Date of election to the Management Board:**  
1 December 2022

### Education

- 1992-1997 – Eurasian University named after L.N. Gumilev, carrying and lifting machines, construction equipment, road-making machines and equipment, specialty – mechanical engineer;
- 2003–2005 – Kazakh Humanitarian and Law University, international law, international law – Bachelor.

### Places of work and positions held in organizations over recent 5 years:

- from October 2023 till the present – the First Vice-President of the Management Board – member of the Management Board;
- from December 2022 till October 2023 – Vice-Chairman of the Management Board for construction and operation of assets – member of the Management Board of Samruk-Kazyna Construction JSC;
- October-November 2022 – Vice-Chairman of the Management Board for construction and operation of assets of Samruk-Kazyna Construction JSC;
- July-October 2022 – project manager in Integra construction KZ LLP;
- January 2018 – April 2022 – head of the Lower Organization Management Division of the Department of Presidential Affairs of the Republic of Kazakhstan.

He does not hold shares in the Company, suppliers and competitors of the Company.



## BOLAT MUKUSHEV

**Vice-Chairman of the Management Board for economy and finances – member of the Management Board**

**Date of birth:** 05.09.1981

**Nationality:** Republic of Kazakhstan

**Date of election to the Management Board:**  
10 February 2023

### Education

- Eurasian University named after L.N. Gumilev, finances and credit with additional specialty – Foreign language (1998-2003) – Bachelor.

### Places of work and positions held in organizations over recent 5 years:

- from 6 January 2023 till the present – Vice-Chairman of the Management Board for economy and finances – member of the Management Board of Samruk-Kazyna Construction JSC;
- February 2019 – December 2022 – Vice-Chairman of the Management Board for economy and finances of Astana-Energy JSC;
- April-November 2018 – director of the Production Support Department of Electronic Commerce Centre JSC.

He does not hold shares in the Company, suppliers and competitors of the Company.



## AMANGELDY SATTAROV

**Vice-Chairman of the Management Board for national project and regional development – member of the Management Board**

**Date of birth:** 14.02.1982

**Nationality:** Republic of Kazakhstan

**Date of election to the Management Board:** 2 May 2023

### Education

- 2003 – Eurasian Market Institute;
- 2010 – Eurasian Humanitarian Institute;
- 2016 – Kokshetau State University named after Sh. Ualikhanov.

### Places of work and positions held in organizations over recent 5 years:

- from 2 May 2023 till the present – Vice-Chairman of the Management Board for national project and regional development – member of the Management Board of Samruk-Kazyna Construction JSC;
- February-May 2023 – Vice-Chairman of the Management Board for national project and regional development of Samruk-Kazyna Construction JSC;
- November 2020 – February 2023 – deputy director of SE Construction Administration of Nur-Sultan City;
- June-November 2020 – acting deputy director of SE Construction Administration of Nur-Sultan City;
- May 2019 – 22 June 2020 – director of the Urban Planning Department of Astana Social and Entrepreneurial Corporation JSC, Nur-Sultan City;
- March-May 2019 – director of the Procurement and Logistics Support Department of Astana Social and Entrepreneurial Corporation JSC, Nur-Sultan City.

He does not hold shares in the Company, suppliers and competitors of the Company.



## BORANBAY BULATBEKOV

**Vice-Chairman of the Management Board for operation – member of the Management Board**

**Date of birth:** 08.01.1964

**Nationality:** Republic of Kazakhstan

**Date of election to the Management Board:**  
26 December 2023

### Education

- 1987 – Tselinograd Engineering and Construction Institute;
- 2011 – Kazakh Technology and Business University.

### Places of work and positions held in organizations over recent 5 years:

- from December 2023 till April 2024 – Vice-Chairman of the Management Board for operating activities – member of the Management Board of Samruk-Kazyna Construction JSC;
- December 2022 – December 2023 – Akim of Turan District, Shymkent City;
- February 2021 – December 2022 – Director of SE Administration of Energy and Infrastructure Development of Shymkent City;
- October 2020 – February 2021 – deputy Director of SE Administration of Energy and Infrastructure Development of Shymkent City;
- December 2016 – November 2019 – General Director of Astana tazalyk LL.

He does not hold shares in the Company, suppliers and competitors of the Company.

## REPORT ON ACTIVITIES OF THE MANAGEMENT BOARD FOR 2023

In 2023, 49 meetings of the Management Board were held in person, at which resolutions on 307 issues were adopted.

### PARTICIPATION OF MEMBERS IN MEETINGS OF THE MANAGEMENT BOARD IN 2023:

Member of the Management Board	Participation in meetings of the Management Board
M. Aimanbetov	41 of 49
G. Malgazdarov	47 of 49
D. Seitbekov***	35 of 41
B. Mukushev	44 of 44
A. Sattarov	26 of 33
B. Bulatbekov***	1 of 1

\*\*\* By resolution of the Board of Directors of the Company No. 196 dated 04.12.2023, the powers of D. Seitbekov, Vice-Chairman of the Management Board for operating activities – member of the Management Board, were early terminated; by resolution of the Board of Directors of the Company No. 197 dated 25 December 2023, B. Bulatbekov, Vice-Chairman of the Management Board for operation, was elected as a member of the Management Board

## BASIC RESOLUTIONS ADOPTED BY THE MANAGEMENT BOARD IN 2023:



### REPORTS

- reports on the implementation of the Company's Business Plan for 2022–2026, including the Report on the implementation of the Annual Budget for 2022, and a detailed analysis of the financial statements of Samruk-Kazyna Construction JSC;
- reports on the implementation of investment projects;
- monitoring of key risk indicators on a monthly basis;
- reports on the progress of implementation of the pilot national project in the field of education "Comfortable School" on a monthly basis;
- report in the field of labour protection, safety and environmental protection based on the results for 2022.



### SUSTAINABLE DEVELOPMENT ISSUES

- approval of the Annual Budget of Samruk-Kazyna Construction JSC for 2024;
- approval of the Counterparties Conduct Code of Samruk-Kazyna Construction JSC;
- approval of the Stakeholder Map of Samruk-Kazyna Construction JSC;
- preliminary approval of information on the implementation of the ESG Implementation Plan of Samruk-Kazyna Construction JSC for 2023–2025 for the 1<sup>st</sup> quarter, 1<sup>st</sup> half of the year, 9 months and 2023;
- preliminary approval of the ESG Implementation Plan of Samruk-Kazyna Construction JSC for 2024–2025.



### PRELIMINARY APPROVAL OF ISSUES PUT FOR APPROVAL BY BOD

- approval of the Business Plan of Samruk-Kazyna Construction JSC for 2024–2028;
- approval of the Audited annual financial statements of Samruk-Kazyna Construction (consolidated and separate) for 2022;
- approval of the Annual Report of Samruk-Kazyna Construction JSC for 2022;
- approval of the Development Strategy of Samruk-Kazyna Construction JSC for 2023–2032;
- approval of the Investment Policy of Samruk-Kazyna Construction JSC.



### APPROVAL OF INTERNAL REGULATORY DOCUMENTS

- approval of the main parameters of the Company's treasury portfolio;
- Regulations of the business units of the Company;
- Dispute (Conflict) Settlement Agreement;
- Labour regulations;
- Procedure for selection and consideration of investment projects;
- Procedure for making payments when implementing investment projects;
- Procedure for selecting and considering investment projects in the field of production of construction materials;
- Instructions for the implementation by Samruk-Kazyna Construction JSC of procurement of complex works for the construction and design of secondary schools within the framework of the implementation of the national project "Comfortable School" in a special manner;
- Road map of Samruk-Kazyna Construction JSC on the progress of implementation of the pilot national project in the field of education "Comfortable School";
- Procedure for implementing budgets and monitoring the progress of implementation of the pilot national project in the field of education "Comfortable School" of Samruk-Kazyna Construction JSC.



### PRIMARY ACTIVITIES

- approval of the price and cost of renting commercial premises and apartments in residential complexes;
- approval of the transition to the "Implementation" stage, conclusion of Investment Agreements for the investment project of Samruk-Kazyna Construction JSC;
- approval and endorsement of internal documents regulating the activities of the Company and its subsidiaries, including: staffing levels and organization chart;
- issues of activity that are referred to the exclusive competence of the organization's members' general meeting shares in the authorized capital of which are transferred to the trust management of Samruk-Kazyna Construction JSC;
- issues related to activities referred to the exclusive competence of the general meeting of shareholders (members) of a legal entity ten or more percent of shares (interest in the authorized capital) of which are held by the Company, with the exception of issues referred to by this Articles of Association to the exclusive competence of the Board of Directors.



## REPORT ON REMUNERATION

GRI 2-19, 2-20

Members of the Board of Directors, with the exception of independent directors, carry out their activities free of charge. The procedure for paying remuneration to independent directors is determined in accordance with the Rules for the formation of Boards of Directors of Samruk-Kazyna JSC companies. In 2023, remuneration paid to independent directors amounted to 11,778,689 tenge after withholding taxes and other compulsory payments in accordance with the legislation of the Republic of Kazakhstan.

The performance of the Company's executive employees (members of the Management Board) is assessed on the basis of the performance of key performance indicators that characterize the effectiveness of the Company's financial and economic activities

and the degree to which a member of the Management Board achieves results in functional areas of activity. The process of developing, approving and monitoring maps of key performance indicators, as well as the procedure for calculating the amount of remuneration, are determined by the Rules for assessing the performance and remuneration of the Company's executive employees as approved by the resolution of the Board of Directors of the Company.

The amount of remuneration for members of the Management Board based on the results of 2023 is disclosed in Annex 5 to the annual report in note 33 to the Consolidated Annual Financial Statements of Samruk-Kazyna Construction JSC for 2023.

## RISK MANAGEMENT AND INTERNAL CONTROL

### PRINCIPLES OF THE CORPORATE RISK MANAGEMENT SYSTEM (CRMS)

The Company has organized and operates a risk management system, which provides reasonable confidence in achieving strategic goals, efficient and effective use of resources, safety of assets, goals in the preparation of reliable statements, compliance with applicable laws and internal requirements.

The Company's risk management and internal control policy provides for achieving the following objectives:

- improvement of the risk culture and integration of risk management and internal control into all aspects of the Company's activities;
- reduction of the volatility of operating results by increasing the Company's ability to prevent situations that threaten goals, effectively respond to negative "surprises" and minimization of the consequences of such situations, if they occur, to an acceptable level;
- ensuring the use of opportunities to increase the value of assets and profitability of the Company in the long term.

The main principles of the Company's CRMS in accordance with the Risk Management and Internal Control Policy:

- the function performed by the Board of Directors of the Company to supervise risk management;
- creation of operational structures by the Management Board of the Company;
- defining the desired culture (risk culture);
- demonstrating commitment to priority values;
- attracting, developing and retaining qualified personnel;
- analysis of operating environment;
- determination of risk appetite;
- formulation of business goals;
- detection (identification) of risks;
- risk significance assessment;
- risk response;
- dissemination of risk information.

### CRMS ORGANIZATION CHART



### RISK REGISTER AND MAP

Identification of risks is important as a method of optimizing the Company's expenses, since early identification of risks, determination of adequate measures to minimize them and eliminate the consequences make it possible to plan the sources and volumes of financing of such measures, which ultimately affects the efficiency of the Company's activities.

Risks are assessed using qualitative and quantitative tools considering the likelihood of occurrence and impact when a risk occurs.

By the resolution of the Board of Directors of the Company dated 23 December 2022 (Minutes No. 182), the risk register and map for 2023 were approved. At the end of 2023, the risk register and map reflected the following significant risks that are critical for the Company:

- untimely commissioning of real estate objects;
- liquidity risk;
- untimely commissioning of schools;
- reputational risk.

In order to reduce the likelihood of risk events occurring, the business units took the following measures during 2023:

- prohibition during the construction period of unreasonable and unprincipled changes to design solutions;
- control of the development of design and estimate documentation for compliance with the requirements of sanitary rules, sanitary standards for the facilities of the national project "Comfortable School";

- visiting construction sites, monitoring the implementation of work schedules (weekly/monthly), monitoring return of investment;
- control and monitoring of the elimination of identified defects in real estate owned by the Company;
- hearing the weekly reports of the Company's regional representatives, the weekly reports on designer supervision on the national project "Comfortable School";
- monitoring of monthly financial statements on the use of allocated funds according to signed work acceptance certificates under the national project "Comfortable School";
- monthly monitoring of the receipt of lease payments in the system of lease payment management;
- constant monitoring and analysis in the mass media and social media, prompt response to negative publications by providing comments and responses.

By the resolution of the Board of Directors of the Company dated 25 December 2023 (Minutes No. 197), the Risk register and map for 2024 were approved, taking into account identified risks that may, in the course of current activities, have an impact on achieving the strategic and operational goals of the Company in accordance with the Development Strategy of the Company for 2023–2032 and the Company's Business Plan for 2024–2028.

The risk register for 2024 includes risks identified and classified by type: strategic risks, project risks, PR risk, financial risks, credit risks, operating risks, legal risks and HR risk.

## SUSTAINABLE DEVELOPMENT OF THE COMPANY

For all risks reflected in the Risk Register, tolerance levels and key risk indicators (KRI) have been developed to monitor them.

Monitoring the KRIs and risk tolerance levels makes it possible to promptly warn about trends in changes in risk factors and the possible realization of critical and significant risks that could have a negative impact on the Company's activities.

### RISK APPETITE

Risk appetite takes into account the mission, vision and strategic goals, and is determined in relation to investing, financing and operating activities in the context of creating, maintaining and realizing the value of the Company's assets.

Adherence to risk appetite is mandatory for the Company's employees when settling transactions, initiating transactions, analysing projects and the Company's officials when making management decisions.

By the resolution of the Board of Directors dated 23 December 2022 (Minutes No. 182), the Company's risk appetite for 2023 was approved with the following indicators:

- not exceeding the debt/equity ratio above the level at the end of the year – 0.75 / 1<sup>st</sup> quarter – 1.2 / 2<sup>nd</sup> quarter – 1.12 / 3<sup>rd</sup> quarter – 0.83;
- a decrease in net income by no more than 10% of the target;
- not exceeding construction deadlines by more than 3 months from the deadline set;

- an increase in the cost of investments in the project by no more than 10% of the costs fixed by the authorized body of the Company.

Risk appetite determines the upper limit of the level of critical risks on a consolidated basis, which the Company is ready to accept. At the end of 2023, non-compliance with risk appetite was observed in the following indicators: "Exceeding the construction deadlines of real estate projects" and "Increasing the cost of investments". These indicators were monitored monthly to determine the effectiveness of risk mitigation measures; information was provided on a quarterly basis in risk management reports for the Board of Directors of the Company.

### INTERNAL CONTROL SYSTEM

Internal control, or internal control system (ICS), is a process designed to provide "reasonable assurance" regarding the achievement of operational goals, goals in the field of reporting and compliance with the legislation of the Republic of Kazakhstan, the requirements of the Company's internal regulatory documents, carried out by the Board of Directors, the Internal Audit Service, the Management Board and employees of the Company.

By resolution of the Management Board of the Company dated 9 November 2023 (Minutes No. 41/2023), the Methods for organizing the internal control system in the Company were updated, in accordance with which the structure, functions and responsibilities of the internal control system in the Company were determined.

## IAS FUNCTIONS AND RESPONSIBILITIES:

### BOARD OF DIRECTORS

- creation and operation of an effective ICS in the Company;
- analysis of the effectiveness of the ICS;
- ensuring the independence of all ICS subjects and three lines of defence model;
- creating a "tone from the top" by creating a risk culture and environment that encourages and facilitates reliable communication and effective cooperation among three lines of defence;
- determination of short-term and long-term goals and objectives of the Company in the field of internal control and application of a risk-based approach to assess the effectiveness of the ICS.

### INTERNAL AUDIT SERVICE

- assessment of the effectiveness of the ICS;
- timely testing of the operational effectiveness of control procedures;
- timely submission of reports to the Board of Directors on the current state of the ICS in the Company.

### MANAGEMENT BOARD

- taking measures to improve processes and control procedures of internal control, reliable and efficient functioning of the ICS;
- ICS monitoring;
- improvement of internal control processes and procedures;
- determination of the structure, reporting line, corresponding powers, duties and responsibilities.

### BUSINESS PROCESS OWNERS

- timely development, documentation, implementation, monitoring and improvement of control procedures in the areas of the Company's activities entrusted to them;
- timely development/updating of process flow diagrams, risk and control matrices;
- the effectiveness of control procedures (i.e. control procedures should provide confidence in the achievement of the actual result, reliability of reporting, efficiency, compliance with requirements);
- timely and fully taking corrective actions.

### RISK DIVISION

- timely development/updating and approval in the prescribed manner of internal ICS documents;
- analysis of the effectiveness of the design of control procedures;
- timely approval of risk and control matrices with process diagrams for business processes;
- providing methodological support to business process owners in identifying and assessing process risks, as well as in developing, documenting, implementing, monitoring and improving control procedures;
- preparation of a report to evaluate the effectiveness of the design of control procedures with recommendations (proposals) for eliminating identified violations, shortcomings, duplication of control procedures, etc.



**RISK COORDINATOR**

- communication with the risk division when agreeing on process diagrams, risk and control matrices;
- identification, assessment/reassessment of risks/risk factors of its business unit;
- providing methodological support to business process owners and communication with the risk division regarding the approval of documents.

**COMPANY'S EMPLOYEES**

- organization and implementation of ICS activities in accordance with employment duties assigned to them by job descriptions and/or internal documents;
- timely identification and analysis of risks of the Company's activities;
- updating the description of business processes, including control procedures;
- monitoring the functioning of ICS in their areas of activity, as well as independent self-assessment of the effectiveness of the internal control process that they organize and/or carry out;
- informing the Company's management about any committed or possible errors/shortcomings that have led or may lead to potential negative events in business processes.

The ICS is aimed at analysing business processes, timely identifying and analysing process-level risks inherent in the Company's activities, as well as defining and analysing control procedures for managing these risks. The results of work on the ICS are periodically communicated to the owners of business processes, IAS, external auditor, the Management Board, and the Board of Directors of the Company.

In 2024, the Company's Risk Management Service will continue to improve the ICS. It is planned to analyse the effectiveness of the design of control procedures based on developed process diagrams, risk and control matrices, provide recommendations on control procedures, conduct training for the Company's owners of business processes, including employees of subsidiaries, on the implementation of an internal control system and improvement of risk culture at all stages of the Company's activities.

**EXTERNAL AUDIT**

The Company engages an audit organization to confirm the reliability of the annual financial statements on the basis of an open competitive tender.

The financial statements for 2023 were audited by the representative of the Big Four – Ernst & Young LLP.

The remuneration of Ernst & Young LLP for audit of the financial statements for 2023 amounted to 40,768,000 tenge including VAT. The external auditor did not provide non-audit services to the Company.

**CONTACT DETAILS**

Samruk-Kazyna Construction JSC, building 17/10, Syganak St., Nura District, Astana City, 010000, tel.: +7 7172 570210 (reception), +7 7172 570199 (Corporate Governance Service), info@fnsk.kz.



# ANNEX 1

to Samruk-Kazyna Construction JSC Annual Report 2023

## INFORMATION ABOUT MATERIAL TRANSACTIONS

Information on third party transactions and major transactions signed in 2023:

### 1. THIRD PARTY TRANSACTIONS:

**Contract No. 75917 dated 04.01.2023** for provision of services of electric power supply signed with AlmatyEnergoSbyt LLP for 2023;

**Lease Contract No. 2 dated 12.01.2023** signed with Samruk-Kazyna Development LLP for 2023;

**Contract No. 796938/2023/1 dated 12.01.2023** for provision of Internet services signed with Kazakhtelecom JSC;

**Contract No. 796465/2023/1 dated 12.01.2023** for provision of paid television services signed with Kazakhtelecom JSC;

**Contract No. 797301/2023/1 dated 13.01.2023** for provision of services of lease of virtual dedicated server signed with QazCloud LLP;

**Contract No. 808472/2023/1 dated 19.01.2023** for purchase of services of use of information system of electronic purchases signed with Samruk-Kazyna Contract LLP;

**Real Estate Lease Contract No. 119 dated 19.01.2023** signed with Kcell JSC;

**Contract No. 811772/2023/1 dated 30.01.2023** for purchase of services of business process outsourcing (personnel assessment) signed with PE Samruk Business Academy;

**Contract No. 7 dated 31.01.2023** for provision of lease services signed with QazCloud LLP;

**Contract No. 844518/2023/1 dated 31.05.2023** for purchase of services of lease of office equipment signed with KT CLOUD LAB LLP;

**Contract No. 831115/2023/1 dated 17.03.2023** for purchase of outsourcing (translation) services signed with Samruk-Kazyna Business Service LLP;

**Contract No. 807764/2023/1 dated 01.02.2023** for purchase of services of employee transfer signed with Samruk-Kazyna Business Service LLP;

**Contract No. 813549/2023/1 dated 27.03.2023** (services of lease of office premises) signed with Samruk-Kazyna Business Service LLP;

**Contract No. 813560/2023/1 dated 27.03.2023** (services of lease of parking spaces) signed with Samruk-Kazyna Business Service LLP;

**Contract No. 843882/2023/1 dated 19.04.2023** (services of access to Internet) signed with Kazakhtelecom JSC;

**Brokerage and Securities Nominal Holding Contract No. БДсНД\_J4121 dated 25.05.2023** signed with Kazpost JSC;

**Contract No. 79827 dated 12.07.2023** for provision of electric power services (office in Almaty City) signed with AlmatyEnergoSbyt LLP;

**Contract No. 896939/2023/1 dated 08.09.2023** for purchase of services of business process outsourcing (employee transfer services) signed with Samruk-Kazyna Business Service LLP;

**Agreement for trust management of interests in KUS LLP signed with Samruk-Kazyna Ondeu LLP dated 19.09.2023;**

**Contract No. 177525 dated 25.09.2023** (services of forwarding registered mail) signed with Astana Branch of Kazpost JSC, Astana post office;

**Contract of provision of temporary financial assistance w/No. dated 28.09.2023** (provision of financial assistance) signed with Samruk-Kazyna Development LLP;

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## ANNEXES

**Contract No. 807764/2023/1-1 dated 27.10.2023**

for purchase of services of business process outsourcing (employee transfer services) signed with Samruk-Kazyna Business Service LLP;

**Contract No. 75917 dated 13.12.2023** (electric

power services (office in Almaty City) signed with AlmatyErgoSbyt LLP;

**Contract No. 935968/2023/1 dated 20.12.2023**

for purchase of services of use of information system of electronic purchases signed with Samruk-Kazyna Contract LLP;

**Contract No. 934589/2023/1 dated 29.12.2023**

for provision of services of telephone communication (KSh) signed with Kazakhtelecom JSC;

**Contract No. 934548/2023/1 dated 29.12.2023**

for provision of services of paid television signed with Kazakhtelecom JSC; and

**Contract No. 935209/2023/1 dated 29.12.2023**

for provision of services of telephone communication signed with Kazakhtelecom JSC.

**2. NO MAJOR TRANSACTIONS WERE SIGNED DURING THE REPORTING PERIOD.**



## ANNEX 2

to Samruk-Kazyna Construction JSC Annual Report 2023

### GRI INDEX TABLE

Statement of use	Samruk-Kazyna Construction JSC provided information specified in this GRI Index Table, for the period from 1 January 2023 to 31 December 2023, as referred to GRI standards	
GRI 1	GRI 1: Foundations 2021	
GRI	Disclosure	Section
		About Company
		Implementation of Development Strategy
		Contact Details
		Geography of Activities
<b>GRI 2-1</b>	Organization profile	About Report
		Group Structure
<b>GRI 2-2</b>	Entities included in the organization's sustainability reporting	About Report
		Contact Details
<b>GRI 2-3</b>	Reporting period, frequency and contact point	About Report
		Contact Details
<b>GRI 2-4</b>	Restatements of information	About Report
<b>GRI 2-5</b>	External assurance	About Report
<b>GRI 2-6</b>	Activities, value chain and other business relationships	Business Model
<b>GRI 2-7</b>	Employees	Development of Personnel Potential
<b>GRI 2-8</b>	Workers who are not employees	Development of Personnel Potential
<b>GRI 2-9</b>	Governance structure and composition	Corporate Governance Structure
<b>GRI 2-10</b>	Nomination and selection of the highest governance body	Corporate Governance Structure
<b>GRI 2-11</b>	Chair of the highest governance body	Corporate Governance Structure
<b>GRI 2-12</b>	Role of the highest governance body in overseeing the management of impacts	Approach to Manage Sustainable Development
<b>GRI 2-13</b>	Delegation of responsibility for managing impacts	Approach to Manage Sustainable Development
<b>GRI 2-14</b>	Role of the highest governance body in sustainability reporting	About Report
<b>GRI 2-15</b>	Conflicts of interest	Preventing and Counteracting Corruption
<b>GRI 2-16</b>	Communication of critical concerns	Preventing and Counteracting Corruption
<b>GRI 2-17</b>	Collective knowledge of the highest governance body	Career Enhancement of the Board of Directors

GRI 2-18	Evaluation of the performance of the highest governance body	Assessment of Performance of the Board of Directors
GRI 2-19	Remuneration policies	Report on Remuneration of the Board of Directors
GRI 2-20	Process to determine remuneration	Report on Remuneration of the Board of Directors
GRI 2-21	Annual total compensation ratio	Report on Remuneration of the Board of Directors
GRI 2-22	Annual total compensation ratio	Report on Remuneration of the Board of Directors
GRI 2-25	Processes to remediate negative impacts	Preventing and Counteracting Corruption
GRI 2-26	Mechanisms for seeking advice and raising concerns	Communication between Management and Employees
GRI 2-27	Compliance with laws and regulations	Quantity and amount of paid penalties in Annex 4 GRI Index
GRI 2-28	Membership associations	Membership in the National Chamber of Entrepreneurs of the Republic of Kazakhstan 'Atameken'
GRI 2-29	Approach to stakeholder engagement	Effective communication with stakeholders
GRI 2-30	Collective bargaining agreements	The Company does not have collective contract with employees
GRI 3-1	Process to determine material topics	Determination of material topics
GRI 3-2	List of material topics	Determination of material topics
GRI 3-3	Management of material topics	Determination of material topics
GRI 201-1	Direct Economic Value Generated and Distributed	Annex 4 GRI Index
GRI 203-2	Significant indirect economic impacts	Support of region development
GRI 3-3	Management of material topics	Support of region development
GRI 204-1	Proportion of spending on local suppliers	Purchase practice
GRI 3-3	Management of material topics	Purchase practice
GRI 205-1	Operations assessed for risks related to corruption	Preventing and Counteracting Corruption
GRI 205-2	Communication and training about anti-corruption policies and procedures	Preventing and Counteracting Corruption
GRI 205-3	Confirmed incidents of corruption and actions taken	Preventing and Counteracting Corruption
GRI 3-3	Management of material topics	Preventing and Counteracting Corruption
GRI 303-5	Water consumption	Management of impact on environment protection
GRI 3-3	Management of material topics	Management of impact on environment protection

GRI 308-1	Environmental screening of new suppliers	Purchase practice
GRI 3-3	Management of material topics	Purchase practice
GRI 401-1	New employee hires and employee turnover	Annex 4 GRI Index
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Motivation System and Social Support
GRI 401-3	Parental leave	Annex 4 GRI Index
GRI 3-3	Management of material topics	Motivation System and Social Support
GRI 402-1	Minimum notice periods regarding operational changes	Minimum timing for notification of changes in working conditions is provided for in the Labour Code of the Republic of Kazakhstan
GRI 403-1	Occupational health and safety management system	Occupational Health and Safety
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
GRI 403-3	Occupational health services	Occupational Health and Safety
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
GRI 403-5	Worker training on occupational health and safety	Annex 4 GRI Index
GRI 403-6	Promotion of worker health	Occupational Health and Safety
GRI 403-8	Workers covered by an occupational health and safety management system	Annex 4 GRI Index
GRI 403-9	Work-related injuries	No work-related injuries were recorded in 2023 (LTIR 0)
GRI 403-10	Work-related ill health	This standard is not applicable for the Company
GRI 3-3	Management of material topics	Occupational Health and Safety
GRI 404-1	Average hours of training per year per employee	Annex 4 GRI Index
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Assessment of Performance of Employees Annex 4 GRI Index
GRI 405-1	Diversity of governance bodies and employees	Board of Directors Annex 4
GRI 406-1	Incidents of discrimination and corrective actions taken	Preventing and Counteracting Corruption
GRI 3-3	Management of material topics	Preventing and Counteracting Corruption
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	Support of region development
GRI 3-3	Management of material topics	Support of region development





# ANNEX 3

to Samruk-Kazyna Construction JSC Annual Report 2023

## STRATEGY FOR COMMUNICATION WITH STAKEHOLDERS

Nº	Strategy for communication with stakeholders	Methods and mechanisms of communication
<b>1</b>	<b>Sole Shareholder</b>	
	Ensuring the enforcement of the rights of the Sole Shareholder within the framework of corporate governance principles aimed at effective adoption of key decisions	The corporate website and social media of the Company can be used to publish information about financial and economic performance in accordance with the requirements of the current legislation of the Republic of Kazakhstan, the Articles of Association, internal regulatory documents of the Company, additional information about the plans, achievements of the Company, reports, presentations. Management reports. Financial statements. Annual report. Meetings
<b>2</b>	<b>Board of Directors</b>	
	Determination of priority areas of activity, Development Strategy of the Company	Publishing general information on Internet resources, in particular on the corporate website of the Company, in accordance with the legislation of the Republic of Kazakhstan and internal regulatory documents of the Company (if necessary). Meetings of the Board of Directors. Management reports. Financial statements. Annual report.
<b>3</b>	<b>Management Board</b>	
	Management of the current activities of the Company	Publishing general information on Internet resources, in particular on the corporate website of the Company, in accordance with the legislation of the Republic of Kazakhstan and internal regulatory documents of the Company (if necessary). Meetings of the Management Board. Management reports. Financial statements. Annual report. Correspondence and inquiries.
<b>4</b>	<b>Employees</b>	
	Pursuing an open, transparent personnel policy aimed at developing qualified and motivated personnel  Providing all employees with equal opportunities to realize their potential in the process of labour activities, impartial and fair assessment of their performance, selection and career growth of employees solely on the basis of professional abilities, knowledge and skills	Internet resources, in particular the corporate website, can be used to provide information support for the implementation of the Company's personnel policy and to highlight the results of the competitive selection of employees. Meetings between management and employees. Trainings and seminars.  Corporate events. Annual performance reviews. Surveys and questionnaires. Corporate media.
<b>5</b>	<b>Co-investors</b>	
	Attracting investments in the implementation of projects in order to make a profit	Dissemination of information about foreign and domestic experience in attracting the private sector to construction, development of public-private partnerships by the Company, participation in business events (business forums, conferences, business councils, exhibitions, etc.) through Internet resources, in particular the corporate website, social media, corporate media. Design issues. Contracts.
<b>6</b>	<b>General contractors</b>	
	Conclusion of contracts, control over the execution of contractual relations as part of the implementation of state policy in the field of construction	Informing the target audience about the implementation of projects by the Company by posting press releases, news, articles, interviews and other materials on the corporate website, social media, and mass media. Design issues. Meetings with business partners and suppliers. Attending conferences and events.

<b>7</b>	<b>Entities in trust management</b>	
	Conclusion of contracts, control over the execution of contractual relations	Informing the target audience about the implementation of projects by the Company by posting press releases, news, articles, interviews and other materials on the corporate website, social media, and mass media. Design issues. Contracts. Reports and correspondence.
<b>8</b>	<b>Customers</b>	
	Conclusion of contracts, control over the execution of contractual relations	Informing the target audience about the implementation of projects by the Company by publishing press releases, news, articles, interviews and other materials on the corporate website, social media, and mass media. Contracts. Reports and correspondence.
<b>9</b>	<b>Suppliers</b>	
	Conclusion of contracts, control over the execution of contractual relations	Information messages about ongoing procurements and their results are posted on Internet resources, in particular on the Company's corporate website. Contracts. Procurement rules and information about ongoing procurements. Consideration of requests from suppliers.
<b>10</b>	<b>Buyers/lessees</b>	
	Ensuring compliance with the expectations of buyers/lessees in the acquisition of high-quality and affordable housing in accordance with the Republic of Kazakhstan building regulations, in compliance with the requirements for comfort, safety and efficiency	Information and explanatory work among the target audience about the activities of the Company by publishing press releases, articles, reports, surveys and other information messages through the use of the corporate website, social media, e-mail newsletters, messengers, Blog of the Chairman of the Management Board, as well as providing consultations through call centre, special events, promotions, advertising campaigns, etc. Rental/rent-to-own/sale contracts. Customer satisfaction surveys. Determining the level of satisfaction of lessees of premises.
<b>11</b>	<b>Government authorities, local executive authorities</b>	
	Communication regarding housing construction, the management of housing and communal services, monitoring the construction of facilities, conducting technical audits, state examination, acceptance of facilities for operation  Conclusion of agreements of sale of commissioned housing to those on the waiting list of local executive authorities	For information coverage of the Company's activities in the implementation of the state housing construction program (conferences, meetings, public hearings, reports, interviews, speeches, working groups, forums, conferences, etc.), Internet resources can be used, in particular the corporate website, social media. Correspondence and inquiries. Work with government authorities on legislative and regulatory issues. Participation in working groups, forums, conferences.
<b>12</b>	<b>Mass media, users of social media of the Company</b>	
	Formation of a positive public opinion about the activities of the Company	Organizing information activities through the implementation of PR programs, communicating to the target audience the strengths and capabilities of the Company by distributing press releases, publications, reports, interviews, photos and videos, presentations in mass media, on the corporate website and on social media. Website. Press releases, press conferences and briefings. Annual report. Conferences and summits.
<b>13</b>	<b>Financial institutions</b>	
	Conclusion of contracts, control over the execution of contractual relations (placement of funds on deposit accounts, banking services, servicing of special accounts)	Publication of financial statements, information on the amount of approved dividends and other information in accordance with the legislation of the Republic of Kazakhstan and internal regulatory documents of the Company on Internet resources, in particular on the corporate website. Contracts. Placement of funds in financial institutions.



# ANNEX 4

to Samruk-Kazyna Construction JSC Annual Report 2023

## GRI INDEX

Index	Unit	2020	2021	2022	2023
<b>ECONOMIC INDICATORS</b>					
<b>GRI 201-1 Direct economic value generated and distributed</b>					
<b>1. Direct economic value generated</b>					
Total income	billion tenge	23.8	22	26.8	<b>32.2</b>
<b>2. Direct economic value distributed</b>					
Total expenses	billion tenge	16.8	12.3	21.6	<b>24.8</b>
<b>3. Economic value undistributed</b>					
Profit	billion tenge	7	9.7	5.2	<b>7.4</b>
Payments to capital suppliers	billion tenge	4.4	4	5.5	<b>8.3</b>
Payments to the State	billion tenge	2.3	2.61	2.2	<b>1.4</b>
Capital investments	billion tenge	16.7	21.3	17.1	<b>14.9</b>
<b>GRI 203-2 Significant indirect economic impacts</b>					
Please provide examples of identified significant indirect economic impacts to the Company.		<i>They are described in Support of region development section</i>			
<b>GRI 205-2 Communication and training about anti-corruption policies and procedures</b>					
Total quantity of employees				80	<b>258</b>
Quantity of employees familiar with anti-corruption policies and procedures, of which:	persons			80	<b>118</b>
	%			100	<b>46</b>
Quantity of employees who have completed anti-corruption training, of which:	persons			56	<b>118</b>
	%			70	<b>46</b>
<b>GRI 204-1 Procurement</b>					
Quantity of suppliers, total	ea	122	104	100	<b>206</b>
Total amount of purchases	billion tenge	1.38	1.14	1.10	<b>2.54</b>
Quantity of local suppliers, total	ea	93	65	69	<b>118</b>
Amount of purchases from local	billion tenge	1.20	0.99	0.97	<b>0.92</b>
%, quantity	ea	76%	63%	69%	<b>57%</b>
%, amount	billion tenge	87%	86%	88%	<b>36%</b>

Index	Unit	2020	2021	2022	2023
Purchases from one source	billion tenge	0.44	0.07	0.07	<b>0.58</b>
	%	32%	6%	7%	<b>23%</b>
Purchases through request for quotations	billion tenge	0.04	0.03	0.07	<b>0.46</b>
	%	3%	3%	6%	<b>18%</b>
Purchases through open tender	billion tenge	0.64	0.66	0.74	<b>1.50</b>
	%	46%	58%	67%	<b>59%</b>
Purchases through competitive negotiations	billion tenge	0.231	0.321	0.136	<b>0</b>
	%	17%	28%	12%	<b>0%</b>
Purchases as part of intra-group cooperation	billion tenge	0.035	0.063	0.085	<b>0</b>
	%	3%	6%	8%	<b>0%</b>
Purchases through electronic store	billion tenge		0.00003	0.00013	<b>0.00108</b>
	%				
<b>GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data</b>					
Total quantity of substantiated complaints concerning breaches of customer privacy broken down by category, of which:	ea			1	
Quantity of complaints from third parties and substantiated by entity	ea				
Quantity of complaints from controlling authorities	ea			1	
Total quantity of identified leakages, thefts or losses of customer data	ea			1	
<b>GRI 2-27 Compliance with laws and regulations</b>					
Total quantity of non-compliances with laws and regulations, including:	ea	1	1	4	<b>3</b>
imposition of penalties	ea	1	1	4	<b>3</b>
imposition of non-cash sanctions	ea				
Total quantity of non-compliances with laws and regulations with paid penalties	ea	1	1	4	<b>3</b>
claimed during reporting year	ea	1	1	4	<b>3</b>
claimed during previous reporting periods	ea		1	1	<b>4</b>



Index	Unit	2020	2021	2022	2023
Total penalties paid for non-compliance with laws and regulations	thousand tenge	927.85	105.405	1,618.95	<b>2,484</b>
claimed during reporting year	thousand tenge	927.85	105.405	1,618.95	<b>2,484</b>
claimed during previous reporting periods	thousand tenge		927.85	105.405	<b>1,618.95</b>
<b>SOCIAL INDICATORS</b>					
<b>Average staffing number</b>		98	84	77	<b>258</b>
<b>GRI 2-7 Staffing table as of 31 December of the reporting year</b>	persons	<b>99</b>	<b>99</b>	<b>76</b>	<b>416</b>
Administrative and managerial staff	persons				<b>102</b>
Manufacturing personnel	persons				<b>314</b>
Men	persons	53	59	40	<b>307</b>
Women	persons	46	40	36	<b>109</b>
<b>GRI 405-1 Staffing table by age:</b>					
<b>under 30 years old</b>	persons	<b>13</b>	<b>13</b>	<b>7</b>	<b>65</b>
Men	persons	6	6	4	<b>44</b>
Women	persons	7	7	3	<b>21</b>
<b>30-50 years old</b>	persons	<b>70</b>	<b>73</b>	<b>59</b>	<b>258</b>
Men	persons	43	40	28	<b>186</b>
Women	persons	27	33	31	<b>72</b>
<b>over 50 years old</b>	persons	<b>16</b>	<b>13</b>	<b>10</b>	<b>93</b>
Men	persons	4	13	8	<b>77</b>
Women	persons	12		2	<b>16</b>
<b>GRI 401-1 Employees hired during the reporting year, including:</b>					
<b>under 30 years old</b>	persons	<b>3</b>	<b>5</b>	<b>2</b>	<b>63</b>
Men		1	2	2	<b>42</b>
Women		2	3	0	<b>21</b>
<b>30-50 years old</b>	persons	<b>8</b>	<b>16</b>	<b>27</b>	<b>246</b>
Men		4	10	18	<b>184</b>
Women		4	6	9	<b>62</b>
<b>over 50 years old</b>		<b>2</b>	<b>5</b>	<b>5</b>	<b>96</b>
Men		2	5	5	<b>87</b>
Women	persons				<b>9</b>

Index	Unit	2020	2021	2022	2023
<b>GRI 401-1 Employees whose ECs are terminated during the reporting year (accounted for to calculate employee turnover), including:</b>					
		<b>31</b>	<b>29</b>	<b>12</b>	<b>63</b>
<b>under 30 years old</b>	persons	<b>4</b>	<b>6</b>	<b>0</b>	<b>6</b>
Men		3	4		<b>2</b>
Women		1	2		<b>4</b>
<b>30-50 years old</b>	persons	<b>25</b>	<b>20</b>	<b>11</b>	<b>39</b>
Men		11	15	7	<b>25</b>
Women		14	5	4	<b>14</b>
<b>over 50 years old</b>	persons	<b>2</b>	<b>3</b>	<b>1</b>	<b>18</b>
Men		2	3	0	<b>18</b>
Women		0	0	1	
<b>GRI 401-1 Employee turnover (to be calculated automatically), including:</b>					
under 30 years old	persons			0	<b>2,3</b>
30-50 years old	persons			14.3	<b>15.1</b>
over 50 years old	persons			1.3	<b>7.0</b>
<b>GRI 401-3 Parental leave</b>					
Quantity of employees entitled to maternity leave or child care leave (under the Republic of Kazakhstan LC)	persons	6	4	3	<b>5</b>
Quantity of employees documented maternity leave or child care leave	persons	6	4	3	<b>5</b>
Quantity of employees returning to work at the end of maternity/paternity leave	persons	3	2	2	<b>2</b>
Quantity of employees who returned to work in the previous year at the end of maternity/paternity leave and continued to work after 12 months	persons	3	2	2	<b>2</b>
Quantity of employees who were supposed to return to work at the end of maternity/paternity leave during the reporting year*	persons	3	1	1	<b>1</b>
Return ratio	%	1	2	2	<b>2</b>
Retention ratio	%	1	1	1	<b>1</b>

Index	Unit	2020	2021	2022	2023
<b>GRI 2-30</b> Employees hired under collective bargaining agreements	persons	98	84	0	0
<b>GRI 2-30</b> Share of employees hired under collective bargaining agreements	%	100	100	0	0
<b>GRI 404-1</b> Training and education					
Total quantity of training hours	hours	360	540	192	3,860
Administrative and managerial staff					1,095
Manufacturing personnel					2,765
Men		216	324	115	3,246
Women		144	216	77	614
Average quantity of training hours per one employee a year	hours	3.636	5.455	2.526	9.279
Administrative and managerial staff					10.7
Manufacturing personnel					8.8
Men		4.08	5.49	2.88	10.57
Women		3.130	5.4	2.14	5.63
Expenses for employee training a year	million tenge	2.4	4.9	1.6	13.7
<b>GRI 404-3</b> Quantity of employees receiving regular performance and career development reviews	ea	86	89	60	229
Administrative and managerial staff					75
Manufacturing personnel					154
Men		48	53	37	165
Women		38	36	23	64
<b>GRI 404-3</b> Percentage of employees receiving regular performance and career development reviews	%	0.87	0.899	0.76	0.63
Administrative and managerial staff					0.735
Manufacturing personnel					0.49
Men		0.91	0.898	0.925	0.583

Index	Unit	2020	2021	2022	2023
Women		0.83	0.9	0.639	0.771
<b>ПРАВЛЕНИЕ</b>					
<b>GRI 405-1</b> Quantity of members of the management board	persons	4	4	5	5
under 30 years old	persons				
30-50 years old	persons	3	3	4	4
over 50 years old	persons	1	1	1	1
Quantity of employees with disabilities on the Management Board	persons				
<b>FREELANCERS</b>					
<b>GRI 2-8</b> Quantity as of 31 December of the reporting year	persons	11	12	42	27
Civil contracts	persons	11	12	42	27
<b>GRI 403-8</b> Occupational health and safety management system					
Quantity of people and percentage of the total quantity in the Company covered by the Company's occupational health and industrial safety management system	persons		197	241	357
	%				
<b>GRI 403-9</b> Work-related injuries		0	0	0	0
<b>COST OF LABOUR PROTECTION AND INDUSTRIAL SAFETY</b>					
Amount of money spent to ensure requirements in the field of industrial safety, including in the following areas:	billion tenge				2.063
Labour protection	billion tenge				0.007
Fire safety	billion tenge				0.032
Industrial safety	billion tenge				0.017
Training	billion tenge				0.007
Quantity of occupational safety service specialists in SDOs (except for ecologists)	ea				2
Quantity of internal audits conducted for compliance with industrial safety requirements	ea				4
Quantity of identified non-conformities as part of internal audits conducted for compliance with industrial safety requirements	ea				92



## ANNEXES

Index	Unit	2020	2021	2022	2023
Quantity of non-conformities eliminated as part of internal audits conducted for compliance with industrial safety requirements	ea				<b>142</b>
Quantity of audits conducted in the field of industrial safety in contracting organizations	ea				<b>142</b>
Quantity of employees trained to provide paramedical first aid to injured persons (paramedic) at the workplace	ea				<b>83</b>
Quantity of incident command team exercises	ea		1	1	<b>1</b>
Quantity of conducted tactical training to prevent fires/ignitions	ea				<b>1</b>
Quantity of tactical training conducted according to the emergency response plan	ea				<b>1</b>
Quantity of behavioural safety audits/ behavioural safety observations/ behavioural safety dialogues carried out by PC top management (CEO, CEO-1, CEO-2), SDOs (GD, deputy GD, director of department/service)	ea				<b>12</b>



## ANNEX 5

to Samruk-Kazyna Construction JSC Annual Report 2023

### CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2023 WITH INDEPENDENT AUDITOR'S REPORT

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#### Independent auditor's report

To the Shareholder and Board of Directors of Samruk – Kazyna Construction JSC

#### Opinion

We have audited the consolidated financial statements of Samruk – Kazyna Construction JSC and its subsidiary (hereinafter, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company the Group in accordance with the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of management and Board of Directors for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Board of Directors is responsible for overseeing the Group's financial reporting process.





### Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicate with Board of Directors of Samruk - Kazyna Construction JSC regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Ernst & Young LLP*



Rustamzhan Sattarov  
Auditor / General Director  
Ernst & Young LLP

Auditor Qualification Certificate  
No. МФ-0000060 dated 6 January 2012

050060, Republic of Kazakhstan, Almaty  
Al-Farabi ave, 77/7, Esentai Tower

27 February 2024



State Audit License for audit activities  
on the territory of the Republic of Kazakhstan:  
series МФЮ-2, № 0000003, issued by the  
Ministry of Finance of the Republic of  
Kazakhstan on 15 July 2005

Samruk-Kazyna Construction JSC

Consolidated financial statements

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

<i>In thousands of tenge</i>	Notes	2023	2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	413,493	187,681
Investment property	7	-	3,687,570
Investment in an associate	5	-	35,453
Intangible assets		79,394	59,557
Finance lease receivables, non-current portion	8	33,311,150	42,451,822
Loans issued, non-current portion	9	3,429,058	6,739,119
Amounts due from credit institutions	10	21,038,671	24,776,775
Other non-current assets	11	3,640,086	6,957,177
		61,911,852	84,895,154
<b>Current assets</b>			
Inventories		24,564	6,171
Real estate for sale		162,038	290,314
Finance lease receivables, current portion	8	7,067,661	4,857,685
Loans issued, current portion	9	24,239,656	17,399,086
Advances paid to construction companies	12	3,251	3,739,091
Trade accounts receivable	13	875,838	320,370
Prepaid income tax		66,006	1,519,747
Financial instruments	14	12,763,683	459,435
Agency contract assets	15	190,178,199	-
Amounts due from credit institutions	10	67,051	75,813
Contract assets	16	2,522,971	-
Other current assets	17	3,294,510	2,260,297
Cash and cash equivalents	18	311,532,283	27,546,661
		552,797,711	58,474,670
Assets held for sale	19	1,336,133	-
<b>Total assets</b>		<b>616,045,696</b>	<b>143,369,824</b>

The accounting policies and explanatory notes on pages 7 to 37 are an integral part of these consolidated financial statements.

Samruk-Kazyna Construction JSC

Consolidated financial statements

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

<i>In thousands of tenge</i>	Notes	2023	2022
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	20	19,990,162	19,990,162
Additional paid-in capital	20	3,437,245	3,437,245
Revaluation reserve for fair value of financial assets at fair value through OCI		54,814	212,574
Retained earnings		37,549,930	40,345,388
<b>Total equity</b>		<b>61,032,151</b>	<b>63,985,367</b>
<b>Non-current liabilities</b>			
Other non-current liabilities	23	1,737,443	1,965,062
Deferred income		76,532	91,839
Deferred tax liabilities	32	2,034,222	1,469,001
		3,848,197	3,525,902
<b>Current liabilities</b>			
Loans obtained	21	46,374,563	59,082,123
Bonds	21	-	13,174,356
Agency contract liabilities	15	496,331,173	-
Accounts payable	22	128,041	2,158,781
Income tax liabilities		105,607	-
Warranty payment liabilities	24	790,890	-
Liabilities under contracts with customers	25	5,858,309	355,219
Other current liabilities		1,576,765	1,088,076
		551,165,348	75,858,555
<b>Total liabilities</b>		<b>555,013,545</b>	<b>79,384,457</b>
<b>Total equity and liabilities</b>		<b>616,045,696</b>	<b>143,369,824</b>

Deputy Chairman of the Management Board for Economy and Finance  
Member of the Management Board

Mukushev B.A.

Chief Accountant

Sipuldina B.K.




The accounting policies and explanatory notes on pages 7 to 37 are an integral part of these consolidated financial statements.



## Samruk-Kazyna Construction JSC

Consolidated financial statements

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

<i>In thousands of tenge</i>	Notes	2023	2022
Revenue	26	19,316,388	19,641,119
Cost of sales	27	(5,990,087)	(6,751,854)
<b>Gross profit</b>		<b>13,326,301</b>	<b>12,889,265</b>
General and administrative expenses (Accrual)/reversal of allowance for expected credit losses on financial assets, net	28	(2,206,537)	(1,675,694)
Reversal/(accrual) of impairment losses on non-financial assets		448,315	(454,761)
<b>Operating income</b>		<b>5,241,377</b>	<b>11,905,063</b>
Finance income	29	3,622,832	4,230,814
Finance costs	29	(1,430,143)	(3,134,351)
Share in (loss)/profit of an associate		(12,727)	22,019
Foreign exchange income/(loss), net	30	3,997,500	(6,566,852)
Other income	31	956,329	203,402
Other expenses	31	(2,066,765)	(159,572)
<b>Profit before tax</b>		<b>10,308,403</b>	<b>8,500,523</b>
Income tax expenses	32	(2,871,119)	(1,216,821)
<b>Profit for the reporting year</b>		<b>7,437,284</b>	<b>5,283,702</b>
<b>Earnings per share</b>			
Basic earnings for the year attributable to common shareholders (in Tenge)	20	457.75	325.20
<b>Profit for the reporting year</b>		<b>7,437,284</b>	<b>5,283,702</b>
<b>Other comprehensive loss to be reclassified to profit or loss in the subsequent periods</b>			
Net loss from financial assets measured at fair value through other comprehensive income		(157,760)	(14,743)
<b>Other comprehensive loss for the reporting year, net of tax</b>		<b>(157,760)</b>	<b>(14,743)</b>
<b>Total comprehensive income for the reporting year, net of tax</b>		<b>7,279,524</b>	<b>5,268,959</b>

Deputy Chairman of the Management Board for Economy and Finance –  
Member of the Management Board

Mukushev B.A.

Chief Accountant



Sipuldina B.K.

The accounting policies and explanatory notes on pages 7 to 37 are an integral part of these consolidated financial statements.

## Samruk-Kazyna Construction JSC

Consolidated financial statements

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

<i>In thousands of tenge</i>	Share capital	Additional paid-in capital	Revaluation reserve for fair value of financial assets at fair value through OCI	Retained earnings	Total
<b>At 1 January 2022</b>	19,990,162	3,437,245	227,317	37,092,232	60,746,956
Profit for the year	-	-	-	5,283,702	5,283,702
Other comprehensive loss	-	-	(14,743)	-	(14,743)
<b>Total comprehensive income</b>	-	-	(14,743)	5,283,702	5,268,959
Dividends (Note 20)	-	-	-	(2,030,548)	(2,030,548)
<b>At 31 December 2022</b>	<b>19,990,162</b>	<b>3,437,245</b>	<b>212,574</b>	<b>40,345,386</b>	<b>63,985,367</b>
Profit for the year	-	-	-	7,437,284	7,437,284
Other comprehensive loss	-	-	(157,760)	-	(157,760)
<b>Total comprehensive income</b>	-	-	(157,760)	7,437,284	7,279,524
Other transactions with the Shareholder (Note 7)	-	-	-	(3,795,625)	(3,795,625)
Dividends (Note 20)	-	-	-	(6,437,115)	(6,437,115)
<b>At 31 December 2023</b>	<b>19,990,162</b>	<b>3,437,245</b>	<b>54,814</b>	<b>37,549,930</b>	<b>61,032,151</b>

Deputy Chairman of the Management Board for Economy and Finance –  
Member of the Management Board

Mukushev B.A.

Chief Accountant



Sipuldina B.K.

The accounting policies and explanatory notes on pages 7 to 37 are an integral part of these consolidated financial statements.

## Samruk-Kazyna Construction JSC

Consolidated financial statements

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

<i>In thousands of tenge</i>	Notes	2023	2022
<b>Cash flows from operating activities</b>			
Sale of products and goods		992,232	7,151,896
Interest received		5,980,826	5,269,421
Cash proceeds under agency agreement	15	496,331,173	-
Cash proceeds under contracts with customers	15	3,668,539	-
Rental proceeds		12,773,718	13,110,470
Other proceeds		6,750,605	2,429,388
Payments to suppliers for goods and services		(982,424)	(5,538,923)
Cash given within the framework of the implementation of the national project	15	(190,178,199)	-
Advances paid		(161,295)	(37,929)
Salary payments		(3,037,306)	(1,263,890)
Payment of interest on loans received and bonds	35	(1,866,138)	(3,356,611)
Corporate Income tax		(641,047)	(1,814,268)
Other payments to the budget		(723,510)	(381,415)
Other payments		(4,375,611)	(4,028,134)
<b>Net cash flows from operating activities</b>		<b>324,531,563</b>	<b>11,540,005</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment and intangible assets		(386,360)	(41,819)
Purchase of debt instruments		(12,140,626)	-
Purchase of non-current assets		(2,086,004)	(3,899,923)
Loans to third parties		(12,445,520)	(13,117,804)
Reimbursement of cash given under construction investment contracts		3,222,225	-
Return of bank deposits		3,914,527	6,758,025
Proceeds from sale of non-current assets		3,932,049	-
Return of borrowings from third parties		3,560,414	15,528,129
Other payments		(12,584)	(69,593)
<b>Net cash flows (used in) / from investing activities</b>		<b>(12,441,879)</b>	<b>5,157,015</b>

The accounting policies and explanatory notes on pages 7 to 37 are an integral part of these consolidated financial statements.

## Samruk-Kazyna Construction JSC

Consolidated financial statements

## CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>In thousands of tenge</i>	Notes	2023	2022
<b>Cash flows from financing activities</b>			
Payment of the principal on loans received	35	(12,707,561)	(28,029,326)
Payment of the principal on debt securities issued	35	(8,840,000)	-
Dividends paid	20	(6,437,115)	(2,030,548)
<b>Net cash flows used in financing activities</b>		<b>(27,984,676)</b>	<b>(30,059,874)</b>
<b>Net change in cash and cash equivalents</b>		<b>284,105,008</b>	<b>(13,362,854)</b>
Change in allowance for expected credit losses	18	4,377	7,124
Effect of exchange rates changes on cash and cash equivalents		(123,763)	116,608
Cash and cash equivalents as at 1 January		27,546,661	40,785,783
<b>Cash and cash equivalents as at 31 December</b>	<b>18</b>	<b>311,532,283</b>	<b>27,546,661</b>

Deputy Chairman of the Management Board for Economy and Finance  
Member of the Management Board

Mukushev B.A.




Chief Accountant

Sipuldina B.K.

The accounting policies and explanatory notes on pages 7 to 37 are an integral part of these consolidated financial statements.



## Samruk-Kazyna Construction JSC

Consolidated financial statements

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 1. CORPORATE INFORMATION

Samruk-Kazyna Construction JSC (the “Company”) was established in accordance with the Decree of the Government of the Republic of Kazakhstan No. 265 dated 6 March 2009. On 15 February 2019, the Group was renamed to Samruk-Kazyna Construction Joint Stock Company.

The Company's office is located at the following address: 17/10, Syganak Str., Nura district, Astana, Republic of Kazakhstan.

The Company is controlled by the Government through Sovereign Wealth Fund “Samruk-Kazyna” (the “Parent company” or “Samruk-Kazyna”), which is the sole shareholder of the Group.

The Company's mission is to improve living conditions and provide high-quality housing to the population of the Republic of Kazakhstan, as well as to develop the construction industry through investment activities and the construction of plants aimed at import substitution in order to keep prices for building materials rising, as well as to improve the efficiency of construction, provide innovative engineering solutions and project management of a group of companies Samruk-Kazyna JSC.

The Company's core activities include the following:

- Implementation of state social programs;
- Investment activities;
- Completion of participation in government programs;
- Management of real estate, subsidiaries and shares and stock of companies included in the group of companies Sovereign Wealth Fund “Samruk-Kazyna” JSC, which are in the investment period – at the design and construction stages.
- Engineering activities;

According to the Development Strategy for 2023-2032, which was approved by the decision of the Board of Directors on 25 December 2023, one of the Company's strategic goals is the implementation of state social programs. Within the framework of this strategic goal and in accordance with the Decree of the Government of the Republic of Kazakhstan dated 30 November 2022 No. 963 “On approval of the pilot national project in the field of education “Comfortable School”, since 2023 the Company has been determined as the Directorate for the targeted construction of objects of secondary education organizations as part of the framework of the first of three mechanisms, where the Company manages the project in accordance with the Rules for the provision of engineering services in the field of architecture, urban planning and construction activities, while the Company is endowed with the function of the contracting authority.

The mission and vision of the Company are designed by taking into account the development strategy and vision of the Parent company. The mission reflects the strategic priorities of the Company and its role in the social and economic development of Kazakhstan.

As at 31 December 2023 and 31 December 2022, the Company had an interest ownership in the following organisations:

Name	Place of registration	Principal activities	Ownership	
			2023	2022
SK Development LLP	Kazakhstan	Development, financing and further management/sale of real estate properties, engineering supervision	100%	49%

The Company and its subsidiary are hereinafter referred to as the Group.

These consolidated financial statements represent the consolidated financial results of the Group for the year ended 31 December 2023 and its financial position as at that date.

Financial results of the Group depend on the specifics of the construction industry for which long production cycle is typical, construction of properties is performed on average within a period from 1.5 to 3 years. During the period of construction and investment in construction, reduction in income from sales of real estate properties and increase in capitalisation of costs related to real estate properties / in advances issued to construction companies are observed.

## Samruk-Kazyna Construction JSC

Consolidated financial statements

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 1. CORPORATE INFORMATION (continued)

In addition, the financial results of the Group are affected by the recognition and subsequent measurement of financial instruments arising from cash management, including interest income and expenses from funding issued and received for the execution of government programs and interest income from placing temporarily free cash on deposits with the second tier banks of the Republic of Kazakhstan.

In general, such fluctuations in revenue from core activities from year to year is common to many local and foreign companies operating in construction industry.

The consolidated financial statements of the Group for the year ended 31 December 2023 were approved for issue by the management of the Group on 27 February 2024.

## 2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These consolidated financial statements have been prepared on a historical cost basis, except as described in the accounting policies and the notes to these consolidated financial statements. The consolidated financial statements are presented in Kazakh tenge (“tenge”), and all monetary amounts are rounded to the nearest thousands, except when otherwise indicated.

## Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent company and its subsidiary as at 31 December 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Whether the Group has authority over the investment object (i.e., existing rights that provide the current ability to manage the significant activities of the investment object);
- The Group's exposure to risks associated with variable income from participation in the investment object, or the rights to receive such income;
- The ability of the Group to influence income by exercising its powers in relation to the object of investment.

As a rule, it is assumed that the majority of voting rights determines the presence of control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all significant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- Voting rights or potential voting rights belonging to the Group;

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group gains control of the subsidiary and ends when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. If the Group loses control of a subsidiary, it derecognises the assets (including goodwill), associated liabilities, non-controlling interests and other components of equity and recognises the resulting gain or loss in profit or loss. The remaining investments are recognized at fair value.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****2. BASIS OF PREPARATION (continued)****Foreign currency translation***Functional and presentation currency*

Items included in the financial statements of the Group included in these consolidated financial statements are measured using the currency of the primary economic environment in which the entities operate (the “functional currency”). The consolidated financial statements are presented in tenge, which is the Group’s presentation currency.

*Exchange rates*

Weighted average currency exchange rates established by the Kazakhstan Stock Exchange (“KASE”) are used as official currency exchange rates in the Republic of Kazakhstan.

Exchange rates for foreign currencies in which the Group had significant transactions are represented as follows:

<i>Exchange rate as at the end of the period (to tenge)</i>	<b>31 December 2023</b>	31 December 2022
1 US dollar	<b>454.56</b>	462.65
1 Russian rouble	<b>5.06</b>	6.43

<i>Average exchange rate for twelve months (to tenge)</i>	<b>12 months 2023</b>	12 months 2022
1 US dollar	<b>456.31</b>	460.48
1 Russian rouble	<b>5.40</b>	6.96

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the Group’s consolidated financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of these items and contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the future.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Assumptions and estimates are based on the Group's initial data, which it had at the time of preparation of the consolidated financial statements. However, current circumstances and assumptions about the future may vary due to market changes or circumstances beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm’s length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset’s performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

**Expected credit losses**

The Group uses an allowance matrix to calculate ECLs for loans issued, amounts due from credit institutions and cash and cash equivalents. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)****Expected credit losses (continued)**

The provision matrix is initially based on the historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For example, if forecast economic conditions (such as GDP) are expected to deteriorate over the next year, which may result in an increase in defaults in the production sector, the historical default rate is adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future.

The Group has significant balances of finance lease receivables within non-current and current financial assets as at 31 December 2023. Finance lease receivables consist of individually insignificant balances due from more than 7,000 individual lessees under the Nurly Zher state program. The Group’s management did not accrue allowance for expected credit losses on finance lease receivables as at 31 December 2023. The Group’s management believes that 100% of the balance sheet is recoverable as the finance lease receivables are secured by lease assets, real estate, the fair value of which significantly exceeds the carrying amount of the finance lease receivables.

**Operating lease commitments – Group as lessor**

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

**Classification of investment property and real estate properties for sale**

The Group determines whether real estate property is a property for sale or investment property as follows:

- Investment property includes apartments, parking areas and commercial premises, which are neither used in activities of the Group nor for sale in operating activities but are held, in the first place, in order to derive rental income and income from appreciation of capital.
- Real estate property for sale includes property held for sale in operating activities. These are mainly apartments, parking areas and commercial premises, which the Group intends to sell after completion of construction.

**Cost of investment property and real estate properties for sale**

Investment property is recognised in the accounting at cost less accumulated depreciation and impairment losses. Fair value is determined based on recent transactions with property with similar characteristics and location.

Real estate property for sale is stated at the lower of cost and net realisable value (NRV). NRV for real estate for sale is measured taking into account market conditions and prices existing as at the reporting date and is determined by the Group assuming relevant recent market transactions.

**Trust management agreements**

During 2023, the Group had trust management agreements with Samruk-Kazyna Ondeu LLP (hereinafter referred to as “SKO”) - formerly United Chemical Company LLP, a related party, to manage SKO shares in Karabatan Utility Solutions LLP. The term of the trust management agreement expired on 31 October 2023.

The Group analysed the trust management agreements for existence of control over SKO subsidiary in connection with the transfer to the trust management and concluded that control over the interests in SKO subsidiary did not transfer to the Group as at 31 December 2023.

On 24 January 2019, the Group and the Parent company entered into a trust management agreement for the office building. The Group analysed this agreement for existence of control in connection with the transfer to the trust management and concluded that control over the building was not transferred to the Group as at 31 December 2023. The Group provides administrative building management services by leasing premises to other entities, mainly related parties.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)****Trust management agreements (continued)**

On 15 September 2022, the Group and the Parent company entered into a trust management agreement, which is the sole shareholder of the PGU Turkestan LLP. The trust management agreements are valid within the period of design, construction, pre-commissioning and reaching the full capacity of facilities of “Construction of power plant based on the combined cycle plant in a maneuverable generation mode with a capacity up to 1000 MW in Turkistan region” project. The Group analysed the trust management agreements for existence of control over PGU Turkestan LLP in connection with the transfer to the trust management and concluded that control over the interests in PGU Turkestan LLP did not transfer to the Group as at 31 December 2023.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****New and amended standards and interpretations**

The Group first applied certain standards and amendments, which are effective for annual reporting periods beginning on or after 1 January 2023. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The nature and impact of each amendment are described below:

*IFRS 17 Insurance Contracts*

In May 2017, the IASB issued IFRS 17 *Insurance contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 *Insurance Contracts* that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to IFRS 4 requirements mostly based on previous local accounting policies, IFRS 17 provides a comprehensive accounting model for insurance contracts, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for insurance contracts with direct participation features (the variable fee approach);
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

The amendments have no impact on the consolidated financial statements of the Group.

*Amendments to IAS 8 – Definition of Accounting Estimates*

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments have no impact on the consolidated financial statements of the Group.

*Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2*

The amendments to IAS 1 and IFRS *Practice Statement 2 Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

These amendments have had an impact on the disclosures of accounting policies of the Group, but not on the measurement, recognition or presentation of any items in the Group’s financial statements.

*Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments to IAS 12 *Income Tax* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments did not have any impact on the consolidated financial statements of the Group.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****New and amended standards and interpretations (continued)***Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules*

The amendments to IAS 12 have been introduced in response to the OECD’s BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity’s exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

As at 31 December 2023, the Group continues to assess the potential impact of the implementation of the Pillar 2 model rules. The potential effect of the Pillar 2 model rules on income tax, if any, is currently unknown or cannot be reliably estimated.

The Group continues to assess and plans to complete the assessment during 2024.

**Standards issued but not yet effective**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group’s financial statements are disclosed below. The Group intends to adopt these standards and interpretations, if applicable, when they become effective.

- Amendments to IFRS 16 – *Lease Liability in a Sale and Leaseback*
- Amendments to IAS 7 and IFRS 7 – *Supplier finance arrangements*;
- Amendments to IAS 1 – *Classification of Liabilities as Current or Non-current*.

**Foreign currency translation**

The Group’s consolidated financial statements are presented in tenge, which is also the Company’s and its subsidiary’s functional currency and the presentation currency of these consolidated financial statements. The Tenge is the currency of the primary economic environment in which the Company and its subsidiary operate. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions are initially recognized by the Group companies in the functional currency, translated at the relevant exchange rates on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate ruling at the reporting date. All differences are recognized in the consolidated statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the original transactions. Non-monetary items that are measured at fair value in a foreign currency are translated at the exchange rates in effect at the date when the fair value was determined. Gains or losses arising on the translation of non-monetary items measured at fair value are accounted for in accordance with the principles for recognizing gains or losses on changes in the fair value of the item (i.e., foreign exchange differences on itemized currency translation, gains and losses on remeasurement at fair value recognized in OCI or profit or loss are also recognized in either OCI or profit or loss, respectively).

The transaction date, for the purposes of determining the current exchange rate to be used on initial recognition of a related asset, expense or income (or a portion thereof) on derecognition of a non-monetary asset or non-monetary liability arising from making or receiving a prepayment, is the date on which the Company initially recognizes a non-monetary asset or non-monetary liability arising from making or receiving a prepayment. In the case of multiple transactions for making or receiving prepayments, the Company determines the transaction date for each payment or receipt of prepayments.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Revenue recognition for contracts with customers**

The Group's activities are associated with management of real estate and construction. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

The Group has concluded that it is the principal in all of its revenue arrangements, except for the contracts of the purchase of comprehensive works on the design and construction of secondary education facilities on a turnkey basis, taking into account payment terms defined in an agreement and net of taxes or duties.

*Sale of real estate properties*

Revenue from the sale of real estate properties is usually recognised when the significant risks and rewards of ownership of the real estate properties have passed to the buyer. Revenue from assignment of rights for objects under construction is recognised when the significant risks and rewards related to ownership rights have passed to the buyer.

*Rental income*

Income from investment property provided under operating leases is accounted for on a straight line basis over the lease term and is included in revenues due to its operating nature.

*Interest income*

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available-for-sale, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Interest income is included in revenue from core activities as related to financing of construction companies and in finance income as related to other interest income.

*Income from engineering supervision, project management and facility construction services*

Revenue from engineering supervision and project management services mainly relates to revenue recognized as a result of the provision of partially completed services for the implementation of a national project. According to IFRS 15, the Group is determined to be an agent for the contracts concluded with local executive authorities for the project management services and for the works and services related to the construction of facilities. The assets and liabilities originated as a result of acceptance of construction and installation works within the framework of concluded contracts, where the Group acts as an agent, will be reflected on a net basis.

**Expense recognition**

Expenses are recognized as incurred and reported in the consolidated statement of comprehensive income in the period to which they relate on the accrual basis.

*Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

**Contract assets**

A contract asset is the entity's right to consideration in exchange for engineering supervision and project management services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. Contract assets are reclassified to receivables when rights become unconditional.

A contract is an agreement between two or more parties, and which creates legally enforceable rights and obligations.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Financial assets***Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or at fair value through other comprehensive income, the contractual terms of the asset must give rise to cash flows that are "solely payments of principal and interest" on the principal the principal amount of the debt. This assessment is called the cash flow test (SPPI test) and is carried out at the level of each instrument. Financial assets that do not meet the 'cash flows' criterion are classified as at fair value through profit or loss, regardless of business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Financial assets of the Company include cash and cash equivalents, finance lease receivables, loans issued, trade and other accounts receivable.

*Subsequent measurement*

For purposes of subsequent measurement, the Group has classified the existing financial assets in two categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).

*Financial assets at amortised cost (debt instruments)*

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include loans issued, trade and other receivables, finance lease receivables.

*Financial assets at fair value through OCI (debt instruments)*

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Financial assets (continued)****Subsequent measurement (continued)***Financial assets at fair value through OCI (debt instruments) (continued)*

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of other comprehensive income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss. The Group's debt instruments at fair value through OCI include investments in quoted debt instruments included under other non-current financial assets. As at 31 December 2023 and 2022, the Group has government bonds – financial assets at fair value through other comprehensive income.

**Derecognition**

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised from the statement of financial position when:

- The rights to receive cash flows from the asset have expired;
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount that the Group could be required to repay.

**Impairment of financial assets**

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has applied a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments that are measured at fair value through the OCI, the Group applies a simplification about low credit risk. At each reporting date, the Group assesses whether a debt instrument is a low credit risk instrument using all reasonable and corroborated information that is available without undue cost or effort. When conducting such an assessment, the Group reviews the internal credit rating of the debt instrument. Besides, the Group believes that there has

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Cash and cash equivalents**

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand, and short-term deposits with a maturity of three months or less.

**Loans and receivables**

Loans and receivables including long-term deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR.

The EIR amortisation is included in finance income in the consolidated statement of comprehensive income. The losses arising from impairment are recognized in the consolidated statement of comprehensive income within finance costs in case of loans and within other operating expenses in case of accounts receivable.

**Financial liabilities****Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings, and payables, net of directly attributable transaction costs.

The Group's financial liabilities include accounts payable, loans and coupon bonds.

**Subsequent measurement**

For purposes of subsequent measurement financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss;
- Financial liabilities at amortized cost (loans and borrowings).

*Financial liabilities at amortized cost (loans and borrowings).*

This category is the most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the consolidated statement of comprehensive income.

This category generally applies to interest-bearing loans, borrowings and coupon bonds.

**Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability to Parent is replaced by another from the Parent on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in statement of changes in equity.

**Offsetting of financial instruments**

Financial assets and financial liabilities are only offset and reported at the net amount in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and the Company intends to either settle on a net basis, to realise the asset and settle the liability simultaneously.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Other non-current assets**

Other non-current assets include real estate for subsequent finance lease, or real estate for which it has not been determined at the reporting date how its carrying amount will be reimbursed. Other non-current assets are measured at cost, including transaction costs. After initial recognition, other non-current assets are carried at cost, net of accumulated impairment. Other non-current assets are not depreciated. Transfers are made to (or from) other non-current assets only when there is a change in the nature of use of real estate.

**Property, plant and equipment**

Property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of equipment and borrowing costs for long-term construction projects if the capitalisation criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of comprehensive income as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

	<b>Years</b>
Buildings and constructions	8-100
Machinery and equipment	3-50
Motor vehicles	3-15
Other	2-20

Previous recognised items of property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income in the year when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

Property, plant and equipment consists primarily of administrative building, land and office equipment.

**Impairment of non-financial assets**

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal or its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five (5) years. Long-term growth rates are calculated and applied to the projected future cash flows after the fifth year.

Impairment losses on continuing operations are recognized in the consolidated statement of comprehensive income in expense categories consistent with the purpose of the impaired asset.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Impairment of non-financial assets (continued)**

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is only reversed if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

Recovery is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor can it exceed the carrying amount, less depreciation, at which the asset would have been recognized if no impairment loss had been recognized in prior years. This recovery is recognized in the consolidated statement of comprehensive income.

**Guarantee payments from lessees**

Guarantee payments from lessees represent amounts paid by lessees as security of fulfilment of liabilities under finance lease agreements. At the end of lease term, the amount of guarantee payments are used by lessees to settle the last lease payment.

**Rent**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

*Group as a lessor*

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance income and increase of the finance lease asset so as to achieve a constant rate of interest on the unrecoverable amount of the asset. Finance income is reflected directly in the consolidated statement of comprehensive income.

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as income in the consolidated statement of comprehensive income on a straight line basis over the lease term.

*Group as lessee*

Leases which do not transfer substantially all the risks and benefits of ownership of the asset to the Group are classified as operating leases. Operating lease payments are recognised as an expense in the consolidated statement of comprehensive income on a straight line basis over the lease term.

**Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive income net of any reimbursement.



## Samruk-Kazyna Construction JSC

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 5. BUSINESS COMBINATIONS

On 5 May 2023, the Company bought out 51% in the share capital of SC Development LLP since VentKarkaraServis LLP did not fulfil its obligations assumed under the purchase and sale agreement for 51% in the share capital of SC Development LLP. The acquisition was accounted for using the acquisition method. The consolidated financial statements comprise the performance results of SC Development LLP for the eight months after the acquisition date. These events caused SC Development LLP to have ceased to be accounted for as an associate.

Information on the fair value of the identifiable assets and liabilities of SC Development LLP as at the acquisition date is presented below:

<i>In thousands of tenge</i>	<b>Fair value recognised on acquisition</b>
<b>Assets</b>	
Property, plant and equipment	54,011
Intangible assets	25
Other non-current assets (Note 11)	8,792
Inventories	2,971
Trade receivables	86,970
Income tax prepayment	106,942
Other current assets	16,309
Cash and cash equivalents	11,093
	<b>287,113</b>
<b>Liabilities</b>	
Trade accounts payable	(3,987)
Dividends payable	(22,019)
Other liabilities	(133,126)
	<b>(159,132)</b>
<b>Total identifiable net assets at fair value</b>	<b>127,981</b>
Profit from a bargain purchase (Note 31)	(113,999)
<b>Consideration transferred on acquisition</b>	<b>13,982</b>
<b>Analysis of cash flows upon acquisition:</b>	
Net cash acquired from a subsidiary (included in cash flows from investing activities)	11,093
Non-cash consideration	(1,398)
Cash paid	(12,584)
<b>Net cash flows on acquisition</b>	<b>(2,889)</b>

From the date of acquisition, SK Development LLP contribution amounted to 946,901 thousand tenge to the Group's revenue, and 155,435 thousand tenge to the Group's net profit from continued operations before taxes. If the acquisition had taken place at the beginning of the year, the Group's revenue from continued operations would have been 1,089,016 thousand tenge, and the profit from continued operations would have been 129,338 thousand tenge for the period.

## Samruk-Kazyna Construction JSC

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 6. PROPERTY, PLANT AND EQUIPMENT

Movement of property and equipment in 2023 and 2022 is presented as follows:

<i>In thousands of tenge</i>	<b>Land</b>	<b>Buildings</b>	<b>Machinery, equipment and vehicles</b>	<b>Office equipment</b>	<b>Total</b>
<b>Cost</b>					
<b>At 31 December 2021</b>	26,101	31,913	-	452,355	510,369
Additions	-	-	-	15,438	15,438
Disposals	-	-	-	(5,671)	(5,671)
<b>At 31 December 2022</b>	26,101	31,913	-	462,122	520,136
Acquisitions through business combinations (Note 5)	-	-	39,700	14,311	54,011
Additions	-	-	16,195	338,441	354,636
Other transfers and reclassifications (Note 11)	-	16,507	-	-	16,507
Transfer to assets classified as held for sale or distributions to the Shareholder	(26,101)	-	-	(133,753)	(159,854)
Disposals	-	-	-	(252,888)	(252,888)
<b>At 31 December 2023</b>	-	48,420	55,895	428,233	532,548
<b>Accumulated depreciation</b>					
<b>At 31 December 2021</b>	-	(5,159)	-	(293,150)	(298,309)
Depreciation charge for the year	-	(638)	-	(38,220)	(38,858)
Depreciation on disposal	-	-	-	4,712	4,712
<b>At 31 December 2022</b>	-	(5,797)	-	(326,658)	(332,455)
Depreciation charge for the year	-	(748)	(3,557)	(31,668)	(35,973)
Depreciation on disposal	-	-	-	249,373	249,373
<b>At 31 December 2023</b>	-	(6,545)	(3,557)	(108,953)	(119,055)
<b>Net book value</b>					
<b>At 31 December 2022</b>	26,101	26,116	-	135,464	187,681
<b>At 31 December 2023</b>	-	41,875	52,338	319,280	413,493

## 7. INVESTMENT PROPERTY

On 19 July 2023, according to the Parent's decision dated 14 June 2023, the Group, free of charge, transferred to the balance sheet of the Office of the President of the Republic of Kazakhstan the building of the Kazyna Tower Business Centre and other property with a carrying amount of 3,635,769 thousand tenge and 159,856 thousand tenge, respectively. This transaction was recorded as other transactions with the Shareholder in equity.

## Samruk-Kazyna Construction JSC

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 8. FINANCE LEASE RECEIVABLES

The non-current financial assets are represented by finance lease receivables, which include the amount of minimum lease payments under current finance lease agreements. Minimal lease payments receivable in future periods under finance lease contracts as well as present value of net minimal lease payments are presented in the table:

In thousands of tenge	2023		2022	
	Minimum payments	Present value of payments	Minimum payment	Present value of payments
Within one year	7,438,055	7,067,661	5,087,459	4,857,685
More than 1 year but less than 5 years	28,862,359	21,750,842	23,153,204	17,833,438
Over five years	21,231,761	11,560,308	42,165,895	24,618,384
<b>Total minimum lease payments</b>	<b>57,532,175</b>	<b>40,378,811</b>	70,406,558	47,309,507
Less finance income	(17,153,363)	-	(23,097,051)	-
<b>Present value of minimum lease payments</b>	<b>40,378,812</b>	<b>40,378,811</b>	47,309,507	47,309,507
Less: amounts to be repaid within 12 months	-	(7,067,661)	-	(4,857,685)
<b>Amounts due for settlement after 12 months</b>	<b>-</b>	<b>33,311,150</b>	-	42,451,822

## 9. LOANS ISSUED

In thousands of tenge	2023	2022
Loan to Argon Stroy LLP	11,787,508	9,701,519
Loan to MetalFormer LLP	4,596,647	745,685
Loan to Ayt Housing Complex LLP	3,813,527	5,478,011
Loan to UK Building LLP	3,770,137	2,150,234
Loan to KazSMU LLP	3,393,556	2,287,830
Loan to Stroy-Invest-Group KZ LLP	3,221,647	-
Loan to Bavaria Construction LLP	2,734,315	2,532,885
Loan to BAITEREK GROUP-2022 LLP	1,894,331	-
Loan to Ademi Holding LLP	1,027,123	-
Loan to Smart Stroy 2050 LLP	-	4,780,560
Loans to other companies	1,884,972	639,359
Less: allowance for expected credit losses	(10,455,049)	(4,177,878)
	<b>27,668,714</b>	24,138,205
Less: amounts to be repaid within 12 months	(24,239,656)	(17,399,086)
<b>Amount due for settlement after 12 months</b>	<b>3,429,058</b>	6,739,119

## Loan to Argon Stroy LLP

On 9 April 2021, the Group entered into an investment agreement with Shar-Kyrylys LLP in the construction 2nd stage of a multi-apartment residential complex on the Millennium Alley in the city of Astana. According to the additional agreement signed in December 2021, the loan obligations were transferred to Argon Stroy LLP. In accordance with the terms of the agreement, the Group provides construction financing with the accrual of investment income in the amount of 3,876,870 thousand tenge. In accordance with the terms of the investment agreement, the provided financing amounts and investment income must be reimbursed to the Group by 30 May 2023. The financing tranches issued by the Group as at 31 December 2023 amounted to 7,910,638 thousand tenge.

For the year ended 31 December 2023, the Group recognized interest income in the amount of 3,876,870 thousand tenge and an allowance for expected credit losses in the amount of 6,671,256 thousand tenge. With respect to changes in the mortgage lending in the local real estate market, there are delays in repayment of obligations under the investment agreement on the part of the developer. On 26 February 2024, the investment in the amount of 1,580,000 thousand tenge was repaid.

## Samruk-Kazyna Construction JSC

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 9. LOANS ISSUED (continued)

## Loan to MetalFormer LLP

On 15 September 2022, the Group signed an investment agreement for the construction of a plant for the production of roofing and cladding materials in Astana. The Group provides financing for construction with the accrual of investment income in the amount of 3,772,230 thousand tenge. In accordance with the terms of the investment agreement, the amounts provided for financing and investment income must be reimbursed by 31 December 2030. As at 31 December 2023 the amount of financing tranches issued by the Group was 3,799,162 thousand tenge.

## Loan to Ayt Housing Complex LLP

According to the investment agreement with Ayt Housing Complex LLP in the construction of 42 multi-apartment residential buildings dated 16 April 2021, the Group provides construction financing with an accrual of investment income in the amount of 3,232,425 thousand tenge. In accordance with the terms of the investment agreement, the amounts of the provided financing amounts and investment income must be reimbursed to the Group by 30 May 2024. The amount of financing tranches issued by the Group at the end of 2023 was 3,549,584 thousand tenge, including a land plot with a carrying value of 1,221,608 thousand tenge.

On 1 September 2023, the Group entered into an agreement on termination of the construction investment agreement, according to which Ayt Housing Complex LLP undertakes to return the investment amount in the amount of 2,327,976 thousand tenge until 31 May 2024, the amount of investment in the form of a land plot in the amount of 1,221,608 thousand tenge until 27 December 2023, and the investment income in the amount of 888,010 thousand tenge until 27 December 2023. During the reporting period, the investment income was written off due to changes in contractual terms in the amount of 1,715,208 thousand tenge (Note 31). On 12 January 2024, investments in the form of a land plot in the amount of 1,221,608 thousand tenge and investment income in the amount of 888,010 thousand tenge were repaid.

## Loan to UK Building LLP

On 6 December 2022, the Group entered into an investment agreement for the construction of a residential complex with built-in and attached public premises and a multifunctional complex in Ust-Kamenogorsk. The expected investment income is 1,149,454 thousand tenge. As at 31 December 2023 the amount of financing tranches issued by the Group was 3,092,266 thousand tenge. In accordance with the terms of the investment agreement, the amounts of the provided financing amounts and investment income must be reimbursed to the Group by 15 June 2024.

As at 31 December 2023, the Group recognized interest income in the amount of 677,871 thousand tenge.

## Loan to KazSMU LLP

On 14 September 2022, the Group entered into an investment agreement with KIK-Qurylys LLP in the construction of multi-apartment residential building "Sun city" located in Konayev city. According to the additional agreement signed in September 2023, the loan obligations were transferred to KazSMU LLP. The Group provides construction financing with an accrual of investment income in the amount of 748,723 thousand tenge. The amount of financing tranches issued by the Group as at 31 December 2023 amounted to 2,644,833 thousand tenge, and an allowance for expected credit losses in the amount of 14,962 thousand tenge was created. In accordance with the terms of the investment agreement, the amounts of the provided financing amounts and investment income must be reimbursed to the Group by 25 December 2023. On 3 January 2024, the Group received funds to repay investment income in the amount of 748,723 thousand tenge. For this loan, the Group has collateral in the form of real estate with an estimated value of 149,519 thousand tenge.

## Loan to Bavaria Construction LLP

On 10 October 2021, the Group signed an investment agreement for the construction of a multi-apartment residential building in Aktobe. The Group provides construction financing with an accrual of investment income in the amount of 550,430 thousand tenge. In accordance with the terms of the investment agreement, the amounts provided for financing and investment income must be reimbursed by 31 May 2023. As at 31 December 2023 the amount of financing tranches issued by the Group was 2,482,026 thousand tenge.

On 23 January 2024, the Group filed a lawsuit against Bavaria Construction LLP. As at 26 February 2024, court proceedings are underway. The Group has an advance payment under real estate booking agreements in the amount of 652,529 thousand tenge as at 31 December 2023, which will be recognized as payment of receivables from Bavaria Construction LLP after signing acceptance certificates by buyers.

For the year ended 31 December 2023, the Group recognized interest income in the amount of 550,430 thousand tenge and an allowance for expected credit losses in the amount of 2,009,034 thousand tenge.



## Samruk-Kazyna Construction JSC

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 9. LOANS ISSUED (continued)

## Loan to Stroy-Invest-Group KZ LLP

On 13 March 2023 the Group signed an investment agreement for the construction of a residential complex with a business centre and retail space in Astana city. The Group provides construction financing with an accrual of investment income in the amount of 755,518 thousand tenge. In accordance with the terms of the investment agreement, the amounts of the provided financing amounts and investment income must be reimbursed by 20 July 2024. The amount of financing tranches issued by the Group as at 31 December 2023 amounted to 2,877,073 thousand tenge.

As at 31 December 2023, the Group recognized interest income in the amount of 344,574 thousand tenge.

## Loan to BAITEREK GROUP-2022 LLP

On 19 April 2023, the Group entered into an investment agreement for the construction of a 9-storey multi-apartment residential building with a store, beauty salon, office, pharmacy and cafe on the ground floors in Taraz city. The Group provides construction financing with an accrual of investment income in the amount of 875,845 thousand tenge. In accordance with the terms of the investment agreement, the amounts provided for financing and investment income must be reimbursed by 28 May 2024. As at 31 December 2023 the amount of financing tranches issued by the Group was 1,534,877 thousand tenge.

As at 31 December 2023, the Group recognized interest income in the amount of 359,454 thousand tenge.

## Loan to Ademi Holding LLP

On 4 July 2023, the Group entered into an investment agreement for the construction of a multi-apartment residential building with built-in non-residential premises in Kokshetau city. The Group provides construction financing with an accrual of investment income in the amount of 502,116 thousand tenge. In accordance with the terms of the investment agreement, the amounts provided for financing and investment income must be reimbursed by 11 January 2025. As at 31 December 2023 the amount of financing tranches issued by the Group was 932,129 thousand tenge.

As at 31 December 2023, the Group recognized interest income in the amount of 94,994 thousand tenge.

## Loans to other companies

As at 31 December 2023, loans issued to other companies included debt mainly from construction companies.

Loans issued as at 31 December 2023 and 2022 were denominated in tenge.

Movements in allowance for expected credit losses on loans issued were as follows:

<i>In thousands of tenge</i>	2023	2022
<b>At the beginning of the year</b>	<b>4,177,878</b>	5,167,594
Recovery	(3,324,267)	(2,487,677)
Charge	9,601,438	1,497,961
<b>At the end of the year</b>	<b>10,455,049</b>	4,177,878

## 10. AMOUNTS DUE FROM CREDIT INSTITUTIONS

<i>In thousands of tenge</i>	2023	2022
Deposits in Kazakhstan banks	21,307,165	25,230,455
Allowance for expected credit losses	(201,443)	(377,867)
	<b>21,105,722</b>	24,852,588
Less: current portion	(67,051)	(75,813)
<b>Non-current portion</b>	<b>21,038,671</b>	24,776,775

## Samruk-Kazyna Construction JSC

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 10. AMOUNTS DUE FROM CREDIT INSTITUTIONS (continued)

Long-term deposits comprise special deposits in tenge under the project “Zelenyi kvartal” with second tier banks with an interest rate of 3.5% per annum.

<i>In thousands of tenge</i>	2023	2022
<b>At the beginning of the year</b>	<b>377,867</b>	526,281
Recovery	(176,424)	(148,414)
<b>At the end of the year</b>	<b>201,443</b>	377,867

## 11. OTHER NON-CURRENT ASSETS

<i>In thousands of tenge</i>	Finished real estate properties	Right of use of land	Other	Total
<b>At 31 December 2021</b>	258,792	6,114,086	3,233	6,376,111
Transferred to real estate for sale	(2,555)	-	-	(2,555)
Leased out on finance lease	(19,970)	-	-	(19,970)
Termination of the financial lease agreement	18,992	-	-	18,992
Transferred to intangible assets	-	(3,000)	-	(3,000)
Addition	-	505,678	-	505,678
Reversal of impairment allowance	85,973	-	-	85,973
Write off	(4,052)	-	-	(4,052)
<b>At 31 December 2022</b>	337,180	6,616,764	3,233	6,957,177
Acquisitions through business combinations (Note 5)	-	-	8,792	8,792
Transferred to real estate for sale	(4,224)	-	-	(4,224)
Realized (Note 27)	-	(2,595,916)	-	(2,595,916)
Transferred to assets held for sale (Note 19)	-	(1,336,133)	-	(1,336,133)
Termination of the financial lease agreement	431,403	-	-	431,403
Transferred to property and equipment (Note 6)	(16,507)	-	-	(16,507)
Addition	-	297,316	690	298,006
Write off	-	(84,883)	-	(84,883)
Accrual of impairment allowance	(17,629)	-	-	(17,629)
<b>At 31 December 2023</b>	<b>730,223</b>	<b>2,897,148</b>	<b>12,715</b>	<b>3,640,086</b>

Other non-current assets include finished and unfinished real estate objects for which the Group has no definite plans for use.

## 12. ADVANCES PAID TO CONSTRUCTION COMPANIES

The Group enters into agreements with construction companies (hereinafter, “Real estate developers”) for acquirement of apartments, commercial premises and parking lots. In accordance with provisions of the agreements, the Group is obliged to make advance payments to the Real estate developers and the Real estate developers undertook to complete construction by the established dates. The Group becomes an owner of respective objects after completion of construction by the Real estate developers and their appropriate registration in state registration agencies.

The agreements of the Group with Real estate developers contain a guarantee provision according to which Real estate developers provide collateral in the form of land lots, construction-in-progress and insurance contracts to cover the risk of loss of the Group’s advance payment.

## Samruk-Kazyna Construction JSC

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 12. ADVANCES PAID TO CONSTRUCTION COMPANIES (continued)

Movement of advances issued to construction companies for 2023 and 2022 is presented as follows:

<i>In thousands of tenge</i>	2023	2022
<b>At the beginning of the year</b>	<b>3,739,091</b>	8,471,414
Advances paid for the year	-	9,043,856
Reversal/(accrual) of impairment allowance	<b>527,840</b>	(527,840)
Real estate properties received	-	(5,931,904)
Transfer to loans issued (Note 9)	-	(5,960,461)
Guarantee payments	-	177,957
Transfer to other current assets	<b>(1,631,548)</b>	(1,533,931)
Repayment of advances paid	<b>(2,632,132)</b>	-
<b>Advances for projects under construction</b>	<b>3,251</b>	3,739,091

## 13. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable of the Group represent receivables from operating lease and direct sale of commercial and residential premises. At 31 December 2023 and 2022, accounts receivable were denominated in tenge.

## 14. FINANCIAL INSTRUMENTS

<i>In thousands of tenge</i>	2023	2022
<b>Financial assets carried at amortised cost</b>		
Notes of the National Bank of the Republic of Kazakhstan	<b>12,165,418</b>	-
Other	<b>130,733</b>	32,629
	<b>12,296,151</b>	32,629
<b>Financial assets at fair value through OCI</b>		
Government bonds of the Republic of Kazakhstan	<b>467,532</b>	426,806
	<b>467,532</b>	426,806
<b>Total financial instruments</b>	<b>12,763,683</b>	459,435

As at 31 December 2023, the carrying amount of the notes of the National Bank of the Republic of Kazakhstan is represented by notes purchased by the Group in December 2023 in the amount of 12,140,627 thousand tenge and accrued interest in the amount of 24,791 thousand tenge. The interest rate is 14.91% per annum.

Government bonds are coupon bonds of the Ministry of Finance of the Republic of Kazakhstan with an interest rate of up to 5.0% per annum.

The current financial assets as at 31 December 2023 and 2022 are presented in tenge.

## 15. ASSETS AND LIABILITIES UNDER AGENCY AGREEMENTS

*Agency contract assets*

During 2023, the Group paid advances to construction companies under contracts for the purchase of comprehensive works on the design and turnkey construction of secondary education facilities for a total amount of 190,178,199 thousand tenge. The advances paid to construction companies are classified as an asset under agency agreements as part of the execution of contracts on comprehensive works and services for the construction of facilities within the framework of the pilot National project "Comfort School" concluded with local authorities, where the Group acts as an agent in accordance with IFRS 15.

*Agency contract liabilities*

The agency contract liabilities are presented by an advance payment received from local authorities for the implementation of the pilot national project "Comfortable School" within the framework of contracts on comprehensive works and services for the construction of facilities.

## Samruk-Kazyna Construction JSC

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 15. ASSETS AND LIABILITIES UNDER AGENCY AGREEMENTS (continued)

*Agency contract liabilities (continued)*

During 2023, the Group signed contracts on comprehensive works and services for the construction of facilities within the framework of the National Project. The Group does not reflect the assets created under such agreements on the balance sheet, as the Group acts as an agent according to the criteria determined under IFRS 15. The economic benefits are not the ultimate goal of the concluded contracts.

The cash flow received under agency agreements and contracts with customers for 2023 is presented as follows:

<i>In thousands of tenge</i>	2023
<b>At the beginning of the year</b>	-
Cash proceeds under agency agreements	<b>496,331,173</b>
Cash proceeds from project management contracts (Note 25)	<b>3,668,539</b>
Cash given within the framework of the implementation of the national project	<b>(190,178,199)</b>
Other	<b>(816,446)</b>
<b>At the end of the year</b>	<b>309,005,067</b>

## 16. CONTRACT ASSETS

The contract assets are presented by the right to refund, which the Group expects to be entitled to receive in exchange for the services provided. The contract assets are reclassified to receivables when rights become unconditional.

As at 31 December 2023, the Group has valid Contracts for the project management services with government agencies.

## 17. OTHER CURRENT ASSETS

<i>In thousands of tenge</i>	2023	2022
Cash with Delta Bank JSC	<b>5,067,301</b>	5,067,301
Refund of advances paid by construction companies	<b>3,061,695</b>	1,788,710
Cash with KazInvestBank JSC	<b>1,361,431</b>	1,365,576
Restricted cash in Halyk Bank JSC	<b>90,399</b>	125,490
Debt on SB Alpha Bank JSC	<b>4,089</b>	4,690
Other current assets	<b>361,544</b>	350,144
Allowance for expected credit losses	<b>(6,651,949)</b>	(6,441,614)
	<b>3,294,510</b>	2,260,297

As at 31 December 2023, other current assets consist of debts on claims, funds placed with KazInvestBank JSC of 1,361,431 thousand tenge and with Delta Bank JSC in the amount of 5,067,301 thousand tenge, for which the Group created a 100% allowance for expected credit losses due to the deprivation of banks of a license to conduct banking and other operations.

The refund of advances paid by construction companies comprises an obligation to repay the Group's funds and lost profits in accordance with the additional agreements concluded under construction investment agreements.

The movement of allowance for expected credit losses on other assets is as follows:

<i>In thousands of tenge</i>	2023	2022
<b>At the beginning of the year</b>	<b>6,441,614</b>	6,442,613
Recovery	<b>(55,138)</b>	(999)
Charge	<b>265,473</b>	-
<b>At the end of the year</b>	<b>6,651,949</b>	6,441,614



## Samruk-Kazyna Construction JSC

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 18. CASH AND CASH EQUIVALENTS

<i>In thousands of tenge</i>	2023	2022
Cash control account	306,152,975	–
Short-term deposits	3,084,109	22,611,050
Reverse autoREPO agreements with initial maturity of less than 3 months	2,157,293	4,768,058
Current accounts	138,009	172,033
Allowance for expected credit losses	(103)	(4,480)
	<b>311,532,283</b>	<b>27,546,661</b>

As at 31 December 2023, the Group had cash in the amount of 306,152,975 thousand tenge, which is represented by a cash control account in the regional treasury department of the Ministry of Finance of the Republic of Kazakhstan opened with a special purpose of the implementation of the pilot national project "Comfortable School".

As at 31 December, cash and cash equivalents comprised current bank accounts in tenge. Interest is accrued on balance of cash in current bank accounts at a rate of 5.0% (2022: 5%).

Short-term deposits comprise deposits in tenge with maturity not more than 3 months placed with second-tier banks with an interest rate of 14.25-14.75%.

The movements in the provision for expected credit losses for cash and cash equivalents are as follows:

<i>In thousands of tenge</i>	2023	2022
<b>At the beginning of the year</b>	<b>4,480</b>	<b>11,604</b>
Charge	134	1,736
Recovery	(4,511)	(8,860)
<b>At the end of the year</b>	<b>103</b>	<b>4,480</b>

## 19. ASSETS HELD FOR SALE

The asset intended for disposal as at 31 December 2023 is represented by a land plot, which the Group undertakes to sell to the Developer under the termination agreement of construction investment agreement (Note 25).

## 20. SHARE CAPITAL

The charter capital of the Group is fully paid by the Parent Company and comprises of 16,247,541 ordinary shares: 15,000,000 shares with par value 1,000 tenge, 1,247,540 shares with par value 4,000 tenge and one share with par value 2,490 tenge.

## Additional paid-in capital

Additional paid-in capital is the difference between the amount of loans received in previous years from the Parent Company and their fair value at the date of receipt.

## Dividends

In 2023, the Group declared and paid dividends on its ordinary shares in the amount of 6,437,115 thousand tenge (2022: 2,030,548 tenge).

## Earnings per share

The amounts of basic earnings per share are calculated by dividing the net profit for the year by the weighted average number of common shares. The Group had a weighted average number of ordinary shares in the amount of 16,247,541 shares during the year ended 31 December 2023 (for the year ended 31 December 2022: 16,247,541 shares). For the year ended 31 December 2023 and 2022, basic earnings per share amounted to 457.75 tenge and 325.20 tenge, respectively.

## Samruk-Kazyna Construction JSC

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 20. SHARE CAPITAL (continued)

## Book value per share

<i>In thousands of tenge</i>	31 December 2023	31 December 2022
<b>Calculation of book value of share</b>		
Total assets	616,045,696	143,369,824
Less: intangible assets	(79,394)	(59,557)
Less: total liabilities	(555,013,545)	(79,384,457)
<b>Net assets</b>	<b>60,952,757</b>	<b>63,925,810</b>
Number of ordinary shares, pieces	16,247,541	16,247,541
<b>Book value per share, tenge</b>	<b>3,751.51</b>	<b>3,934.49</b>

## 21. LOANS RECEIVED AND BONDS

## Loans received

<i>In thousands of tenge</i>	% rate	Repayment	2023	2022
<b>Credit facility No. 3</b>	2.0%	2032		
Balance at the beginning of the period			44,856,148	49,577,848
Interest accrued			873,121	967,555
Payments			(5,594,821)	(5,689,255)
<b>Balance at the end of the period</b>			<b>40,134,448</b>	<b>44,856,148</b>
<b>Credit facility No. 4</b>	2.0%	2034		
Balance at the beginning of the period			14,225,975	17,858,600
Interest accrued			222,930	316,434
Payments			(8,208,790)	(3,949,059)
<b>Balance at the end of the period</b>			<b>6,240,115</b>	<b>14,225,975</b>
<b>Current portion of loans</b>			<b>46,374,563</b>	<b>59,082,123</b>

Credit facilities No. 3 and No. 4 were opened under contracts with the Parent Company. All obtained funds were not secured by guaranties or collateral.

## Credit facility No. 3

This credit facility was opened in 2012 in the total amount of 99,053,000 thousand tenge to finance housing construction projects within the "Nurly Zher" Program, direction – rental housing with a purchase option, (previously – "Program for the Development of Regions – 2022"), approved by the Decree of the Government of Kazakhstan No. 922 dated 31 December 2016. According to the terms of agreement, the Parent has the right to demand early repayment of withdrawn amounts. Interest is paid on a semi-annual basis.

During 2023, the Group repaid principal in the amount of 4,721,700 thousand tenge and interest in the amount of 873,121 thousand tenge (2022: 4,721,700 thousand tenge and 967,555 thousand tenge, respectively).

## Credit facility No. 4

In 2016, the Group entered into a loan agreement for a total of 29,000,000 thousand tenge to finance a project for the construction of the administrative and residential complex "Zelenyi Kvartal" for a period of 18 years with an interest rate of 2% per annum. According to the terms of agreement, the Parent has the right to demand early repayment of withdrawn amounts. During 2016, the Group received the entire amount of the loan.

During 2023, the Group repaid principal in the amount of 7,985,860 thousand tenge and interest in the amount of 222,930 thousand tenge (2022: 3,632,625 thousand tenge and 316,434 thousand tenge, respectively).

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 21. LOANS RECEIVED AND BONDS (continued)

## Bonds

On 15 March 2021, the Group placed 2,000,000 bonds with a nominal value of 1,000 Russian roubles each with an interest rate of 8% per annum. The coupon is paid semi-annually until 9 September 2023.

On 15 August 2023, the Group fully repaid its obligations under the placed bonds.

## 22. ACCOUNTS PAYABLE

<i>In thousands of tenge</i>	2023	2022
Accounts payable	128,041	72,777
Accounts payable on land plots	–	2,086,004
	<b>128,041</b>	<b>2,158,781</b>

During 2023, the Group repaid accounts payable on land plots to Samruk-Kazyna. As at 31 December 2023 and 2022 accounts payable were denominated in tenge and interest-free.

## 23. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities represent guarantee payments contributed by lessees to secure performance of obligations of the Group under finance lease agreements. The Group uses guarantee payments to settle the obligations of lessees under the finance lease agreements at the end of the rent period.

## 24. LIABILITIES TO PAYMENTS UNDER GUARANTEE

Liabilities under guarantee payments are a financial security for the execution of contracts contributed by construction and other companies.

## 25. LIABILITIES UNDER CONTRACTS WITH CUSTOMERS

<i>In thousands of tenge</i>	2023	2022
Advances received under project management contracts	3,668,539	–
Advances received for land plot	1,336,133	–
Other	853,637	355,219
	<b>5,858,309</b>	<b>355,219</b>

The advances received under the project management contracts are presented by an advance payment received from local authorities for the implementation of the pilot national project "Comfortable School" within the framework of project management service contracts.

The advances received for the land plot represent an advance payment received from Ayt Housing Complex LLP within the termination agreement of the construction investment agreement (Note 19).

## 26. REVENUE

<i>In thousands of tenge</i>	2023	2022
Interest income on interest bearing financing of construction companies	6,165,368	5,902,711
Financing lease income	4,903,846	5,302,715
Income from engineering supervision and the "Comfortable schools" project management services	3,079,496	–
Income from sale of land plot (Note 11)	2,595,916	–
Interest on special deposits under the Zelenyi Kvartal program	834,540	1,007,103
Reimbursement of expenses under the construction investment agreement	645,992	–
Operating lease income	387,319	351,625
Income from sale of finished residential and commercial premises	161,149	6,812,464
Property management fee	124,452	203,952
Other income	418,310	60,549
	<b>19,316,388</b>	<b>19,641,119</b>

## Samruk-Kazyna Construction JSC

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 26. REVENUE (continued)

Timing of revenue recognition from the sale of goods and services is as follows:

<i>In thousands of tenge</i>	2023	2022
<b>Timing of revenue recognition</b>		
The services are provided over a period in time	16,559,323	12,828,655
The goods are transferred at a certain point in time	2,757,065	6,812,464
	<b>19,316,388</b>	<b>19,641,119</b>

In 2023, the Group provided project management and engineering supervision services mainly within the framework of contractual obligations for the implementation of the pilot national project "Comfortable School", however, this scope of work was not confirmed by completion work certificates at the reporting date and therefore an asset under the contracts was recognized in the amount of costs incurred.

During 2023 and 2022, goods and services were sold in the Republic of Kazakhstan.

## 27. COST OF SALES

<i>In thousands of tenge</i>	2023	2022
Cost of sold land plots (Note 11)	2,595,916	–
Payroll, other employee benefits and related taxes for the management of the Comfortable Schools project	2,155,566	–
Maintenance of real estate properties	225,658	225,298
Interest expense	222,929	316,433
Operating taxes	218,535	125,405
Third party services	139,979	–
Cost of residential and commercial premises sold	132,500	5,684,364
Depreciation and amortisation	51,606	105,660
Payment indexation	39,947	291,771
Business trip expenses	39,401	–
Rent	32,797	–
Licenses, permits, fees, payments, etc.	21,896	–
Other	113,357	2,923
	<b>5,990,087</b>	<b>6,751,854</b>

## 28. GENERAL AND ADMINISTRATIVE EXPENSES

<i>In thousands of tenge</i>	2023	2022
Payroll, other employee benefits and related taxes	1,568,848	1,125,184
Professional services	142,996	245,174
Repair and maintenance	85,687	54,392
Tax expenses	76,340	87,503
Depreciation and amortisation	42,559	49,996
Business trip expenses	39,981	40,966
Rent	28,685	6,212
Board of Directors expenses	14,280	6,520
Materials	10,225	5,569
Communication	6,655	5,332
Bank charges	2,518	2,693
Maintenance of building	1,529	511
Other	186,234	45,642
	<b>2,206,537</b>	<b>1,675,694</b>



## Samruk-Kazyna Construction JSC

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 29. FINANCE INCOME/FINANCE COSTS

<i>In thousands of tenge</i>	2023	2022
<b>Finance income</b>		
Interest income on bank deposits and current bank accounts	2,031,064	2,746,136
Income on Notes of the National Bank of the Republic of Kazakhstan	1,026,507	-
Income from reverse autoREPO agreements	538,774	1,458,266
Income on government bonds	26,487	26,412
	<b>3,622,832</b>	<b>4,230,814</b>
<b>Finance costs</b>		
Interest expense on loans	(873,121)	(1,869,159)
Interest expenses for bonds issued	(557,022)	(1,111,244)
Discount amortisation	-	(127,958)
Expenses associated with raising of funds	-	(25,990)
	<b>(1,430,143)</b>	<b>(3,134,351)</b>

## 30. FOREIGN EXCHANGE GAIN AND LOSS

Due to the change in exchange rate of tenge for the year ended 31 December 2023, the Group recognized a net positive exchange rate difference in the amount of 3,997,500 thousand tenge (for the year ended 31 December 2022: net negative exchange rate difference of 6,566,852 thousand tenge). The net negative exchange rate difference in 2023 is caused mainly due to the significant change in exchange rate of tenge to the Russian rouble.

## 31. OTHER INCOME AND EXPENSES

<i>In thousands of tenge</i>	2023	2022
<b>Other income</b>		
Income from fines, penalties and forfeits	246,783	167,863
Recognition of profit from the land plot exchange	213,212	-
Income from excess of the cost of the acquired net assets of the subsidiary over the cost of acquisition (Note 5)	113,999	-
Other	382,335	35,539
	<b>956,329</b>	<b>203,402</b>
<b>Other expenses</b>		
Loss on changes in contractual obligations (Note 9)	(1,715,208)	-
Currency exchange costs	(332,704)	(143,478)
Other	(18,853)	(16,094)
	<b>(2,066,765)</b>	<b>(159,572)</b>

## 32. INCOME TAX EXPENSES

Income tax expenses comprised the following for the years ended 2023 and 2022:

<i>In thousands of tenge</i>	2023	2022
Current income tax expenses	2,308,370	829,352
Adjustment of prior periods income tax	-	2,426
Proceeds from the merger of entities	(2,472)	-
Deferred tax expense as a result of origination and reversal of temporary differences	565,221	385,043
	<b>2,871,119</b>	<b>1,216,821</b>

## Samruk-Kazyna Construction JSC

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 32. INCOME TAX EXPENSES (continued)

Reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at 31 December 2023 and 2022 is as follows:

<i>In thousands of tenge</i>	2023	2022
<b>Profit before tax</b>	<b>10,308,403</b>	6,500,523
Statutory tax rate	20%	20%
<b>Income tax at statutory income tax rate</b>	<b>2,061,681</b>	1,300,105
Accrual/(reversal) of allowance for expected credit losses	1,145,706	(135,272)
Loss due to changes in contractual terms	343,042	-
Income on coupon interest of government securities	(5,298)	(5,282)
Income from the increase in the value of Notes of the National Bank of the Republic of Kazakhstan	(205,301)	-
Accumulated depreciation on retired fixed assets	(465,009)	-
Other permanent differences	(3,702)	57,270
	<b>2,871,119</b>	<b>1,216,821</b>

As at 31 December components of deferred tax assets and liabilities are as follows:

<i>In thousands of tenge</i>	Consolidated statement of financial position		Consolidated statement of comprehensive income	
	2023	2022	2023	2022
<b>Deferred tax assets</b>				
Provisions for current financial assets and accounts receivable	26,439	42,807	(16,368)	-
Taxes	11,245	4,978	6,267	3,339
Deferred income	18,369	21,430	(3,061)	(3,060)
Other	105,346	49,300	56,046	(38,384)
	<b>161,399</b>	<b>118,515</b>	<b>42,884</b>	<b>(38,105)</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment	2,694	(443,618)	446,312	(12,154)
Expected income from project management services	(426,519)	-	(426,519)	-
Expected Interest on loans issued	(1,771,796)	(1,143,898)	(627,898)	(632,959)
Income from the sale of land	-	-	-	298,175
	<b>(2,195,621)</b>	<b>(1,587,516)</b>	<b>(608,105)</b>	<b>(346,938)</b>
<b>Deferred tax liabilities</b>	<b>(2,034,222)</b>	<b>(1,469,001)</b>		
<b>Net deferred tax expense</b>			<b>(565,221)</b>	<b>(385,043)</b>

As at 31 December 2023 and 2022, the Group had no unrecognised deferred tax assets.

## 33. RELATED PARTY DISCLOSURES

Related parties include key management personnel of the Group, enterprises in which a substantial interest in the participation interest is owned, directly or indirectly, by the Group's key management personnel, and other entities controlled by the Participant. Related party transactions were made on terms agreed to between the parties that may not necessarily be at market rates, except for certain regulated services, which are provided based on the tariffs available to related and third parties.

The category 'parent-controlled entities' comprises entities controlled by the Parent.

Related party transactions were made on terms agreed to between the parties. Purchases and sales transactions are made on market terms. Outstanding balances at the year-end are unsecured, short-term and settlement occurs in cash, except as discussed below.

As at 31 December 2023 and 2022, the Group has not recorded any impairment of accounts receivable relating to amounts owned by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## Samruk-Kazyna Construction JSC

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 33. RELATED PARTY DISCLOSURES (continued)

Major transactions with related parties for 2023 and 2022 are as follows:

<i>In thousands of tenge</i>	2023	2022
<b>Entities under the Parent's control</b>		
Sales to related parties	159,852	204,499
Purchases from related parties	133,561	361,806
Gain from operating lease	10,029	11,496
	<b>303,442</b>	<b>577,801</b>

<i>In thousands of tenge</i>	2023	2022
<b>Other state-owned companies</b>		
Finance income	1,026,507	-
	<b>1,026,507</b>	<b>-</b>

As a result of the above transactions, the Group had the following amounts due from related parties (due to related parties) as at 31 December 2023 and 2022:

<i>In thousands of tenge</i>	2023	2022
<b>Entities under the Parent's control</b>		
Trade accounts receivable	17,673	1,255
Accounts payable	(11,587)	(2,093,406)

<i>In thousands of tenge</i>	2023	2022
<b>Other state-owned companies</b>		
Current financial assets	12,165,418	-
	<b>12,165,418</b>	<b>-</b>

## Loans payable to the Parent company

Details of loans from the Parent are disclosed in Note 21.

## Transactions with the Government

The Government of Kazakhstan is the ultimate controlling party of the Group. As part of the implementation of the pilot national project "Comfortable School", the Group has concluded contracts for the implementation of comprehensive works and services for the construction of facilities and project management services. The Group applies the exemption provided by IAS 24 "Related Parties", which allows for simplified disclosures on transactions with Government-controlled entities.

## Compensation to the key management personnel

In 2023, key management personnel consisted of eight persons (2022: five persons). Total compensation to the key management personnel included in payroll expenses amounted to 152,285 thousand tenge for the reporting period (2022: 133,175 thousand tenge). Compensation to key management personnel mainly consists of salary and year-end bonus.

The Group performed additional procedures to determine related parties with respect to the key management personnel. As a result of these procedures no related parties were identified.

## 34. FINANCIAL COMMITMENTS AND CONTINGENCIES

## Contractual commitments

As at 31 December 2023, the Group had contractual obligations in the total amount of 9,109,212 thousand tenge (2022: 17,129,729 thousand tenge) under agreements with construction companies.

On 24 January 2019, the Group entered into a trust management agreement for the administrative building with the Parent company. The Group manages commercial space by leasing it to related parties and third parties. According to the terms of the agreement, the Group is obliged to ensure the safety, proper functioning and operation of the property.

## Samruk-Kazyna Construction JSC

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 34. FINANCIAL COMMITMENTS AND CONTINGENCIES (continued)

## Contractual commitments for the implementation of the pilot national project "Comfortable School"

In order to implement the pilot national project "Comfortable School", the Group has concluded contracts on the comprehensive works and services for the construction of secondary education facilities and contracts for the project management services with local authorities.

Within the framework of the concluded contracts, it is planned to purchase works on the construction of 359 facilities. During 2023, tender procedures were conducted for the purchase of works on the construction of 208 facilities.

As at 31 December 2023, the Group had contractual commitments to local authorities for the provision of project management services in the amount of 17,640,400 thousand tenge, as well as the comprehensive construction works and services recognized as agency agreements in the amount of 2,307,427,017 thousand tenge.

## Finance lease contractual commitments – Group as lessor

The Group entered into a number of finance lease agreements for real estate property consisting of certain residential and non-residential areas. These lease agreements are concluded for periods ranging from 10 to 20 years.

## Taxation

Kazakhstan's tax legislation and regulations are subject to ongoing changes and varying interpretations. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual, including opinions on approaches to revenue, expenses and other items of the financial statements. The current regime of penalties and interest related to unreported and discovered violations of Kazakhstan law are severe. Penalties are generally from 50% to 80% of the taxes additionally assessed and interest is assessed at the refinancing rate established by the National Bank of Kazakhstan multiplied by 1.25. As a result, penalties and interest can amount to multiples of any additionally assessed taxes. Fiscal periods remain open to review by tax authorities for five calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods. Because of the uncertainties associated with the Kazakhstan tax system, the ultimate amount of taxes, penalties and interest, if any, may be in excess of the amount expensed to date and accrued at 31 December 2023. The management believes that as at 31 December 2023 its interpretation of the relevant legislation is appropriate and that the Group's tax positions will be sustained, except as provided for or otherwise disclosed in these consolidated financial statements.

## 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main financial liabilities of the Group comprise loans from the Parent company, payables, other current financial liabilities and other current liabilities. The main purpose of these financial liabilities is to finance operating activities of the Group. The Group also has various financial assets such as cash and cash equivalents, finance lease debt, trade receivables, bank deposits and government bonds.

The main risks arising from these financial instruments comprise foreign currency risk, liquidity risk, and credit risk.

## Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with its financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet any commitments as they arise. As at 31 December, the Group's current liabilities did not exceed its current assets.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2023 and 31 December 2022, based on contractual undiscounted payments.

<i>In thousands of tenge</i>	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
<b>At 31 December 2023</b>						
Loans	46,374,563	-	900,595	3,101,970	888,465	51,265,593
Accounts payable	-	128,041	-	-	-	128,041
	<b>46,374,563</b>	<b>128,041</b>	<b>900,595</b>	<b>3,101,970</b>	<b>888,465</b>	<b>51,393,634</b>



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

## Liquidity risk (continued)

<i>In thousands of tenge</i>	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
<b>At 31 December 2022</b>						
Loans	59,082,123	–	2,460,739	3,974,725	3,306,486	68,824,073
Debt securities issued	–	1,543,200	13,428,698	–	–	14,971,898
Accounts payable	–	2,158,781	–	–	–	2,158,781
	<b>59,082,123</b>	<b>3,701,981</b>	<b>15,889,437</b>	<b>3,974,725</b>	<b>3,306,486</b>	<b>85,954,752</b>

## Credit risk

Financial instruments that potentially expose the Group to credit risk consist of cash on bank deposits and current bank accounts, accounts receivable, issued loan and finance lease receivables. The maximum exposure to credit risk is represented by the balance sheet value of each financial asset.

The Group is exposed to credit risk from its operating activities and certain investing activities. In the course of investing activity, the Group mainly places its deposits with Kazakh banks.

The table below shows the balances of cash, bank deposits with banks as at the reporting date using Standard & Poor's, Fitch and Moody's credit rating symbols less provisions made as well as cash in a cash control account in the regional treasury department of the Ministry of Finance of the Republic of Kazakhstan:

<i>In thousands of tenge</i>	Location	2023	Rating	2022	31 December 2023	31 December 2022
Cash control account	Kazakhstan	No rating	No rating	No rating	306,152,975	–
First Heartland Jusan Invest	Kazakhstan	Ba3/Positive	B1/ Stable	B1/ Stable	21,105,722	24,852,590
KazPost JSC	Kazakhstan	No rating	No rating	No rating	2,898,467	–
Reverse autoREPO with a basket of government securities	Kazakhstan	No rating	No rating	No rating	2,157,293	4,768,058
Halyk Bank JSC	Kazakhstan	BBB-/stable/BB+	BBB-/stable/BB+	BBB-/stable/BB+	323,637	19,062,516
Forté Bank JSC	Kazakhstan	BB-/stable/BB	BB-/negative/BB-	BB-/negative/BB-	–	1,488,827
Bank Centre Credit JSC	Kazakhstan	BB-/stable/BB	B+ /Stable	B+ /Stable	–	2,227,258
					<b>332,638,094</b>	<b>52,399,249</b>

## Fair value of financial instruments

As at 31 December 2023, financial assets at fair value through OCI comprised public debt securities. These financial assets are categorised within Level 1 of fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

Management has determined that the fair value of cash and short-term deposits, trade receivables and payables, bank overdrafts and other current liabilities approximately equal to their carrying amount, mainly due to the short-term nature of these instruments.

The fair value of the financial assets and liabilities included in the consolidated financial statements represent an amount for which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Fixed-rate receivables, finance lease receivables and borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics incidental to the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at 31 December 2023, the carrying amounts of such receivables, net of allowances, approximated their fair value.
- Fair value of quoted notes and bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities, and is categorised within Level 3 of fair value hierarchy.
- Fair value of financial assets at fair value through profit or loss is determined based on the price quotations in active markets.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

## Fair value measurement hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

- Level 1 — prices in active markets for identical assets or liabilities (without any adjustments).
- Level 2 — techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3 — techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The table below discloses the measurement hierarchy for assets and liabilities of the Group at the fair value.

Measurement hierarchy for assets at fair value as at 31 December 2023:

<i>In thousands of tenge</i>	Carrying amount	Fair value	Fair value measurement using		
			Quoted prices in an active market (Level 1)	Significant observable inputs (Level 2)	Significant non-observable inputs (Level 3)
<b>Assets measured at fair value</b>					
Government bonds of the Republic of Kazakhstan (Note 14)	467,532	467,532	467,532	–	–
<b>Assets with disclosed fair value</b>					
Loans issued (Note 9)	27,668,714	27,668,714	–	–	27,668,714
Finance lease receivable (Note 8)	40,378,812	40,378,812	–	–	40,378,812
Trade accounts receivable	875,838	875,838	–	–	875,838

Measurement hierarchy for liabilities at fair value as at 31 December 2023:

<i>In thousands of tenge</i>	Carrying amount	Fair value	Fair value measurement using		
			Quoted prices in an active market (Level 1)	Significant observable inputs (Level 2)	Significant non-observable inputs (Level 3)
<b>Liabilities for which fair values are disclosed</b>					
Loans (Note 21)	46,374,563	46,374,563	–	–	46,374,563
Accounts payable	128,041	128,041	–	–	128,041
Other current liabilities	1,576,764	1,576,764	–	–	1,576,764

Measurement hierarchy for assets at fair value as at 31 December 2022:

<i>In thousands of tenge</i>	Carrying amount	Fair value	Fair value measurement using		
			Quoted prices in an active market (Level 1)	Significant observable inputs (Level 2)	Significant non-observable inputs (Level 3)
<b>Assets measured at fair value</b>					
Government bonds of the Republic of Kazakhstan (Note 14)	426,806	426,806	426,806	–	–
<b>Assets for which fair values are disclosed</b>					
Loans issued (Note 9)	24,138,205	24,138,205	–	–	24,138,205
Finance lease receivable (Note 8)	47,309,507	47,309,507	–	–	47,309,507
Trade accounts receivable	320,370	320,370	–	–	320,370

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****Fair value measurement hierarchy (continued)**

Measurement hierarchy for liabilities at fair value as at 31 December 2022:

In thousands of tenge	Carrying amount	Fair value	Fair value measurement using		
			Quoted prices in an active market (Level 1)	Significant observable inputs (Level 2)	Significant non-observable inputs (Level 3)
<b>Liabilities for which fair values are disclosed</b>					
Loans (Note 21)	59,082,123	59,082,123	-	-	59,082,123
Debt securities issued	13,174,356	13,174,356	-	-	13,174,356
Accounts payable	2,158,781	2,158,781	-	-	2,158,781
Other current liabilities	1,088,076	1,088,076	-	-	1,088,076

**Changes in liabilities resulting from financing activities**

The table below discloses the changes in short term financing liabilities for 2023 and 2022:

In thousands of tenge	1 January 2023	Cash inflow	Cash outflow	Change in exchange rates	Interest paid	Other*	31 December 2023
Loans	59,082,123	-	(12,707,561)	-	(1,096,049)	1,096,050	46,374,563
Debt securities issued	13,174,356	-	(8,840,000)	(4,121,289)	(770,089)	557,022	-
<b>Total liabilities</b>	<b>72,256,479</b>	<b>-</b>	<b>(21,547,561)</b>	<b>(4,121,289)</b>	<b>(1,866,138)</b>	<b>1,653,072</b>	<b>46,374,563</b>

In thousands of tenge	1 January 2022	Cash inflow	Cash outflow	Change in exchange rates	Interest paid	Other*	31 December 2022
Loans	81,880,635	-	(28,029,326)	5,439,433	(2,394,211)	2,185,592	59,082,123
Debt securities issued	11,801,600	-	-	1,223,911	(962,400)	1,111,245	13,174,356
<b>Total liabilities</b>	<b>93,682,235</b>	<b>-</b>	<b>(28,029,326)</b>	<b>6,663,344</b>	<b>(3,356,611)</b>	<b>3,296,837</b>	<b>72,256,479</b>

\* The column "Other" mainly presents the amount of accrued interest on loans. The Group classifies interest paid as cash flows from operating activities.

**Capital management**

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were introduced in objectives, policies or processes from the date of formation through 31 December 2023.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group includes loans from the Parent, government bonds and accounts payable within net debt.

The gearing ratio at 31 December 2023 and 2022 is presented in the following table:

In thousands of tenge	2023	2022
Loans	46,374,563	59,082,123
Debt securities issued	-	13,174,356
Accounts payable	128,041	2,158,781
<b>Net debt</b>	<b>46,502,604</b>	<b>74,415,260</b>
Equity	61,032,151	63,985,367
<b>Debt-equity ratio</b>	<b>0.76</b>	<b>1.16</b>

**36. SUBSEQUENT EVENTS**

On 16 February 2024, the Group completed the re-registration of the land plot intended for sale under the termination agreement of the construction investment agreement (Note 19, 25).





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