

**Attn: KEGOC's shareholders**

## **EXPLANATORY NOTE**

**on the agenda item of the extraordinary General Meeting of Shareholders of KEGOC: Approval of the semi-annual financial statements of KEGOC as of and for the six months ended 30 June 2023, the procedure for the distribution of KEGOC's net income, the decision to pay the dividends on ordinary shares, and approval of the amount of dividend per one ordinary share of KEGOC for the first half of 2023.**

1. In accordance with sub-clauses 21) and 22) of clause 1 of Article 18 of the KEGOC's Charter, the exclusive jurisdiction of the General Meeting of Shareholders of KEGOC includes the approval of the semi-annual financial statements of KEGOC, approval of the distribution of the net income of KEGOC for the first half of the reporting fiscal year, making a decision on the payment of dividends on ordinary shares and approving the amount of dividend per one ordinary share of KEGOC.

KEGOC's financial statements for the year ended on 30 June 2023 were audited by RSM Qazaqstan LLP, an independent audit firm. According to the auditor's report, the consolidated and separate financial statements reliably reflect KEGOC's financial health in all material aspects as of 30 June 2023, as well as KEGOC's financial performance and cash flows for the year ended on the mentioned date in compliance with the International Financial Reporting Standards (IFRS).

The copies of the consolidated and separate interim financial statements as on 30 June 2023 and for the period ended on that date, are attached.

According to the consolidated interim financial statements as at 30 June 2023, KEGOC had KZT 981,832,737 thousand in assets, KZT 318,403,545 thousand in liabilities, and KZT 663,429,192 thousand in equity. The income of KEGOC for the period ended on 30 June 2023 amounted to KZT 120,806,809 thousand; the expenses amounted to KZT 92,269,598 thousand, expenses on corporate income tax were KZT 5,519,853 thousand, net profit was KZT 23,017,358 thousand.

In accordance with clauses 6 and 7 of the Regulations on the dividend policy of KEGOC, the dividends shall be paid from the net income for the corresponding financial year or half-year, or the retained earnings, calculated on the basis of the IFRS consolidated financial statements of KEGOC, and the dividend amount on ordinary shares shall be not less than 40% of the net income. According to clauses 5 and 9 of the Regulations on dividend policy of KEGOC allows payment of dividends for the first half of 2023, as for the first half of 2023 KEGOC had positive equity and equity capital, and they will not become negative as a result accrual of dividends. KEGOC does not show any signs of insolvency in accordance with the legislation of the Republic of Kazakhstan on bankruptcy, and these signs will not appear for KEGOC as a result of the accrual of dividends.

Based on the above, it is proposed to the extraordinary General Meeting of KEGOC Shareholders:

1) Approve the financial statements of KEGOC as of and for six months ended on 30 June 2023.

2) Approve the following procedure for the distribution of net profit for H1 2023 by KEGOC located at: 59 Tauyelsizdik ave, city of Astana, BIN 970740000838, KBE 16, seven KZ736010111000023853 in Halyk Bank of Kazakhstan BIC HSBKKZKX:

- allocate 87,8132578960626% of the net income for H1 2023 or KZT 20,212,291,941.40 (twenty billion two hundred twelve million two hundred ninety-one thousand nine hundred forty-one tenge 40 tiyn) as payments of dividends to all holders of ordinary shares of KEGOC;

- the remaining amount in the amount of KZT 2,805,066,058.60 (two billion eight hundred five million sixty-six thousand fifty-eight tenge 60 tiyn), amounting to 12.1867421039374% of KEGOC's net income for the H1 2023, to be left at the disposal KEGOC for development.

3) Approve KZT 77.74 (seventy-seven tenge 74 tiyn) as the amount of dividend per one ordinary share of KEGOC for H1 2023;

4) Finalize the list of KEGOC's shareholders entitled to obtain dividends on KEGOC's ordinary shares for H1 2023, as on 10 October 2023, 00.00 am;

5) Determine 16 October 2023 as the date to commence payment of dividends on ordinary shares of KEGOC for H1 2023.

6) Pay the dividends through Central Security Depository JSC, the payment agent, in the form of cashless transfer to the shareholders' accounts within ninety (90) calendar days from the date of approval of this decision.

2. Should the extraordinary General Meeting of Shareholders of KEGOC fail to adopt the proposed decision, there would be a risk of deterioration of the corporate governance in terms of timely and full disclosure of the financial position of KEGOC to the shareholders and other interested parties. There are no risks in case of adoption.

3. No social and economic and/or legal impact was expected, if the extraordinary General Meeting of Shareholders of KEGOC would approve this agenda item.

4. This agenda item was earlier considered by KEGOC's Board of Directors (Minutes No. 9 dated 25 August 2023).

**Chairman of KEGOC's Management Board,  
member of KEGOC's Board of Directors**

**Nabi Aitzhanov**

## Decision

**on the agenda item of the extraordinary General Meeting of Shareholders of KEGOC: Approval of the semi-annual financial statements of KEGOC as of and for the six months ended 30 June 2023, the procedure for the distribution of KEGOC's net income, the decision to pay the dividends on ordinary shares, and approval of the amount of dividend per one ordinary share of KEGOC for the first half of 2023.**

Having considered the agenda item and presented materials in accordance with sub-clauses 21) and 22) of clause 1 Article 18 of KEGOC's Charter, **the extraordinary General Meeting of KEGOC Shareholders DECIDED to:**

1. Approve the KEGOC's interim financial statements as of and for six months ended on June 30, 2023, as attached hereto;

2. Approve the following procedure for the distribution of net profit for H1 2023 by KEGOC located at: 59 Tauyelsizdik ave, city of Astana, BIN 970740000838, KBE 16, seven KZ736010111000023853 in Halyk Bank of Kazakhstan BIC HSBKKZKX:

- allocate 87,8132578960626% of the net income for H1 2023 or KZT 20,212,291,941.40 (twenty billion two hundred twelve million two hundred ninety-one thousand nine hundred forty-one tenge 40 tiyn) as payments of dividends to all holders of ordinary shares of KEGOC;

- the remaining amount in the amount of KZT 2,805,066,058.60 (two billion eight hundred five million sixty-six thousand fifty-eight tenge 60 tiyn), amounting to 12.1867421039374% of KEGOC's net income for the H1 2023, to be left at the disposal KEGOC for development.

3. Approve KZT 77.74 (seventy-seven tenge 44 tiyn) as the amount of dividend per one ordinary share of KEGOC for H1 2023.

4. Finalize the list of KEGOC's shareholders entitled to obtain dividends on KEGOC's ordinary shares for H1 2023, as on 10 October 2023, 00.00 am.

5. Determine 16 October 2023 as the date to commence payment of dividends on ordinary shares of KEGOC for H1 2023.

6. Pay the dividends through Central Security Depository JSC, the payment agent, in the form of cashless transfer to the shareholders' accounts within ninety (90) calendar days from the date of approval of this decision.

7. The Chairman of the Management Board of KEGOC (Nabi Aitzhanov) to take actions as required by this decision.