Prospective investors in our Shares should consider carefully all of the information presented in this document, including the following risks, uncertainties and special considerations in connection with an investment in our Company, as well as the Competent Person's Report set out in Appendix III in respect of, inter alia, our business and industry, before making any investment decision in relation to the **[REDACTED]**. *The occurrence of any of the following risks may have a material adverse effect on the business, results of operations, financial conditions and future prospects of our Group. Additional risks not currently known to us or that we now deem immaterial may also harm us and affect your investment. The market price of our Shares could decline due to any of these risks and uncertainties and you may lose all or part of your investments.*

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorised these risks and uncertainties into: (i) risks relating to our business and industry; (ii) risks relating to conducting business in Kazakhstan; and (iii) risks relating to our Shares, the [**REDACTED**] and the [**REDACTED**].

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our exploration, development and operations involve uncertainties and risks, including those inherent in the oil industry, such that our development plan and the level of expected profitability may not be achieved.

As part of our growth strategy, we intend to further explore and develop our oil reserves and resources within Blocks A and E of the Atyrau region of the Republic of Kazakhstan. Our growth depends on our ability to develop and operate our oilfields at reasonable cost and within our targeted production timeframe, which is dependent upon factors beyond our control.

Oil exploration involves a high degree of risk and there is no assurance that expenditures made on future exploration will result in new discoveries of oil in commercial quantities. It is difficult to project the costs of implementing an exploration drilling programme due to inherent uncertainties of drilling in unknown formations. The costs are often uncertain when associated with unpredictable drilling conditions such as over pressured zones, unexpected drilling conditions, unfavourable weather conditions and changes in drilling plans and locations. We endeavour to increase our chances of success through the use of data to identify targets. Future oil exploration may involve unsuccessful efforts, not only from dry wells, but from wells that are productive but do not produce sufficient revenues to return a net profit after drilling, operating and other costs.

We will continue to evaluate oil reserves and resources or prospects on an ongoing basis in a manner consistent with industry standards. Our long-term commercial success depends on our ability to develop and commercially produce oil reserves and resources. Drilling hazards or environmental damage may increase the cost of operations. Drilling and production delays and declines from normal field operating conditions may adversely affect revenue and cash flow levels to varying degrees. Reservoir quality or equipment failures and design flaws could increase the costs of extraction. The costs of producing and transporting oil could also impact profitability. Failure to develop and produce commercial quantities of oil could have an adverse impact on our future growth prospects, results of operations and revenue.

The marketability of crude oil may be affected by numerous factors beyond our control. These factors include fluctuations in market prices, the proximity and capacity of pipelines and processing, the availability of equipment, the development and condition of infrastructure necessary to carry out our operations and government regulations (including regulations relating to prices, taxes, royalties, land tenure, allowable production, importing and exporting of oil and environmental protection). Our estimates of production costs have also been based on our current operating factors for our existing oilfields. Actual production costs may differ materially from such estimates. Moreover, it is possible that other developments, such as increasingly strict environmental and safety laws and regulations and enforcement policies could result in substantial additional costs and liabilities, delays or an inability to complete our development plan or the abandonment of our development plan.

Our principal activities are conducted within Blocks A and E in the Atyrau region and are currently our sole source of revenue.

We conduct our principal operations within Blocks A and E in the Atyrau region of the Republic of Kazakhstan pursuant to the SSU Contracts, of which we are granted the right to conduct exploration and production of hydrocarbons in these areas. Our activities in Blocks A and E in the Atyrau region of Kazakhstan are currently our sole source of revenue, and hence, our success depends heavily on the success of these activities. Any event that adversely interferes with our ability to conduct operations in such an area, or that adversely impacts production volumes or quality, or levels of reserves or resources, could have an adverse effect on our business, prospects, financial status and the **[REDACTED]** price of our Shares.

The Competent Person has identified a number of risks and recommendations in estimating our oil resources, reserves and operations, as set forth in "Appendix III — Competent Person's Report — Appendix P — Guidance Note 7." The key risks identified by the Competent Person included the following:

- non-renewal of production rights;
- well chance of discovery is estimated by management to be 95% which is considered to be high and the cost of exploration will go up;
- quality in the resolution of the geophysics and insufficient definition of reservoir targets;
- calculation and quantification of petrophysics information and careful monitoring of reservoir pressures and drawdown characteristics;
- transport to terminal;

- external ESG pressures and shareholder activism;
- commodity price;
- European export pipelines and shipping;
- digital instrumentation and administration; and
- underestimation of capital costs and capital expenditure and delay in start of production.

The Competent Person has confirmed that the commodity price volatility poses the highest risk among other risks identified in the Competent Person's Report which are classified as either low or medium risks and none of those other risks are critical.

Our Group's revenue and net profits may be volatile because of changes in crude oil and refined petroleum products prices which are subject to factors beyond our control.

Sale of crude oil and petroleum products refined from our crude oil are our only sources of revenue. The price of crude oil, the price of refined petroleum products and the revenue realised by us from the sales of crude oil and refined petroleum products are affected by a variety of factors beyond our control. The Ministry of Energy and the Ministry of National Economy's Committee for Regulation of Natural Monopolies are also empowered by Kazakhstan legislation to regulate the marginal wholesale and retail prices for certain of our refined petroleum products. For export sales of crude oil in particular, the price of crude oil is generally sold by us with reference to the Brent crude oil benchmark and we may offer discounts to the selling price of crude oil to our customer pursuant to the relevant sale and purchase agreement. There can be no assurance that the price per barrel of crude oil will not vary significantly. Any decline in the price of Brent crude oil or any resulting curtailment in our overall production volumes may result in a reduction in revenue and net profits, or compromise our ability to make planned capital expenditures or to incur costs necessary for the development of our oilfields and may materially and adversely affect our business, prospects, financial condition, cash flows or results of operations. Importantly, if the price per barrel falls below certain budgeted amounts for a sustained period of time, we may need to revise our capital allocation and may not meet our overall production plans or continue with certain exploration projects.

The Group's business and results of operations may be adversely affected by the ongoing military conflict between Russia and Ukraine.

In February 2022, Russia declared the commencement of special military operation in the territory of Ukraine and Russian military forces deployed into Ukraine (the "**Military Conflict**"). In response to this, various countries imposed sanctions against Russia and particularly in the early stages of the Military Conflict, the extent and participation of the sanctions were uncertain. On 8 March 2022, the United States imposed a ban on imports of oil, liquefied natural gas and coal from Russia. In addition, the European Union has banned all imports of refined oil products from Russia in February 2023 and the United Kingdom has banned Russian oil and oil products imports from December 2022. On 2 September 2022, the G7 group of nations also agreed to cap the price of Russian-origin oil and on 3 December 2022, the G7 group of nations and Australia agreed to cap the price of Russian-origin oil at US$60 per barrel from 5 December 2022. On 5 February 2023, the Price Cap Coalition came into effect which targeted Russian diesel and other refined petroleum products. In response, Russia announced plans to cut crude oil production and exports for March 2023 on 10 February 2023 and 22 February 2023 respectively, and raised the possibility of extending these measures by the end of the month.

The Military Conflict, the oil-related sanctions imposed by the Price Cap Coalition and import ban from the European Union and various countries have caused a surge in Brent Crude oil prices. At the same time, although crude oil originating from Kazakhstan when carried via Russian pipeline network was not a subject of sanctions, our Directors consider that many traders, including Customer A, had capitalized on a period of uncertainty to bargain for a higher discount to Brent Crude oil price on our oil exports. From the end of March 2022 to June 2022, the discount to Brent Crude oil price for our oil export sales ranged from approximately US$35/bbl to approximately US$43/bbl. However notably, the Brent Crude oil price increased from approximately US$107/bbl from the end of March 2022 to approximately US$120/bbl at the end of June 2022 which partially offset the impact of the discount.

In June 2022, Kazakhstan announced the rebranding of crude oil it exports via the Russian pipeline network as Kazakhstan Export Blend Crude Oil ("**KEBCO**") to differentiate itself against Russian oil in order to avoid sanction risks and issues with financing. Since June 2022, our crude oil exports had been classified as KEBCO. From July 2022 to March 2023, discount to Brent Crude oil price for our oil export sales steadily decreased from approximately US$37.5/bbl to approximately US$18.4/bbl.

Due to the ongoing geopolitical uncertainty around Russia and Ukraine, in particular regarding the length of the conflict and future actions that may be taken by the government, there may be continuous impact to the volatility of oil prices and accordingly our selling prices may be materially impacted.

Our Group may not be able to successfully operate the Refined Petroleum Products Business

In November 2022, our Group commenced the sale of refined petroleum products such as diesel, gasoline, heating oil and jet fuel to domestic customers in Kazakhstan. There is no assurance that our Group will be able to pursue the Refined Petroleum Products Business on a commercially viable basis or in a profitable manner. In addition, our Group relies on an independent domestic refinery plant and third-party contractors for provision of oil transportation services for the operation of the Refined Petroleum Products Business and we are therefore subject to risks relating to the performance of the domestic refinery plant and third-party contractors which may expose us to risks including disruption to our operation and quality issues. Our Group may also have difficulty in retaining domestic customers for our refined petroleum products and engaging knowledgeable management personnel to manage and operate the Refined Petroleum Products Business. There is no assurance our Refined Petroleum Products Business will be successful. In addition, in light of the recent commencement of the new Refined Petroleum Products Business, it is relatively difficult to evaluate the growth potential of our business. As a result, our Group may not be able to achieve the intended business expansion, economic benefits or demonstrate the commercial viability of the Refined Petroleum Products Business.

Our development plan may be delayed or may not progress within budget or achieve commercial viability.

The completion of our development plan could be delayed or experience delays due to a number of factors, including:

- availability of capital;
- the effect of and any changes to regulations of the oil industry by various government and governmental agencies;
- non-performance, negligence, misconduct or error by third party contractors and operators;
- unfavourable weather conditions;
- availability of infrastructure and pipeline capacity;
- increases in materials or labour costs;
- catastrophic events such as fires, storms, floods or explosions;
- the breakdown or failure of equipment or processes;
- construction, procurement and/or performance falling below expected levels of output or efficiency;
- changes in project scope;
- violation of permit requirements;
- surface access restrictions or other restrictions on accessing project sites;
- subsurface conditions;
- decrease in demand for commodities or decrease in commodity prices or increase in supply for commodities; and
- interest rates fluctuations leading to increased cost of borrowings.

Because of these factors, we may not be able to execute or develop our oilfields or facilities on time, on budget, or at all, and may be unable to process and market the oil that we may produce.

While we have a schedule for developing our oilfields, including obtaining regulatory approvals and commencing and completing the construction of our oil processing facilities and relevant infrastructures, we cannot assure you that our expected timetables will be met without delays, or at all, which could have potentially adverse effects upon our budgets. Any delays may increase the costs for developing our oilfields, requiring additional capital. Accordingly, our plans and objectives may change from those described in this document and we cannot assure you that such capital will be available in a timely and cost effective fashion.

The oil reserves and resources data, volumes and present value calculations presented in this document are only estimates and actual results may differ.

There are numerous uncertainties inherent in estimating quantities of oil reserves and resources and resultant cash flows, including many factors that may change and are beyond our control. The oil reserves and resources and any associated cash flow information set forth in this document represents estimates only and are based on a number of assumptions. In general, estimates of economically recoverable oil reserves and the resultant future net cash flows are based upon a number of variable factors and assumptions, such as historical production from the oilfields, production rates, ultimate reserve recovery, well chance of discovery, timing and amount of capital expenditures, marketability of oil, royalty rates, the assumed effects of regulation by governmental agencies and future production cost, all of which may vary from actual results. All such estimates are to some degree uncertain, and classifications of oil reserves are only attempts to define the degree of certainty involved. For these reasons, estimates of economically recoverable oil reserves attributable to any particular oil field, classification of such oil reserves is based upon the risk of recovery. Estimates of future net revenues prepared by different professionals, or by the same professionals at different times, may vary. Our actual production, revenues, taxes and development and operating expenditures with respect to our oil reserves and resources may vary from the estimates reported here.

Although we have reported a range of NPV values at different discount rates in the Competent Person's Report, we used the NPV10% for our Probable (2P) oil reserves to estimate the present value of future net revenues from our operations. Pre-tax NPV10% is the estimated present value of our future net revenues generated from our Probable Reserves (2P) before income taxes, discounted using an annual discount rate of 10%. The results for the Proven Reserves (1P) and the Possible Reserves (3P) estimates are also shown. Post tax NPV10% is the same calculation on an after income tax basis. NPV10% is not a measure of financial or operating performance, nor is it intended to represent the current project value for the full field development plan or the market value of our estimated oil reserves. Estimates with respect to oil reserves that may be developed and produced in the future are often based on volumetric calculations and probabilistic methods, rather than upon actual production history. While we believe that the presentation of NPV10% for our Probable Reserves (2P) provides useful information to investors in evaluating and comparing the relative size and value of our oil reserves, calculations of our future net revenues using NPV10% for the Probable Reserves (2P) are inherently uncertain but imply a 50% chance of success. Furthermore, the Competent Person, in the Competent Person's Report, has used a range of other discount rates to calculate the NPV of future net revenues which would produce different results from the use of NPV10%. We make no representation that NPV10% is the correct or best discount rate to use and NPV10% estimates are presented in this document for reference only.

Our Group's business could be adversely affected if we fail to maintain or renew existing permits, licenses and the SSU Contracts or fail to comply with the terms of our existing or future permits, licenses and the SSU Contracts.

There can be no guarantee as to the terms of any such permits, licenses, the SSU Contracts or assurance that current or future permits, licenses and the SSU Contracts will be renewed or, if so, on what terms when they come up for renewal. It is possible that, in the event of any material non-compliance with the terms of any such permits, licenses and SSU Contracts, we may risk our interest in those permits, licenses and SSU Contracts being forfeited. Although our management believes that our Group's exploration activities are currently carried out in accordance with all material applicable rules and regulations in all material respects, no assurance can be given that new rules, laws and regulations will not be enacted, or that existing or future rules and regulations will not be applied in a manner which could serve to limit or curtail exploration, production or development of our business or have an otherwise negative impact on our activities. Amendments to existing rules, laws and regulations governing our operations and activities of exploration and production, or increases in or more stringent enforcement, implementation or interpretation thereof, could have a material adverse impact on our business, results of operations and financial condition and our industry in general in terms of additional compliance costs.

Our SSU Contracts and related working programmes or project documents contain a range of obligations on our Group, and there may be adverse consequences of breach of these obligations ranging from penalties to, in extreme cases, suspension or termination of the SSU Contracts. While our Group has obtained all material permits, approvals, titles and agreements required for our operations, should we identify future exploration opportunities, there is a risk that the necessary permits, consents, titles, authorisations and agreements to implement planned exploration, preparation or production may not be obtained or renewed under conditions or within time frames that make such plans economical, that applicable laws, regulations or the governing authorities will change or that such changes will result in additional material expenditures or time delays. At the moment, production periods under the E&P Contract expire in December 2030 for East Makat Oilfield, in December 2026 for Borkyldakty Oilfield and in December 2028 for Asanketken Oilfield. Under the Contract No. 4947, production expires in September 2034 for Sagiz West Oilfield and under the Contract No. 4948, production expires in September 2033 for Kyzylzhar I East Oilfield. As advised by our Kazakhstan Legal Advisers, we have the right to apply for an extension of the production period for a maximum of up to 25 consecutive years at a time for each production oilfield under each of the SSU Contracts. According to the SSU Code (as in effect as at the date of this document), upon expiration of the extended production period, we may apply for further extension for additional 25 consecutive years at a time for unlimited number of times as long as the production at such oilfield is commercially viable. Please refer to the section headed "Regulatory Overview — Regulation of Mineral Rights in Kazakhstan" in this document for further information on the extension of the production and exploration periods under our SSU Contracts.

Our growth strategy requires a significant amount of capital and we may not be able to finance our future planned capital expenditure.

The exploration and development of our oilfields requires a significant amount of capital investment. As detailed in the sections headed "Business — Planned production schedule and development plan" and "Future Plans and [**REDACTED**]", we plan to focus on (i) bringing the seven oilfields under appraisal stage into full field development phase, namely, Dossor SE Oilfield, Kyzylzhar II Oilfield, Zharshik Oilfield, Zhylaya Kossa

Oilfield, Akatkol Oilfield, Kyzylkala Oilfield and Karasay Oilfield; (ii) constructing new pipelines from each of the seven oilfields to connect, either directly or indirectly, to the Makat Terminal; and (iii) upgrading our Makat Terminal, as part of our three-year development plan. We estimate that the initial capital investments required in order to implement our three-year development plan to be approximately US$1,101.0 million. We intend to fund approximately US$**[REDACTED]** of capital expenditure from the **[REDACTED]** of the **[REDACTED]** while the remaining capital expenditure of approximately US$587.8 million will be financed by operating cash inflow and/or available banking facilities. Therefore, **[REDACTED]** from the **[REDACTED]** alone is not sufficient to implement our three-year development plan and there is no assurance that we will be able to finance the remaining capital expenditure with operating cash inflow and/or available banking facilities.

We have obtained a non-legally binding indicative term sheet dated 4 April 2022 issued by Bank CenterCredit JSC, which had conditionally offered to provide the financing for the ramp-up of production and industrial infrastructure in Blocks A and E in Atyrau region in the amount of US$150 million. For details, please refer to the section headed "Future Plans and **[REDACTED]** — The Bank CenterCredit Facility". Nevertheless, the term sheet of the Bank CenterCredit Facility is indicative only. Negotiations are ongoing with Bank CenterCredit JSC in respect of the terms of a legally-binding agreement for the Bank Facility. There is no assurance that a legally-binding agreement for the Bank CenterCredit Facility will be entered into between us and Bank CenterCredit JSC.

Our ability to obtain alternative financial resources on acceptable terms in the future is subject to uncertainties with respect to, among other things:

- investors' perception of the appetite for securities of companies engaged in the oil exploration and production business;
- conditions in the capital and financial markets in which we may seek to raise funds;
- our future results of operations, financial condition and cash flows;
- the Kazakhstani government's approval and regulation of foreign and domestic investment in companies engaged in oil exploration and production; and
- economic, political and other conditions in Kazakhstan and elsewhere in the world.

If we are unable to obtain additional financial resources or there is a delay in obtaining such financial resources when we need, our business, financial condition and results of operations may be materially and adversely affected.

Our E&P Contract and related assets were acquired from Manash and our limited operating history may not serve as an adequate measure of our future prospects and results of operations.

We acquired the E&P Contract and related assets from Manash pursuant to a sale and purchase agreement dated 27 April 2020. As part of the assets acquisition, we also entered into (i) a deed of guarantee with Avrora and Manash to assume certain debts owed by Manash to Avrora in the amount of KZT22.0 billion (equivalent to approximately US$50.9 million); and (ii) a deed of guarantee with Amrita and Manash to assume certain debts owed by Manash to Amrita in the amount of KZT24.4 billion (equivalent to approximately US$56.5 million). For details, please refer to the section headed History, Reorganisation and Corporate Structure — Asset acquisition" in this document. Our E&P Contract and related assets were acquired directly and indirectly from counterparties which were under substantial financial difficulties at the material time and later went into liquidation and dissolution. In the event that any third parties take legal action against us there is no assurance that we will be able to defend ourselves or settle such claims. If we suffer financial losses and/or incur any liability as a result of the foregoing, our business operations, financial condition and prospects may be materially and adversely affected and it could prevent us from successfully implementing our business strategies.

Our limited operating history as an oil exploration and production company could also adversely affect our overall operating efficiency and ability to implement our business strategies. In comparison to other competitors in the oil exploration and production industry with a longer operating history, we may not have sufficient experience to address the risks frequently encountered by companies, including our potential failure to:

- improve operating efficiency;
- maintain profitability;
- acquire and retain customers;
- attract and retain our employees;
- manage our expanding operations;
- anticipate and adapt to any changes in laws and regulations in relation to the oil exploration and production industry; or
- maintain adequate control over our costs and expenses.

If we fail to address any or all of these risks and challenges, our business and financial results may be materially and adversely affected. Furthermore, we have only limited historical operating data and financial information available in which you can base your evaluation of our business and prospects. Accordingly, you should consider our business and prospects in light of the risks, expenses and challenges that we will face as a company with limited operating history.

Government policies and regulations on the oil sector, including in respect to pricing and domestic supply requirements, may affect our Group's business.

The SSU Code requires that the entire volume of the hydrocarbons produced in Kazakhstan (including our Group) during the exploration period and trial production (preparatory period) must be supplied to the domestic market save for hydrocarbons used by a subsoil user for its technological needs. During the full field development phase, all oil producers in Kazakhstan, including our Group, must supply some of their crude oil production to domestic refineries or, in case if the domestic refinery is out of operations, to refineries outside of Kazakhstan, to meet oil and oil products needs of the domestic market. The Ministry of Energy decides the volume of crude oil that needs to be supplied to the domestic market on a monthly basis for each subsoil user individually. Historically, the volume of domestic supplies by our Group was around 44.6% to 80.3% during the Track Record Period. As domestic consumption of oil and refined oil products rises, we may be compelled by the Government to sell a larger portion of our production in furtherance of socially mandated policies. If we are required to supply a larger portion of oil to the domestic market at prices which are regulated by the Government which is found to be substantially less than the sales of such products in the export market at international market prices, our business, prospects, financial condition and results of operations may be materially adversely affected.

Our ownership over the hydrocarbons extracted pursuant to the SSU Contracts is subject to the Kazakhstani Government's pre-emptive right to purchase hydrocarbons.

Our Kazakhstan Legal Advisers have advised that we have ownership over the hydrocarbons extracted at our oilfields. At the same time, as described in the above risk, all oil producers in Kazakhstan (including our Group) must supply crude oil to domestic market on monthly basis.

In addition to our Group's obligation to supply to the domestic market, the SSU Code vests in the Government the pre-emptive right to purchase hydrocarbons in emergency circumstances or in other instances when it concludes that the pre-emptive purchase is necessary to cover the needs of domestic market. The pre-emptive right is exercised by the Competent Authority based on the resolution of the Kazakhstani Government. The maximum volume of hydrocarbons which is subject to the pre-emptive purchase right is set in the E&P Contract (not more than 50% of the hydrocarbons produced in the reporting year), the Contract No. 4947 and the Contract No. 4948 (in both cases, the exact volume is not set and will be determined based on the overall domestic market needs at the moment and the proportion of the volume of oil produced by our Group of the aggregate volume of oil produced in Kazakhstan). The pre-emptive purchase price shall not exceed the prices on international markets at the moment of purchase, less the transportation and sales costs. If the Government of Kazakhstan exercises its pre-emptive right and we are compelled to supply a larger volume of oil to the domestic market at a price which is found to be substantially less than the sales of such products in the export market at international market prices, our business, prospects, financial condition and results of operations may be materially adversely affected.

Moreover, in a state of emergency or martial law each of the SSU Contracts entitles the Government of Kazakhstan to requisite all or a portion of the hydrocarbons produced by us. In these circumstances, the Government shall reimburse for the requisitioned hydrocarbons in kind or in cash payable in Tenge. The reimbursement price shall not exceed the prices for which we sold hydrocarbons at the date of requisition (less the transportation and sales costs).

Fluctuations in foreign currencies may adversely affect our business, financial condition and results of operations.

Our Group's principal exchange rate risk involves changes in the value of the U.S. dollar relative to the Tenge and, to a lesser extent, relative to other currencies. Most of our Group's cash inflows, as well as our accounts receivable balances, are denominated in U.S. dollars, whilst a significant amount of our Group's costs of sales are denominated in Tenge. On the revenue side, all of our Group's export revenue, including the exports of crude oil products, are denominated in U.S. dollars or are correlated with U.S. dollar-denominated prices for crude oil products. Because most of our Group's revenue is denominated in U.S. dollars, whilst a significant share of our costs are Tenge-denominated, we generally benefit from an appreciation of the U.S. dollar against the Tenge, which consequently has a positive effect on Group's results of operations. However, we do not intend to hedge our exposure to the risk of fluctuation in currencies. If the Tenge were to strengthen against the U.S. dollars, this could have a material adverse effect on our business, financial condition, and results of operations.

Drilling and other equipment for exploration and development activities may not be available when needed.

Oil exploration and development activities are dependent on the availability of drilling and related equipment in the areas where such activities will be conducted (typically leased from third parties). If the demand for this equipment exceeds the supply at any given time, or if the equipment is subject to access restrictions, our exploration and development activities could be delayed. We cannot assure you that sufficient drilling and other necessary equipment will be available as needed by us. Shortages could delay and/or increase the cost of our proposed exploration, development and sales activities, and could have a material adverse effect on our business, results of our operations, financial position and growth prospects.

Shortages in water supply may adversely affect our business, results of operations and financial position.

We drill injection wells into oil reservoirs and inject water separated back into the reservoirs in order to maintain reservoir pressure. Although we use the produced water which is treated through our water treatment system for our operations rather than through purchasing from third party supplier, we cannot assure you that the produced water from the water treatment system would be sufficient for our operations. Any shortages or disruption in our water supply could lead to increased costs, and any delays or difficulties in maintaining adequate water supply for our injection wells could adversely affect our operations.

Our operations are subject to environmental risk, and we are required to comply with environmental laws and regulations which may continue to develop and change.

Our operations are subject to the environmental risks inherent in oil exploration and production. Our potential environmental liabilities primarily include land contamination, gas flaring, the disposal of waste and oil spills.

The costs of environmental compliance in the future and potential liability due to any environmental damage that may be or may have been caused by us could be material. Moreover, we could be adversely affected by future actions and fines imposed on us by the environmental authorities, including the potential suspension or revocation of one or more of our environmental permits. We monitor our compliance with the environmental laws and regulations to ensure that our operations and production do not bring any additional negative environmental effects.

We depend upon the experience and services of experienced management and skilled staff and our business may be severely disrupted in the event that we lose their services and are unable to find replacements with comparable experience and expertise.

Our business and operations depends upon the continued services of our experienced management team and other skilled staff. We rely on their expertise in the oil industry to develop our business strategies and to manage our business operations and growth. We also rely on the technical know-how of our management team for our operations, including drilling methods and process management throughout the exploration, preparatory period and production phases. The unexpected loss or departure of any of our management could adversely affect our business, our financial conditions and results of operations. Moreover, should we need to attract new talents, we may have to incur additional expenses to recruit, train and retain such personnel, which could materially and adversely affect our results of operations.

Our business operations and continued growth depends on our ability to recruit and retain suitable staff. Our oilfields will require experienced employees with particular areas of expertise. The number of persons skilled in the exploration and development of oilfields may be limited. We cannot assure you that employees with the necessary expertise will be available. There may be other oil exploration projects in Kazakhstan that are planned for completion on timetables similar to those of our oilfields. In these circumstances, we may need to offer better compensation and other benefits in order to attract and retain key personnel, which may materially increase our expenses and affect our profitability.

We may face competition from other oil companies operating in a similar segment of the market and failure to compete effectively with our competitors may adversely affect our business, financial status and results of operations.

Our primary competitors for the sales of crude oil include domestic and international oil companies, many of which have substantial crude oil reserves and financial resources. The primary factors driving competition are global crude oil supply and demand and the quality of the crude oil produced, which impacts the relative value of the crude oil to be used in the production of diesel, gasoline and other refined oil products. Other factors that could affect competition in the crude oil marketplace include additional discoveries of crude oil reserves by our competitors, access and capacity to transportation, new technologies that increase the viability of reserves or reduce production costs, political and economic factors and other factors outside of our control. Increased competitive pressures could have a material adverse impact on prices at which we can sell crude oil. We cannot assure you that our current or potential competitors will not offer products at more competitive prices or adapt more quickly than we do to evolving industry trends or changing market conditions. Our failure to compete effectively could materially and adversely affect our business, financial condition, and results of operations.

We derive a substantial portion of our revenue from a limited number of major customers, and the loss of any of such customers, or a significant loss, reduction or rescheduling of orders from any of these customers, could have a material adverse effect on our business, results of operations and financial condition.

Our business is substantially dependent on two major customers. Sales to our two major customers collectively accounted for our entire revenue for the period from 25 September 2020 to 31 December 2020 and the year ended 31 December 2021, respectively, and collectively accounted for a substantial amount of revenue for the year ended 31 December 2022. We cannot assure you that we would be able to successfully retain these major customers. Any failure to maintain our established relationships with them, due to market conditions or any other reason, could result in the loss of a key customer and business. If we lose a major customer, or if a major customer significantly reduces its purchasing levels or delays a major purchase, or if we fail to attract additional major customers or develop new customer relationships in the future, our business, financial status and results of operations could be temporarily materially and adversely affected.

The quantity of crude oil sold by our Group is generally required to follow the monthly schedule for the supply of oil to the domestic and export markets as allocated by the Ministry of Energy. Any significant deviation in the monthly schedule granted by the Ministry of Energy from our monthly quota applications for export and domestic sales and any change in export and domestic allocations could have a material effect on our business and financial results.

According to the SSU Code and as confirmed by our Kazakhstan Legal Advisers, the quantity of crude oil for sale to our customers shall be in accordance with the monthly schedule for the supply of oil to the domestic and export markets as allocated by the Ministry of Energy. Such monthly schedules are approved by the Ministry of Energy based on our application for domestic and export quotas (assessed based on our forecasted production levels) submitted in the prior month. We cannot assure you that the Ministry of Energy will (i) grant us the amount of domestic and export quota requested or at all; and (ii) not allocate a larger portion of our forecasted production to the domestic market to meet domestic energy requirements. Any significant deviation in the monthly schedule granted by the Ministry of Energy from our monthly quota applications for export and domestic sales or change in export and domestic allocations by the Ministry of Energy could have a material effect on our business and financial results.

We recorded negative operating cash flows in the past, which could adversely affect our business, financial condition, results of operations and prospects.

For the year ended 31 December 2020 and 2022, we had net cash inflow from operating activities of approximately US$6.5 million and US$15.2 million. However, for the years ended 31 December 2019 and 2021, we had net cash outflow from operating activities of approximately US$0.6 million and US$0.2 million, respectively. Our cash flow from operating activities for the above period mainly included: (i) the receipt of funds from the sale of our crude oil; (ii) the payment for operating costs; (iii) the adjustment for non-cash expenses; and (iv) the changes in working capital. For details of our cash flows, please refer to the section headed "Financial Information — Liquidity and capital resources — Cash flows" in this document.

There is no assurance that we will not experience periods of net cash outflow from operating activities in the future. If we continue to record net operating cash outflows in the future, our working capital may be constrained which may materially and adversely affect our business, financial condition, results of operations and prospects.

Our operations depend on infrastructure owned and operated by third parties and on services provided by third parties.

The amount of oil that we can produce and sell is subject to the accessibility, availability, proximity, capacity and destinations of these systems and services provided by third parties. The lack of availability in any of the pipeline systems in particular, or the insufficient capacity of such systems to facilitate transportation of crude oil, could result in the inability to realise the full economic potential of our production. There is no assurance that we will be able to continue transporting oil to the Karsak oil custody transfer unit terminal, operated by a third-party service provider, for transportation of crude oil to Kazakhstan's oil pipeline system. There is also no assurance that we will be able to continue utilising the current pipelines provided by oil pipeline providers under existing capacity constraints. There is also no assurance that we will be able to continue to engage contractors for the provision of key services, such as well drilling and workover. The failure of any or all third parties to provide services on a timely basis and on acceptable commercial terms, and otherwise comply with the terms and conditions of the applicable agreements, will negatively impact our operations and financial results.

As part of our three-year development plan, we intend to construct new pipelines from each of the seven oilfields under appraisal stage to connect, either directly or indirectly, to Makat Terminal, which will further transport oil to third-party pipeline systems. The construction of new pipelines require substantial capital and is often subject to delays outside the control of the project proponent, such as delays in receiving regulatory approvals. Any significant change in market factors or other conditions affecting these infrastructure systems and facilities, as well as any delays in constructing new infrastructure systems and facilities could affect our ability to transport and sell our crude oil which may have an impact on our business operations.

Our operations will be exposed to risks relating to occupational hazards and production safety and other operating risks which are beyond our control.

We are and will be subject to extensive laws, rules and regulations imposed by the government of Kazakhstan, related to production safety. Our operations involve the use of various machineries, giving rise to inherent risks that cannot be eliminated through mitigating efforts. We or our third-party contractors may encounter accidents, maintenance or technical difficulties, mechanical failures or breakdowns during the exploration and production processes. The occurrence of such accidents may result in personal injury, death or property damage, which would disrupt or result in a suspension of our operations, increase production costs, result in liability to us and harm our reputation. Such incidents may also result in a breach of laws and regulations applicable to our operations, or any consent, approvals or authorisations obtained from the relevant authorities, which may result in fines and penalties or even possible revocation of our exploration and production licenses and permits.

Our operations are also subject to risks associated with our operations, including the risks related to storage and transportation of products, hazardous substances and wastes. We are exposed to hazards including discharges or releases of hazardous substances and exposure to chemicals. These risks can subject us to potentially significant liabilities relating to personal injury or death or property damage, and may result in civil or criminal penalties, which could harm our productivity, profitability and reputation.

If we or our third-party contractors fail to comply with any relevant laws, regulations or policies or any accidents occur as a result of any of the foregoing events, our business, financial condition and results of operations may be adversely affected, and we may be subject to penalties, civil liabilities or criminal liabilities.

Exploration and development of oilfields involves many hazards and our insurance coverage may not be sufficient to cover all resulting losses and we cannot be fully insured against all risks related to our operations.

Our involvement in the exploration and development of oilfields may result in us becoming subject to liability for pollution, blow-outs, property damage, personal injury or other hazards. Although our Kazakhstan Legal Advisers have advised that we have obtained mandatory insurance in accordance with Kazakhstan laws to address such risks, such insurance have limitations on liability that may not be sufficient to cover the full extent of such liabilities.

In addition, we have maintained insurance in accordance with customary industry practice as confirmed by Frost & Sullivan. However, the nature of these risks is such that liabilities could exceed policy limits, in which event we could incur significant costs that could have a material adverse effect on our business, financial condition, results of operations and prospects. Although we maintain voluntary comprehensive insurance of petroleum operations with respect to our properties, equipment and inventories, any events beyond our control which are not covered by insurance, could result in substantial costs and the diversion of our resources. Our business, financial condition and results of operations may be materially and adversely affected as a result.

Block E is acknowledged as the Strategic Site pursuant to the SSU Code and under certain circumstances subsoil use contracts related to such deposits may be subject to termination in the case of a national security threat.

To protect national economic interests of Kazakhstan in the subsoil area, SSU Code singles out the Strategic Sites into special category. According to the SSU Code, Strategic Sites are the sites (a) with geological reserves of oil of more than 50 million tonnes or of natural gas of more than 15 billion cubic metres; or (b) located in the Kazakhstani sector of the Caspian Sea; or (c) subsoil plots with uranium deposits. Based on this criterion, the Government of Kazakhstan by the Resolution "On Approval of the List of Strategic Subsoil Sites" dated 28 June 2018 No. 389 approved the list of specific Subsoil Sites.

In subsoil use contracts concluded prior to and after the SSU Code, Kazakhstan has the priority before any persons and organisations, including those that have pre-emptive rights based on Kazakhstan laws or a contract, to acquire (a) an alienated subsoil use right (or portion thereof) over the Strategic Site; and/or (b) shares and other securities which are linked to subsoil rights over the Strategic Site to be placed in circulation at an organised securities market.

According to the Resolution of the Government "On Approval of the List of Strategic Subsoil Sites" dated 28 June 2018 No. 389 Block E of the E&P Contract is acknowledged as the Strategic Site. Therefore, all transfers of the subsoil use right (in full or in part) under the E&P Contract, including our Shares and [**REDACTED**] through the [**REDACTED**] are subject to the Kazakhstan's priority right.

In addition to the priority right, the Government of Kazakhstan has the right to instruct the Competent Authority to unilaterally terminate a subsoil use contract in relation to the Strategic Site, if the actions of the subsoil user under such contract led to a change in the economic interests of Kazakhstan, posing a threat to national security.

In the absence of such instruction, in the case of a national security threat, the Competent Authority is entitled to request amendments to a subsoil use contract in relation to the Strategic Site to restore the economic interests of Kazakhstan. In this case, the Competent Authority is entitled to unilaterally terminate the subsoil use contract, if: (i) within two months from the date of receipt of the notification from the Competent Authority to amend the subsoil use contract, the subsoil user has not confirmed in writing its consent to negotiate the proposed amendments or refused to negotiate; (ii) within four months from the date of receipt of the consent of the subsoil user to negotiate amendments to the subsoil use contract, the parties have not reached an agreement to amend such contract; or (iii) within six months from the date of reaching the agreement, the parties have not signed amendments to the subsoil use contract.

Any changes to our rights under the E&P Contract (and any other relevant legislative changes) could have a material adverse effect on our business, financial condition and results of operations. As of the Latest Practicable Date, we have not been approached by the Competent Authority to amend the E&P Contract as a result of change of Kazakhstan's economic interests due to the national security threat.

We recorded net current liabilities during the Track Record Period and may record net current liabilities in the future.

We recorded net current liabilities of approximately US$7.5 million, US$8.2 million and US$24.5 million as at 31 December 2020, 2021 and 2022, respectively. Please refer to the section headed "Financial Information — Liquidity and capital resources — Net current liabilities" in this document for further information.

We expect to continue to make significant future expenditures related to the continuous development and expansion of our business, including: (i) bringing the seven oilfields under appraisal stage into full field development phase, namely, Dossor SE Oilfield, Kyzylzhar II Oilfield, Zharshik Oilfield, Zhylaya Kossa Oilfield, Akatkol Oilfield, Kyzylkala Oilfield and Karasay Oilfield; (ii) constructing new pipelines from each of the seven oilfields to connect, either directly or indirectly, to the Makat Terminal; and (iii) upgrading our Makat Terminal, as part of our three-year development plan. We estimate that the initial capital investments required in order to implement our three-year development plan to be approximately US$1,101.0 million.

Although we expect to have net current assets upon the **[REDACTED]** as: (i) all of the loans and borrowings from related parties will be waived before the **[REDACTED]**; (ii) we will receive **[REDACTED]** from the **[REDACTED]**; (iii) our Directors are of the view that the relatively higher discount to Brent crude oil price of our export sales since Russia's special military operation in the territory of Ukraine was temporary as our crude oil did not originate from Russia; and (iv) the commencement of the Refined Petroleum Products Business allows us to diversify into the downstream sector of the oil industry and allows us to enjoy higher margins as compared to the sales of crude oil to Customer B and Customer C during the Track Record Period, a net current liability position may expose us to liquidity risk and affect our ability to make necessary capital expenditures, settle trade and other payables, develop business opportunities, expand our business or make strategic acquisitions. There is no assurance that our business will generate sufficient cash flow for our operations and to cover necessary capital expenditures, in which case we may seek additional financing. There is no assurance that external financing would be available on terms favourable or commercially reasonable to us or at all. If we are unable to secure sufficient external funds on favourable or commercially reasonable terms or at all when required, our business, financial condition, results of operations and prospects may be materially adversely affected.

We had certain non-payment of rent tax on exports and mineral tax liabilities, which could lead to imposition of penalties, additional tax or enforcement actions from Kazakhstan tax authorities.

During the Track Record Period, we had failed to make certain payments of rent tax on exports and mineral extraction tax within the prescribed time limit in light of ongoing discussions with Kazakhstan tax authorities regarding recalculation of such tax liabilities ("**Tax Incident**"). Having taken into account of advice from our tax representative, we may be subject to enforcement actions such as accrual of interest fines on the unpaid amount of taxes and payments, suspension of debit transactions on bank accounts, suspension of debit operations on cash desk and restriction on disposal of property as a result of the aforementioned Tax Incident. For details of such incident, please refer to the section headed "Business — Legal proceedings and compliance — Tax Incident". There is no assurance that the relevant Kazakhstan tax authorities would not take any enforcement action against us in relation to the Tax Incident. In the event that such enforcement action is taken by the Kazakhstan tax authorities, our reputation, cash flow and results of operations may be adversely affected.

We may incur impairment losses related to our assets, including property, plant and equipment including oil and gas properties, which could adversely affect our business, financial condition, results of operations and prospects.

Our property, plant, equipment including our oil and gas properties, are subject to continuous review for possible impairment losses. Our Group may over or under recognise the impairment losses for certain assets upon changes to some assumptions, for example when the assumed future price and production profile of crude oil used for the expected future cash flows are different from the actual price and production profile of crude oil respectively experienced in the future. For details of the accounting treatment on impairment for property, plant and equipment including oil and gas properties, please refer to note 4(m) and 5(iv) of the Accountants' Report of our Group in Appendix IA to this document.

We may recognise impairment losses for property, plant and equipment including oil and gas properties in the future. Our property, plant and equipment including oil and gas properties may be adjusted for impairment if the changes in assumptions and circumstances indicate the carrying amount of property, plant and equipment including oil and gas properties may be unlikely be recovered in full. A significant impairment loss on our property, plant and equipment including oil and gas properties may adversely and materially affect our profitability, results of operations, financial position and prospect.

Our future financial performance will be negatively affected by the [REDACTED] expenses incurred in connection with the [REDACTED].

The financial results of our Group will be affected by certain non-recurring expenses incurred by our Group in relation to the **[REDACTED]**. Our estimated **[REDACTED]** expenses primarily consist of fees paid or payable to professional parties and **[REDACTED]** fees and commission in relation to the **[REDACTED]**. We expect our total **[REDACTED]** expenses, which are non-recurring in nature, to amount to approximately US$**[REDACTED]** (assuming (i) the **[REDACTED]** is not exercised at all; and (ii) an **[REDACTED]** of HK$**[REDACTED]** per Share, being the mid-point of the indicative **[REDACTED]** range). For the years ended 31 December 2019, 2020, 2021 and 2022, **[REDACTED]** expenses of **[REDACTED]**, **[REDACTED]**, approximately US$**[REDACTED]** and US$**[REDACTED]** were charged to our consolidated statements of profit or loss, respectively. The remaining **[REDACTED]** expenses of approximately US$**[REDACTED]** will be charged to the consolidated statements of profit or loss for the year ending 31 December 2023. The actual amount may differ from this estimate. The financial results of our Group for the year ending 31 December 2023 are expected to be materially adversely affected by the estimated expenses in relation to the **[REDACTED]**.

The occurrence of natural disasters and prolonged periods of severe weather conditions could have a material adverse effect on our operations.

Our operations are conducted outdoors. Our oilfields are located in areas that experience severe weather conditions, particularly in winter, and extreme variability in winter and summer weather. As a result, unfavourable weather conditions could affect our operations and business. Inclement weather conditions, including heavy and sustained rainfall, cold weather, heavy fog and snow may cause us to reduce and impede our operational activities. Adverse weather conditions may also increase our costs and reduce our production output as a result of potential equipment and facility repair and maintenance, power outages, personnel evacuation and similar events. Any resulting damage to our oilfields or delays in our operation due to adverse weather conditions could materially and adversely affect our business, financial status and results of operations.

Our business, financial condition, results of operations and prospects could be adversely affected by the outbreak of COVID-19.

COVID-19 emerged in late 2019, and its outbreak, including its variants (for example, the Omicron variant), continues to be problematic. Some new strains of coronavirus are considered highly contagious and pose a serious public health threat. Since the outbreak, measures have been taken to limit the effects of the virus, including travel restrictions within many countries. The World Health Organisation ("**WHO**") is closely monitoring and evaluating the situation. On 30 January 2020, the WHO declared the outbreak of COVID-19 a Public Health Emergency of International Concern. On 11 March 2020, the WHO further characterised COVID-19 as a pandemic. The outbreak has caused and may continue to cause disruption to regional, national and global economic activities. On 15 March 2020, the president of Kazakhstan declared a national state of emergency related to the outbreak starting from 16 March 2020, which expired on 11 May 2020. However, the Chief State Sanitary Doctor of Kazakhstan set a number of restrictions, including limitations on public gatherings, requirement for citizens of certain cities to remain in their residence and suspension of businesses subject to certain exceptions which continued to be effective after 11 May 2020. Due to the continued increase in the number of infected people, the Chief State Sanitary Doctor of Kazakhstan introduced restrictions in travelling (both within Kazakhstan and outside of Kazakhstan), set different categories of countries depending on the COVID-19 related control measures in those countries, etc.

Pursuant to the Resolution of the Chief State Sanitary Doctor of the Republic of Kazakhstan No. 14 dated 14 March 2022 "On the implementation of the "Ashyq" project", the local executive bodies are obliged to take measures within their competence and tighten additional restrictive measures in the regions located in zones of high epidemiological risk ("**Red Zone**"), based on the decision of the Interdepartmental Commission to prevent the emergence and spread of coronavirus infection in the territory of Kazakhstan. From 14 February 2022, the entire territory of Kazakhstan was no longer in the Red Zone.

Pursuant to the Resolution of the Chief State Sanitary Doctor of the Republic of Kazakhstan No. 16 dated 25 March 2022 "On measures to prevent coronavirus infection in the Republic of Kazakhstan", local executive bodies need to ensure compliance with measures to prevent coronavirus infection in the Republic of Kazakhstan. The Resolution approves the recommendation on the use of medical masks in crowded places, public and air transport, in organised groups, while wearing medical masks in medical facilities is still mandatory.

Since 8 June 2022, the Resolution of the Chief State Sanitary Doctor of the Republic of Kazakhstan No. 27 dated 7 June 2022 "On the removal of restrictive measures at checkpoints across the State Border of the Republic of Kazakhstan" has been put into effect. The Interdepartmental Commission on the Non-Proliferation of Coronavirus decided to cancel: mandatory requirement for citizens of the Republic of Kazakhstan and foreigners to present documentary evidence of vaccination or revaccination against COVID-19 (passport/reference/certificate of vaccination against COVID-19), and in their absence, a certificate with a negative result of a study on COVID-19 by PCR when crossing the State Border of the Republic of Kazakhstan; a ban on the operation of 12 temporarily closed automobile checkpoints on certain sections of the State Border of the Republic of Kazakhstan in seven regions of the country.

Our Directors confirmed that as of the Latest Practicable Date, the outbreak has not resulted in any material disruption to our business given the limited scope of our operations. However, there can be no assurance that this will continue to be the case to the extent the pandemic continues. We are uncertain as to when the outbreak will be contained, and we also cannot predict if the impact will be short-lived or long-lasting. The impact of the COVID-19 outbreak on the local, national and global economies and on the industries in which we and our major target customers operate could materially and adversely affect our business operations, financial condition and results of operations. Any adverse effects on our target major customers could impact their demand for our products or their ability to settle our outstanding trade receivables. If the outbreak is not effectively controlled, our business, financial condition, results of operations and prospects may be adversely affected as a result of the changes and any slowdown in economic growth, negative business sentiment or other factors that we cannot foresee.

Alternatives to and changing demand for crude oil products.

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil, and technological advances in fuel economy and energy generation devices could reduce the demand for oil and other liquid hydrocarbons. We cannot predict the impact of changing demand for oil products, and any major changes may have a material adverse effect on our business, financial condition, results of operations and cash flows.

RISKS RELATING TO CONDUCTING BUSINESS IN KAZAKHSTAN

Changes to the Kazakhstan laws, regulations and governmental policies for the oil industry may restrain our performance and subject us to potential liabilities.

Our operations are governed by a wide range of Kazakhstan laws, regulations, policies, standards and requirements in relation to, among other things, exploration, production and sales of crude oil, taxation, labour standards, currency control and operation management. Please refer to the section headed "Regulatory Overview" in this document for more information. The Kazakhstan local and central authorities exercise a substantial degree of control over the oil industry in Kazakhstan. Any changes to these laws, regulations, policies, standards and requirements or the interpretation or enforcement thereof may incur additional compliance efforts and increase in our operating costs and thus adversely affect our business, financial condition, and results of operations.

Changes in legal requirements and governmental policies concerning environmental laws could impact our business.

Our operations are affected by numerous state and local laws and regulations related to environmental protection. Our Kazakhstan Legal Advisers have advised that any violation of the Kazakhstan environmental protection regulations could result in us having to pay a substantial compensation amount, damage our reputation, result in delays in production or result in a temporary or permanent closing of some or all of our oil processing facilities. Our operations also require numerous governmental approvals and permits related to environmental protection, which could require us to make significant capital and maintenance expenditures to comply with relevant laws and regulations. These potential liabilities arising from any non-compliance could have an adverse impact on our operations and profitability.

We are also subject to future events, including changes in existing laws or regulations related to environmental protection (for example, a new Environmental Code was enacted in July 2021) or enforcement policies, or further investigation or evaluation of the potential environmental impact of some of our products or business activities, which may result in additional compliance and other costs. For further details on the relevant laws and regulations, please refer to "Regulatory Overview" in this document. More stringent laws and regulations, or interpretations of existing laws or regulations related to environmental protection, may impose new liabilities on us, require us to reduce operating hours or alter our oil processing processes, require additional investment by us in pollution control equipment, or impede the opening of new or expansion of existing facilities. Such costs, liabilities or disruptions in operations could materially and adversely affect our business, financial condition and results of operations. We cannot assure you that the national or local authorities will not enact additional laws or regulations or amend or enforce new regulations related to environmental protection in a more rigorous manner.

The Kazakhstan economy is highly dependent on oil exports. Accordingly, the Kazakhstan economy and our Group may be affected by oil price volatility.

The economy of Kazakhstan, as with other countries in the Central Asian region, rely on the export of crude oil and oil products and other commodities, the import of capital equipment and significant foreign investment in infrastructure projects. According to Frost & Sullivan, Kazakhstan exported approximately 1,489.0 kbbl/day in 2021, ranking 13th in the world and accounting for around 2.1% of the world's total crude oil exports. The crude oil export volume has increased from 520.6 million barrels to 531.1 million barrels from 2017 to 2022, representing a CAGR of approximately 0.4%. Crude oil price is also greatly influenced by some geopolitics factors such as the diplomatic behaviours of major OPEC and OPEC+ member countries in the world. The price of crude fluctuated widely between US$30.7 to US$122.7 per barrel during the historical period of 2016 to 2022. As a result, Kazakhstan could suffer from volatility, or a sustained decline in oil and other commodity prices, or from the frustration or delay of any infrastructure projects caused by political or economic instability in countries participating in such projects.

Adverse changes in political, social and economic policies of the Kazakhstani government could have a material adverse effect on the overall economic growth of Kazakhstan.

Kazakhstan is an emerging market and we conduct our business operations in Kazakhstan. We may be subject to greater risks, including legal, economic and political risks in conducting business in Kazakhstan, than competitors in more developed markets. Our results of operations are also sensitive to the economic, political and legal environment in Kazakhstan, and Kazakhstan's overall GDP growth. The Kazakhstan economy differs from the economies of most developed countries in many respects, including that it:

- has a high level of government involvement;
- is in a relatively early stage of development of a market-oriented economy;
- has experienced rapid growth;
- has a controlled foreign exchange policy; and
- may be characterised by a relatively inefficient allocation of resources.

Furthermore, instances of fraud, bribery and corruption may be, or may be perceived to be, more commonplace in emerging markets such as Kazakhstan, which may impact investor confidence or willingness to invest. Financial problems or an increase in the perceived risks associated with investing in emerging economies may dampen foreign investment in Kazakhstan and adversely affect Kazakhstan's economy. In addition, companies operating in emerging markets can face severe liquidity constraints if foreign funding resources are withdrawn. Whether or not Kazakhstan's economy is relatively stable, financial turmoil in any emerging market country, could have a material adverse effect on our business, financial status and results of operations.

On 2 January 2022, a series of demonstrations began in the oil hub town of Zhanozen, Kazakhstan, which quickly became nationwide protests. These were allegedly a response to the Kazakhstani government's decision to lift the price cap on liquefied petroleum gas. The protests reached their peak when crowds stormed into several major cities in Kazakhstan, including Almaty. On 5 January 2022, President Kassym-Jomart Tokayev declared a state of emergency in Mangystau Region and Almaty, and sought help from the Collective Security Treaty Organisation to stabilise the Country. Under the authority of the Collective Security Treaty Organisation, a group of countries including Russia, Kazakhstan, Belarus, Tajikistan, Kyrgyzstan and Armenia deployed 2,500 soldiers to Kazakhstan to assist in peacekeeping. By 11 January 2022, protests in Kazakhstan had generally subsided. Authorities reported the protests resulted in 225 deaths and more than 5,000 arrested, while 2,600 people sought treatment from hospitals. The protests also led to the resignation of President Kassym-Jomart Tokayev's cabinet, and the dismissal of a few major officials of the Kazakhstani government. The Kazakhstani government declared that the situation in Almaty had been stabilised. As a concession President Kassym-Jomart Tokayev announced that prices of vehicle fuel will continue to be regulated for six months. All foreign forces were completely withdrawn from Kazakhstan by 19 January 2022, and international flights were resumed to and from Kazakhstan's capital, Astana.

Our Directors believe that the recent political situation does not have a significant direct material adverse impact on our Group's operations and financial performance. However, there is no assurance that any prolonged political instability will not exacerbate pressure on the lawful currency of Kazakhstan and will not cause fluctuation on Tenge against other foreign currencies and will not have a material adverse impact on the economic environment of Kazakhstan, which may in turn materially affect our Group's operations and our financial performance.

Emerging markets are subject to rapid changes in general, and the information set out in this document may be outdated quickly. To evaluate the risks involved in our business, investors should exercise particular care in considering the investment in the emerging economies. Investors are strongly suggested to consult with their legal and financial advisors before making any decision to invest our Shares.

The laws and regulations of Kazakhstan are developing and uncertain, and any change in laws or regulations or how they are interpreted require us to make substantial expenditures or subject us to material liabilities or other sanctions.

The laws and regulations of Kazakhstan relating to foreign investment, subsoil use, licensing, companies, customs, currency, capital markets, environmental protection, pensions, insurance, banking, taxation and competition are still developing and are subject to periodic changes. Any change in Kazakhstan laws or regulation could result in increased compliance costs. Moreover, many such laws or regulations provide regulators and officials with substantial discretion in their application, interpretation and enforcement.

In Kazakhstan, all subsoil reserves belong to the State. Subsoil use rights are not granted in perpetuity, and any renewal must be agreed before the expiration of the relevant contract or licence. Occurrence of several relatively minor breaches that were not rectified on time could conceivably lead to severe consequences, such as termination of the subsoil use rights, and there are few precedents that would make the consequences of a breach more predictable.

Subsoil use laws and regulations in Kazakhstan impose certain continuing obligations and restrictions on subsoil users and require subsoil users to incur significant capital expenditure and compliance costs. These significant expenditures and costs are incurred on an on-going basis and we will be obliged to incur them also in the period following the [**REDACTED**]. The relevant laws and regulations are often unclear and vague with regards to the extent of the obligations and restrictions that are relevant to us. In addition, the Kazakhstan regulatory authorities and courts exercise considerable discretion in the interpretation and enforcement of these laws and regulations, at times in a manner that is inconsistent with the relevant legislation and the previous practice.

For instance, as a condition of our E&P Contract, we are obliged to, among other things, (i) finance the socio-economic development of the Atyrau region and the development of its infrastructure in the amount of 1% (one percent) of the investments under the E&P Contract during the period of hydrocarbon production according to the results of the previous year; (ii) fund the professional training of Kazakhstan personnel involved in the operations under the E&P Contract in the amount of 1% (one percent) from production costs incurred by 5A Oil during the period of hydrocarbon production; (iii) finance research and development works in the amount of 1% (one percent) of the production costs incurred by 5A Oil during the period of hydrocarbon production at the end of the previous year; and (iv) comply with the percentages of local content in staff and goods, works and services. We are also subject to similar obligations under Contracts No. 4947 and No. 4948 starting from the second year of the full field development (i.e. from 2 September 2022). These obligations may be subject to further negotiation, and there is a chance that these obligations may become more burdensome in the future and may have a negative impact on our business, financial condition and results of operations.

As a result, as advised by our Kazakhstan Legal Advisers, the competent authorities routinely approach subsoil users in Kazakhstan in connection with various alleged breaches of the applicable laws and regulations. As mentioned above, in the absence of a materiality qualification under the relevant laws and regulations, such breaches could conceivably lead to severe consequences, such as termination of the subsoil use rights. We work closely together with the competent authorities on an on-going basis in order to satisfy their requirements to the extent practically possible. There can be no guarantee that non-compliance (or alleged non-compliance) incidents related to our SSU contracts will not occur in the future.

We are required to obtain, on an on-going basis, all permits, licenses, approvals and other agreements as are required by the laws of Kazakhstan. Failure to obtain any such permits, licenses, approvals and other agreements could have a material adverse effect on our business, financial condition and results of operations. Given Kazakhstan's legislative, judicial and administrative history, it is not possible to predict the effect of current and future legislation on our business. Our on-going rights under the SSU Contracts, licences, permits, approvals and other agreements may be susceptible to revision or cancellation, and legal redress in relation to such revocation or cancellation may be uncertain. Any changes to our rights under the SSU Contracts, licences, permits and approvals (and any other relevant legislative changes) or increased compliance costs could have a material adverse effect on our business, financial condition and results of operations.

The recent changes in Kazakhstan's judicial system which is still under development, the potential difficulty of enforcing court decisions and governmental discretion in enforcing claims could prevent us or holders of our Shares from obtaining effective redress in a court proceeding.

Our Kazakhstan Legal Advisers have advised that Kazakhstan is undergoing modernization of its judicial system, including amendments to legislation.

At the same time, the independence of the judicial system and its immunity from economic, political and nationalistic influences in Kazakhstan cannot be guaranteed. Not all Kazakhstan legislation and court decisions are readily available to the public or organised in a manner that facilitates understanding. The Kazakhstan judicial system can be slow and court orders are not always enforced or followed by law enforcement agencies. All of these shortcomings may affect our ability or holders of our Shares (including holders of our [**REDACTED**]) to obtain effective legal redress in Kazakhstan courts. Further, these uncertainties make judicial decisions in Kazakhstan difficult to predict and effective redress uncertain and could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, as advised by our Kazakhstan Legal Advisers, claims arising from the use of the infrastructure of the AIX by virtue of our [**REDACTED**] and [**REDACTED**] being listed and traded on the AIX will be subject to consideration by the recently created court of the Astana International Financial Centre, which operates on the principles of English laws. Due to its very limited history of operation, the outcome of any such proceedings are difficult to predict. These uncertainties make judicial decisions in Kazakhstan difficult to predict and effective redress uncertain, which could have a material adverse effect on our business, financial condition and results of operations.

It may be difficult to enforce legal judgement against us, our members or our Directors and officers.

We are a holding company incorporated under the Cayman Islands law with all of our business operations conducted through our principal operating subsidiary registered in Kazakhstan. Most of our Directors and officers are residents of jurisdictions outside of Hong Kong and Cayman Islands. A substantial portion of our assets and the assets of our Directors and officers, at any one time, are and may be located in jurisdictions outside of Hong Kong and Cayman Islands. It could be difficult for investors to effect service of process within Hong Kong or Cayman Islands on our Directors and officers who reside outside of Hong Kong and Cayman Islands. Kazakhstan has no direct bilateral reciprocal agreements or arrangements with Hong Kong or Cayman Islands that provide for the recognition and enforcement of any judgments of the Hong Kong and/or Cayman Islands courts. As a result, it may be difficult for investors outside of Kazakhstan to enforce any judgments of the Hong Kong and/or Cayman Islands courts against us, our members or our Directors and officers in Kazakhstan.

The taxation system and the interpretation and application of tax laws and regulations in Kazakhstan are under development.

The tax environment in Kazakhstan is subject to change and inconsistent application and interpretations. In particular, existing subsoil use contracts do not have tax stability from 1 January 2009 and tax liabilities are computed under common regime based on the current tax law. This could result in unfavourable changes to subsoil users' tax positions, including those of us. Non-compliance with Kazakhstan laws and regulations as interpreted by the Kazakhstan authorities may lead to the assessment of additional taxes, penalties and interest.

Kazakhstan tax legislation and practice is in a state of continuous development, and therefore is subject to varying interpretations and frequent changes, which may be retroactive. In certain situations, to determine a tax base, the tax legislation refers to IFRS provisions. In such cases, interpretation of IFRS provisions by the Kazakhstan tax authorities may differ from accounting policies, judgments and estimates used by management for preparation of these financial statements, and this may result in additional tax liabilities for us. Tax periods remain open to retroactive review by the Kazakhstan tax authorities for three years, and may be extended for up to five or more years (up to five years after expiration of the subsoil use contract for certain taxes) in certain circumstances.

The continuing evolvement and potential inconsistent implementation of Kazakhstan taxes may result in unexpected tax liabilities that could contribute to a material adverse effect on our business, financial status and results of operations.

Kazakhstan has enacted a currency control law that may affect our foreign currency dealings.

On 2 July 2018, the new Currency Control Law came into force. It replaced the previous Law of the Republic of Kazakhstan "On Currency Regulation and Control" No. 57-III dated 13 June 2005. Under the Currency Control Law any currency transaction is subject to record registration (assignment of a tracking number) if such currency transaction provides for the transfer of property (money) from/to Kazakhstan and/or involves a resident's rights to demand the return of property (money) by a non-resident (or resident's obligation to return property (money) to non-resident) in the amount exceeding an equivalent of US$50,000.

Under the Rules for the implementation of export-import currency control, a foreign exchange agreement for export or import is subject to record registration (assignment of tracking number) if the amount of such agreement exceeds US$50,000 (fifty thousand) dollars. The Currency Control Law also restricts the conversion of Tenge into foreign currency. Specifically, resident legal entities (other than banks) can convert the Tenge per day into foreign currency (up to an equivalent of US$50,000) for purposes other than repaying foreign currency-denominated obligations only within certain limits each day.

Such purposes include the transfer of foreign currency to their own accounts in foreign banks, gratuitous transfers of money in foreign currency, as well as crediting and (or) transferring foreign currency to their own accounts in Kazakhstan banks.

The Currency Control Law empowers the Kazakhstani Government, by special action and under circumstances when the economic security and stability of Kazakhstan's financial system is threatened, to introduce a special currency regime that may limit performance of certain currency operations. Such limitations may, *inter alia*, include: (1) compulsory sale of foreign currency received by residents; (2) placement of a certain portion of funds resulting from currency transactions into an interest free deposit in a Kazakhstan licenced bank or the National Bank of Kazakhstan ("**NBK**"); (3) restrict the use of accounts in foreign banks; and (4) require a special permit from the NBK for conducting currency transactions. The Government, on the basis of a joint submission by the National Bank of the Republic of Kazakhstan and the relevant authorised bodies, may impose other limitations with respect to currency transactions. The Currency Control Law also provides for a new power of the NBK to restrict the conversion of the Tenge into foreign currency. Specifically, under the Currency Control Law, the NBK establishes limits for resident legal entities to convert Tenge into foreign currency for certain specified purposes (determined by the NBK). In order for Kazakhstan to remain in compliance with its membership obligations under the Charter of the International Monetary Fund, the new currency regime cannot restrict residents from repaying foreign currency-denominated obligations. It is at present unclear how the new currency regime will ultimately impact us. However, significant restrictions on our foreign currency dealings could have a material adverse effect on our business, financial condition and results of operations.

We cannot guarantee the accuracy of facts, forecasts and statistics with respect to Kazakhstan, the Kazakhstan economy and our relevant industries contained in this document.

Certain facts, forecasts and statistics in this document relating to Kazakhstan, the Kazakhstan economy and industries relevant to us have been derived from information provided or published by Kazakhstan authorities, industry associations, independent research institutions or other third-party sources, and we cannot guarantee the quality nor reliability of such source materials. Certain information and statistics have been extracted from a market research report by Frost & Sullivan, an independent third party which we commissioned. They have not been prepared or independently verified by us, the Sole Sponsor, the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**] and the [**REDACTED**] or any of its or their respective directors, supervisors, officers, employees, advisors, agents or representatives or any other party involved in the [**REDACTED**]. Therefore, we make no representation as to the accuracy of such facts, forecasts and statistics, which may not be consistent with other information compiled within or outside of Kazakhstan. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, the statistics herein may be inaccurate or incomparable to statistics produced for other economies and should not be relied upon. Furthermore, there can be no assurance that they are stated or compiled on the same basis, or with the same degree of accuracy, as similar statistics presented elsewhere. In all cases, investors should consider how much weight or importance they should attach to or place on such facts, forecasts or statistics.

RISKS RELATING TO OUR SHARES, THE [REDACTED] AND THE [REDACTED]

We will be concurrently subject to Hong Kong and Kazakhstan [REDACTED] and regulatory requirements, which may give rise to additional costs.

We plan to **[REDACTED]** **[REDACTED]**% of the **[REDACTED]** through AIX. Please refer to the section headed "History, Reorganisation and Corporate Structure — Our **[REDACTED]** on the AIX" in this document for further details. We will be subject to both the Hong Kong laws, rules and regulations, including but not limited to the Listing Rules, the Takeovers Code and Part XV of the SFO, and the AIX or AIFC rules and regulations, including but not limited to the AIX Business Rules (which include AIX Market Disclosure Rules, AIX Markets Listing Rules, AIX Admissions and Disclosure Standards for Issuers, AIX Prospectus Rules) and AIFC Market Rules, on the other hand. If any conflict between the Hong Kong laws, rules and regulations, and the Kazakhstan or AIFC laws, rules and regulations arises, we shall comply with the more restrictive and stringent rule. As such, we may incur additional costs and resources in complying with the requirements of both Hong Kong and Kazakhstan or AIFC.

The liquidity, trading volume and market price of the Shares and the [REDACTED] following our [REDACTED] may be volatile.

The price at which the Shares and the **[REDACTED]** will trade after the **[REDACTED]** will be determined by the marketplace, which may be influenced by many factors, some of which are beyond our control, including:

- variations in our financial results;
- changes in securities analysts' estimates, if any, of our financial performance;
- the history of, and the prospects for, us and the industry in which we compete;
- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues and cost structures such as the views of independent research analysts, if any;
- the present state of our development;
- addition or departure of our key personnel or senior management;
- new investments, acquisitions, joint ventures or alliances in the future;
- the valuation of publicly traded companies that are engaged in business activities similar to ours;
- actions taken by our competitors;
- general market sentiment regarding the oil industry in Kazakhstan in general;

- changes in laws and regulations in Kazakhstan, Hong Kong and Cayman Islands;
- our inability to compete effectively in the market;
- our inability to obtain or maintain regulatory approval for our operations;
- unexpected business interruptions resulting from natural disasters or power shortages; and
- political, economic, financial and social developments in Kazakhstan, Hong Kong, Cayman Islands and worldwide.

In addition, the Stock Exchange has from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of companies listed on the Stock Exchange. Such volatility has not always been directly related to the performance of the specific companies whose shares are traded. As a result, investors in our Shares may experience volatility in the market price of their Shares and a decrease in the value of their Shares regardless of our operating performance or prospects.

Our Company will need to maintain our Shares and/or [REDACTED] on the official list of the AIX and/or the Stock Exchange, in order for the holders of our Shares and/or [REDACTED] on the relevant exchange to enjoy the exemption under the SSU Code for subsequent [REDACTED] of Shares on the Stock Exchange and Shares and [REDACTED] on the AIX.

The SSU Code requires obtaining the permission of the Competent Authority for any transfer of subsoil use rights (or a part thereof) or any direct or indirect interest in a subsoil user. After obtaining the Competent Authority's permission for the admission of the Shares and/or **[REDACTED]** on the official list of the AIX and the Stock Exchange (once the AIX and Stock Exchange approve the **[REDACTED]** and **[REDACTED]** of Shares and **[REDACTED]** commences within the one year period from the permission of the Competent Authority for the **[REDACTED]**, the Company is not required to further maintain, renew or prolong such permission), all subsequent **[REDACTED]** of Shares on the Stock Exchange and Shares and **[REDACTED]** on the AIX do not require the Competent Authority's permission.

Accordingly, if our Shares and/or **[REDACTED]** are **[REDACTED]** from the Stock Exchange and the AIX, for any reason, the holders of the **[REDACTED]** Shares and **[REDACTED]** from the relevant exchange can no longer rely on the above exemption under the SSU Code. As such, if our Shares and/or **[REDACTED]** are **[REDACTED]** from the Stock Exchange and the AIX, the respective transfers of the **[REDACTED]** Shares and/or **[REDACTED]** outside of the relevant exchange will be subject to the permission of the Competent Authority. As advised by our Kazakhstan Legal Advisers, **[REDACTED]** of Shares and/or **[REDACTED]** from the AIX will not terminate the above exemption under the SSU Code for **[REDACTED]** of Shares on the Stock Exchange, and vice versa.

Further issuances or sales, or perceived possible issuances or sales, of substantial amounts of the Shares or the [REDACTED] in the public market could materially and adversely affect the prevailing market price of the Shares or the [REDACTED] and the Company's ability to raise capital in the future.

The market price of the Shares or the **[REDACTED]** could decline as a result of future sales of substantial amounts of the Shares or the **[REDACTED]** or other securities relating to the Shares or the **[REDACTED]** in the public market, or the issuance of new Shares or new **[REDACTED]** by the Company, or the perception that such sales or issuances may occur. Future sales, or perceived possible sales, of substantial amounts of the Shares or the **[REDACTED]** could also materially and adversely affect the Company's ability to raise capital in the future at a time and at a price favourable to the Company, and the holders of our Shares or the **[REDACTED]** may experience dilution in their holdings upon issuance or sale of additional Shares or **[REDACTED]** or other securities in the future.

We [have been granted] waiver from strict compliance with certain requirements of the Listing Rules by the Stock Exchange, however these waiver could be revoked, exposing us and our Shareholders to additional legal and compliance obligations.

We have applied for, and the Stock Exchange, [has granted] to us, waiver from strict compliance with the Listing Rules. Please refer to the section headed "Waiver from Strict Compliance with the Listing Rules" for further details. There is no assurance that the Stock Exchange will not revoke the waiver granted or impose certain conditions on the waiver. If the waiver was to be revoked or to be subject to certain conditions, we may be subject to additional compliance obligations, incur additional compliance costs and face uncertainties arising from issues of multi-jurisdictional compliance, all of which could adversely affect us and our Shareholders.

The AIX has a very short history of operations.

The AIX was established in 2017 as part of the AIFC and therefore has a very limited history of operations. There is no assurance that the AIX will attract a significant amount of market participants and issuers to ensure acceptable trading volumes in the future or at all. Moreover, as at the date of this document, the technological platform of AIX remains relatively untested given the early stages of its operations. Accordingly, market participants, issuers and other involved parties may experience technical difficulties with various aspects of AIX's operations, such as quotation and trading information and settlement. Any of these events could adversely affect us and our Shareholders.

Kazakhstan tax resident investors may be subject to capital gain tax and dividend income tax if the AIFC Exemption is not available. Kazakhstan tax non-resident investors may be subject to capital gain tax if the AIFC Exemption is not available. Our Group may be subject to tax liabilities if tax non-resident investors fail to pay capital gain tax if tax exemptions are no longer available

Under the AIFC Constitutional Law, individuals and legal entities, irrespective of tax residency status, are until 1 January 2066, exempt from tax on dividends (subject to a trading criteria for tax residents) received on and capital gain derived from securities (including Shares and [**REDACTED**]) in which the same class of Shares and/or [**REDACTED**] are admitted to the official list of the AIX on the date of the dividends' accrual and on the date of disposal, respectively (the "**AIFC Exemption**"). For further details, please refer to the section headed "Regulatory Overview — Taxation with respect to the Acquisition, Ownership and Disposal of the Shares and the [**REDACTED**]" in the document.

If our Shares and [**REDACTED**] are removed from the official list of the AIX for any reason, investors will no longer be entitled to the AIFC Exemption. In addition, the AIFC Exemption under the AIFC Constitutional Law is also subject to changes given the taxation system and the interpretation and application of tax laws and regulations in Kazakhstan are under development. In the event the AIFC Exemption is no longer available to investors in the manner described above, (i) Kazakhstan tax resident investors may be subject to capital gain and dividend income tax; and (ii) Kazakhstan tax non-resident investors may be subject to capital gain tax. In the event the AIFC Exemption is not available, (i) Kazakhstan tax resident investors (both individuals and legal entities) may rely on a Tax Resident Open-trade Exemption to exempt themselves of capital gain tax, further details of which are described in the section headed "Regulatory Overview — Taxation — Taxation of resident investors — Tax Resident Open-trade Exemption; (ii) if a trading criteria is met, Kazakhstan tax resident investors (both individuals and legal entities) may rely on an exemption under the Tax Code to exempt themselves from dividend income tax for Shares and/or [**REDACTED**] traded on the AIX, further details of which are described in the section headed "Regulatory Overview — Taxation — Taxation of tax resident investors"; and (iii) Kazakhstan tax non-resident investors (both individuals and legal entities) may rely on a Tax Non-resident Open-trade Exemption to exempt themselves of capital gain tax, further details of which are described in the section headed "Regulatory Overview — Taxation — Taxation of non-resident investors — Tax Non-resident Open-trade exemption".

Although the primary obligation to pay capital gain taxes rests with the disposing and/or acquiring investors (in cases where they are considered to be tax agents), if Kazakhstan tax authorities detect that a tax non-resident investor did not report and/or pay tax on dividends received and/or capital gain derived from our Shares, Kazakhstan tax authorities may seek to recover such tax from our Group which may result in unexpected tax liabilities that could lead to a material adverse effect on our business, financial status and results of operations.

Please refer to the section headed "Regulatory Overview — Taxation — Taxation of Tax resident investors" and "Regulatory Overview — Taxation — Tax returns and payment by tax resident investors" for further details on tax obligations of Kazakhstan tax resident investors if the AIFC Exemption and Tax Resident Open-trade Exemption is not available.

Please refer to the section headed "Regulatory Overview — Taxation — Taxation of Tax non-resident investors" and "Regulatory Overview — Taxation — Tax returns and payment by tax non-resident investors" for further details on tax obligations of Kazakhstan tax non-resident investors if the AIFC Exemption and Tax Non-resident Open-trade Exemption is not available.

Tax non-resident investors will be subject to capital gain tax if the AIFC Exemption and Tax Non-resident Open-trade Exemption are not available

In the event the AIFC Exemption is not available, according to the Tax Code, (i) capital gain of tax non-resident investors which are legal entities is exempt from capital gain tax in Kazakhstan if the sale of securities (including Shares) is contemplated by way of open trade on a Kazakhstan stock exchange (including AIX) or on a foreign stock exchange (including the Stock Exchange) provided that such securities are included into the official list of such stock exchange as at the date of their sale; and (ii) capital gain of tax non-resident investors who are individuals is exempt from capital gain tax in Kazakhstan if the sale of the securities (including Shares) is contemplated by way of open trade on a Kazakhstan stock exchange (including AIX) provided that such securities are included into the official list of such stock exchange as at the date of their sale ("**Tax Non-resident Open-trade Exemption**").

If our Shares are no longer [**REDACTED**] on the Stock Exchange or AIX, holders of our Shares will no longer be entitled to the Tax Non-resident Open-trade Exemption. In addition, the Tax Non-resident Open-trade Exemption under the Tax Code is also subject to changes given the taxation system and the interpretation and application of tax laws and regulations in Kazakhstan are under development. There is no certainty as to the interpretation that may be taken by Kazakhstan tax authorities in relation to the applicability of the Tax Non-resident Open-trade Exemption. There is no guarantee the Kazakhstan tax authorities would interpret or enforce the provisions of the Tax Non-resident Open-trade Exemption in the manner described above. In the event both the Tax Non-resident Open-trade Exemption and AIFC Exemption are no longer available to investors, Kazakhstan tax non-resident investors which are legal entities will be subject to capital gain tax.

Please refer to the section headed "Regulatory Overview — Taxation — Taxation of Tax non-resident investors" and "Regulatory Overview — Taxation — Tax returns and payment by tax non-resident investors" for further details on tax obligations of Kazakhstan tax non-resident investors if the AIFC Exemption and Tax Non-resident Open-trade Exemption is not available.

We cannot guarantee the accuracy of facts and other statistics with respect to certain information obtained from the Industry Report and Competent Person's Report contained in this document.

Certain facts and statistics in this document, including but not limited to information and statistics relating to the market size, ranking and trends, are based on the Industry Report, the Competent Person's Report and or are derived from various publicly available publications, which our Directors believe to be reliable.

We cannot, however, guarantee the quality or reliability of such facts and statistics. Although we have taken reasonable care to ensure that the facts and statistics presented are accurately extracted and reproduced from such publications, including the Industry Report and the Competent Person's Report, they have not been independently verified by us, the Sole Sponsor, the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**] and the [**REDACTED**] or any of its or their directors, supervisors, officers, employees, advisors, agents or representatives or any other parties involved in the [**REDACTED**] (except the Industry Consultant and Competent Person themselves respectively) and no representation is given as to its accuracy. We therefore make no representation as to the accuracy of such facts and statistics which may not be consistent with other information complied by other sources and prospective investors should not place undue reliance on any facts and statistics derived from public sources or the Industry Report and the Competent Person's Report contained in this document.

We strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the [REDACTED].

There may be, subsequent to the date of this document but prior to the completion of the [**REDACTED**], press and media coverage regarding us and the [**REDACTED**], which contained, among other things, certain financial information, projections, valuations and other forward-looking information about us and the [**REDACTED**]. We have not authorised the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this document only and should not rely on any other information.

You should rely solely upon the information contained in this document and any formal announcements made by us in Hong Kong or Kazakhstan in making your investment decision regarding our Shares and [**REDACTED**]. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our Shares, [**REDACTED**], the [**REDACTED**] or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such data or publication. Accordingly, prospective investors should not rely on any such information, reports or publications in making their decisions as to whether to invest in our Company. By applying to subscribe our Shares or [**REDACTED**] in the [**REDACTED**], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and the [**REDACTED**].

Forward-looking statements contained in this document are subject to risks and uncertainties and could prove inaccurate.

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as "anticipate", "believe", "could", "estimate", "expect", "forecast", "going forward", "intend", "may", "ought to", "plan", "potential", "predict", "project", "seek", "should", "will", "would", "wish" and the negative of these words and other similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend to update or otherwise revise the forward-looking statements in this document to the public, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.