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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF RG PROCESSING LLP TO THE DIRECTORS OF ZIJIN GOLD INTERNATIONAL COMPANY LIMITED, MORGAN STANLEY ASIA LIMITED AND CITIC SECURITIES (HONG KONG) LIMITED

Introduction

We report on the historical financial information of RG Processing LLP ("RGP") set out on pages 3 to 44, which comprises the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows of RGP for each of the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025 (the "Relevant Periods"), and the statements of financial position of RGP as at 31 December 2022, 2023, 2024 and 30 June 2025 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages 3 to 44 forms an integral part of this report, which has been prepared for inclusion in the prospectus of Zijin Gold International Company Limited (the "Company") dated 19 September 2025 (the "Prospectus") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

The Underlying Financial Statements of RGP as defined on page 3, on which the Historical Financial Information is based, were prepared by the directors of RGP. The directors of RGP are responsible for the preparation of the Underlying Financial Statements that give a true and fair view in accordance with IFRS Accounting Standards, and for such internal control as the directors of RGP determine is necessary to enable the preparation of Underlying Financial Statements that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

**Opinion**

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of RGP as at 31 December 2022, 2023, 2024 and 30 June 2025 and of the financial performance and cash flows of RGP for each of the Relevant Periods in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of RGP which comprises the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the six months ended 30 June 2024 and other explanatory information (the "Interim Comparative Financial Information").

The directors of the Company are responsible for the preparation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance**Adjustments**

The Historical Financial Information is stated after making such adjustments to the Underlying Financial Statements as defined on page 3 as were considered necessary.

Dividends

We refer to Note 13 to the Historical Financial Information which states that no dividends have been paid by RGP in respect of the Relevant Periods.

Certified Public Accountants
Hong Kong
19 September 2025

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of RGP for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young Limited Liability Partnership in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (the "Underlying Financial Statements").

The Historical Financial Information is presented in United States Dollar ("USD") and all values are rounded to the nearest thousand (USD'000) except when otherwise indicated.

I. HISTORICAL FINANCIAL INFORMATION (continued)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December			Six months ended 30 June	
		2022 USD'000	2023 USD'000	2024 USD'000	2024 USD'000 (Unaudited)	2025 USD'000
Revenue	6	22,872	121,290	152,636	71,526	90,696
Cost of sales	7	(14,621)	(69,304)	(81,996)	(38,005)	(40,915)
Gross profit		8,251	51,986	70,640	33,521	49,781
Other income and gains	8	2,459	4,367	4,278	3,682	4,441
Administrative expenses	9	(2,935)	(2,733)	(3,412)	(1,859)	(1,900)
Other expenses	10	(1,103)	(1,490)	(18,321)	(5,485)	(992)
Finance costs	11	(5,391)	(23,270)	(21,932)	(11,821)	(10,816)
PROFIT BEFORE TAX		1,281	28,860	31,253	18,038	40,514
Income tax expenses	12	(1,196)	(206)	(391)	(192)	(174)
PROFIT FOR THE YEAR/PERIOD		85	28,654	30,862	17,846	40,340
OTHER COMPREHENSIVE (LOSS)/INCOME						
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods, net of tax:						
Exchange differences on translation into presentation currency		(2,979)	852	(12,554)	(3,394)	(136)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR/PERIOD, NET OF TAX		(2,979)	852	(12,554)	(3,394)	(136)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR/PERIOD		(2,894)	29,506	18,308	14,452	40,204

I. HISTORICAL FINANCIAL INFORMATION (continued)

STATEMENTS OF FINANCIAL POSITION

	Notes	2022 USD'000	31 December 2023 USD'000	2024 USD'000	30 June 2025 USD'000
NON-CURRENT ASSETS					
Property, plant and equipment	14	296,878	283,659	236,098	229,447
Right-of-use assets		87	46	307	263
Intangible assets		317	301	261	245
Other non-current assets	15	26,982	4,574	1,266	2,184
TOTAL NON-CURRENT ASSETS		324,264	288,580	237,932	232,139
CURRENT ASSETS					
Inventories	16	16,363	28,292	20,398	25,867
Trade receivables	17	6,984	1,405	33,073	22,055
Prepayments, other receivables and other assets	18	7,031	26,557	16,606	9,517
Cash and cash equivalents	19	7,634	141	2,027	48,379
TOTAL CURRENT ASSETS		38,012	56,395	72,104	105,818
CURRENT LIABILITIES					
Trade payables	20	16,559	15,108	5,052	4,596
Other payables and accruals		1,075	505	540	2,738
Income tax payables		-	165	-	-
Interest-bearing bank and other borrowings	21	61,975	51,707	29,552	29,869
Lease liabilities		53	-	90	58
TOTAL CURRENT LIABILITIES		79,662	67,485	35,234	37,261
NET CURRENT (LIABILITIES)/ASSETS		(41,650)	(11,090)	36,870	68,557
TOTAL ASSETS LESS CURRENT LIABILITIES		282,614	277,490	274,802	300,696
NON-CURRENT LIABILITIES					
Interest-bearing bank and other borrowings	21	233,871	198,790	176,255	161,832
Lease liabilities		19	7	235	209
Provisions	22	7,169	7,632	8,943	9,082
TOTAL NON-CURRENT LIABILITIES		241,059	206,429	185,433	171,123
NET ASSETS		41,555	71,061	89,369	129,573
EQUITY					
Share capital	23	51,487	51,487	51,487	51,487
Reserves		(9,932)	19,574	37,882	78,086
TOTAL EQUITY		41,555	71,061	89,369	129,573

I. HISTORICAL FINANCIAL INFORMATION (continued)

STATEMENTS OF CHANGES IN EQUITY

	Share capital USD'000	Capital reserve USD'000	Exchange fluctuation reserve USD'000	(Accumulated losses)/retained profits USD'000	Total equity USD'000
Year ended 31 December 2022					
At 1 January 2022	51,487	6	(1,015)	(6,029)	44,449
Profit for the year	-	-	-	85	85
Exchange differences on translation into presentation currency	-	-	(2,979)	-	(2,979)
Total comprehensive income for the year	-	-	(2,979)	85	(2,894)
At 31 December 2022	51,487	6	(3,994)	(5,944)	41,555
Year ended 31 December 2023					
At 1 January 2023	51,487	6	(3,994)	(5,944)	41,555
Profit for the year	-	-	-	28,654	28,654
Exchange differences on translation into presentation currency	-	-	852	-	852
Total comprehensive income for the year	-	-	852	28,654	29,506
At 31 December 2023	51,487	6	(3,142)	22,710	71,061
Year ended 31 December 2024					
At 1 January 2024	51,487	6	(3,142)	22,710	71,061
Profit for the year	-	-	-	30,862	30,862
Exchange differences on translation into presentation currency	-	-	(12,554)	-	(12,554)
Total comprehensive income for the year	-	-	(12,554)	30,862	18,308
At 31 December 2024	51,487	6	(15,696)	53,572	89,369
Six months ended 30 June 2025					
At 1 January 2025	51,487	6	(15,696)	53,572	89,369
Profit for the period	-	-	-	40,340	40,340
Exchange differences on translation into presentation currency	-	-	(136)	-	(136)
Total comprehensive income for the period	-	-	(136)	40,340	40,204
At 30 June 2025	51,487	6	(15,832)	93,912	129,573

I. HISTORICAL FINANCIAL INFORMATION (continued)

STATEMENTS OF CHANGES IN EQUITY (continued)

	Share capital USD'000	Capital reserve USD'000	Exchange fluctuation reserve USD'000	(Accumulated losses)/retained profits USD'000	Total equity USD'000
Six months ended 30 June 2024 (unaudited)					
At 1 January 2024	51,487	6	(3,142)	22,710	71,061
Profit for the period	-	-	-	17,846	17,846
Exchange differences on translation into presentation currency	-	-	(3,394)	-	(3,394)
Total comprehensive income for the period	-	-	(3,394)	17,846	14,452
At 30 June 2024 (unaudited)	51,487	6	(6,536)	40,556	85,513

I. HISTORICAL FINANCIAL INFORMATION (continued)

STATEMENTS OF CASH FLOWS

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	USD'000	USD'000	USD'000	USD'000	USD'000
				(unaudited)	
CASH FLOWS FROM OPERATING CTIV					
Sale of goods	18,601	143,844	138,980	78,666	114,635
Interest received	-	215	-	126	1,107
Provision of services	10	-	-	-	-
Other proceeds	-	198	3,446	2,361	473
Interest paid on loans	(5,276)	(5,705)	(6,991)	(65)	(10,009)
Interest paid on lease	-	(7)	(62)	(34)	(24)
Payments to suppliers for goods and services	(28,755)	(60,547)	(57,533)	(22,182)	(34,951)
Salary paid	(3,028)	(8,956)	(11,208)	(6,030)	(5,659)
Taxes paid	(2,107)	(3,631)	(3,342)	(1,079)	(2,802)
Payments for loans commissions	(622)	-	(1,224)	-	-
Other payments	(247)	(368)	(66)	(124)	(39)
Net cash flows (used in)/from operating activities	(21,424)	65,043	62,000	51,639	62,731
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment	-	2	-	-	-
Purchase of property, plant and equipment and intangible assets	(127,758)	(8,487)	(12,507)	(12,002)	(867)
Net cash flows used in investing activities	(127,758)	(8,485)	(12,507)	(12,002)	(867)
CASH FLOWS FROM FINANCING ACTIVITIES					
New interest-bearing bank land other borrowings	114,007	-	223,559	6,042	-
Repayment interest-bearing bank and other borrowings	(11,900)	(63,825)	(270,918)	(35,336)	(14,693)
Principal portion of lease payments	-	(66)	(160)	(80)	(83)
Net cash flows from/(used in) financing activities	102,107	(63,891)	(47,519)	(29,374)	(14,776)
Effect of foreign exchange rate exchanges, net	(1,846)	(160)	(88)	(476)	(736)
Net (decrease)/increase in cash and cash equivalents	(48,921)	(7,493)	1,886	9,787	46,352
Cash and cash equivalents as at 1 January	56,555	7,634	141	141	2,027
Cash and cash equivalents at the end of the year/period	7,634	141	2,027	9,928	48,379

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

RGP was established and registered as a limited liability company on 3 October 2018 in accordance with the legislation of the Republic of Kazakhstan. RGP was founded by Cantech S.a. r.l a private limited liability company registered in accordance with the laws of the Grand Duchy of Luxembourg, R.C.S. Luxembourg B213810, registered office: 1B, Heienhaff, L-1736 Senningerberg. The legal address of RGP is: Republic of Kazakhstan, 021723, Akmola region, Burabay district, Uspenoyurievsky rural district, Raigorodok village, Centralnaya street,39.

Cantech S.a.r.l is owned by V Group International S.A. (65%) and RCF VII – RG Gold S.à r.l. (35%). RGP is controlled by Cantech S.a.r.l . RGP's ultimate beneficiaries are the members of the family of Mr. B. Utemuratov, resident of Republic of Kazakhstan.

In September 2022, a mining and metallurgical complex with a capacity of up to 5 million tons of ore per year was put into operation. Accordingly, since October 2022, RGP has been providing services for the processing of primary ore, which is the main activity of RGP.

2. BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the "IASB"). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by RGP in the preparation of the Historical Financial Information throughout the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

The Historical Financial Information has been prepared under the historical cost convention, except as discussed in the accounting policies and the notes to these financial statements.

The Historical Financial Information is presented in USD and all values are rounded to the nearest thousands, except when otherwise indicated.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying RGP's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 5.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

2. BASIS OF PREPARATION (continued)

Terms of business

The operations of RGP are located in Kazakhstan. Consequently, RGP is exposed to the economic and financial markets of the Republic of Kazakhstan which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in Kazakhstan.

The financial statements reflect management's assessment of the impact of the Kazakhstan business environment on the operations and the financial position of RGP. The future business environment may differ from management's assessment.

3. ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

RGP has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective. RGP intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures²</i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments¹</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity¹</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
Annual Improvements to IFRS Accounting Standards – Volume 11	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7¹</i>

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

RGP is in the process of making an assessment of the impact of these new and amended IFRS Accounting Standards upon initial application. So far, RGP considers that these new and amended IFRS Accounting Standards may result in changes in accounting policies but are unlikely to have a significant impact on the RGP's results of operation and financial position.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

4. MATERIAL ACCOUNTING POLICIES

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by RGP.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

RGP uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are revalued in the financial statements at fair value on a recurring basis, RGP determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each Relevant periods.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

4. MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, RGP recognises such parts as individual assets with specific useful lives and depreciation, respectively.

Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss and other comprehensive income as incurred.

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

	Estimated useful lives
Buildings and constructions	10-30 years
Machinery and equipment	4-20 years
Vehicles	7-8 years
Other	3-7 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income when the asset is derecognised.

Construction in progress comprises costs directly related to facility construction, infrastructure, machinery and equipment. Construction in progress is stated at cost less any impairment losses, and is not depreciated.

Once the asset is completed and commissioned, the cost associated with the asset is transferred to property, plant and equipment. Amortisation of these assets commences when the assets are ready for their intended use.

Intangible assets

Intangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each of the Relevant Periods. Intangible assets are amortised on a straight-line basis over 3 to 7 years.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income in the expense category consistent with the function of the intangible assets.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

4. MATERIAL ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

RGP assesses at the end of each of the Relevant Periods whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, RGP estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

RGP bases its impairment calculation on most recent budgets and forecast calculations, which are prepared for RGP that is considered as one CGU to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Provisions

In accordance with the amendments made to the Environmental Code of the Republic of Kazakhstan, after the termination of the operation of facilities that have a negative impact on the environment, the owners of the facilities are obliged to ensure the elimination of the consequences of the operation of the facilities in accordance with the requirements of the legislation of the Republic of Kazakhstan. As part of the liquidation of the consequences of the operation of facilities that have a negative impact on the environment, work must be carried out to bring land plots into a condition that ensures the safety and (or) health of people, environmental protection and suitable for their further use for their intended purpose, in the manner provided by the land legislation of the Republic of Kazakhstan. According to the Environmental Code of the Republic of Kazakhstan, RGP's facilities are classified as an object that has a significant negative impact on the environment (objects of the 1st category). Accordingly, in 2022, RGP recognised a provision for decommissioning of the gold processing plant and reclamation of the land.

According to the management of RGP, the total undiscounted amount of the costs of decommissioning of the gold processing and reclamation of land after the completion of RGP's activities as at 30 June 2025 is USD18,280 thousand. The discounted value of the initially recognized liability is calculated based on the estimated design costs for the liquidation and dismantling of the plant and amounts to USD9,082 thousand. In June 2025, the management determined the present value of the restoration costs by discounting the estimated restoration cost using the rate of 9.52%, including the estimated inflation rate of 5.39%. Estimated liabilities formed on the cost of liquidation and dismantling of the plant are based on the assessment of RGP's specialists.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

4. MATERIAL ACCOUNTING POLICIES (continued)

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and RGP's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which RGP has applied the practical expedient of not adjusting the effect of a significant financing component, RGP initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which RGP has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue from contracts with customers" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, the asset's contractual terms must give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. RGP's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

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

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

The category of financial assets measured at amortised cost is the most appropriate for RGP.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition

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

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

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

4. MATERIAL ACCOUNTING POLICIES (continued)

Financial assets (continued)

Derecognition (continued)

When RGP has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of RGP's continuing involvement in the asset. In that case, RGP also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that RGP has retained.

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

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the note – Significant accounting judgements and estimates (Note 5).

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

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

Simplified approach: For trade receivables that do not contain a significant financing component or when RGP applies the practical expedient of not adjusting the effect of a significant financing component, RGP applies the simplified approach in calculating ECLs. Under the simplified approach, RGP does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each of the Relevant Periods. RGP has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

4. MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

RGP's financial liabilities include trade and other accounts payable, and interest-bearing bank and other borrowings.

Subsequent measurement

Subsequent measurement of financial liabilities depends on their classification, as described below:

Trade and other accounts payable

Trade and other accounts payable are recognised at fair value to be paid in the future for goods and services received, whether or not billed to RGP.

Interest-bearing bank and other borrowings

After initial recognition, interest-bearing bank and other borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

4. MATERIAL ACCOUNTING POLICIES (continued)

Inventories

Inventories are measured at the lower of cost or net realisable value intended for use in operating activities and/or during the construction of the plant. The cost of inventories is based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits with banks, cash in current bank accounts, and other short-term highly liquid investments with original maturities of three months or less.

Prepayment

Advances paid are recorded at initial cost less impairment provision. Advances paid are classified as non-current when goods or services associated with advances are to be received beyond a year, or if advances are associated with an asset, which at the initial recognition is classified as non-current. Advances for PPE are charged to the cost of these PPE when RGP obtains control over these assets and there is a probability that future economic benefits associated with these assets will flow to RGP. When there are indications of inability to receive goods or services related to advances paid, the carrying amount of advances paid is decreased and related impairment loss is recognised in the statement of profit or loss and other comprehensive income.

Leases

RGP assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

RGP as a lessee

RGP applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. RGP recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

RGP recognises right-of-use assets at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to RGP at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

4. MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

RGP as a lessee (continued)

(b) Lease liabilities

At the commencement date of the lease, RGP recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by RGP and payments of penalties for terminating the lease, if the lease term reflects RGP exercising the option to terminate the lease. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, RGP uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

RGP applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). RGP also applies recognition exemption for lease of low-value assets to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

4. MATERIAL ACCOUNTING POLICIES (continued)

Revenue from contracts with customers

RGP's activities are related to processing the ore from a related party, RG Gold LLP. Revenue from contracts with customers is recognised at the point in time when control of the ore processed is transferred.

Revenue is recognised when there is persuasive evidence (usually in the form of a completed sales contract) that significant risks and rewards of ownership have been transferred to the buyer/customer, it is highly probable that the related consideration will be received, the incurred and potential costs (including product returns) can be measured reliably, RGP ceases involvement in the management of the services provided, and the amount of revenue can be measured reliably.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in the Republic of Kazakhstan at the end of each of the Relevant Periods.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the Note 13 to the Historical Financial Information.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the Note 13 to the Historical Financial Information.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

4. MATERIAL ACCOUNTING POLICIES (continued)

Contingent assets and liabilities

Contingent assets are not recognised in the Historical Financial Information. Where an inflow of economic benefits is probable, contingent assets are disclosed in the Historical Financial Information.

Contingent liabilities are not recognised in the Historical Financial Information. Contingent liabilities are disclosed in the Historical Financial Information unless the possibility of an outflow of resources embodying economic benefits is remote.

Related parties

In accordance with IAS 24 Related Party Disclosures, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Transactions with related parties are used to reflect the status of settlements for property, works and services received from companies or sold to companies that are related parties to RGP. Items of a similar nature are disclosed in aggregate except when separate disclosure is necessary for an understanding of the effects of related party transactions on the Historical Financial Information.

Subsequent events

The results of events after the end of each of the Relevant Periods that provide evidence of conditions that existed at the Relevant Periods (adjusting events) are reflected in the financial statements. Events after the end of each of the Relevant Periods that are not adjusting events are disclosed in the notes to the financial statements when material.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which RGP operate ("the functional currency").

RGP selected USD as presentation currency for the preparation of the Underlying Financial Statements while the functional currency of RGP is tenge. The financial statements of RGP prepared in tenge are translated to USD based on the provision of IAS 21 *The Effect of Changes in Foreign Exchange Rates*.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the end of each of the Relevant Periods exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Going concern

The Historical Financial Information have been prepared on a going concern basis, which involves the continuation of activities, the sale of assets and the settlement of liabilities in the ordinary course of business.

As at the date of the Historical Financial Information, management was satisfied with reasonable grounds that RGP would be able to continue as a going concern. Following the launch of a gold processing plant with a capacity of up to 5 million tons of ore per year in September 2022, RGP is generating sufficient cash flows from operating activities.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of RGP's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of these items and contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a significant adjustment to the carrying amount of assets or liabilities for which such assumptions and estimates are made.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Assumptions and estimates are based on RGP's initial data, which it had at the time of preparation of the relevant financial statements. However, current circumstances and assumptions about the future may vary due to market changes or circumstances beyond the control of RGP. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

An impairment exists when the carrying amount of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs to sell calculations are based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model.

The cash flows are derived from the budget for the next five years and do not include restructuring activities that RGP is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and growth rates used for extrapolation purposes. RGP assesses at the end of each of the Relevant Periods whether there is an indication that an asset may be impaired. If any indication exists, also in cases when circumstances indicate that its carrying value may be impaired, RGP estimates the asset's recoverable amount.

Provision for decommissioning of the gold processing plant and reclamation of the land

RGP estimates the cost of future dismantling of the plant facilities and other structures based on estimates received from internal or external specialists after taking into account the expected method of dismantling and the degree of land reclamation required by this legislation and industry practice.

The amount of the estimated obligation for decommissioning is the current value of the estimated costs that are expected to be required, adjusted for the expected inflation rate, risks inherent in the Kazakh market, and discounted using average risk-free interest rates on US treasury bills. The present value of the estimated obligation to restore the site is reviewed at the end of each of the Relevant Periods and adjusted to reflect the best estimate. In estimating future costs, significant estimates and judgments made by management were used.

Long-term inflation rates used to determine the liability in the statement of financial position as at 31 December 2022, 2023, 2024 and 30 June 2025 were 4.42%, 4.76%, 5.30% and 5.39%, respectively. Discount rates used to determine the liability in the statement of financial position as at 31 December 2022, 2023, 2024 and 30 June 2025 were 8.82%, 8.89%, 9.53% and 9.52%, respectively. The decommissioning activities are planned for the period from 2040 to 2042, in accordance with the liquidation plan of the factory.

Useful life of property, plant and equipment

RGP assesses the remaining useful lives of items of property, plant and equipment at least at each financial year-end. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. These estimates may have a material impact on the carrying amount of property, plant and equipment and on depreciation recognised in the statement of profit or loss and other comprehensive income.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Provision for expected credit losses

RGP recognises provision for expected credit losses for other accounts receivable and funds in credit institutions (cash and cash equivalents, bank deposits).

For funds in credit institutions (cash and cash equivalents, bank deposits), RGP calculated expected credit losses based on the 12-month period. The 12-month expected credit losses are the portion of lifetime expected credit losses that results from default events on a financial instrument that are possible within 12 months after the end of each of the Relevant Periods. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit losses.

Deferred tax assets

Management judgement is required for the calculation of current and deferred income taxes. Deferred tax assets are recognised to the extent that their utilisation is probable. The utilisation of deferred tax assets will depend on whether it is possible to generate sufficient taxable income in respective tax type and jurisdiction.

Various factors are used to assess the probability of the future utilisation of deferred tax assets, including past operating results, operational plan, expiration of tax losses carried forward, and tax planning strategies. If actual results differ from those estimates or if these estimates must be adjusted in future periods, the financial position, results of operations and cash flows may be negatively affected. In the event that the assessment of future utilisation of deferred tax assets must be reduced and this reduction be recognised in the statement of profit or loss and other comprehensive income.

In 2022, RGP entered into an investment contract for implementation of an investment project with the Republican State Institution "Investment Committee of the Ministry of Foreign Affairs of the Republic of Kazakhstan", according to which RGP within the investment project is provided with preferences for payment of corporate income tax on income received from priority activities by 100% starting from 1 January 2022 for implementation of the investment priority project and ending no later than 10 years later. RGP has not recognised deferred tax assets with respect to temporary differences because it is not possible to reliably estimate the recoverability of deferred tax assets at the date RGP exits the investment contract.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

6. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	USD'000	USD'000	USD'000	USD'000	USD'000
				(Unaudited)	
Revenue from ore processing	22,872	121,006	152,464	71,526	90,604
Revenue from coal processing	-	284	172	-	92
	<u>22,872</u>	<u>121,290</u>	<u>152,636</u>	<u>71,526</u>	<u>90,696</u>

During the Relevant Periods and the six months ended 30 June 2024, all revenue under contracts with customers was received from processing the ore from a related party, RG Gold LLP. During the Relevant Periods and the six months ended 30 June 2024, revenue from contracts with customers was generated on the territory of the Republic of Kazakhstan and was recognised at a point in time.

RGP has elected the practical expedient as described in IFRS 15.121(b) to not disclose the remaining performance obligations for these types of contracts.

7. COST OF SALES

An analysis of cost of sales is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	USD'000	USD'000	USD'000	USD'000	USD'000
				(Unaudited)	
Materials	6,048	28,472	31,513	12,890	14,916
Depreciation and amortisation	5,360	21,276	21,077	10,933	10,036
Electricity	160	6,759	10,948	5,333	7,216
Staff costs and related taxes	2,200	6,989	9,905	5,101	5,487
Laboratory work	79	1,746	2,239	1,017	1,188
Insurance	-	986	1,831	1,053	942
Repair and maintenance	286	1,105	1,268	562	804
Security services	107	611	684	360	343
Food	91	563	457	249	210
Taxes other than income tax	177	205	190	104	104
Travel expenses	6	42	55	26	26
Leases	1	14	7	1	1
Consulting services	-	462	-	-	-
Other	106	402	2,097	548	961
Work in progress (Note 16)	-	(328)	(275)	(172)	(1,319)
	<u>14,621</u>	<u>69,304</u>	<u>81,996</u>	<u>38,005</u>	<u>40,915</u>

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

8. OTHER INCOME AND GAINS

In 2022, other income and gains primarily comprised income from expense reimbursements of USD211 thousand and exchange rate gains of USD2,155 thousand, respectively.

In 2023, other income and gains mainly include income for sales of fixed assets, sales of maintenance services in the amount of USD1,026 thousand and exchange rate gains of USD2,468 thousand, respectively.

In 2024, other income and gains mainly include reimbursement from the supplier for defective engine in the amount of USD1,983 thousand and reimbursement for construction defects in the amount of USD1,089 thousand. The reimbursement was fully received by cash and presented within other proceeds in the statement of cash flows.

For the six months ended 30 June 2025, other income and gains mainly include exchange rate gains of USD2,927 thousand.

For the six months ended 30 June 2024, other income and gains mainly include reimbursement from the supplier for defective engine in the amount of USD1,983 thousand and reimbursement for construction defects in the amount of USD1,089 thousand, respectively.

9. ADMINISTRATIVE EXPENSES

An analysis of administrative expenses is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	USD'000	USD'000	USD'000	USD'000	USD'000
				(Unaudited)	
Wages and related costs	1,896	1,467	2,012	1,148	1,338
Depreciation and amortisation	148	252	436	257	190
Consulting and audit services	52	66	92	97	59
Development and programming services	-	25	48	25	36
Materials	67	85	72	37	33
Communication services	36	51	54	27	28
Other services	-	34	51	22	28
Training of personnel	32	41	53	19	25
Corporate events	106	63	-	8	24
Advertising services	-	30	29	11	20
Insurance	81	128	27	33	18
Repair and maintenance	251	26	75	17	14
Travel expenses	17	18	41	12	9
Taxes other than income tax	31	13	97	5	6
Bank commissions	10	28	-	6	4
Legal services	-	59	130	97	-
Recruitment services	-	81	-	-	-
Others	208	266	195	38	68
	<u>2,935</u>	<u>2,733</u>	<u>3,412</u>	<u>1,859</u>	<u>1,900</u>

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

10. OTHER EXPENSES

An analysis of other expenses is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	USD'000	USD'000	USD'000	USD'000	USD'000
				(Unaudited)	
Foreign exchange losses, net	-	-	18,079	5,313	-
Others	1,103	1,490	242	172	992
Total	1,103	1,490	18,321	5,485	992

11. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	USD'000	USD'000	USD'000	USD'000	USD'000
				(Unaudited)	
Interest expense on loans and borrowings	5,106	22,337	19,680	10,044	10,275
Unwinding of discount (Note 22)	155	681	657	343	436
Amortisation of bank commissions	118	244	1,534	1,400	81
Interest expense on lease agreements	12	8	61	34	24
Total	5,391	23,270	21,932	11,821	10,816

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

12. INCOME TAX EXPENSES

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	USD'000	USD'000	USD'000	USD'000	USD'000
				(Unaudited)	
Current tax expense	-	206	391	192	174
Deferred tax expense	1,196	-	-	-	-
	<u>1,196</u>	<u>206</u>	<u>391</u>	<u>192</u>	<u>174</u>

Below is a reconciliation of the profit before tax for financial reporting purposes with the income tax expenses:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	USD'000	USD'000	USD'000	USD'000	USD'000
				(Unaudited)	
Profit before tax	<u>1,281</u>	<u>28,860</u>	<u>31,253</u>	<u>18,038</u>	<u>40,514</u>
Income tax calculated at the official rate					
tax 20%	256	5,772	6,251	3,608	8,103
Effect of income tax preferences	(6,287)	(3,993)	(4,770)	(3,799)	(8,328)
Change in unrecognised deferred tax assets	7,434	(1,626)	(1,380)	227	526
Other permanent differences	<u>(207)</u>	<u>53</u>	<u>290</u>	<u>156</u>	<u>(127)</u>
Tax charge at the effective rate	<u>1,196</u>	<u>206</u>	<u>391</u>	<u>192</u>	<u>174</u>

RGP is exempt from paying corporate income tax related to processing activities until 2032 according to the investment contracts concluded with the Investment Committee of the Ministry of Foreign Affairs of the Republic of Kazakhstan. The effect of income tax preferences relates to tax benefits of RGP receives with respect to the investment contract.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

12. INCOME TAX EXPENSE (continued)

The deferred tax balances calculated by applying the officially established tax rate effective on the Relevant Periods to the temporary differences between the tax base and the amounts indicated in the Historical Financial Information include the following:

	1 January 2022	Translation reserve	Change through profit or loss	31 December 2022	Translation reserve	Change through profit or loss	31 December 2023	Translation reserve	Change through profit or loss	31 December 2024	Translation reserve	Change through profit or loss	30 June 2025
Deferred tax assets													
Tax loss carried forward	1,169	(93)	3,142	4,218	59	(4,277)	-	-	-	-	-	-	-
Provisions	6	(1)	(5)	-	-	-	-	-	-	-	-	-	-
Lease liabilities	3	-	-	3	-	(2)	1	(7)	71	65	-	(12)	53
Estimated employee benefit obligations	50	(4)	119	165	3	(111)	57	(8)	6	55	(3)	182	234
Property, plant and equipment	38	(16)	2,976	2,998	64	2,777	5,839	(716)	(507)	4,616	16	675	5,307
Intangible assets	-	-	-	-	-	-	-	3	(29)	(26)	-	1	(25)
Bank commission related to loan	-	-	-	-	-	-	-	24	(236)	(212)	(1)	16	(197)
Accounts receivable	-	-	-	-	-	-	-	71	(684)	(613)	1	(336)	(948)
Taxes	11	(3)	6	14	-	(13)	1	-	(1)	-	-	-	-
Less: unrecognised deferred tax assets	-	36	(7,434)	(7,398)	(126)	1,626	(5,898)	633	1,380	(3,885)	(13)	(526)	(4,424)
Deferred income tax expense	-	-	(1,196)	-	-	-	-	-	-	-	-	-	-
Net deferred tax assets	1,277	-	-	-	-	-	-	-	-	-	-	-	-

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

12. INCOME TAX EXPENSE (continued)

RGP has not recognised deferred tax assets in respect of temporary differences as it is not possible to reliably estimate the recoverability of deferred tax assets in 10 years from the date RGP exits from the investment contract.

13. DIVIDENDS

No dividends had been paid or declared by the RGP during the Relevant Periods and six months ended 30 June 2024.

14. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at 31 December 2022, 2023, 2024 and 30 June 2025 are presented as follows:

	Buildings and constructions USD'000	Vehicles USD'000	Machinery and equipment USD'000	Other USD'000	Construction in progress USD'000	Total USD'000
Initial cost						
As at 1 January 2022	8,852	613	1,795	250	146,930	158,440
Additions	7,092	1,994	2,451	465	143,606	155,608
Movements	160,380	-	103,208	3,409	(266,997)	-
Disposals	-	-	-	(5)	(165)	(170)
Translation reserve	(1,378)	(51)	(615)	(33)	(9,261)	(11,338)
As at 31 December 2022	174,946	2,556	106,839	4,086	14,113	302,540
Additions	58	126	4	424	6,306	6,918
Changes in estimates	(347)	-	-	-	-	(347)
Movements	9,603	-	8,069	1,272	(18,944)	-
Disposals	(307)	-	(2,634)	(73)	(1,602)	(4,616)
Translation reserve	3,148	46	1,922	78	197	5,391
As at 31 December 2023	187,101	2,728	114,200	5,787	70	309,886
Additions	17	91	4,130	642	3,160	8,040
Changes in estimates	1,926	-	-	-	-	1,926
Movements	1,113	14	1,243	85	(2,455)	-
Disposals	-	-	(178)	(26)	-	(204)
Translation reserve	(24,967)	(370)	(15,583)	(836)	(82)	(41,838)
As at 31 December 2024	165,190	2,463	103,812	5,652	693	277,810
Additions	105	87	642	430	1,251	2,515
Changes in estimates	(349)	-	-	-	-	(349)
Movements	41	-	156	130	(327)	-
Disposals	(52)	-	(30)	(400)	-	(482)
Translation reserve	1,003	13	615	32	(10)	1,653
As at 30 June 2025	165,938	2,563	105,195	5,844	1,607	281,147

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment as at 31 December 2022, 2023, 2024 and 30 June 2025 are presented as follows: (continued)

	Buildings and constructions USD'000	Vehicles USD'000	Machinery and equipment USD'000	Other USD'000	Construction in progress USD'000	Total USD'000
Accumulated depreciation As at 1 January 2022	-	(102)	(11)	(82)	-	(196)
Charge for the year	(2,615)	(170)	(2,518)	(204)	-	(5,507)
Disposals	-	-	-	2	-	2
Translation reserve	12	8	12	6	-	38
As at 31 December 2022	(2,603)	(264)	(2,517)	(278)	-	(5,662)
Charge for the year	(9,634)	(410)	(10,434)	(994)	-	(21,472)
Movements	69	-	(62)	(7)	-	-
Disposals	307	-	713	65	-	1,085
Translation reserve	(81)	(6)	(83)	(8)	-	(178)
As at 31 December 2023	(11,942)	(680)	(12,383)	(1,222)	-	(26,227)
Charge for the year	(9,605)	(432)	(10,197)	(1,064)	-	(21,298)
Disposals	-	-	164	11	-	175
Translation reserve	2,565	134	2,669	270	-	5,638
As at 31 December 2024	(18,982)	(978)	(19,747)	(2,005)	-	(41,712)
Charge for the year	(4,448)	(207)	(4,955)	(543)	-	(10,153)
Disposals	7	-	28	216	-	251
Translation reserve	(39)	(2)	(37)	(8)	-	(86)
As at 30 June 2025	(23,462)	(1,187)	(24,711)	(2,340)	-	(51,700)
Carrying value As at 31 December 2021	8,852	511	1,784	168	146,930	158,245
As at 31 December 2022	172,343	2,292	104,322	3,808	14,113	296,878
As at 31 December 2023	175,159	2,048	101,817	4,565	70	283,659
As at 31 December 2024	146,208	1,485	84,065	3,647	693	236,098
As at 30 June 2025	142,476	1,376	80,484	3,504	1,607	229,447

In 2023, RGP completed construction of a shift camp in Raigorodok village and put it into operation. The amount of borrowing costs capitalised during the year ended 31 December 2022 was USD11,334 thousand. The rate used to determine the amount of borrowing costs eligible for capitalisation was 8.96%, which is the effective interest rate of the specific borrowing.

As at 31 December 2022, 2023, 2024 and 30 June 2025, RGP's property, plant and equipment with a carrying amount of USD219,523 thousand, USD232,358 thousand, USD182,234 thousand and USD 175,669 thousand, respectively, were pledged as collateral for a loan received from Halyk Bank of Kazakhstan JSC and Development Bank of Kazakhstan JSC.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

15. OTHER NON-CURRENT ASSETS

	2022	31 December 2023	2024	30 June 2025
	USD'000	USD'000	USD'000	USD'000
VAT recoverable	26,603	4,244	-	-
Stockpiled ore	-	-	1,216	2,068
Others	<u>379</u>	<u>330</u>	<u>50</u>	<u>116</u>
	<u>26,982</u>	<u>4,574</u>	<u>1,266</u>	<u>2,184</u>

A significant balance of long-term VAT recoverable as at 31 December 2022 was due to works under the project for the construction of the gold processing plant.

16. INVENTORIES

As at 31 December 2022, 2023, 2024 and 30 June 2025, inventories included:

	2022	31 December 2023	2024	30 June 2025
	USD'000	USD'000	USD'000	USD'000
Raw materials and supplies	15,891	27,051	19,735	24,376
Workwear and inventory	144	966	491	172
Work in progress	<u>328</u>	<u>275</u>	<u>172</u>	<u>1,319</u>
	<u>16,363</u>	<u>28,292</u>	<u>20,398</u>	<u>25,867</u>

During the Relevant Periods, purchases were made as part of RGP's normal business activities and were aimed at meeting the needs of the production process, including the procurement of production materials for ore processing, ensuring the operation of production workshops, the surrounding infrastructure, and the central warehouse.

17. TRADE RECEIVABLES

	2022	31 December 2023	2024	30 June 2025
	USD'000	USD'000	USD'000	USD'000
Trade accounts receivables	<u>6,984</u>	<u>1,405</u>	<u>33,073</u>	<u>22,055</u>
	<u>6,984</u>	<u>1,405</u>	<u>33,073</u>	<u>22,055</u>

The entire amount of trade receivables as at 31 December 2022, 2023, 2024 and 30 June 2025 was denominated in Tenge. Trade receivables are fully due from the related party RG Gold LLP, and are adjusted in accordance with fluctuations in the USD to Tenge exchange rate.

As at 31 December 2022, 2023, 2024 and 30 June 2025, RGP did not recognise a provision for expected credit losses on trade receivables as the credit risk of the related party is low.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

18. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2022	31 December 2023	2024	30 June 2025
	USD'000	USD'000	USD'000	USD'000
Advances paid to suppliers	6,685	9,672	8,942	7,727
VAT recoverable	-	14,611	5,575	-
Income tax prepaid	4	-	126	322
Other taxes prepaid	-	53	290	262
Other account receivable	181	237	169	154
Other current assets	161	1,984	1,504	1,052
	<u>7,031</u>	<u>26,557</u>	<u>16,606</u>	<u>9,517</u>

19. CASH AND CASH EQUIVALENTS

As at 31 December 2022, 2023, 2024 and 30 June 2025, cash and cash equivalents included:

	2022	31 December 2023	2024	30 June 2025
	USD'000	USD'000	USD'000	USD'000
Cash on current bank accounts	7,634	37	1,845	5,891
Short-term bank deposits (less than three months)	-	104	182	42,488
Cash and cash equivalents	<u>7,634</u>	<u>141</u>	<u>2,027</u>	<u>48,379</u>

As at 31 December 2022, 2023, 2024 and 30 June 2025, the carrying amount of cash and cash equivalents is denominated in the following currencies:

	2022	31 December 2023	2024	30 June 2025
	USD'000	USD'000	USD'000	USD'000
Tenge	81	141	207	42,784
USD	7,553	-	1,754	5,595
Pound Sterling	-	-	66	-
Cash and cash equivalents	<u>7,634</u>	<u>141</u>	<u>2,027</u>	<u>48,379</u>

During the Relevant Periods, no interest was accrued on cash balances on current bank accounts. During the six months ended 30 June 2025, short-term bank deposits in Tenge accrued interest at the rate from 13.75% to 15.5% per annum (2024: 12.75% to 14.25% per annum; 2023: 14.25% per annum).

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

20. TRADE PAYABLES

As at 31 December 2022, 2023, 2024 and 30 June 2025, trade payables are as follows:

	2022	31 December 2023	2024	30 June 2025
	USD'000	USD'000	USD'000	USD'000
Accounts payable to third parties	16,341	13,717	4,793	4,455
Accounts payable to related parties (Note 24)	218	1,391	259	141
	<u>16,559</u>	<u>15,108</u>	<u>5,052</u>	<u>4,596</u>

As at 31 December 2022, 2023, 2024 and 30 June 2025, trade payables are non-interest bearing and are generally repayable within 30 days.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

21. INTEREST-BEARING BANK AND OTHER BORROWINGS

	31 December 2022			31 December 2023			31 December 2024			30 June 2025		
	Effective interest rate	Maturity	USD'000	Effective interest rate	Maturity	USD'000	Effective interest rate	Maturity	USD'000	Effective interest rate	Maturity	USD'000
Halyk Bank of Kazakhstan JSC							18.40% (The NBRK base rate+2.5%)	5 August 2031	57,868	18.40% (The NBRK base rate+2.5%)	5 August 2031	54,192
Halyk Bank of Kazakhstan JSC			-			-	7.60% (6m SOFR+2.5%)	4 August 2031	147,939	7.60% (6m SOFR+2.5%)	4 August 2031	137,509
Development Bank of Kazakhstan JSC	9%	17 May 2030	75,179	9%	17 May 2030	82,861			-			-
Development Bank of Kazakhstan JSC	9.67% (6m LIBOR+4.1%)	17 May 2030	170,376	9.67% (6m LIBOR+4.1%)	17 May 2030	160,628			-			-
RG Gold LLP	6%	On demand	50,291	6%	On demand	7,008			-			-
			295,846			250,497			205,807			191,701
Long-term part			233,871			198,790			176,255			161,832
Short-term part			61,975			51,707			29,552			29,869

As at 31 December 2022, 2023, 2024 and 30 June 2025, the carrying amount of interest-bearing bank and other borrowings is denominated in the following currencies:

	31 December 2023		30 June 2025	
	2023	2024	2024	2025
	USD'000	USD'000	USD'000	USD'000
Tenge	75,179	82,861	57,868	54,192
USD	220,667	167,636	147,939	137,509
Interest-bearing bank and other borrowings	295,846	250,497	205,807	191,701

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

21. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

Loans from Development Bank of Kazakhstan JSC

On 17 May 2021, RGP entered into a credit line agreement # SKL-101-21 with the Development Bank of Kazakhstan JSC ("DBK"). Under this agreement, DBK provides a credit line in the amount of USD300,000 thousand, including: Limit #1 – USD217,000 thousand; Limit #2 – USD75,219 thousand.

The interest rate on the loan was set at 9% per annum. The maturity of borrowings funds is 17 May 2030. The purpose of borrowings was the construction and operation of a complex for processing gold primary ores, with a capacity of 5 million tons per year.

As of 31 December 2024, RGP had early repaid loans to Development Bank of Kazakhstan JSC (hereinafter "DBK") under Credit Line Agreement No. SKL-101-21. Under this agreement, DBK provided a credit line of USD300,000 thousand, including: Limit No. 1 –USD217,000 thousand; Limit No. 2 –USD71,965 thousand.

During the year ended 31 December 2024, RGP fully repaid the loan in the amount of USD36,984 thousand as well as USD110,954 thousand. The amount of USD106,357 thousand was repaid by RG Gold LLP on behalf of RGP under the tripartite agreement and was also fully reimbursed.

Loans from Forte Bank JSC

On 8 February 2024, RGP received a short-term loan in the amount of USD6,000 thousand. The principal loan amount USD6,000 thousand, as well as interest on the loan in the amount of USD65 thousand, were fully repaid.

Loans from RG Gold LLP

During the year ended 31 December 2023, RGP repaid part of the interest in the amount of USD24,954 thousand to the related party RG Gold LLP. During the year ended 31 December 2022, the repaid remuneration amount was equal to USD5,252 thousand.

Loans from Halyk Bank of Kazakhstan JSC

The Credit Line Agreement No. KS 01-24-49 was signed with Halyk Bank of Kazakhstan JSC on 9 August 2024. The purpose of the loan under Limit-1 is the refinancing of the loan from Development Bank of Kazakhstan JSC, while the purpose under Limit-2 is to replenish working capital. The credit line is provided within the limits for a term of up to 84 months, with the term for Limit-2 being up to 36 months.

On 3 September 2024, RGP received loans from Halyk Bank of Kazakhstan JSC under Bank Loan Agreement No. KD 01-24-49-01 dated 3 September 2024, in the amount of USD147,938 thousand, and No. KD 01-24-49-02 dated 3 September 2024, in the amount of USD63,934 thousand. According to the agreement, no grace period for loan repayment is provided. By the end of the Relevant Periods, RGP had repaid interest in the amount of USD10,009 thousand and principle in the amount of USD14,693 thousand.

As of 30 June 2025, to secure obligations under the credit line agreement with Halyk Bank of Kazakhstan JSC, 100% of the shares of RGP were pledged.

RGP is required to comply with the financial and non-financial covenants under the loan agreement with Halyk Bank of Kazakhstan JSC. Under the terms of the loan agreement, failure to meet the covenants may lead to the repayment of these long-term loans upon the first demand. As of 31 December 2024 and 30 June 2025, RGP has complied with the existing financial and non-financial covenants.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

22. PROVISIONS

As at 31 December 2022, 2023, 2024 and 30 June 2025, provisions are represented by the obligation to dismantle the plant facilities.

	2022 USD'000	31 December 2023 USD'000	2024 USD'000	30 June 2025 USD'000
As at 1 January	-	7,169	7,632	8,943
Changes in estimates	-	(347)	1,926	(349)
Incurred during the year	7,047	-	-	-
Unwinding of discount (Note 11)	155	681	657	436
Translation reserve	(33)	129	(1,272)	52
As at 31 December	<u>7,169</u>	<u>7,632</u>	<u>8,943</u>	<u>9,082</u>

In accordance with the Environmental Code of the Republic of Kazakhstan, after the termination of the operation of facilities that have a negative impact on the environment, the operators (owners) of the facilities are obliged to ensure the elimination of the consequences of the operation of the facilities in accordance with the requirements of the legislation of the Republic of Kazakhstan. Accordingly, in 2022 RGP created a provision for the decommissioning of the gold processing plant and land recultivation.

23. SHARE CAPITAL

As at 31 December 2022, 2023, 2024 and 30 June 2025, the paid-in share capital of RGP amounted to USD 51,487 thousand.

24. RELATED PARTY DISCLOSURES

In accordance with IAS 24 Related Party Disclosures, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties include key management personnel of RGP, enterprises that are controlled, jointly controlled or significantly influenced by, or for which significant voting power in such enterprises resides with, directly or indirectly, RGP's key management personnel, the participants and entities under common control. Related party transactions were made on terms agreed to between the parties that may not necessarily be at market rates, except for certain regulated services, which are provided based on the tariffs available to related and third parties.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

24. RELATED PARTY DISCLOSURES (continued)

Related parties may enter into transactions which unrelated parties might not. Prices and terms of such transactions may differ from prices and terms of transactions between unrelated parties.

	2022	31 December 2023	2024	30 June 2025
	USD'000	USD'000	USD'000	USD'000
Cash and cash equivalents (Note 19)*	7,634	141	1,889	4,041
Trade receivables (Note 17)**	6,984	1,405	33,073	22,055
Prepayments, other receivables and other assets (Note 18)***	181	237	169	154
Trade payables (Note 20)**	218	1,391	259	141
Lease liabilities**	72	7	324	267
Interest-bearing bank and other borrowings (Note 21)***	50,291	7,008	-	-

*Cash and cash equivalents were held within ForteBank JSC, the bank under common control of the ultimate controlling party of RGP.

** Trade nature

*** Non-trade nature

	Year ended 31 December 2022	2023	2024	Six months ended 30 June 2024	2025
	USD'000	USD'000	USD'000	USD'000 (Unaudited)	USD'000
Revenue from contracts with customers (Note 6)	22,872	121,290	152,636	71,526	90,696
Purchases	(854)	(296)	(1,382)	(143)	(196)
Interest expense	(2,343)	(1,227)	-	-	-
Other income	275	1,346	179	144	44

Revenues from contracts with customers from entities under common control of the ultimate controlling party were mainly represented by ore and coal processing services provided to RG Gold LLP. During the Relevant Periods and the six months ended 30 June 2024, revenue from RG Gold LLP were USD22,872 thousand, USD121,290 thousand, USD152,636 thousand, USD90,696 thousand and USD71,526 thousand, respectively.

During 2024, RG Gold LLP made loan payment to the Development bank of Kazakhstan LLP on behalf of RGP in the amount of USD106,357 thousand on the basis of tripartite agreement.

Compensation to key management personnel

Total compensation to key management personnel included in general and administrative expenses in the statement of profit or loss and other comprehensive income and capitalised as part of property, plant and equipment in the statement of financial position amounted to USD478 thousand for 2022, USD489 thousand for 2023, USD472 thousand for 2024, USD335 thousand for the six months ended 30 June 2025. As at 31 December 2022, 2023, 2024 and 30 June 2025, key management personnel of RGP consisted of 4 people. Transactions with key management personnel are mainly represented by payroll, premium, vacation allowance and other current payments.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

25. CONTRACTUAL AND CONTINGENT LIABILITIES AND OPERATIONAL RISKS

Economic environment

The Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Kazakhstani economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

Legal issues

In the ordinary course of business, RGP is subject to legal actions and complaints. In the opinion of management, there are no current legal proceedings or other claims outstanding, which could have a material effect on the result of operations or financial position of RGP, and which have not been accrued or disclosed in Historical Financial Information.

Conditions of economic activity in Kazakhstan

RGP's activities are mainly carried out in Kazakhstan. Accordingly, RGP's business is influenced by the economy and financial markets of Kazakhstan, which are characterized by the characteristics of the developing market. The legal, tax and administrative systems continue to develop, however, they are associated with the risk of ambiguity in the interpretation of their requirements, which are also subject to frequent changes, which, together with other legal and fiscal barriers, creates additional problems for organizations doing business in Kazakhstan.

The presented financial statements reflect management's view of the impact of the business environment in Kazakhstan on RGP's operations and financial position. The actual impact of future business conditions may differ from the estimates of their management.

Taxes

Various types of legislation and regulations are not always clearly written, and their interpretation is subject to the opinions of the local tax inspectors and the Ministry of Finance of the Republic of Kazakhstan. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual, including opinions on IFRS interpretations with regard to revenue, expenses and other items of the financial statements.

The current regime of penalties and interest related to reported and discovered violations of Kazakhstan's law, are severe. Penalties are generally 80% of the taxes additionally assessed and interest is assessed at the refinancing rate established by the National Bank of Kazakhstan multiplied by 1.25. As a result, penalties and interest can amount to multiples of any assessed taxes.

RGP believes that it has paid or accrued all taxes that are applicable. Where legislation concerning the provision of taxes is unclear, RGP has accrued tax liabilities based on management's best estimate. RGP's policy is to accrue contingencies in the accounting period in which a loss is deemed probable and the amount is reasonably determinable. Because of the uncertainties associated with Kazakhstan's tax system, the ultimate amount of taxes, penalties and interest, if any, may be in excess of the amount expensed to date and accrued at 31 December 2022, 2023, 2024 and 30 June 2025.

The resulting effect of this matter is that additional tax liabilities may arise. However, due to the range of uncertainties described above in assessing any potential additional tax liabilities, it is not practicable for the management to estimate the financial effect in terms of the amount of additional tax liabilities, if any, together with any associated penalties and charges for which RGP may be liable.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

25. CONTRACTUAL AND CONTINGENT LIABILITIES AND OPERATIONAL RISKS (continued)

Transfer pricing control

Transfer pricing control in Kazakhstan has a very wide scope and applies to many transactions that directly or indirectly relate to international business regardless of whether the transaction participants are related or not. The transfer pricing legislation requires that all taxes applicable to a transaction should be calculated based on market prices determined as per the arm's length principle.

The law on transfer pricing came into effect in Kazakhstan from 1 January 2009. The law is not explicit and there is little precedence with some of its provisions. Moreover, the law is not supported by detailed guidance, which is still under development.

Transfer pricing control in Kazakhstan has a very wide scope and applies to many transactions that directly or indirectly relate to international business regardless of whether the transaction participants are related or not. The transfer pricing legislation requires that all taxes applicable to a transaction should be calculated based on market prices determined as per the arm's length principle.

There are different interpretations of transfer pricing law and some of its provisions shall exclusively prevail. Moreover, the law is not supported by detailed guidance. As a result, there is no clear regulation for transfer pricing control for different types of transactions.

Due to uncertainties associated with transfer pricing legislation of the Republic of Kazakhstan there is a risk that tax authorities may take a position different from the position of RGP, which may result in additional taxes, penalties and interest as at 31 December 2022, 2023, 2024 and 30 June 2025.

The management of RGP believes that as at 31 December 2022, 2023, 2024 and 30 June 2025 its interpretation of the relevant legislation is appropriate and that RGP's positions with respect to transfer pricing will be sustained.

Insurance

The insurance industry in the Republic of Kazakhstan is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. RGP does not have full coverage for its business interruption, or third-party liability in respect of property or environmental damage arising from accidents on RGP's property or relating to RGP's operations. Until RGP obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on RGP's operations and financial position. RGP entered into a voluntary all-risk and business interruption property insurance contract No. Z01-6750-0015333871 with JSC Insurance Company Halyk on 6 December 2024.

Contingent liabilities

RGP assesses the likelihood of material liabilities arising from individual circumstances and establishes provisions in its financial statements when it is probable that events giving rise to a liability will occur and the amount of the liability can be reasonably estimated.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Credit risk

Credit risk is the risk that RGP will incur finance costs because its customers, clients or counterparties failed to discharge their contractual obligations. RGP manages and controls credit risk by setting limits on the amount of risk it is willing to accept, and by monitoring exposures in relation to such limits.

The table below shows the balances of bank accounts and deposits at the end of each of the Relevant Periods using the Fitch's credit ratings:

	Location	2022	31 December	2024	As at 30 June
		USD'000	2023 USD'000	USD'000	2025 USD'000
Forte Bank JSC	Kazakhstan	7,634	141	1,889	4,041
Halyk Bank of Kazakhstan JSC	Kazakhstan	-	-	138	44,338
Total		7,634	141	2,027	48,379

	Location	2022	31 December	Rating	As at 30 June
		2022	2023	2024	2025
Forte Bank JSC	Kazakhstan	Ba2	Ba2	BB	B+/Stable
Halyk Bank of Kazakhstan JSC	Kazakhstan	Baa2	Baa2	BBB-	BBB-/Stable

With respect to credit risk arising from other financial assets of RGP, comprising cash and cash equivalents and other financial assets, RGP's exposure to credit risk arises from default of counterparty, with a maximum exposure equal to the carrying amount of these financial instruments.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates. RGP's exposure to interest rate risk relates primarily to RGP's long-term borrowings with floating interest rates of 6m SOFR+2.5%.

The following table shows the sensitivity of RGP's profit before income taxes (due to the availability of loans with floating interest rates) to possible changes in floating interest rates, provided that all other parameters are held constant.

	Increase/ (decrease) in basis points*	Impact on profit/(loss) USD'000
2022	397	(9,052)
6m LIBOR	(397)	9,052
2023	397	(6,352)
6m LIBOR	(397)	6,352
2024	441	(10,111)
6m SOFR	(9)	211
Six months ended 30 June 2025	441	(8,567)
6m SOFR	(9)	179

*1 basis point = 0.01%.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk

Currency risk arises when future currency proceeds, or recognised assets and liabilities are denominated in the currency other than RGP's functional currency.

RGP's exposure to currency risk mainly relates to balance of the cash and cash equivalents, trade account payables denominated in USD. Thus, changes in currency rates might have a significant effect on financial position of RGP.

The following table provides an analysis of the sensitivity of RGP's profit before income tax (due to changes in the fair value of monetary assets and liabilities) to possible changes in the exchange rate of the USD, given that all other parameters are assumed to be constant:

	Increase/ (decrease) in foreign exchange rate	Effect on profit/ (loss) USD'000
2022 USD	21% (21%)	34,407 (34,407)
2023 USD	14.5% (14.5%)	(23,587) 23,587
2024 USD	9.09% (7.34%)	(14,891) 12,024
30 June 2025 USD	9.09% (7.34%)	(12,319) 9,947

Liquidity risk

Liquidity risk is the risk that RGP will encounter difficulty in raising funds to meet commitments associated with its financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet any commitments as they arise.

RGP monitors its liquidity risk on a regular basis by considering payments associated with financial instruments and projected cash flows from operations using the planning tool.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

The table below summarizes the maturity profile of RGP's financial liabilities based on contractual undiscounted payments:

	On demand	From 1 to 3 months	From 3 months to 1 year	From 1 year up to 5 years	Over 5 years	Total
31 December 2022						
Interest-bearing bank and other borrowings	50,291	10,039	14,780	267,845	40,901	383,856
Trade payables	-	16,559	-	-	-	16,559
Lease liabilities	-	13	40	57	-	110
Total future payments	50,291	26,611	14,820	267,902	40,901	400,525
	On demand	From 1 to 3 months	From 3 months to 1 year	From 1 year up to 5 years	Over 5 years	Total
31 December 2023						
Interest-bearing bank and other borrowings	-	10,039	57,260	245,540	7,793	320,632
Trade payables	-	15,108	-	-	-	15,108
Lease liabilities	-	13	40	58	-	111
Total future payments	-	25,160	57,300	245,598	7,793	335,851
	On demand	From 1 to 3 months	From 3 months to 1 year	From 1 year up to 5 years		Total
31 December 2024						
Interest-bearing bank and other borrowings	-	19,797	28,848	206,638		255,283
Trade payables	-	5,052	-	-		5,052
Lease liabilities	-	32	95	302		429
Total future payments	-	24,881	28,943	206,940		260,764
	On demand	From 1 to 3 months	From 3 months to 1 year	From 1 year up to 5 years		Total
30 June 2025						
Interest-bearing bank and other borrowings	-	19,563	27,700	174,442		221,705
Trade payables	-	4,596	-	-		4,596
Lease liabilities	-	32	96	240		368
Total future payments	-	24,191	27,796	174,682		226,669

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

RGP manages its capital to ensure that RGP will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. There were no changes in RGP's approach to capital management. The structure of RGP's capital consists of equity and debt, which includes trade and other payables and loans.

Fair value of financial instruments and non-financial assets

Fair value is defined as the amount at which an instrument could be exchanged in a current transaction between knowledgeable willing parties according to arm's length conditions, other than in a forced or liquidation sale.

The table below discloses the measurement hierarchy for assets and liabilities of RGP at the fair value:

	Date of measurement	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant non- observable source data (Level 3)	
Liabilities for which fair values are disclosed					
Interest-bearing bank and other borrowings					
	31 December 2022	-	-	282,338	282,338
	31 December 2023	-	-	263,269	263,269
	31 December 2024	-	-	206,833	206,833
	30 June 2025	-	-	193,628	193,628

Methods of measurement and assumptions

The following describes the methodologies and assumptions used to determine fair values for those financial instruments and non-financial assets which are not already recorded at fair value in the financial statements.

Assets for which fair value approximates carrying value

For financial assets and financial liabilities that are liquid or have a short-term maturity (less than three months) it is assumed that their fair value approximates carrying amount. This assumption is also applied to demand deposits and savings accounts without a specific maturity.

Financial liabilities carried at amortised cost

The fair value of loans and borrowings as of 30 June 2025 represents the present value of future cash flows discounted at market interest rates, according to data from the National Bank of Kazakhstan (NBK), at rates of 18.34% for tenge-denominated loans; as of 31 December 2024 at rates of 17.53% for tenge-denominated loans and 7.90% for USD-denominated loans; as of 31 December 2023 at rates of 19.54% for tenge-denominated loans and 4.50% for USD-denominated loans; as of 31 December 2022 at rates of 19.82% for tenge-denominated loans and 7.87% for USD-denominated loans.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Changes in liabilities resulting from financing activities

	1 January 2022	Cash received	Principal payment	Interest payment	Interest expense	Commission amortisation	Commission paid	Foreign exchange differences	Translation reserve	31 December 2022
Interest-bearing bank and other borrowings	193,654	114,007	(11,900)	(5,276)	5,106	118	-	9,565	(9,428)	295,846
Lease liabilities	141	-	-	-	12	-	-	(60)	(21)	72
	<u>193,795</u>	<u>114,007</u>	<u>(11,900)</u>	<u>(5,276)</u>	<u>5,118</u>	<u>118</u>	<u>-</u>	<u>9,505</u>	<u>(9,449)</u>	<u>295,918</u>
	1 January 2023	Cash received	Principal payment	Interest payment	Interest expense	Commission amortisation	Commission paid	Foreign exchange differences	Translation reserve	31 December 2023
Interest-bearing bank and other borrowings	295,846	(63,825)	(66)	(5,705)	22,337	244	(2,465)	(1,007)	5,072	250,497
Lease liabilities	72	(66)	(7)	(8)	8	-	-	-	-	7
	<u>295,918</u>	<u>(63,891)</u>	<u>(5,712)</u>	<u>(5,712)</u>	<u>22,345</u>	<u>244</u>	<u>(2,465)</u>	<u>(1,007)</u>	<u>5,072</u>	<u>250,504</u>
	1 January 2024	Cash received	Principal payment	Interest payment	Interest expense	Commission amortisation	Commission paid	Foreign exchange differences	Translation reserve	31 December 2024
Interest-bearing bank and other borrowings	250,497	223,559	(270,918)	(6,991)	19,680	1,534	(1,224)	21,553	(31,883)	205,807
Lease liabilities	7	514	(160)	(62)	61	-	-	-	(35)	325
	<u>250,504</u>	<u>224,073</u>	<u>(271,078)</u>	<u>(7,053)</u>	<u>19,741</u>	<u>1,534</u>	<u>(1,224)</u>	<u>21,553</u>	<u>(31,918)</u>	<u>206,132</u>

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION (continued)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Changes in liabilities resulting from financing activities (continued)

	1 January 2025	Cash received	Principal payment	Interest payment	Interest expense	Commission amortisation	Commission paid	Foreign exchange differences	Translation reserve	30 June 2025
Interest-bearing bank and other borrowings	205,807	-	(14,693)	(10,009)	10,275	81	-	(1,268)	1,508	191,701
Lease liabilities	325	-	(83)	(24)	24	-	-	-	25	267
	<u>206,132</u>	<u>-</u>	<u>(14,776)</u>	<u>(10,033)</u>	<u>10,299</u>	<u>81</u>	<u>-</u>	<u>(1,268)</u>	<u>1,533</u>	<u>191,968</u>

27. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by RGP in respect of any period subsequent to 30 June 2025.