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**22 October 2018**

### **JSC NAC Kazatomprom**

#### **Confirmation of Intention to List Global Depositary Receipts on the London Stock Exchange**

Following the announcement on 15 October 2018 by the joint stock company "National atomic company "Kazatomprom" (the "Company" and, together with its subsidiaries, the "Group" or "Kazatomprom") regarding the publication of a Registration Document, Kazatomprom, the world's largest producer of natural uranium (in terms of production volumes), today confirms its intention to proceed with an initial public offering involving the sale of securities in the Company by Joint stock company Sovereign Wealth Fund Samruk-Kazyna ("Samruk-Kazyna"), the Company's sole shareholder (the "IPO" or the "Offering").

The Company confirms its intention to apply for the admission of global depositary receipts (the "GDRs") representing an interest in its ordinary shares (the "Shares" and, together with the GDRs, the "Securities") to the Official List maintained by the UK Financial Conduct Authority, and to trading on the regulated market of the London Stock Exchange (the "UK Admission"), and for the admission of the Shares to the Official List of Securities of the Astana International Exchange ("AIX"), the stock exchange of the Astana International Financial Centre ("AIFC") and to trading on the AIX. On or following the UK Admission, the GDRs may also be admitted to the Official List of Securities of the AIX and to trading on the AIX.

#### **Galymzhan Pirmatov, CEO of Kazatomprom, said:**

*"As the world's leading uranium producer, with the largest reserves, predominantly first quartile operating cost and an industry leading HSE track record, we believe that Kazatomprom is strongly positioned to capitalize on the attractive long-term fundamentals of the uranium market. The Company is managed by a very experienced team, now totally market centric, and focused on delivering operational excellence and strong financial returns. We see our mission as sustainably developing our uranium deposits in order to create long-term value for all of our stakeholders."*

**Jon Dudas, Chairman of Kazatomprom, said:**

*“Kazatomprom is primed and ready to take this next step in its corporate evolution. After a period of rapid transformation, the company has established itself both as the undisputed world leader in the production of natural uranium, and a leading global energy supplier. The Board is confident in the long term outlook for the industry as nuclear power is set to play an increasingly important role in combatting climate change. As a carbon-free baseload source of electricity, nuclear generation can be central to the world’s efforts to limit carbon emissions and meet the commitments made in the Paris Agreement. This privatisation will bring a number of benefits to Kazatomprom, not least demonstrating the maturity, governance and transparency of the business to our stakeholders, and providing access to a new international investor base.”*

**Confirmation of Intended Offer Details:**

- The Offering is expected to comprise the Shares in the form of GDRs offered by Samruk-Kazyna.
- Simultaneously with the Offering, Samruk-Kazyna intends to offer Shares and potentially GDRs in a domestic offering to institutional and retail investors in Kazakhstan through the facilities of AIX pursuant to the rules and regulations of the AIX (“AIX Offering”).
- On or following the UK Admission, the GDRs may also be admitted to the Official List of Securities of the AIX and to trading on the AIX.
- Samruk-Kazyna currently owns all of the Company’s issued share capital. In the potential Offering and the AIX Offering Samruk-Kazyna intends to offer Securities representing up to 25% of the Company’s issued share capital. Following the potential Offering and the AIX Offering, Samruk-Kazyna will own not less than 75% of the Company’s issued share capital.
- The Company is not expected to sell any Securities in the potential Offering or the AIX Offering and will not receive any of the proceeds from the Offering or the AIX Offering.
- GDRs in the Offering will be offered to certain institutional and professional investors in the UK and elsewhere outside the United States in reliance on Regulation S of the US Securities Act of 1933, as amended (the "US Securities Act") and in the United States to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A of the US Securities Act, or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.
- A management roadshow is expected to commence on or around 31 October 2018.
- Further details of the Offering will be included in the Prospectus expected to be published in the coming weeks.
- The proposed IPO of Kazatomprom is a core element of the country’s privatization programme, a strategy which the Government of the Republic of Kazakhstan set out in 2015. The privatization programme is designed to help build an efficient, global economy for the future of Kazakhstan and it is in line with the Government’s policy statement to decrease the share of government in GDP to 15% in line with the OECD countries.
- In addition to being in line with the Government’s strategy for the Kazakhstan economy, the IPO will also bring significant benefits to Kazatomprom, by providing a stable base of long-term shareholders and giving access to a wider range of capital raising options and future liquidity.
- Samruk-Kazyna will grant the Managers (as indicated below) an over-allotment option to purchase a maximum of 15% of the total number of GDRs being sold in the Offering.
- There will be a lock-up period of 180 days for the Company and Samruk-Kazyna, in each case subject to certain customary exceptions.

- Credit Suisse and J.P. Morgan are acting as Joint Global Coordinators and Joint Bookrunners in connection with the potential Offering, China International Capital Corporation, Halyk Finance and Mizuho International plc are acting as Joint Bookrunners (together, the “Managers”). The AIX Offering is being led by Halyk Finance.
- The Offering is subject to receipt of all necessary regulatory approvals, including the relevant registrations and approvals by the FCA.

## **Overview**

- Kazatomprom is the world’s largest producer of natural uranium (in terms of production volumes) and one of the world’s lowest cost producers in terms of cash costs, according to UxC Consulting Company, LLC (“UxC”). The Company is wholly owned by Samruk-Kazyna, which in turn is wholly owned by the Government of the Republic of Kazakhstan.
- According to UxC, the Group’s uranium production, including the production of its jointly controlled entities and associates attributable to the Group, for the year ended 31 December 2017 represented approximately 20% of total global uranium primary production (the equivalent of 12.1 ktU).
- The Group only produces uranium from reserves in Kazakhstan, benefiting from the largest reserve base in the industry, with attributable uranium reserves of just under 300 ktU.
- For the year ended 31 December 2017 and the six months ended 30 June 2018, the Group’s consolidated revenue was KZT336.5 billion and KZT145.0 billion, respectively, and profit was KZT139.2 billion and KZT115.0 billion, respectively.
  - Adjusted EBITDA<sup>1</sup> amounted to KZT96.7 billion and KZT38.8 billion for the year ended 31 December 2017 and the six months ended 30 June 2018, respectively.
  - Adjusted Attributable EBITDA<sup>2</sup> amounted to KZT128.2 billion and KZT45.7 billion for the year ended 31 December 2017 and the six months ended 30 June 2018, respectively.
  - Net Debt<sup>3</sup> / (Cash) to Adjusted EBITDA ratio was (1.3x) and (0.2x) as at 31 December 2017 and as at 30 June 2018, respectively.

## **Business Highlights**

The Company believes that this is the right time to list since the Group occupies a leading position in an industry that it believes to be at the inflection point with attractive long-term fundamentals and significant barriers to entry.

### ***Exposure to attractive uranium market fundamentals***

- Demand for uranium products is expected to remain robust in the coming decades, primarily on the back of strong nuclear power plant new build programme in the emerging markets, and in China in particular.
- According to UxC, the global nuclear generation capacity is expected to increase by 11% to 432 GWh in 2030 from 388 GWh in the year ended 31 December 2017.

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<sup>1</sup> The Group defines *Adjusted EBITDA* as EBITDA less non-recurrent items, less result from business combinations, less reversal of impairment of assets, plus impairment losses. Adjusted EBITDA should not be considered as an alternative to performance or cash flow measures derived in accordance with IFRS

<sup>2</sup> The Group defines *Adjusted Attributable EBITDA* as Adjusted EBITDA less share of results of JVs and Associates, less non-controlling share of Adjusted EBITDA of consolidated subsidiaries (in the uranium segment), plus share of Adjusted EBITDA of JVs and Associates operating in the Uranium segment. Adjusted Attributable EBITDA should not be considered as an alternative to performance or cash flow measures derived in accordance with IFRS.

<sup>3</sup> The Company defines net debt as total debt (consisting of bank loans, non-bank loans and finance lease liabilities) less cash and cash equivalents and short-term deposits.

- According to UxC, there are 443 nuclear reactors globally and 56 new ones are under construction in 17 countries as of August 2018.
- The Company believes that the supply side of the uranium market is undergoing a structural shift, following a prolonged period of depressed spot prices and oversupply, underpinned by the prevalence of legacy long-term contracts, the majority of which were concluded in the period between years 2005 and 2012.
- As a significant portion of such contracts are set to expire in early 2020s, many utilities are likely to return to the market in the near-to medium-term to begin covering their future fuel needs through entering into medium- and long-term contracts. By 2025, the level of uncovered uranium needs increases to around 50% according to UxC.

***Priority access to high-quality ISR-conducive resource base***

- According to UxC, Kazakhstan is the largest uranium producing country in the world by a significant margin, accounting for 40% of the global uranium primary supply in 2017.
- According to UxC, Kazakhstan further accounts for c. 65% of the world's measured and indicated resources suitable for ISR mining.
- Kazatomprom enjoys pre-emptive rights over any uranium deposits in Kazakhstan and is able to grow its resource base with relatively limited investment.
- 10 asset-level partnerships with leading international industry players illustrate the attractiveness of the asset base on a global scale.

***Low-cost production***

- According to UxC, the Group ranks second lowest of all global uranium producers in terms of cash costs. Low production costs are primarily driven by the geological structure of its deposits, which enables cost-efficient and least environmentally impactful ISR extraction technology.
- The Group's structural cost advantage is further underpinned by a generally relatively lower cost base in Kazakhstan compared to other major uranium producing countries such as Canada and Australia.
- The Company believes, based on information provided by UxC, its average costs are consistently in the first quartile of the global uranium production cost curve.

***Global high-quality customer base***

- Kazatomprom has a proven track-record as reliable supplier to the industry for the past 20 years and has established relationships with the majority of global consumers of civil uranium and high quality blue chip customer base across Asia, Europe and North America.
- The Company supplies to 8 out of 10 largest operators of the nuclear generation capacity globally.
- Kazatomprom benefits from a global sales and distribution footprint including a recently established trading operation Trading House KazakAtom ("THK") in Switzerland and a representative office in the United States.

***Robust HSE track record due in part to the intrinsic environmental and safety advantages of the ISR technology over conventional mining methods***

- ISO-14001-based environment management system and OHSAS-18001-compliant health and safety management systems, and continued promotion of HSE compliance awareness, across its employees and managers at all levels.

### ***Resilient financial performance and strong cash flow generation***

- Strong financial performance based on leading market position, low-cost operations, ability to quickly adjust production volumes and prudent financial policy.
- Resilience demonstrated during low uranium price environment.
- High-margin and cash generative operations with a relatively limited expansion capital expenditure requirements and conservative financial leverage.

### ***Well positioned to capture potential industry growth by expanding capabilities across multiple stages of the front-end nuclear fuel cycle***

- Although the Group's primary focus is on its core business of uranium mining, it also produces fuel pellets and UO<sub>2</sub> powders at its Ulba Metallurgical Plant which has a track record of more than 60 years.
- Moreover, the Group is well positioned to capture any potential opportunities in other segments of the front-end nuclear value chain that may occur following a shift in the nuclear fuel market.

### **Business Strategy**

The Group's mission is to sustainably develop its uranium deposits and their value chain components in order to create long-term value for all of its stakeholders. To that end, the Group seeks to achieve continued growth and strengthen its position as the leading company in the uranium industry by employing the following strategies:

#### ***Focus on mining operations as a core business***

- The Group primarily focuses on the mining of uranium. The Company believes that mining, in particular ISR extraction method, is currently the most attractive segment of the nuclear fuel value chain in terms of sustainable profitability and returns on capital, and is expected to remain such for as long as current market fundamentals persist. The Group's access to ISR-conducive uranium deposits in Kazakhstan gives it a natural competitive advantage in ISR uranium mining. Accordingly, the Group intends to maintain its primary focus on its uranium mining operations, while retaining the optionality to expand presence in other segments of the front-end cycle, as well as in its rare metals operations.
- In order to streamline its operations, the Group, among other things, has disposed of a significant number of non-core assets – over 30 subsidiaries in the past 5 years. The Group is in process of completing its non-core asset disposal programme by 2019. Furthermore, the Group has selectively increased its share in mining joint ventures.

#### ***Continue following market-centric approach to uranium production***

- The Group has substantially changed its strategic approach to being a market-centric operator, as opposed to production-led operator. This envisages setting production and sales volumes on the basis of market fundamentals.
- The Group's use of ISR technology allows it to respond to changes in uranium market conditions by ramping up or reducing its uranium production, far more rapidly and cost-effectively than most of its peers in the market.

#### ***Maintain global leadership in the uranium mining industry through operational excellence***

- The Group prides itself on being the leading uranium producer in the world and seeks to build on this status in the future both in terms of scale as well as the operating efficiency and innovation. The Group intends to continue investing in the exploration and development of its reserve base to ensure sustainable low-cost production from its mines in the long term, while its current reserve base allows it to maintain the current production levels for approximately 30–35 years.

### ***Continue enhancing sales and marketing capabilities and optimise contracts portfolio***

- The Group has strengthened a number of areas in its sales and marketing function in the past two years.
- In particular, the Group successfully created a new sales channel through THK in Switzerland, which has: allowed the Group to engage with new categories of customers, such as U.S.-based utility companies which prefer to purchase uranium in the spot market; enhanced the Group's analytical capabilities; allowed for arbitrage operations; and allowed the Group's efficient expansion into the short-term/spot market, which requires significant operational flexibility. Moreover, the Group has expanded the physical presence of its sales representatives in each of its core target customer geographies and will continue strengthening this sales network.

### ***Retain vigilant focus on HSE***

- The Group is committed to best HSE practices and will continue making this a matter of paramount focus for the management team going forward.
- The Group strives to be an employer of choice in Kazakhstan, and ensure that its mines are a completely safe working environment and are further not inflicting damage to the Kazakh ecosystem.
- Furthermore, the Group joined the international Vision Zero movement to promote the zero-injury concept and aims to maintain a low level of LTIFR and occupational accidents.

### ***Balance shareholder returns and optimal capital structure***

- The Group runs high-margin and cash generative operations with a relatively limited requirements for expansion capital expenditure and conservative financial leverage. The Group therefore will seek to return substantial cash flows to its shareholders, while preserving a conservative balance sheet structure allowing it to sustain a comfortable leverage level in case of adverse changes in commodity prices.
- The Group's dividend policy is to distribute no less than 75% of its free cash flows if the Group's leverage is below or equal to 1.0x Net Debt to Adjusted EBITDA and no less than 50% of its free cash flow if the leverage ratio is above 1.0x and below 1.5x Net Debt to Adjusted EBITDA. If the leverage of Net Debt to Adjusted EBITDA goes to 1.5 or more, then the amount of declared dividends shall be such percentage of free cash flow as determined by the Company's General Meeting of Shareholders.

### ***Selective value-accretive expansion in the new areas of the nuclear value chain***

- Although the Group views itself as a predominantly uranium mining company, it is continuously evaluating the commercial attractiveness of opportunities to expand its footprint in the segments of the nuclear value chain in which it is already present.
- In addition, the Group is currently engaged in the construction of a nuclear power fuel assembly plant jointly with China's CGNPC.
- Expansion into new segments of the nuclear value chain, subject to commercial attractiveness, could allow the Group to offer a broader range of products to its customers, and capture additional margins. In addition, the Group may consider the further strengthening of its market position by selectively acquiring or investing in high-quality assets in the nuclear fuel chain.

### **Board Composition**

Kazatomprom has a strong and well-balanced Board of Directors including three highly regarded independent non-executive directors with extensive international experience in the uranium and broader nuclear industry. Biographies of the directors are set out below.

**Jon Dudas, Chairman, Independent Director.** Mr. Dudas was born in 1959 and is a citizen of the United Kingdom of Great Britain and Northern Ireland. Mr. Dudas is a registered professional mining engineer who graduated from the University of the Witwatersrand (Republic of South Africa) with a Bachelor's degree in mining engineering and a Master's degree in mineral economics in 1984. Mr. Dudas also holds an MBA from Heriot-Watt University (United Kingdom). Mr. Dudas began his working career in 1984 at Rand Mines Ltd and has held a variety of senior managerial positions across a number of commodities and functions at companies such as Gencor Ltd. and BHP Billiton, where he was CEO of the Aluminium division. Since 2012, Mr. Dudas has been working as an independent corporate adviser to multinational mining and professional service companies. Being an independent member of the Company's Board of Directors since 2015, in August 2018, Mr. Dudas was elected as a Chairman of the Board of Directors.

**Neil Longfellow, Independent Director.** Mr. Longfellow was born in 1958 and is a citizen of the United Kingdom of Great Britain and Northern Ireland. Mr. Longfellow is a chartered electrical engineer and a Fellow of the Institute of Measurement and Control. Mr. Longfellow started his career in electrical engineering in the United Kingdom. In 1991, he joined British Nuclear Fuels Limited, working at the Sellafield nuclear reprocessing plant in West Cumbria where he was Head of Reprocessing, before becoming Deputy Managing Director in 2007. In 2009, Mr. Longfellow joined Westinghouse Electric Company as the Managing Director of Springfields Fuels Limited and Vice President of the European Fuel Business. In 2013, Mr. Longfellow joined Costain PLC as Director of Major Projects for the nuclear, oil and gas sectors in the UK. Since 2015, Mr. Longfellow has been an independent consultant to the international nuclear sector.

**Russell Banham, Independent Director.** Mr. Banham was born in 1954 and is a citizen of Australia. Mr. Banham has a Bachelor of Commerce from University of New South Wales. He is a fellow of the Institute of Chartered Accountants Australia and New Zealand and a graduate of the Australian Institute of Company Directors. He began his career as an auditor in 1974 in the Australian operations of Andersen, where he worked until 2002, and his last position was as an Audit partner. In 2002-2007 he was the Advisory Services practice leader of Ernst & Young in Brisbane, Australia. In 2007, he was appointed as the Audit function leader and an Executive Committee member of Deloitte CIS based in Almaty, Kazakhstan. In 2011-2014 Mr. Banham was Energy and Resources Industry group leader of Deloitte CIS based in Moscow, Russia. Since 2014 he has worked as an independent director on the Boards of a number of international companies.

**Alik Aidarbayev, Member.** Mr. Aidarbayev was born in 1963 and is a citizen of the Republic of Kazakhstan. Mr. Aidarbayev has a PhD in Engineering Science, and is an honorary professor of Kanysh Satpayev National Technical University. He holds an MBA from the Academy of National Economy under the Government of the Russian Federation in Moscow. Throughout his career, Mr. Aidarbayev has held various management positions at Yuzhkazneftegaz, Kumkol-Lukoil (subsequently known as "Turgai Petroleum" CJSC), Mangistaumunaigaz JSC, NC KazMunaiGas JSC. He was also General Director at KazMunaiGas Exploration & Production JSC in 2011–2013, Governor of Mangistau region in 2013–2017, and First Vice-Minister for Investments and Development of the Republic of Kazakhstan in 2017–2018. Since 2018, Mr. Aidarbayev has served as Deputy Chairman of the Management Board of Samruk-Kazyna.

**Beybit Karymsakov, Member.** Mr. Karymsakov was born in 1962 and is a citizen of the Republic of Kazakhstan. Mr. Karymsakov graduated from the Almaty Institute of National Economy with a degree in the "organization of mechanised processing of economic information" and from Taraz State University with a law degree. Mr. Karymsakov has worked in the Tien-Shan cooperative as an accountant and head of the Kordai district finance department. In 2003-2015 Mr. Karymsakov held a senior position with the Almaty City tax authority. In August 2015, Mr. Karymsakov was appointed as Managing Director of National Company Astana EXPO-2017 JSC. Currently, Mr. Karymsakov is the Managing Director for Economics and Finance for Samruk-Kazyna JSC. Mr. Karymsakov was elected as a member of the Board of Directors of the Company in April 2018.

**Kanat Kudaibergen, Member.** Mr. Kudaibergen was born in 1979 and is a citizen of the Republic of Kazakhstan. Mr. Kudaibergen holds an MBA in International Management from the Geneva Business School and an MBA in Mining Management from the NUST Moscow Institute of Steel and Alloys. Mr. Kudaibergen started his career in 2001 as a senior prosecutor's assistant at the Semirechenskaya transport prosecutor's office. In 2007- 2016 Mr. Kudaibergen worked at Trading and Transportation Company LLP, in various senior positions including Lead Specialist of the Legal Department, Chief Manager – Head of the Legal Department, Deputy General Director, First Deputy General Director and Chief Executive Officer. In 2016–2018 he served as the General Director of Karatau LLP. Since 2018, he has served as the Managing Director of the Company's uranium mining division and the Chief Executive Officer of NMC "Tau-Ken Samruk" JSC.

**Galymzhan Pirmatov, Chairman of the Management Board.** Mr. Pirmatov was born in 1972 and is a citizen of the Republic of Kazakhstan. Mr. Pirmatov graduated from the Novosibirsk State University, Kazakhstan Institute of Management, Economics and Strategic Research (University of KIMEP), Atkinson Graduate School of Management, Willamette University and INSEAD. Previous roles include Financial Director of JV Altyn-Tas and Director for Investment at AIG Silk Road Capital Management. In 2005–2007, Mr. Pirmatov was a director in the investment banking department at Halyk Bank JSC, in 2007–2009, he was Vice-Minister of Economy and Budget Planning of the Republic of Kazakhstan, in 2009–2011, he was Vice-President for Economics and Finance of Kazatomprom. In 2011–2015 he was President of Cameco Kazakhstan. Since December 2015, Mr. Pirmatov has been Deputy Chairman of the National Bank of the Republic of Kazakhstan. Mr. Pirmatov has served as the Chairman of the Management Board of the Company since August 2017.

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A copy of this announcement will be made available at [www.kazatomprom.kz](http://www.kazatomprom.kz).

### **About Kazatomprom**

Kazatomprom is the world's largest producer of uranium, representing approximately 20% of total global uranium primary production in 2017. The Group benefits from the largest reserve base in the industry, with attributable uranium reserves of just under 300 ktU. Kazatomprom operates, through its subsidiaries, JVs and Associates, 26 deposits grouped into 13 mining assets, all of which are located in Kazakhstan. All of the Group's uranium deposits are suitable for ISR. A combination of the cost-efficient, low impact



ISR technology and a long-life mining asset base allows the Group to remain sustainably among the leading and the lowest cost uranium producers globally.

As the national atomic company in the Republic of Kazakhstan, the Company has partnered with substantially all of the leading players in the uranium mining industry globally. The Group's primary customers are operators of nuclear generation capacity, and the principal export markets for the Group's products are China, South and Eastern Asia, North America and Europe. The Group sells uranium and uranium products under long-term contracts, short-term contracts, as well as in the spot market, directly from its headquarters or through its Switzerland-based trading subsidiary. For the year ended 31 December 2017 and the six months ended 30 June 2018, the Group's consolidated revenue was KZT336.5 billion and KZT145.0 billion, respectively, and profit was KZT139.2 billion and KZT115.0 billion, respectively.

For more information: <http://www.kazatomprom.kz>

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In connection with the Offering, Credit Suisse Securities (Europe) Limited (the "Stabilising Manager"), or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot GDRs or effect other transactions with a view to supporting the market price of the GDRs at a higher level than that which might otherwise prevail in the open market. The Stabilising Manager is not required to enter into such transactions and such transactions may be effected on any stock market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings of the GDRs on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the Stabilising Manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilising measures, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilise the market price of the GDRs above the Offer Price. Save as required by law or regulation, neither the Stabilising Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Offering.

In connection with the Offering, the Stabilising Manager may, for stabilisation purposes, over-allot GDRs up to a maximum of 15 per cent. of the total number of GDRs comprised in the Offering. For the purposes of allowing it to cover short positions resulting from any such over-allotments and/or from sales of GDRs

effected by it during the stabilising period, it is expected that certain existing shareholders will grant to the Stabilising Manager on behalf of the Banks, an option, pursuant to which the Stabilising Manager may purchase, or procure purchasers for, additional GDRs up to a maximum of 15 per cent. of the total number of GDRs comprised in the Offering (the "Over-allotment GDRs") at the Offer Price. The over-allotment arrangements may be exercised in whole or in part upon notice by the Stabilising Manager at any time on or before the 30th calendar day after the commencement of conditional dealings in the GDRs on the London Stock Exchange. Any Over-allotment GDRs made available pursuant to the over-allotment arrangements will rank *pari passu* in all respects with the GDRs, including for all dividends and other distributions declared, made or paid on the GDRs, will be purchased on the same terms and conditions as the GDRs being issued or sold in the Offering and will form a single class for all purposes with the other GDRs.

Certain statements in this announcement are not historical facts and are "forward looking" within the meaning of Section 27A of the U.S. Securities Act and Section 21E of the U.S. Securities Exchange Act of 1934. Forward looking statements include statements concerning our plans, expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our competitive strengths and weaknesses, plans or goals relating to development projects, financial position and future operations and development, our business strategy and the trends we anticipate in the industries and the political and legal environment in which we operate and other information that is not historical information. By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward looking statements will not be achieved. Given these risks and uncertainties, be cautioned not to place undue reliance on such forward looking statements. We do not intend and we do not assume any obligation to update any forward looking statement contained herein.

In addition, this announcement contains information concerning the Group's industry and its market and business segments generally, which is forward-looking in nature and is based on a variety of assumptions regarding the ways in which the industry, and the Group's market and business segments, will develop. These assumptions are based on information currently available to the Company. If any one or more of these assumptions turn out to be incorrect, actual market results may differ from those predicted. While the Company does not know what effect any such differences may have on the Group's business, if there are such differences, they could have a material adverse effect on the Group's future results of operations and financial condition.

The Registration Document may be combined with a securities note and summary to form a prospectus in accordance with the Prospectus Rules. A prospectus is required before an issuer can offer transferable securities to the public or request the admission of transferable securities to trading on a regulated market. However, the Registration Document referred to in this announcement, where not combined with the securities note and summary to form a prospectus, does not constitute an offer or invitation to sell or issue, or a solicitation of an offer or invitation to purchase or subscribe for, any securities in the Company in any jurisdiction, nor shall the Registration Document alone (or any part of it), or the fact of its distribution, form the basis of, or be relied upon in connection with, or act as any inducement to enter into, any contract or commitment whatsoever with respect to any offer or otherwise. Any subscription or purchase of Securities in the possible Offering should be made solely on the basis of information contained in the Prospectus which may be issued by the Company in connection with the Offering.

The information in this announcement is subject to change. Before subscribing for or purchasing any Securities, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus if published. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. Neither this announcement, nor anything contained in the Registration Document referred to herein, shall form the basis of or constitute any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any Securities or any other securities nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.

The Company may decide not to go ahead with the IPO and there is therefore no guarantee that a Prospectus will be published, the Offering will be made or Admission will occur. Financial decisions should not be based on this announcement. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested.

Persons considering making investments should consult an authorised person specialising in advising on such investments. Neither this announcement, nor the Registration Document referred to herein, constitutes a recommendation concerning a possible offer. The value of shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of a possible offer for the person concerned.