

## 1. GENERAL INFORMATION

"Financial Company "Real-Invest.kz" JSC (hereinafter referred to as the Company and jointly with subsidiaries – as the Group) carries out its activity in the Republic of Kazakhstan. The Company was registered on 13 August 2003 (registration number: 57284-1910-AO).

Owner of the Company is Mr. Niyazov B.B. – 100% (on 31 December 2016: Mr. Niyazov B.B. – 100%, the citizen of the Republic of Kazakhstan).

Primary activity of the Company is to manage subsidiary enterprises and to invest in projects.

Registered and actual address of the Company: 59 "A", Amangeldy St., Floor 4, Almaty City, Republic of Kazakhstan. As at 30 June 2017 the Group consisted of 21 employees (31 December 2016: 19 employees).

Enterprises composing the Group as at 30 June 2017:

Company name	Primary activity	Location	Interest, %	
			As at 30 June 2017	As at 31 December 2016
"FALCONRY CAPITAL" JSC	Broker-dealer activity in the securities market with the right to manage customers' accounts as a nominal holder	Republic of Kazakhstan	100%	100%
ZAID Invest LLC	Investment in securities market	United Arab Emirates	-	100%
"Best seller estate" LLP	Purchase and sale of real estate	Republic of Kazakhstan	100%	100%

The consolidated financial statements include the results of activity of the Company and its fully controlled subsidiaries.

## 2. FRAMEWORK FOR PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements were prepared on the historical cost basis, except for cases stated in section "Basic provisions of the accounting policy".

### Statement of conformance

The applied consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (hereinafter – the IFRS) issued by the International Accounting Standards Board (hereinafter – the IAS Board).

These consolidated financial statements are presented in thousand tenge, unless otherwise stated. Functional currency and currency of presentation of the consolidated financial statements are rounded up to a thousand, except specially stipulated cases.

### Going concern

These consolidated financial statements were prepared on accrual basis. The accruals concept is provided by recognition of the results of business operations, as well as occurred events, irrespective of time of payment. Operations and events are reported in the accounting records and included into the consolidated financial statements of those periods to which they relate.

On 7 September 2016 the sole shareholder of "FALCONRY CAPITAL" JSC (subsidiary organization the assets of which are substantial towards assets of the Group) made decision on voluntary application of the Company to the authorized body in order to return available license to carry out activity in the securities market. In connection with that decision the Group's management developed a plan of actions to terminate professional activity in the securities market. The Group's management is going to carry out further investment activity without a license.

These consolidated financial statements do not contain adjustments, which would be required, if the Group could not continue its financial and business activity on a going concern basis.

The consolidated financial statements of the Group prepared on accrual basis inform the users not only about past operations connected with payment and receipt of cash, but also about obligations to pay money in the future, and about resources representing the cash, which will be received in the future.

### **Change of interests of the Group in subsidiaries**

In case the Group loses control over a subsidiary, the profit or loss from retirement shall be calculated as a difference between (1) fair value of obtained fee and fair value of remained interest and (2) current value of assets (including goodwill) and liabilities of a subsidiary, as well as minority interest. If assets of a subsidiary are accounted for at estimated or fair value and respective accumulated differences in other comprehensive income are recognized, the amounts previously recognized in other comprehensive income shall be accounted for as if the Group would sell respective assets (i.e. they are reclassified as profits and losses or attributed directly to retained profit as it is provided for by the applicable IFRS). Fair value of remaining investments in former subsidiary as at a date of loss of control shall be taken as a value of initial recognition in accordance with IAS 39 "*Financial Instruments: Recognition and Measurement*" or (where applicable) as value of initial recognition of investments into associated or jointly controlled company.

### **Going concern**

The management considers that the Group may generate sufficient cash to timely repay its liabilities. The management of the Group has no intention or need to liquidate or considerably reduce scope of activity.

### **Recognition of components of the consolidated financial statements**

These consolidated financial statements include all assets, liabilities, capital, incomes and expenses, which are components of the financial statements. All components of the consolidated financial statements are presented in the form of line items. Several components of the consolidated financial statements are combined in one item subject to their characteristics (functions) in activity of the Group.

Each substantial class of similar items is presented separately in the consolidated financial statements. Items of other nature or purpose are presented separately, unless they are insignificant.

### **Conditions for carrying out activity**

Economy of the Republic of Kazakhstan continues to be characterized with some evidences of a developing country. These evidences include, but are not limited to existence of a currency, which is not hard outside the country, and low level of liquidity of debt and equity securities on stock exchanges. Prospects of economic stability of the Republic of Kazakhstan significantly depend on efficiency of economic measures taken by the government, as well as development of legal, controlling and political systems, i.e. circumstances, which are beyond control of the Group.

Continuing economic difficulties specific for a developing country may adversely affect financial position and future activity of the Group. The management of the Group may not foresee either scope or duration of economic difficulties or evaluate their influence (if any) on these consolidated financial statements.

## **3. REVIEW OF MATERIAL ASPECTS OF THE ACCOUNTING POLICY**

### **Fair value measurement**

The Group evaluates such financial instruments as securities available for sale and such non-financial assets as investment property at fair value as at each reporting date.



A fair value is a price, which would be obtained for sale of an asset or paid for delivery of a liability in the context of a transaction made as usual between market participants as at a date of measurement. Measurement of a fair value assumes that transaction of sale of an asset or delivery of a liability takes place:

- either in primary market for that asset or liability;
- or, in the absence of primary market, in the most favourable market for that asset or liability.

The Group must have access to primary or the most favourable market. A fair value of an asset or liability is measured using assumptions, which would be used by market participants when fixing a price for an asset or liability, and it is assumed that market participants act in their best interests. Measurement of a fair value of a non-financial asset considers an opportunity of a market participant to generate economic benefits from use of an asset to the best advantage and in the most effective manner or to sell the same to another market participant, which will use that asset to the best advantage and in the most effective manner.

The Group uses such measurement methods, which are acceptable under existing circumstances and for which details sufficient to measure a fair value are available, and maximally using relevant observable initial data and minimally using unobservable initial data.

In case of assets and liabilities, which are recognized in the financial statements from time to time, the Group determines the fact of transfer between levels of sources of hierarchy and analyses again classification (on the basis of initial data of the lowest level, which are significant for measurement of a fair value in general) at the end of each reporting period.

#### **Evaluation of financial instruments at initial recognition**

At initial recognition the financial instruments are evaluated at fair value, which is adjusted subject to directly related commissions and costs in case of instruments not revalued at fair value through profit or loss.

The best proof of a fair value of a financial instrument at initial recognition is usually a transaction price. If the Group comes to a conclusion that a fair value at initial recognition differs from a transaction price:

- if a fair value is confirmed by quotations in active market for an identical asset or liability (i.e. initial data of Level 1) or is based on measurement methods, which use data of observable markets only, the Group recognizes a difference between a fair value at initial recognition and a transaction price as income or expense;
- in all other cases initial evaluation of a financial instrument is adjusted to attribute to the future periods a difference between a fair value at initial recognition and a transaction price. After initial recognition the Group recognizes deferred difference as income or expense only if initial data becomes observable or if an instrument is derecognized.

#### **Investment property**

Investment property is initially evaluated at actual value, including costs for acquisition, construction, as well as other related expenses. Current value includes cost of replacement of parts of existing investment property as far as such costs are incurred, if criteria of capitalization thereof are met, and excludes costs for current maintenance of investment property.

After initial recognition the facilities of investment property are accounted for at fair value. Other income or loss from change of a fair value of investment property should be recognized as part of profit or loss for that period in which they occur. A fair value of investment property must represent market conditions at the end of the reporting period.

Investment property is written off the balance sheet upon retirement or in case it is withdrawn from use and economic benefits are not expected in the future from retirement thereof. Profit or loss from retirement of investment property or withdrawal thereof from operation are recognized in the consolidated statement of profit and loss and other comprehensive income for the reporting year in which retirement or withdrawal from operation took place.

Transfers to investment property take place, when and only if a nature of use of property changes that is confirmed by termination of use thereof by an owner, transfer to operating lease. Transfers from investment



property take place, when and only if a nature of use of property changes that is confirmed by commencement of use thereof by an owner or commencement of reconstruction for the purpose of sale.

### Fixed assets

The fixed assets are reported at historical cost or reference value, less accumulated deterioration and impairment loss.

Historical cost of fixed assets includes acquisition cost, including import duties and non-refundable taxes, borrowing costs, which directly relate to construction of long-term projects, if they meet recognition conditions, as well as any direct costs connected with bringing an asset to operating condition and delivery to a place of its designated purpose.

Deterioration of fixed assets is calculated on the basis of the straight-line method during an expected useful life as it is stated below:

Category of fixed assets	Rates
Land	No depreciation
Buildings and structures	5%
Machinery and equipment	7-30%
Transport vehicles	10%
Other fixed assets	10%-30%

Upon sale or retirement of assets their value and accumulated deterioration are eliminated from respective accounts, and any income or loss arising as a result of their retirement are included into the consolidated statement of profit and loss and other comprehensive income.

### Financial assets available for sale

Shares and term bonds traded in organized markets are classified as "available for sale" and are reported at fair value. The Group also has investments in shares not traded in organized market, which are also classified as financial assets of AFS category and are accounted for at fair value (since the management considers that a fair value may be reliably assessed). Incomes and expenses arising as a result of change of a fair value are recognized in other comprehensive income as part of provision for revaluation of investments, except cases of impairment of permanent nature, interest income calculated in effective interest rate method and foreign exchange differences, which are recognized in the consolidated statement of profit and loss. Upon retirement or impairment of a financial asset the accumulated incomes or expenses previously recognized in provision for revaluation of investments relate to the financial results in a period of retirement or impairment.

Fair value of monetary assets in foreign currency of AFS category shall be fixed in the same currency and recalculated at exchange rate as at the reporting date. Foreign exchange differences attributed to profits or losses are determined based on amortized cost of a monetary asset.

Investments in equity securities of AFS category, for which there are not quotations in active market and fair value of which may not be reliably assessed, are reported at cost less impairment loss determined at the end of each reporting period.

### Loans and accounts receivable

Trade receivables, granted loans and other accounts receivable with fixed or definable payments, which are not traded in organized market, are classified as "loans and accounts receivable". Loans and accounts receivable are accounted for at amortized cost using effective interest rate method less impairment. Interest income is recognized by applying an effective interest rate, except short-term accounts receivable the interest income on which is insignificant.

The Group tests all loans to clients for impairment on a case by case basis. Methods and assumptions used to evaluate future cash flows are regularly revised in order to reduce a difference between estimates of losses and actual results.



### **Long-term assets held for sale**

Long-term assets and groups of retiring assets are classified as held for sale, if their book value will be recovered mainly not in the course of use in production activity, but upon sale. This condition is deemed met, if an asset (or a group of retiring assets) may be sold in its current condition and sale is highly probable. The management must complete sale of an asset in the foreseeable future.

If the Group adopted a plan of sale of a controlling interest of a subsidiary, all assets and liabilities of such a subsidiary are reclassified as held for sale when criteria described above are met, irrespective of preservation by the Group of minority interests in former subsidiary after sale.

Long-term assets (and groups of retiring assets) classified as held for sale) are evaluated at lesser of two values: residual value at the moment of such classification and fair value less selling costs.

Costs incurred after fixed assets are put into operation, such as costs for repair and maintenance, are usually attributed to expenses in that period, in which these costs are incurred. Costs, which result in increase in expected future economic benefits from use of a fixed asset above its initially estimated indices (increase of a useful life, capacity, etc.), are capitalized as additional value of fixed assets.

Proposed useful lives, liquidation value and deterioration accrual method are analysed at the end of each year and, if necessary, adjusted.

### **Impairment of financial assets**

As at each reporting date the Group estimates existence of objective evidences of impairment of a financial asset or a group of financial assets. A financial asset or a group of financial assets are conditionally determined as impaired, when and only if there is an objective evidence of impairment as a result of one or more events occurred after initial recognition of an asset (occurred "loss event"), and loss event (or events) affects expected future cash flows from a financial asset or a group of financial assets, which may be reliably assessed. Evidences of impairment may include proofs that a debtor of borrowers faces material financial difficulties, violates obligations to pay interest or principal debt, high probability of bankruptcy or financial re-organization, as well as a proof (on the basis of information from observable market) of reduction of expected future cash flows, for example, change of a level of overdue payments or economic conditions, which correlate losses on assets.

### **Derecognition of financial assets and liabilities**

#### *Financial assets*

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) shall be derecognized in the consolidated statement of financial position, if:

- a validity term of the rights to obtain cash flows from an asset expires;
- the Group transferred its rights to obtain cash flows from an asset or reserved the right to obtain cash flows from an asset, but assumed an obligation to transfer them in full to third party without considerable delay on the basis of a reallocation agreement; or
- the Group either (a) transferred almost all of the risks and benefits from an asset, or (b) has not transferred, but does not reserve all of the risks and benefits from an asset, but has transferred control over that asset.

In case the Group has transferred its rights to obtain cash flows from an asset and has not transferred and reserved almost all risks and benefits connected with them, as well as, it has not transferred control over an asset, such an asset shall be reported in the records within limits of continuing interest of the Group in that asset. Continuation of interest in an asset in the form of a guarantee on transferred asset is estimated at lesser of values: initial book value of an asset and maximal recovery, which may be called for payment by the Group.



### **Financial liabilities**

A financial liability shall be derecognized in the statement of financial position, if a liability is repaid, cancelled or expired.

If existing financial liability is replaced with another liability to the same creditor subject to different conditions or if conditions of existing liabilities are substantially changed, such replacement or changes are accounted for as derecognition of initial liability and commencement of recognition of a new liability, a difference between book values is recognized in the statement of profit and loss and other comprehensive income.

### **Lease**

#### *Operating lease – Group as lessee*

Asset lease agreements whereby a lessor reserves almost all risks and benefits from possession of an asset are classified as operating lease. Rental payments for operating lease are evenly expensed as incurred during a lease term and included as parts of other operating expenses.

### **Taxation**

Current expenses on corporate income tax are calculated in accordance with the legislation of the Republic of Kazakhstan.

Deferred tax assets are only reported to the extent it is probable to earn in the future a taxable profit against which these temporary differences reducing tax base may be set off. Deferred tax assets and liabilities are evaluated at tax rates, which will be used during a period of disposal of an asset or settlement of a liability, based on the legislation in effect or actually effective as at the reporting date.

There are also other various types of taxes in Kazakhstan, which influence on activity of the Group. These taxes are included as a component of other operating expenses.

### **Provisions**

Provisions are recognized, if the Group, due to a particular event in the past, has legal or voluntarily assumed liabilities for settlement of which an outflow of funds embedding future economic benefits will be required with a great degree of probability and which may be estimated with a sufficient degree of reliability.

### **Pension provisions and other payment liabilities**

The Group has not any agreements of pension provision, besides the State pension scheme of the Republic of Kazakhstan, which requires from an employer to make withholdings calculated as a percentage of current payments of the total amount of salary, such withholdings are expensed in that period in which respective salary is accrued and they are included as parts of salary and employee benefits in the statement of profit and loss and other comprehensive income. The Group pays social tax to the budget of the Republic of Kazakhstan for its employees. In addition, the Group has not any other pension schemes requiring accrual.

### **Authorized capital stock**

Contributions to the authorized capital stock are recognized at historical cost.

### **Preferred shares**

Non-redeemable Preferred shares dividends on which are paid at discretion of an issuer are classified as capital (Note 19). Costs for payment for services to third parties directly connected with issue of new shares are reported as decrease in capital as a result of that issue.



### **Contingent liabilities and contingent assets**

Contingent liabilities are not recognized in the statement of financial position, but they are disclosed in the financial statements, if outflow of funds representing economic benefits is probable. Contingent assets are not recognized in the statement of financial position, but they are disclosed in cases, where it is probable to obtain economic benefits.

### **Recognition of incomes and expenses**

Proceeds are recognized, if it is highly probable that the Group will obtain economic benefits and if proceeds may be reliable assessed.

For all financial instruments estimated at amortized cost, interest incomes or expenses are reported at effective interest rate, upon discounting of which expected future cash payments or receipts for an expected period of use of a financial instrument or during a shorter period of time (where applicable) are accurately reduced to net book value of a financial asset or financial liability. Upon calculation all contractual terms and conditions for a financial instrument (for example, a right to early redemption) and commission fees or extra charges directly related with an instrument, which remain integral part of an effective rate, but do not consider future losses on credits, shall be taken into consideration.

A book value of a financial asset or financial liability is adjusted in case the Company reviews estimates of payments or proceeds. Adjusted book value is calculated on the basis of an initial effective interest rate, and change of a book value is reported as interest incomes or expenses.

In case of reduction of value of a financial asset or a group of similar financial assets reported in the financial statements due to impairment, interest incomes continue to be recognized at initial effective interest rate on the basis of a new book value.

### **Foreign currency translation**

The consolidated financial statements are presented in the tenge, which is a functional currency and currency of presentation of the Group. Transactions in foreign currencies are initially reported at a rate of functional currency as at a date of transaction. Monetary assets and liabilities denominated in foreign currency are translated into tenge at market rates prevailing as at the reporting date. Incomes and losses arising as a result of translation of transactions in foreign currency are recognized in the consolidated statement of profit and loss and other comprehensive income as incomes, less expenses for foreign exchange differences. Non-monetary items, which are evaluated at historical cost in foreign currency, are translated using exchange rates as at the dates of initial transactions. Non-monetary items estimated at fair value in foreign currency are translated using exchange rates as at that date on which a fair value has been assessed.

Exchange rates at the end of the year used by the Group when preparing these consolidated financial statements are stated as follows:

<b>Currency</b>	<b>30 June 2017</b>	<b>31 December 2016</b>
US dollar	322,27	333,29
Euro	367,52	352,42
Britain pound sterling	418,40	409,78
Russian rouble	5,44	5,43

### **Adoption of new and revised International Financial Reporting Standards**

#### *Standards and Interpretations adopted in the current year*

During reporting year the Group adopted the following new and revised standards:

#### *IFRS 9 "Financial Instruments"*

In July 2014 the IAS Board issued the final version of IFRS 9 "Financial Instruments", which replaces IAS 39 "Financial Instruments: Recognition and Measurement" and all previous versions of IFRS 9. The



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Shares of foreign issuers	811,157	691 446
Depository receipts	11,489	45 069
Units of investment funds	-	11 289
Euro bonds	75	43
	<b>1,453,203</b>	<b>1 289 195</b>

The most of securities represented below are traded in the Kazakhstan, London and New York stock exchanges.

Investments available for sale as at 30 June 2017 and 31 December 2016 were not pledged as security for obligations of the Group.

Thousand tenge	Type of investments	Currency	As at 30 June 2017	As at 31 December 2016
<b>Shares of the Kazakhstan issuers</b>				
“Kazakhtelecom” JSC	Preferred shares	Tenge	135,470	161 288
“Exploration & Production KazMunaiGas” JSC	Preferred shares	Tenge	76,173	86 548
“KazTransCom” JSC	Ordinary shares	Tenge	99,329	99 328
“KazTransOil” JSC	Ordinary shares	Tenge	93,836	104 167
“Kazakhtelecom” JSC	Ordinary shares	Tenge	62,758	28 278
“KazTransCom” JSC	Preferred shares	Tenge	9,483	9 483
“Tsesnabank” JSC	Preferred shares	Tenge	9,200	9 374
“Halyk Saving Bank of Kazakhstan” JSC	Ordinary shares	Tenge	20,194	14 075
“Kazakhstan Stock Exchange” JSC	Ordinary shares	Tenge	27	27
“Exploration & Production KazMunaiGas” JSC	Ordinary shares	Tenge	31,134	24 829
“Aktymbinsk plant of metal structures” JSC	Ordinary shares	Tenge	-	3 203
“Mangistaumunaigas” JSC	Preferred shares	Tenge	333	748
“BANK OF ASTANA” JSC	Ordinary shares		92,545	-
			<b>630,482</b>	<b>541 348</b>

Thousand tenge	Type of investments	Currency	As at 30 June 2017	As at 31 December 2016
<b>Shares of foreign issuers</b>				
Ferro-Alloy Resources Limited	Ordinary shares	US dollar	-	174 376
Twitter Inc	Ordinary shares	US dollar	-	14 532
Kaz Minerals Pic	Ordinary shares	British pound sterling	29,818	25 471
YandexNv-A	Ordinary shares	US dollar	-	21 056
KADMON GENE THERAPY LLC	Ordinary shares	US dollar	-	333 290
FULING GLOBAL INC	Ordinary shares	US dollar	-	79 990
NUTANIXINC	Ordinary shares	US dollar	-	10 499
Travel BV IPO	Ordinary shares	US dollar	-	6 697
ZTO EXPRESS (CAYMAN) INC.	Ordinary shares	US dollar	-	20 629
QIWI	Ordinary shares	US dollar	-	4 906
ZAID Invest LLC	Preferred shares	US dollar	-781,339	-
			<b>811,157</b>	<b>691 446</b>

Thousand tenge	Type of investments	Currency	As at 30 June 2017	As at 31 December 2016
<b>Depository receipts</b>				
“Kcell” JSC	Depository receipts	US dollar	4,764	5 102
“Exploration & Production KazMunaiGas” JSC	Depository receipts	US dollar	66	62
LSR Group	Depository receipts	US dollar	-	29 996
“Halyk Bank of Kazakhstan” JSC	Depository receipts	US dollar	5,674	8 890
“ForteBank” JSC	Depository receipts	US dollar	985	1 019
			<b>11,489</b>	<b>45 069</b>

## 7. GRANTED LOANS

Thousand tenge	As at 30 June 2017	As at 31 December 2016
Loans granted to related parties	-	146 170
Loans granted to third parties	65 946	85 308
Provision for impairment of granted loans	(65 946)	(66 400)
	<b>-</b>	<b>165 078</b>



standard introduces new requirements with respect to classification and measurement, accounting for impairment and hedging. IFRS 9 shall become effective with respect to the annual reporting periods beginning on or after 1 January 2018, and it may be early applied. The Group is going to apply the standard as at required date of application. The Group expects that application of IFRS 9 will not have influence on classification and measurement of financial assets and financial liabilities of the Group.

#### *IFRS 15 “Revenue from Contracts with Customers”*

IFRS 15 has been issued in May 2014 and provides for a new model including five stages, which will be applied with respect to revenue under contracts with customers. According to IFRS 15, revenue is recognized by amount, which represents recovery a right to which an organization expects to obtain in exchange for transfer of the goods or services to a customer. The new standard on revenue is applicable with respect to all organizations and replaces all existing requirements for recognition of revenue under the IFRS. The standard is applied with respect to the annual reporting periods beginning on or after 1 January 2018, retrospectively in full or using modified retrospective approach, and it may be early applied. At the present time the Group estimates influence of IFRS 15 and is going to apply the new standard as at respective effective date.

#### *IAS 16 and IAS 38 “Acceptable Methods of Depreciation and Amortization” (amendments)*

The amendments explain principles of IAS 16 and IAS 38, which consist in representation by revenue of a structure of economic benefits, which are generated as a result of activity of a business (a part of which an asset is), but not economic benefits, which are consumed in the context of use of an asset. As a result, revenue-based method may not be used to depreciate fixed assets and may only be used occasionally to amortize intangible assets. Amendments are applied prospectively with respect to the annual reporting periods beginning on or after 1 January 2016, and it may be early applied. The Group expects that amendments will not have influence on the consolidated financial statements, since the Group did not use revenue-based method to depreciate/amortize its fixed and intangible assets.

#### *Annual improvements of the IFRS, 2012-2016*

These amendments shall become effective for the annual reporting periods beginning on 1 January 2016. It is expected that these amendments will not have influence on the consolidated financial statements of the Group.

The following standards, which have been issued, but are not effective yet, are not applicable in the course of activities of the Group.

*IFRS 14 “Regulatory Deferral Accounts”* shall become effective with respect to the annual reporting periods beginning on or after 1 January 2016.

*IFRS 11 “Joint Arrangements” – “Accounting for Acquisitions of Interests in Joint Operations” (amendments)* shall become effective prospectively with respect to the annual reporting periods beginning on or after 1 January 2016, it may be early applied.

#### **Uncertainty of estimates**

In the course of application of the accounting policy of the Group the management used its opinions and made estimates when assessing amounts recognized in the consolidated financial statements. The most significant cases of use of opinions and estimates are presented below.

### **4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

#### **Functional currency of foreign subsidiaries**

In 2014 the Group purchased controlling interest in ZAID Invest LLC and consolidated the results of that business from the date on which control was obtained. The business is located in Dubai, United Arab



Emirates, and is engaged in investments in the securities market. After acquisition of the business the accounting data were translated into tenge in accordance with the accounting policy of the Group. Control of the business is carried out at the office of the Group in the Republic of Kazakhstan, and all accounting records are kept in the Kazakhstan tenge. Thus, the management considers that a functional currency and currency of presentation of the financial statements of the business is the Kazakhstan tenge.

#### **Fair value of financial instruments**

In case a fair value of financial assets and financial liabilities reported in the consolidated statement of financial position may not be assessed on the basis of prices in active market, it shall be fixed using different valuation models including mathematical models. Initial data for such models are defined on the basis of observable market, if it is possible; otherwise an assumption must be used to assess a fair value.

In order to assess a fair value of specific types of financial instruments the Group uses valuation methods taking into account initial data not based on observable market data. In opinion of the management, chosen valuation methods and used assumptions fit for assessment of fair value of financial instruments.

#### **Provision for impairment of loans and accounts receivable**

The Group regularly analyses loans and accounts receivable with a view to impairment. Based on available experience, the Group uses its estimates when estimating impairment losses in cases, where a borrower faces financial difficulties and there is no sufficient volume of actual data about similar borrowers. The Group similarly evaluates changes in future cash flows on the basis of observable data specifying unfavourable change of status of repayment of liabilities by borrowers composing the Group or change of the state or local economic conditions, which relates to defaults on assets in structure of the Group. The management uses estimates based on historical data of structure of losses with respect to assets with similar characteristics of credit risk and objective evidences of impairment broken down by groups of loans and accounts receivable. Based on available experience the Group uses its assumption when adjusting observable data as applied to a group of loans or accounts receivable in order to represent current circumstances.

#### **Writing off granted loans**

In case it is impossible to recover granted loans, including by enforcement of security, they are written off at the expense of provision for impairment. Loans and granted funds are written off after the management of the Group takes all possible measures to recover amounts due to the Group, as well as after the Group disposes of available collateral. Subsequent recovery of previously written-off amounts is reported as decrease in expenses for impairment of financial assets in the consolidated statement of profit and loss and other comprehensive income in a period of recovery.

#### **Taxation**

Tax, currency and customs laws of the Republic of Kazakhstan are objects of different interpretations and changes, which may occur rather often. Interpretation of the management with respect to such laws applied with respect to transactions and activity of the Group may be disputed by respective regional or state bodies. Thus, additional taxes, penalties and fines may be charged. Tax periods remain open for revision by respective bodies with respect to charging taxes for five calendar years preceding a year concerned. Under particular circumstances such revisions may cover longer periods.

#### **Deferred tax assets**

Deferred tax assets are recognized to the extent it is probable to earn taxable profit against which these assets may be set off. In order to assess an amount of deferred tax assets, which may be recognized in the consolidated financial statements, the Group applies critical assumptions with respect to probable terms of earning and amount of future taxable profit, as well as a strategy of tax planning.



Movements in provision for impairment of granted loans are stated below:

Thousand tenge	Provision for impairment
31 December 2015	(19 945)
Written off	-
Accrued	(46 455)
31 December 2016	(66 400)
Written off	454
Accrued	-
30 June 2017	(65 946)

Charged fee as at 30 June 2017 amounted to 0 tenge (31 December 2016: 30 279 thousand tenge).

### Loans granted to third parties

Loans granted to related parties are represented by loans to “Jewellery Company “Real-Gold” LLP. In 2011 the parent company concluded funding agreements, whereby the parent company funded subsidiaries, including “Jewellery Company “Real-Gold” LLP, to the total amount of 304 752 thousand tenge for three years. That agreement was prolonged in February 2015, subject to condition of full payment under the agreement until the end of the year 2017. In 2015, 100% interest in the authorized capital stock of subsidiary – “Jewellery Company “Real-Gold” LLP – was sold in full, 75% of which was sold to shareholders of the parent company. In 2015 contract for termination of those agreements was concluded subject to condition that the Group shall cover arisen losses from joint operations in the amount of 201 783 thousand tenge, and “Jewellery Company “Real-Gold” LLP undertakes to refund its interest until 31 December 2017. The Group reported that loan at fair value calculated as present value of future cash flows using effective interest rate equal to 10.4% as at the date of termination representing weighted average rate on deposits obtained by the second tier banks of the Republic of Kazakhstan subject to similar conditions. In 2016 “Jewellery Company “Real-Gold” LLP partially fulfilled its obligations under agreement by transferring golden articles to the amount of 44 113 thousand tenge. Likewise, in 2016 the shareholder of the parent company fully sold interest in the authorized capital stock of “Jewellery Company “Real-Gold” LLP. In connection with considerable financial difficulties in “Jewellery Company “Real-Gold” LLP the Company assumes that remaining part of the loan amounting to 47 722 will not be repaid; in this regard 100% provision in that amount was accrued in 2016. In connection with loss of control over “Jewellery Company “Real-Gold” LLP by the Group in 2016, that loan was classified as loan granted to third party.

## 8. ACCOUNTS RECEIVABLE

Thousand tenge	As at 30 June 2017	As at 31 December 2016
Trade receivables	165 166	199 540
Receivables from related parties	-	56 502
Provision for doubtful claims	(98 928)	(98 591)
	<b>66 238</b>	<b>157 451</b>

Movements in provision for doubtful claims are presented below:

Thousand tenge	Provision for doubtful claims
31 December 2015	(115 739)
Accrued	3 945
Written off	13 203
31 December 2016	(98 591)
Written off	-
Accrued	337
30 June 2017	(98 928)

## 9. PAID ADVANCES

Thousand tenge	As at 30 June 2017	As at 31 December 2016
Advances paid to suppliers/providers	20 734	88 708
Provision for paid advances	-	-
	<b>20 734</b>	<b>88 708</b>

### **Impairment of fixed and intangible assets**

The Group checks indicators of impairment of book value of fixed and intangible assets as at each reporting date.

Impairment is based on a great number of factors, such as: current competitive environment, changes in expected growth of industry, change of availability of financing in the future, technological obsolescence, termination of service rendering, current costs for replacement and other changes in conditions, which evidence of considerable impairment.

In case there are such indicators, a recoverable amount of assets shall be assessed and compared with book value of assets. If a book value exceeds recoverable amount of assets, impairment is recognized. Recoverable amount is determined as the largest of two values: fair value of assets less selling expenses or use value. When assessing use value, estimated future cash flows are discounted to their current value using discounting rate before tax, which, in opinion of the management, represents current market estimation of time value of money and risks inherent in assets. Change of estimated recoverable amount may result in impairment or recovery thereof in future periods.

### **Useful lives of fixed assets**

The Group considers useful lives of fixed and intangible assets at the end of each annual reporting period. Estimation of a useful life of an asset depends on such factors as: economic use, repair and maintenance programs, technological enhancements and other business conditions. The management estimation of useful lives of fixed assets represents respective information available as at the date of these consolidated financial statements.

### **Provision for doubtful debts**

The Group forms provisions for doubtful accounts receivable and paid advances. When assessing doubtful accounts, previous and expected results of activity of a customer shall be taken into consideration. Changes in economy, industry or particular characteristics of a customer may demand to adjust provision for doubtful debts reported in the consolidated financial statements.

### **Estimation of inventories**

Inventories are measured at lesser of two values: cost or net realizable value. The Group reports respective provision reducing value of illiquid and slightly used inventories to net realizable value. Actual amount of sale from retirement of such inventories may differ from net realizable value. Any such difference may materially affect the future operating results.

## **5. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include:

Thousand tenge	As at 30 June 2017	As at 31 December 2016
Cash on current banks accounts in tenge	28 074	44 561
Cash on current banks accounts in currency	32	36 543
Cash on hand in tenge	150	127
	<b>28 256</b>	<b>81 231</b>

Cash in transit represents cash paid for goods using bank cards, but not credited to a settlement account of the Group yet.

## **6. INVESTMENTS AVAILABLE FOR SALE**

Investments available for sale include:

Thousand tenge	As at 30 June 2017	As at 31 December 2016
Shares of the Kazakhstan issuers	630,482	541 348



Movements in provision for doubtful claims are presented below:

Thousand tenge	Provision for doubtful claims
31 December2015	(15 000)
Accrued	15 000
31 December2016	-
Written off	-
30 June 2017	-

## 10. INVENTORIES

Thousand tenge	As at 30 June 2017	As at 31 December 2016
Gold jewellery	27 485	33 074
Consumer goods	136	100
Other	5 336	3 223
	<b>32 957</b>	<b>36 397</b>

As at 30 June 2017and31 December2016inventories were not pledged as security of obligations of the Group.

## 11. INVESTMENT PROPERTY

Thousand tenge	Land	Buildings and structures	Total
<b>Book value</b>			
31 December2015	166 240	481 556	647 796
Retirement	(51 135)	(74 104)	(125 239)
Revaluation	(8 396)	(84 696)	(93 092)
31 December2016	106 709	322 756	429 465
Receipts	25 039	46 501	71 540
30 June 2017	131 748	369 257	501 005

As at 30 June 2017and31 December2016investment property was not pledged as security of obligations of the Group.

As at 31 December 2016investment property was evaluated by independent appraising company – "Anira" LLP.

## 12. FIXED ASSETS

Thousand tenge	Transport vehicles	Other fixed assets	Total
<b>Historical cost</b>			
31 December2015	79 986	18 451	98 437
Retirement	(12 507)	-83	(12 590)
31 December2016	67479	18368	85847
Receipts	1 512	566	2 078
Retirement	-	-677	-677
30 June 2017	68991	18257	87248
<b>Accumulated depreciation</b>			
31 December2015	24 322	13 156	37 478
Accrued	6 634	1 485	8 119
Retirement	(1 109)	-78	(1 187)
31 December2016	29847	14563	44410
Accrued	3 266	682	3 948
Retirement	-	-293	-293
30 June 2017	33113	14952	48065
<b>Book value</b>			
31 December2016	37632	3805	41437
30 June 2017	35878	3305	39183

As at 30 June 2017 and31 December2016the fixed assets were not pledged as security of obligations of the Group.

## 13. LONG-TERM ADVANCES PAID FOR CONSTRUCTION IN PROCESS

In 2016 the Company concluded undertaking agreement with the participation of "A&Z Tuning" LLP, AbilkhayevaUliyanaAblyazovna, "Sun Real Estate" LLP, "Participant" LLP, "Sun Service" LLP, and

“Mountain Drive Baganashyl” LLP, as a result of which obligations to complete construction of four apartment buildings in cottage town “Sun Town” located in Almaty City passed to “Mountain Drive Baganashyl” LLP. The parties assigned the land plots on which construction will be completed as property of “Mountain Drive Baganashyl” LLP with settling payments for those plots upon completion of construction. The Company will fund construction. The expected date for completing construction falls in November 2017. According to the terms and conditions of the agreement, after commissioning of residential apartment buildings, the Company will acquire the right of ownership in apartments the total area of which will be determined based on actual cost of funding and price for one square meter of area in the amount of 700 US dollar.

Likewise, as at 31 December 2016 and 2015 the long-term paid advances represented advance payment under Investment agreement for construction of residential building concluded in 2013 with related party. On 27 December 2016 the Company terminated that Investment agreement for construction of residential building, cash was refunded until 13 March 2017.

The long-term paid advances also represent advance payment in the amount of 17 400thousand tengeunder the Investment agreement for construction of low-rise residential buildings concluded in 2016 with related party.

As at 30 June 2017the advance payments for construction amounted to 453 494thousand tenge, as at 31 December 2016 –532 529thousand tenge.

#### 14. TAXATION

The Group is liable to corporate income tax at effective official rate of 20%.

Deferred tax assets are recognized only to the extent it is probable that the future taxable profit against which an asset may be used will be earned. Deferred tax assets are reduced to the extent it is not probable any more that respective tax benefit will be realized.

As at 31 December the balance of deferred taxes calculated by applying standard rates of taxes prevailing as at dates of the consolidated statement of financial position to temporary differences between taxable base of assets and liabilities and amounts reported in the consolidated financial statements includes the following:

Thousand tenge	As at 31 December 2016	Changes recognized in profit and loss	Changes recognized in other comprehensive income	As at 31 December 2015	Changes recognized in profit and loss	Changes recognized in other comprehensive income	Discontinued operations	As at 31 December 2014
Deferred tax assets								
Losses carried over from prior years	130522	35709		94813	(20486)			115 299
Provision for revaluation of investments available for sale	-		(6 969)	6 969		(7881)		14851
Accounts receivable	521	(499)		1 020	(21 039)			22 059
Granted loans	-	-		-	-			
Provision for unused leaves	808	34		774	(1491)			2265
Other liabilities	31	(6)		37	(161)			198
	<b>131882</b>	<b>35 238</b>	<b>(6 969)</b>	<b>103 613</b>	<b>(43 177)</b>	<b>(7 881)</b>		<b>154 672</b>
Deferred tax liabilities								
Investment property, fixed and intangible assets	23 049	36282		(13233)	260		14 189	(27 683)
Total deferred tax assets before impairment	<b>154 931</b>	<b>71 520</b>	<b>(6 969)</b>	<b>90 380</b>	<b>(42 917)</b>	<b>(7 881)</b>		<b>126 989</b>
Impairment of deferred tax asset								
Total deferred tax assets after impairment	<b>154931</b>	<b>71 520</b>	<b>(6 969)</b>	<b>90 380</b>	<b>(42917)</b>	<b>(7881)</b>	<b>14189</b>	<b>126989</b>
Recognized deferred tax assets	<b>154 931</b>	<b>71 398</b>	<b>(6 969)</b>	<b>90 502</b>	<b>(42 795)</b>	<b>(7 881)</b>		<b>141 178</b>
Recognized deferred tax liabilities	-	122	-	(122)	(122)	-	14189	(14189)



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**15.REPO TRANSACTIONS**

*Structure of REPO transactions as at 30 June 2017 (thousand tenge):*

Issuer name	Type of security	Date		Term of transaction (days)	Fee rate	Quantity of securities	Amount of transaction in tenge (less provision for possible losses)
		Transaction opening	Transaction closing				
<b>Total</b>							<b>51 310</b>
Ordinary sharein “KazTransOil” JSC	Ordinary shares	14.06.17	14.07.17	30	13.00	20220	20,115
Ordinary sharein “Kazakhtelecom” JSC	Ordinary shares	14.06.17	14.07.17	30	14.00	1837	20,129
Ordinary sharein “Exploration - Production KazMunaiGas” JSC	Ordinary shares	14.06.17	12.07.17	28	13.50	901	11,066

## 16. OTHER LIABILITIES

The other liabilities broken down by years are presented below:

Thousand tenge	As at 30 June 2017	As at 31 December 2016
Deferred incomes	27 479	33 074
Tax liabilities	2 218	1 583
Estimated liabilities on employees' benefits	4 040	4 040
Other liabilities	225	16 037
	<b>33 962</b>	<b>54734</b>

## 17. AUTHORIZED CAPITAL STOCK

Thousand tenge	As at 30 June 2017	As at 31 December 2016
Ordinary shares	1 799 800	1 799 800
Quantity of allocated shares	5 000 000 000	5 000 000 000
Preferred shares	920 010	920 010
Quantity of allocated shares	920 010 130	920 010 130
Quantity of allocated sharesin the Group	329 989 870	329 989 870
Share premium	48 014	48 014
Redeemed treasury shares	-	(179 454)
	<b>2 767 824</b>	<b>2 767 824</b>

### Ordinary shares

Each ordinary share confers the right to one vote and equal dividends. For 2quarter 2017 the Group did not pay dividends on ordinary shares.

### Preferred shares

Quantity of allocated preferred shares of parent company before eliminations was equal to 1.250.000.000 shares totally as at 30 June 2017and31 December2016.

Amount of dividend per one preferred share is fixed by the Articles of Association and the Share Issue Prospectus of the Group in the amount of 10 tiyn. Dividends are accrued based on results of the year. In 2016 the Group accrued dividends in the amount of 125.000 thousand tenge, of which the amount of 32 999 thousand tenge was allocated inside the Group. Payment of dividends accrued in 2016 is expected in 2017.

In accordance with the Kazakhstan legislation, dividends may not be declared, in case the Group has negative capital in the financial statements prepared in accordance with accounting standards of the Republic of Kazakhstan or in case dividend payment results in negative capital in the financial statements.

### Book value of a share

Book value of one share is calculated in accordance with the Listing rules approved by decision of the Stock Board of “Kazakhstan Stock Exchange” JSC:

Thousand tenge	As at 30 June 2017	As at 31 December 2016
Total assets	2 758 837	2 993 198
Intangible assets	(5 835)	(6 496)
Preferred shares	(920 010)	(920 010)
Total liabilities	(180 564)	(282 810)
Quantity of allocated ordinary shares	5 000 000 000	5 000 000 000
Book value of one ordinary share (tenge)	0,33	0,35
Preferred shares	920 010	920 010
Quantity of allocated preferred shares subject to eliminations	920 010 130	920 010 130
Book value of one preferred share (tenge)	1,00	1,00

## 18. PROCEEDS FROM GOODS AND SERVICES SOLD

Thousand tenge	2quarter 2017	2quarter2016
Proceeds from goods sold	5 594	1 603
Income from trading	2	2 624
Other incomes	271	437
	5 867	4 664

## 19. INTEREST INCOMES/EXPENSES

Thousand tenge	2quarter 2017	2quarter 2016
<b>Interest incomes:</b>		
Granted loans	808	5 987
Reverse REPO transactions	-	544
Investment available for sale	22	24
	830	6 555
<b>Interest expenses:</b>		
Reverse REPO transactions	(302)	-
	(302)	-

## 20. INCOMES ON DIVIDENDS

Thousand tenge	2 quarter 2017	2 quarter 2016
Ordinary sharesin "KazTransOil" JSC	13,021	18 902
Preferred sharesin "Exploration - Production KazMunaiGas" JSC	3,229	272
Preferred sharesin "Tsesnabank" JSC	1,600	1 600
LSR Group GDR		1 566
Preferred sharesin "Kazakhtelecom" JSC	3,786	-
Ordinary sharesin "Kazakhtelecom" JSC	-	1 648
Ordinary sharesin "KEGOC" JSC	141	-
Ordinary sharesin "Exploration - Production KazMunaiGas" JSC	488	-
Other	903	735
	23,167	24 724

## 21. NET LOSSES ON OPERATIONS WITH INVESTMENTS AVAILABLE FOR SALE

Thousand tenge	2 quarter 2017	2 quarter 2016
Realised gain/(expense) from change in value of securities held for trade and available for sale	33 411	2 225
Profit/loss from disposal of securities held for trade and available for sale	5 176	(2 810)
	38 587	(585)

## 22. OPERATING EXPENSES

Thousand tenge	2 quarter 2017	2 quarter 2016
Expenses for labour remuneration and travelling expenses	31,485	43,560
Depreciation charges	4,609	5,342
Expenses for payment of taxes and other compulsory budgetary payments	6,219	7,667
Bank services	620	1,141
Computer and information services	1,137	1,203
Transportation expenses	3,929	3,961



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Expenses for software maintenance	655	6,394
Payment for utility services	2,771	2,683
Expenses for audit and consulting services	6,836	3,006
Security services	2,812	1,148
Administrative expenses	1,941	1,193
Custodian services	2,891	1,313
Other expenses	5,113	1,274
	<b>71,018</b>	<b>79,885</b>

### 23. LOSS FROM DISCONTINUED OPERATIONS

In pursuance of the meeting of the Board of Directors dated 14 April 2017 it was decided to sell 200 ordinary shares in ZAID Invest LLC to third party for the amount of 10 000 thousand US dollars.

Loss from discontinued operations for the reporting period has been represented as follows:

Thousand tenge	2 quarter 2017	2 quarter 2016
Incomes from discontinued operations for the period	(95,196)	-
Loss from retirement of assets and liabilities relating to discontinued operations	(101,168)	-
	<b>(196,364)</b>	<b>-</b>

#### *Discontinued operations*

Result of discontinued operations included into the consolidated statement of profit and loss and other comprehensive loss for 2 quarter 2017 is presented below:

Thousand tenge	ZAID Invest LLC
Interest incomes	387
Incomes on dividends	2
Net loss from disposal of investments	(19,679)
Net expenses for foreign currency transactions	(75,015)
Operating expenses	(891)
<b>Loss before tax</b>	<b>(95,196)</b>
Corporate income tax	-
<b>Loss for the period</b>	<b>(95,196)</b>

### 24. EARNINGS/(LOSS) PER SHARE

Basic and diluted earnings/(loss) per share is calculated by dividing net profit for the year attributed to holders of ordinary shares in the Group by weighted average quantity of ordinary shares (except treasury ones) circulating during the year.

The following table contains information about incomes and quantity of shares, which is used based on the basic and diluted earnings/(loss) per share:

Thousand tenge	2 quarter 2017	2 quarter 2016
Net earnings/loss for the period	(199 478)	41 400
Dividends on preferred shares	-	-
<b>Net (loss)/earnings attributed to shareholders of the Group</b>	<b>(199 478)</b>	<b>41 400</b>
Weighted average quantity of ordinary shares	5 000 000 000	5 000 000 000
<b>Basic and diluted (loss)/earnings per share (tenge)</b>	<b>(0,040)</b>	<b>(0,008)</b>

Thousand tenge	2 quarter 2017	2 quarter 2016
Net earnings/loss for the year	(199 478)	41 400
Incomes from discontinued operations after tax for the year	(196 364)	-
Dividends on preferred shares	-	-
<b>Net (loss)/earnings attributed to shareholders of the Group</b>	<b>(3 114)</b>	<b>41 400</b>
Weighted average quantity of ordinary shares	5 000 000 000	5 000 000 000
<b>Basic and diluted (loss)/earnings per share (tenge)</b>	<b>(0,001)</b>	<b>(0,008)</b>

### **Operating environment**

Basic economic activity of the Group is carried out on the territory of the Republic of Kazakhstan. The legislation and regulatory documents affecting economic situation in the Republic of Kazakhstan are subject to often changes; in this regard the assets and operations of the Group may be exposed to risk in case of worsening of political and economic situation.

### **Legal issues**

In the course of ordinary activity the Group is an object of legal suits and claims. In opinion of the management, probable liabilities (if any) arising as a result of such suits or claims will not have significant negative influence on financial position or results of activity of the Group in the future.

The Group estimates probability of significant liabilities arising as a result of particular circumstances and forms provisions in its consolidated financial statements only when it is probable that events caused a liability will occur and an amount of liability may be calculated with sufficient degree of reliability.

The management believes that the Group will not incur significant losses and, accordingly, provision for legal suits has not been formed in these consolidated financial statements.

### **Taxation**

Provisions of different legislative and regulatory and legal acts are not always clearly worded and interpretation thereof depends on opinion of inspectors of the tax authorities on sites and officials of the Ministry of Finance. There are frequent differences between opinions of local, regional and republican tax authorities. Existing regulations on penalties and fines for claimed or revealed violations of the Kazakhstan laws, regulations and respective regulatory and legal acts are considerably rigorous. Penalty provisions include forfeiture of amount in dispute (for violation of exchange regulations), as well as penalties, as a rule, in the amount equal to 50% of amount of unpaid taxes.

The Group thinks it paid or charged all applicable taxes. In unclear situations the Group charged tax liabilities on the basis of reasonable estimations of the management. The Group's policy provides for recognition of provisions in that reporting period in which loss is probable and amount thereof may be assessed with sufficient degree of accuracy. The management believes that as at 31 December 2016 its interpretation of the legislation is adequate and positions of the Group regarding taxes, currency and customs will be confirmed.

Due to uncertainty inherent in the Kazakhstan taxation system, potential amount of taxes, penalties and fines may exceed an amount expenses as incurred till the present time and charged as at 31 December 2016. Notwithstanding an opportunity to charge such amounts and potentially material nature thereof, the Group's management thinks that they are either unlikely or may not be estimated, or both simultaneously.

### **26. RELATED PARTY INFORMATION**

The parties are related, if one party may control another party or it has considerable influence on it when making financial or operating decisions. Related parties include:

- companies, which directly control reporting company;
- private persons, including immediate family members directly or indirectly owning holding of voting shares of reporting company that enables them to influence on activity of the company;
- key management personnel responsible for planning, direction and control of activity (including directors and senior officials, as well as their immediate family members);
- companies, in which considerable holdings of voting shares are directly or indirectly owned by private persons (key personnel or immediate family members).



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Natural persons			
№	Surname, name, patronymic (if any)	Date of affiliation appearance	Notes
1	Niyazov BakhtBulatovich	24.10.2003	1. Major shareholder of the Company 2. Chairman of the Board of Directors of the Company, 3. Husband of the member of the Board of Directors of the Company; 4. Chairman of the Board of Directors of the legal entity in relation to which the Company is a major shareholder; 5. Director of “Mountain Drive Baganashyl” LLP
2	NiyazovaRaikhanNurlan-Bekovna	03.06.2006	1. member of the Board of Directors of the Company, 2. Wife of the major shareholder of the Company
3	NiyazovaZeinekulYesnazarovna	24.10.2003	mother of the major shareholder of the Company
4	Kaipnazarova Zhanna Bulatovna	24.10.2003	sister of the major shareholder of the Company
5	ZainullinaAigulBiyembetovna	01.02.2012	daughter of sister of the major shareholder of the Company
6	Umarbekova Gulnara Asmanovna	03.06.2006	mother of the member of the Board of Directors of the Company
7	UmarbekovNurlan-bekSagadibekovich	03.06.2006	father of the member of the Board of Directors of the Company
8	UmarbekovaAnarNurlan-bekovna	03.06.2006	sister of the member of the Board of Directors of the Company
9	Vassiliyeva Yelena Ivanovna	01.04.2008	Chairman of the Management Board of the Company
10	Vassiliyev Alexandr Alexandrovich	01.04.2008	son of Chairman of the Management Board of the Company
11	Pozdnyak Alexandr Ivanovich	01.04.2008	brother of Chairman of the Management Board of the Company
12	Don Sergey Lazarevich	01.10.2014	1. Member of the Management Board of the Company; 2. Chairman of the Management Board, member of the Board of Directors of the legal entity in relation to which the Company is the major shareholder
13	Don Lazar Namdekovich	01.10.2014	father of the member of the Management Board of the Company
14	Don Tatyana Sundyayevna	01.10.2014	mother of the member of the Management Board of the Company
15	Don Olga Lazarevna	01.10.2014	sister of the member of the Management Board of the Company
16	Don Natalya Lazarevna	01.10.2014	sister of the member of the Management Board of the Company
17	Don ZhanelSarsenovna	01.10.2014	wife of the member of the Management Board of the Company
18	Begaliyev Sarsen Begaliyevich	01.10.2014	father of the wife of the member of the Management Board of the Company
19	Begaliyeva Sholpan Saltayevna	01.10.2014	mother of the wife of the member of the Management Board of the Company
20	Sarsenova Assel Sarsenovna	01.10.2014	sister of the wife of the member of the Management Board of the Company
21	Bayazitova Elvira Nikolayevna	01.04.2015	1. member of the Management Board of the Company; 2. Member of the Management Board of the legal entity in relation to which the Company is the major shareholder
22	Bayazitov Rinat Arslanovich	01.04.2015	husband of the member of the Management Board of the Company
23	Krivozhokin Nikolai Vassiliyevich	01.04.2015	father of the member of the Management Board of the Company
24	KrivozhokinaVeneraKadykhanovna	01.04.2015	mother of the member of the Management Board of the Company
25	Krivozhokina Zhanna Nikolayevna	01.04.2015	sister of the member of the Management Board of the Company
26	Krivozhokin Maxim Nikolayevich	01.04.2015	brother of the member of the Management Board of the Company
27	KaldybayevAnesSagynbayevich	10.06.2015	member of the Management Board of the legal entity in relation to which the Company is the major shareholder
28	Kaldybayeva Laura Aitkazyevna	10.06.2015	wife of the member of the Management Board of the legal entity in relation to which the Company is the major shareholder
29	KaldybayevSagynbai	10.06.2015	mother of the member of the Management Board of the legal entity in relation to which the Company is the major shareholder
30	KaldybayevaGulzadaAlkhanovna	10.06.2015	mother of the member of the Management Board of the legal entity in relation to which the Company is the major shareholder
31	Zhunussova Assel Sagynbayevna	10.06.2015	sister of the member of the Management Board of the legal entity in relation to which the Company is the major shareholder
32	ArykbayevAitkazyAuelbekovich	10.06.2015	father of the wife of the member of the Management Board of the legal entity in relation to which the Company is the major shareholder

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33	Murzagaliyeva Aliya Tauassikhovna	10.06.2015	mother of the wife of the member of the Management Board of the legal entity in relation to which the Company is the major shareholder
34	Auelbek Elnara Aitkazyevna	10.06.2015	sister of the wife of the member of the Management Board of the legal entity in relation to which the Company is the major shareholder
35	Auelbekov Yerlan Aitkazyevich	10.06.2015	brother of the wife of the member of the Management Board of the legal entity in relation to which the Company is the major shareholder
36	Duyumbayev Daniyar Yerkairatovich	27.10.2015	Director legal entity in relation to which the Company has the right to a relative interest in property
37	Duyumbayeva Akmaral Altynbekovna	27.10.2015	mother of the Director legal entity in relation to which the Company has the right to a relative interest in property

**Legal entities**

№	Full name of legal entity	Date of affiliation appearance	Notes
1	"FALCONRY CAPITAL" Joint-Stock Company	25.10.2010	legal entity in relation to which the Company is the major shareholder
2	"Best seller estate" Limited Liability Partnership	26.10.2015	legal entity in relation to which the Company has the right to a relative interest in property
3	"Mountain Drive Baganashyl" Limited Liability Partnership	10.11.2016	legal entity in relation to which a person which is the major shareholder of the Company has the right to a relative interest in property

Salary and bonuses for 4 members of the key management personnel for the period from 01.01.2017 to 30.06.2017 amounted to 15 087 thousand tenge.

**Vassiliyeva Ye.I.**

**Bayazitova E.N.**

Chairman of the Management Board: \_\_\_\_\_

Chief Accountant: \_\_\_\_\_

