FUTURE PLANS

See "Business Overview – Strategy" in this Document for a detailed description of the Company's future plans.

[REDACTED]

After deducting the **[REDACTED]** fees and commissions and other estimated **[REDACTED]** expenses payable by the Company in connection with the **[REDACTED]**, and assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the indicative **[REDACTED]** range of HK$**[REDACTED]** and HK$**[REDACTED]**), the Company estimates that it will receive **[REDACTED]** of approximately HK$**[REDACTED]** from the **[REDACTED]**. In line with its strategies, the Company intends to use the **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set forth below:

- approximately [**[REDACTED]**%] of the **[REDACTED]**, or approximately HK$**[REDACTED]**, is expected to be used for railway digital infrastructure, to implement a comprehensive, technology-driven upgrade of the Company's railway infrastructure. This investment is intended to build a modern, interconnected digital ecosystem that enhances both the safety and operational agility of the Company's rail network, in support of the Company's strategy to optimise operations through digitalisation and adopt advanced technologies to improve corridor planning and service visibility. In particular,

  i. approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, will be used for the construction of a smart locomotive and intelligent depot project. The total capital expenditure approved for this project under the relevant Government resolution is KZT 150,000 million (excluding VAT), and the approved implementation period is from 2026 to 2029, with the **[REDACTED]** allocated to this project to be applied towards part of such approved capital expenditure and expected to be fully utilised by 2027. The project is expected to establish a single scalable platform designed so that new functions can be added over time without the need to replace the platform in full, enabling the Group to extend its capabilities as requirements evolve and generating long-term technological and economic value. By bringing the locomotive, depot, station and dispatch centre together into a single digital loop, the project is expected to improve the safety and productivity of the locomotive fleet and reduce operating costs, while laying the groundwork for further automation in the future. In particular, the project is expected to reduce fuel consumption by approximately 5% to 10% and unscheduled repairs and unproductive downtime by approximately 10% to 15%, and to increase locomotive crew productivity by approximately 10% to 20% and locomotive fleet productivity by approximately 10%;

  ii. approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, will be used for the implementation of a smart station system for monitoring and managing station operations. The total capital expenditure approved for this project under the relevant Government resolution is KZT 110,000 million (excluding VAT), and the approved implementation period is from 2026 to 2029, with the **[REDACTED]** allocated to this project to be applied towards part of such approved capital expenditure and expected to be fully utilised by 2027. The purpose of this investment is to introduce automated monitoring and diagnostic capabilities for railway tracks, rolling stock and other critical assets, replacing the existing manual inspection, data collection and analysis processes. The project is expected to enhance traffic safety, increase station throughput and processing capacity, minimise reliance on manual intervention, enable the transition to paperless workflows, remove personnel from hazardous zones and support predictive analysis of station operations and of the technical readiness of freight wagons. In particular, the project is expected to increase station wagon handling speed by approximately 15% to 20% and reduce station downtime by approximately 20%;

  iii. approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, will be used for the construction of a modern digital communications network along Kazakhstan's mainline railway network, including the transition from the legacy analogue (VHF/HF) radio and digital narrowband (TETRA) radio systems with limited voice and data transmission capabilities to a modern high-capacity broadband Long Term Evolution for Railways (LTE-R) network capable of high-speed data and voice transmission within a single network. The new communications system will enable real-time data transmission between locomotives, control centres, automation systems and railway infrastructure facilities, supporting a unified digital environment for railway management. The total capital expenditure approved for this project under the relevant Government resolution is KZT 240,000

million (excluding VAT), and the approved implementation period is from 2026 to 2029, with the **[REDACTED]** allocated to this project to be applied towards part of such approved capital expenditure and expected to be fully utilised by 2027. The project is expected to improve the stability and speed of data transmission and to increase control efficiency by approximately 10% to 15%; and

iv. approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, will be used for the implementation of a centralized train movement headway control system using a Radio Block Centre. Unlike the preceding Automatic Block Signalling system, which divides the track into fixed blocks with each block permits only one train at any given time and therefore results in larger intervals between trains, the Radio Block Centre continuously receives train position data and issues movement authorities to each train, enabling trains to operate safely at closer intervals. The Radio Block Centre relies on the high-capacity, real-time data transmission provided by the LTE-R network and it replaces traditional signals with radio for safer, more efficient and higher-capacity train operations. The total capital expenditure approved for this project under the relevant Government resolution is KZT 130,000 million (excluding VAT), and the approved implementation period is from 2026 to 2035, with the **[REDACTED]** allocated to this project to be applied towards part of such approved capital expenditure and expected to be fully utilised by 2027. The system is expected to reduce headways (intervals) between trains, thereby creating the infrastructure conditions necessary to support the Group's targeted long-term transit growth. In particular, the project is expected to result in an increase in throughput of approximately 13% to 18%, improved schedule accuracy, centralised traffic control.

- approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]**, is expected to be used for capacity expansion, specifically for the construction of the Bakhty-Ayagoz railway line, a new 303 km railway line within Kazakhstan's territory and associated infrastructure designed to create an additional railway border crossing with the People's Republic of China. The new railway line is also expected to reduce the rail distance from the People's Republic of China to the northern regions of Kazakhstan and Russia by 320 km. This project is a major infrastructure initiative in support of the Group's strategy to capture transit growth and develop the China-Europe land corridor and other international transit routes. Specifically, the new railway line is expected to carry approximately 17.7 million tonnes of cargo per year in both directions combined by 2034, increasing to approximately 25.5 million tonnes per year by 2036, with throughput capacity increasing to 23 train pairs. The capital expenditure to be incurred in relation to the new railway line is expected to be approximately KZT 377,158 million. The **[REDACTED]** from the **[REDACTED]** allocated to the project will fund only a portion of these capital expenditure requirements, with the remaining project costs expected to be funded through future debt financing and cash generated from the Group's operations. The Group expects that approximately **[REDACTED]**% of the **[REDACTED]** allocated to the foregoing purposes will be fully utilised by 2027 and that the remaining approximately **[REDACTED]**% will be fully utilised by 2028. In particular, the **[REDACTED]** allocated to capacity expansion are expected to be applied towards (i) civil works, including site preparation activities such as earthworks, land grading, soil stabilisation and construction of bridges, culverts and supporting access roads; (ii) track and hub infrastructure, including the installation of track superstructures and the development of logistics infrastructure, including additional staging tracks and passing loops; (iii) systems and integration, including the installation of signalling and interlocking systems, telecommunications networks and dedicated power supply facilities; and (iv) operational connectivity, including enhancements to border transit capacity and network efficiency to facilitate long-term international freight and logistics operations.
- approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]**, will be allocated for repayment of the principal amounts of, and interest accrued on, a portion of the following interest-bearing borrowings of the Group:

Nature of the borrowing	Principal amount outstanding as at 1 September 2026	Interest rate	Maturity date	Security	Repayment amount
Bond issued in favour of Samruk-Kazyna (ISIN KZ2C00009025)	US$882,978,000	3% per annum	28 October 2028	None	Approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**

Nature of the borrowing	Principal amount outstanding as at 1 September 2026	Interest rate	Maturity date	Security	Repayment amount
Joint loan from Deutsche Bank AG and Abu Dhabi Commercial Bank PJSC	CHF 484,680,000	6-month SARON plus 1.6% per annum	18 July 2028	Guarantee from Samruk-Kazyna	Approximately**[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**

The Group expects that approximately **[REDACTED]**% of the **[REDACTED]** allocated to the foregoing purposes will be fully utilised by 2027 and that the remaining approximately **[REDACTED]**% will be fully utilised by 2028. Based on the principal amounts outstanding and the interest rates applicable to the relevant borrowings, the Group estimates that the repayment of (i) the bond issued in favour of Samruk-Kazyna will result in interest savings to the Group of approximately US$51.7 million; and (ii) the loan from Deutsche Bank AG and Abu Dhabi Commercial Bank PJSC will result in interest savings to the Group of approximately CHF 14.9 million, in each case representing the aggregate interest savings through to the maturity of the relevant borrowings. In addition to the interest savings described above, the Directors expect the repayment of the relevant borrowings to (i) reduce the Group's debt burden and interest expense, thereby freeing up cash flow that may be applied towards the Group's investment programme, asset renewal and infrastructure development; (ii) increase the headroom available to the Group under the financial covenants contained in its financing arrangements and reduce the risk of a breach of those covenants; and (iii) strengthen the Group's credit profile and enhance the Group's financial flexibility and its capacity to obtain future financing on more favourable terms and at a lower cost.

- approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]**, is expected to be used for working capital and general corporate purposes, including to support the Group's day-to-day operations, fund ongoing maintenance and operational expenditures, and provide financial flexibility for the Company to respond to unforeseen business needs or opportunities as they arise.

If the **[REDACTED]** is set at the high end of the **[REDACTED]** range or the low end of the **[REDACTED]** range, the **[REDACTED]** from the **[REDACTED]** will increase or decrease to approximately HK$**[REDACTED]** and HK$**[REDACTED]**, respectively.

To the extent that the **[REDACTED]** from the **[REDACTED]** are either more or less than expected, the Company will adjust its allocation of the **[REDACTED]** for the above purposes on a pro rata basis.

To the extent that the **[REDACTED]** from the **[REDACTED]** are not immediately used for the above purposes, the Company will only deposit such **[REDACTED]** into short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions) so long as it is deemed to be in the best interests of the Company. In such event, the Company will comply with the appropriate disclosure requirements under the Listing Rules.

If any part of the Company's development plan does not proceed as planned for reasons such as changes in government policies that would hinder the development of any of its projects, or the occurrence of force majeure events, the Directors will carefully evaluate the situation and may **[REDACTED]** the **[REDACTED]** from the **[REDACTED]**. The Company will issue an appropriate announcement if there is any material change to the above proposed **[REDACTED]** in accordance with the Listing Rules.

[REDACTED] Policy

The Company has adopted the **[REDACTED]** Policy, which is summarised below.

Scope

The **[REDACTED]** Policy applies to the Group (comprising the Company and legal persons in which the Company directly or indirectly owns, or holds in trust management, 50 per cent. or more of the voting shares (participation interests)) and persons working for, or on behalf of, Group. It ensures that the **[REDACTED]** received by the Company from the issue of new shares, including in the form of **[REDACTED]**, in the **[REDACTED]** and the **[REDACTED]** of any **[REDACTED]**, issue or sale of **[REDACTED]** or other securities after the **[REDACTED]**, the **[REDACTED]** of which are received by the Company or any other member of Group (a "**[REDACTED]**"), together with any income, gains or other amounts derived from them (the "**[REDACTED]**") are not applied, directly or indirectly, in a manner that would cause any UK person involved in the **[REDACTED]**, any **[REDACTED]** or subsequent

dealings in the **[REDACTED]** to breach, circumvent or be exposed to liability under Sanctions (as defined in the **[REDACTED]**). The **[REDACTED]** Policy supplements the Sanctions Regulation (further details of which are set out below).

Ringfencing and approvals

All **[REDACTED]** will be applied exclusively within the territory of Kazakhstan and in accordance with the restrictions and safeguards set out in the **[REDACTED]** Policy. The **[REDACTED]** Policy requires the Board to designate one or more accounts to receive and hold the **[REDACTED]** separately from the Group's operating and investment accounts (the "**Ringfenced Accounts**"). The Group must maintain controls reasonably designed to prevent funds held in the Ringfenced Accounts from being commingled with funds derived from activities that would be prohibited by Sanctions if undertaken by a UK person. As part of the annual audit required under the **[REDACTED]** Policy, the external auditor is required to verify the absence of any material commingling with funds derived from such activities.

To the extent that the **[REDACTED]** are not immediately applied, the **[REDACTED]** must be deposited only in short-term interest-bearing accounts held in the Company's name with licensed commercial banks or other authorised financial institutions that are not Sanctioned Persons (as defined in the **[REDACTED]** Policy) and are not domiciled, incorporated or located in a country or part of its territory to which Sanctions apply (a "**Sanctioned Country**"). Any such account will be treated as a Ringfenced Account and subject to the same segregation and control requirements.

Each disbursement from the Ringfenced Accounts requires prior approval by the Company's authorised persons, following verification by the Treasury Department that it is for a purpose set out in the Document and a review under the Sanctions Regulation confirming compliance with the **[REDACTED]** Policy.

Prohibited uses

For the purposes of the **[REDACTED]** Policy, a prohibited use is any direct or indirect application of **[REDACTED]** that is prohibited by the **[REDACTED]** Policy, including any application that would constitute, or would reasonably be expected to result in, a breach of, circumvention of, or exposure to liability under Sanctions if undertaken by a person subject to the jurisdiction of the UK. The **[REDACTED]** Policy requires the Group to ensure that no **[REDACTED]** are applied, directly or indirectly:

- for the benefit of any person designated under UK, EU, U.S. or UN Sanctions, or any entity owned or controlled by such a person;
- to fund, finance or otherwise contribute to UTLC ERA, Aktau Sea Northern Terminal LLP and any joint venture or Associate (as defined in the **[REDACTED]** Policy) subsequently treated as an excluded entity under the **[REDACTED]** Policy (each being an "**Excluded Entity**");
- to finance, support, facilitate, guarantee or otherwise participate in any activity or transaction that would be prohibited by Sanctions if undertaken by a UK person; or
- for any project under, or connected with, the memorandum of understanding dated 26 November 2021 among Kazakhstan, Iran and Turkmenistan.

The **[REDACTED]** must not be used to replace, refinance, repay, reimburse or free up other Group funds used, or intended to be used, for a purpose prohibited by the **[REDACTED]** Policy, or through a transaction structured to achieve indirectly a result prohibited directly. Each disbursement must be paid directly to the account of the payee under the relevant contract, and **[REDACTED]** must not be transferred within the Group except to an account designated solely for the relevant purpose and treated as a Ringfenced Account. **[REDACTED]** allocated to working capital or general corporate purposes are subject to additional restrictions concerning specified assets, infrastructure and payments involving Russia, Belarus or Iran.

In relation to the Group's planned railway digital infrastructure improvements and the Bakhty–Ayagoz railway project, the **[REDACTED]** Policy requires the persons involved in any contract or payment funded wholly or partly from the **[REDACTED]** to undergo sanctions screening and prohibits the **[REDACTED]** from being made available, directly or indirectly, to or for the benefit of any Sanctioned Person or for any activity prohibited by Sanctions if undertaken by a UK person.

To the extent that **[REDACTED]** are used to repay the bonds or joint loan described under "**[REDACTED]**", the Group must ensure that neither those **[REDACTED]** nor any amounts made available under the relevant financing arrangements are applied towards any investment or financing activity prohibited for UK persons under Regulation 18B of the Russia (Sanctions) (EU Exit) Regulations 2019.

The Group must not use the **[REDACTED]** to replace, refinance, repay, reimburse or free up other Group funds that have been, or are intended to be, applied for any purpose prohibited by the **[REDACTED]** Policy. Accordingly, financial resources released or otherwise made available as a result of the application of the **[REDACTED]** must not be applied towards activities that would be prohibited by Sanctions if undertaken by a UK person.

These restrictions apply equally to the **[REDACTED]** of any **[REDACTED]**, including any future **[REDACTED]** fundraising. Such **[REDACTED]** may not be used, directly or indirectly, to fund, finance or otherwise contribute to UTLC ERA or Aktau Sea Northern Terminal LLP, including by repaying or refinancing external borrowings used to fund their operations, or to replace, refinance, repay, reimburse or free up other Group funds used, or intended to be used, for any purpose prohibited by the **[REDACTED]** Policy, including any activity involving a person connected with Russia that would be prohibited by Sanctions if undertaken by a UK person.

Investments

The **[REDACTED]** Policy prohibits the **[REDACTED]** from being applied, directly or indirectly, to investment or financing activities prohibited for UK persons under Sanctions. No **[REDACTED]** will be applied, directly or indirectly, for any new investment in a Sanctioned Country.

Joint ventures and Associates

Minority interests that do not fall within the definition of the Group are addressed separately under the **[REDACTED]** where they constitute joint ventures or Associates. The Working Group (as defined below) and responsible structural unit must monitor such joint ventures and Associates through screening, annual confirmations and reporting to the Board. **[REDACTED]** may be made available to a joint venture or Associate only for a purpose set out in the Document, following a satisfactory sanctions review in accordance with the Sanctions Regulation and receipt of a written undertaking that the funds will be used only for that purpose and will not be made available, directly or indirectly, to or for the benefit of any Sanctioned Person or any Person Connected With a Sanctioned Country (as defined in the **[REDACTED]** Policy).

[REDACTED]

Where any part of the Company's development plan described in the Document does not proceed, or proceeds otherwise than as described, the **[REDACTED]** must be **[REDACTED]** only to an alternative purpose that complies with the **[REDACTED]** Policy, has undergone a sanctions review under the Sanctions Regulation and has been approved by the Board.

Dividends

Amounts generated from activities that would be prohibited by Sanctions if undertaken by a UK person must not be applied, directly or indirectly, to fund dividends or other distributions to holders of the Company's shares or **[REDACTED]**. The Working Group must maintain procedures reasonably designed to ensure this.

Screening and contractual protections

The **[REDACTED]** Policy requires screening, in accordance with the Sanctions Regulation, of counterparties and other relevant persons involved in contracts or payments funded wholly or partly from the **[REDACTED]** to determine that they are not a Sanctioned Person or, to the counterparty's knowledge, acting on behalf of, or for the benefit of, a Sanctioned Person. Each such contract must contain the prescribed sanctions clause and provisions ensuring compliance with Sanctions as they apply to UK persons.

Audit, escalation

The **[REDACTED]** requires the Ringfenced Accounts and related controls to be audited annually by an independent external auditor. Based on the auditor's report, the chief financial officer of the Company must certify annually to the Board that the **[REDACTED]** has been effectively implemented and that its controls remain effective and were applied throughout the relevant reporting period.

Any actual, suspected or potential breach must be reported without delay by the Working Group to the chief financial officer of the Company for investigation and appropriate remedial action.

Disclosure

The Company must report annually to shareholders on the use of the **[REDACTED]** and compliance with the **[REDACTED]** Policy.

Amendment, suspension and withdrawal

The **[REDACTED]** Policy may be amended, suspended or withdrawn only by resolution of the Board. Any change that would or could reduce the protections afforded by the **[REDACTED]** Policy is subject to additional safeguards, including approval by a majority of the independent directors, written advice from external sanctions counsel, approval by shareholders excluding the votes of Samruk-Kazyna, and public announcement at least 30 days before taking effect. No such change may permit **[REDACTED]** received before it takes effect to be applied for any purpose prohibited by the **[REDACTED]** at the time of their receipt.

Summary of Sanctions Regulation

The Company has further adopted the Sanctions Regulation.

Scope and governance

The Sanctions Regulation applies to the structural subdivisions of the Company and legal persons in which the Company directly or indirectly owns, or holds in trust management, more than 50 per cent of the voting shares (participation interests). It establishes procedures for sanctions screening, assessing and mitigating sanctions risks and preventing sanctions violations. Sanctions include restrictive measures imposed by the United Nations Security Council, the U.S., the EU, any EU member state, the UK, other international organisations that have established sanctions, or the relevant authorities of any other state.

The Sanctions Regulation requires the Company and its subsidiaries to establish working groups ("**Working Group**") to identify and assess sanctions risks, implement mitigation measures and refer decisions to the relevant sanctions risk holders for implementation.

Sanctions screening

The Sanctions Regulation requires the contract administrator to screen counterparties and contracts, the responsible structural unit to determine whether sanctions restrictions or permissions apply, and the Working Group to analyse sanctions risks and adopt mitigation measures. The screening must confirm, among other matters, that:

- counterparties, their representatives (including agents and commission agents) and the banks and financial institutions involved in payments under contracts are not Sanctioned Persons, and counterparties are not directly or indirectly owned by or affiliated with Sanctioned Persons;
- the goods, works and services supplied under contracts are not included in the lists of goods and services subject to Sanctions; and
- each contract contains the prescribed sanctions clause set out in the Sanctions Regulation, which includes representations and warranties regarding the sanctions status of the counterparty, its affiliates and shareholders, and compliance with applicable Sanctions, together with notification and mitigation requirements in the event of new sanctions, and contractual remedies, including termination, where the relevant representations are inaccurate.

Counterparties must complete a prescribed questionnaire before entering into a new contract, each time the contract is applied and at least annually during its term. Further screening is required following the adoption of new sanctions. The responsible structural unit maintains an electronic database containing counterparty details, contract information and completed questionnaires.

Identified sanctions risks must be recorded in the Group's risk register and, where required, reported to management. Mitigation may include amending a contract, suspending or terminating a counterparty relationship or obtaining a sanctions permission or licence.