

**LIMITED LIABILITY COMPANY  
"ROYAL PURE GOLD"**

**Financial statements  
and the Independent Auditor's Report  
for the 6 months ended 30 June 2023  
and for the year ended 31 December 2022.**

**Bishkek 2023**

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## **INDEPENDENT AUDITOR'S REPORT**

To the management of LLC "Royal Pure Gold"

### **OPINION**

We have audited the accompanying financial statements of LLC "Royal Pure Gold" ("the Company"), which comprise the statement of financial position as at 30 June 2023 and 31 December 2022, the statement of profit or loss and other comprehensive income for the 6 months ended 30 June 2023 and for the year ended 31 December 2022, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2023 and 31 December 2022, and the financial results and cash flows for the period ended 30 June 2023 and 31 December 2022 the year ended in accordance with International Financial Reporting Standards (IFRS)

### **BASIS FOR EXPRESSING AN OPINION**

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities in accordance with these standards are described further in the section "Auditor's responsibility for the audit of financial statements" of our conclusion. We are independent of the Organization in accordance with the Code of International Ethic Standards Board for Accountants (the Code of the IESBA) and the ethical requirements applicable to our audit of financial statements in the Kyrgyz Republic, and we have fulfilled other ethical duties in accordance with these requirements and Code of the IESBA. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **RESPONSIBILITY OF MANAGEMENT FOR FINANCIAL STATEMENTS**

The management of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and for the internal control system that management considers necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **AUDITOR'S RESPONSIBILITY**

**OUR PURPOSE IS TO OBTAIN REASONABLE ASSURANCE THAT THE FINANCIAL** statements are free from material misstatement, whether due to fraud or error, and in the issuance of an audit conclusion containing our opinion. Reasonable confidence is a high degree of confidence, but it is not a guarantee that an audit conducted in accordance with International Standards on Auditing always identifies significant distortions if they exist. Distortions may result from fraud or error and are considered significant if it can reasonably be assumed that individually or collectively they may affect the economic decisions of users made on the basis of these financial statements.

As part of an audit conducted in accordance with International Standards on Auditing, we apply professional judgment and maintain professional skepticism throughout the audit. In addition, we perform the following:



- Identify and assess the risks of material misstatement of financial statements due to fraud or error; We develop and conduct audit procedures in response to these risks; we obtain audit evidence that is sufficient and appropriate to serve as a basis for expressing our opinion. The risk of not detecting a material misstatement as a result of unfair acts is higher than the risk of not detecting a significant distortion as a result of an error, since unfair acts may include collusion, fraud, intentional omission, misrepresentation or circumvention of the internal control system;
- we get an understanding of the internal control system that is relevant to the audit in order to develop audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control system of the Company;
- We assess the proper nature of the accounting policies applied and the reasonableness of accounting estimates and the corresponding disclosure of information prepared by management;
- We conclude that the management has accepted the assumption of continuity of activities, and on the basis of the audit evidence obtained, it is concluded whether there is a significant uncertainty in connection with events or conditions that may raise significant doubts about the ability of the Public Foundation to continue its activities. If we conclude that there is significant uncertainty, we must draw attention to our disclosure in the financial statements, or, if such disclosure is inappropriate, modify our opinion. Our conclusions are based on the audit evidence received before the date of our audit report. However, future events or conditions can lead to the fact that the Company will lose the ability to continue its continuous activity;
- We evaluate the presentation of the financial statements as a whole, its structure and content, including disclosure of information, as well as whether the financial statements present the underlying operations and events in a manner that ensures their reliable representation.

We inform the persons responsible for the activities of the Company of the planned scope and timing of the audit, as well as significant observations identified during the audit, including significant deficiencies in the internal control system.

We also provide those charged with governance with a statement that we have complied with all applicable ethical requirements regarding auditor independence and inform them of all matters that may reasonably be thought to bear on auditor independence and, if applicable, the safeguards that we have adopted.

«TAXADVISER» LLC

License No.0129 (ГК) dated 26 April 2017 issued by the  
State Committee under the Government of the Kyrgyz  
Republic on Financial Reporting Standards and Audit



Esenbekov A.A., Director  
Qualified Auditor Certificate series ANo.0333,  
reg. No.0422 dated 08 June 2018

October 2, 2023

**MANAGEMENT'S STATEMENT ON RESPONSIBILITY**

**FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS ENDED 30 JUNE 2023  
AND FOR THE YEAR ENDED 31 DECEMBER 2022.**

Management is responsible for the preparation of financial statements that present fairly the financial position of LLC "Royal Pure Gold" as at 30 June 2023 and 31 December 2022, and the results of its operations, cash flows and changes in equity for the 6 months ended 30 June 2023 and for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

In preparing the financial statements, management is responsible for:

- ensuring the appropriate selection and application of accounting policies;
- presenting information, including accounting policies, in a manner that provides relevance, reliability, comparability and understandability of such information;
- disclosure of additional information in cases when fulfillment of the IFRS requirement proves insufficient for understanding by users of the statements;
- assessment of the Company's ability to continue operations in the foreseeable future.

The Company's management is also responsible for:

- developing, implementing and maintaining an effective and reliable system of internal controls of the Company;
- maintaining records in a manner that discloses and explains the Company's transactions and provides, as of any date, information of sufficient accuracy regarding the financial position of the Company and ensures that the financial statements comply with IFRS;
- keeping accounting records in accordance with the legislation of the Kyrgyz Republic;
- taking all reasonable measures to ensure the safety of the Company's assets, detection and prevention of financial and other abuses.

These financial statements for the 6 months ended 30 June 2023 and for the year ended 31 December 2022 were approved by management on October 2, 2023.

  
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General Director  
LLC "Royal Pure Gold"  
Abdikaparov A. Sh.


October 2, 2023  
Bishkek  
Kyrgyz Republic





**Statement of profit or loss and other comprehensive income**  
(Amounts are presented in KGZ)

	Notes	For the 6 months ended 30 June 2023	For the year ended 31 December 2022	For the 6 months ended 30 June 2022 (unaudited)
Revenue	5	28,004,608	6,310,401	1,091,077
<b>GROSS PROFIT</b>		<b>28,004,608</b>	<b>6,310,401</b>	<b>1,091,077</b>
General and administrative expenses	6	(1,456,594)	(2,132,331)	(588,891)
Accrual of allowance for impairment losses on non-financial assets		(2,995,711)	(315,000)	-
Other income		10,073	18,988	-
<b>PROFIT BEFORE INCOME TAX</b>		<b>23,562,376</b>	<b>3,882,058</b>	<b>502,186</b>
Income tax expenses		-	(512,725)	-
<b>NET PROFIT</b>		<b>23,562,376</b>	<b>3,369,333</b>	<b>502,186</b>
Other comprehensive income for the period		-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>23,562,376</b>	<b>3,369,333</b>	<b>502,186</b>

  
General Director  
LLC "Royal Pure Gold"  
Abdikaparov A. Sh.



**Statement of financial position**  
(Amounts are presented in KGZ)

	Notes	30 June 2023	31 December 2022
<b>ASSETS</b>			
<b>LONG-TERM ASSETS:</b>			
Fixed assets	7	647,734	738,601
Investments	8	20,429,000	20,429,000
		<u>21,076,734</u>	<u>21,167,601</u>
<b>CURRENT ASSETS:</b>			
The debt of the founders on the contribution to the authorized capital	10	-	35,000,000
Accounts receivable		23,957,089	2,247,483
Advances paid		788,501	-
Cash and cash equivalents	9	40,710,089	4,916,887
		<u>65,455,678</u>	<u>42,164,370</u>
<b>TOTAL ASSETS</b>		<u><b>86,532,413</b></u>	<u><b>63,331,971</b></u>
<b>LIABILITIES AND EQUITY</b>			
<b>EQUITY:</b>			
Share capital	10	40,000,000	40,000,000
Retained Earnings		25,393,053	3,397,057
		<u>65,393,053</u>	<u>43,397,057</u>
<b>LONG-TERM LIABILITIES:</b>			
Deferred income		19,125,000	19,125,000
		<u>19,125,000</u>	<u>19,125,000</u>
<b>CURRENT LIABILITIES:</b>			
Accounts payable		10,084	-
Taxes payable and other liabilities		1,803,276	809,914
Advances received		201,000	-
		<u>2,014,360</u>	<u>809,914</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>86,532,413</b></u>	<u><b>63,331,971</b></u>

*Abdikaparov*  
General Director  
LLC "Royal Pure Gold"  
Abdikaparov A.Sh.



**Statement of cash flows**  
(Amounts are presented in KGZ)

	Notes	For the 6 months ended 30 June 2023	For the year ended 31 December 2022	For the 6 months ended 30 June 2022 (unaudited)
<b>Cash flows from operating activities:</b>				
Cash flows from sales of products, works, services		7,651,141	4,037,099	1,219,504
Operating expenses paid (Services)		(1,984,095)	(1,962,250)	(386,467)
		<u>5,667,046</u>	<u>2,074,849</u>	<u>833,037</u>
<b>Cash flows from financing activities:</b>				
Dividends paid		(1,566,381)	-	-
Contribution of founders to share capital		35,000,000	-	-
		<u>33,433,619</u>	<u>0</u>	<u>0</u>
<b>Net increase in cash and cash equivalents</b>		<u>39,100,665</u>	<u>2,074,849</u>	<u>833,037</u>
Allowance for unexplained customer accounts		(3,310,711)	-	-
Profit loss from exchange rate fluctuations		3,248	17,376	-
<b>Cash as of the beginning of the reporting period</b>		<u>4,916,887</u>	<u>2,824,662</u>	<u>2,824,662</u>
<b>Cash at the end of the accounting period</b>		<u>40,710,089</u>	<u>4,916,887</u>	<u>3,657,699</u>

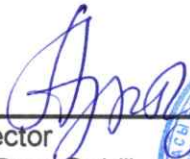
General Director  
LLC "Royal Pure Gold"  
Abdikaparov A.Sh.





**Statement of changes in equity**  
(Amounts are presented in KGZ)

	Notes	Share capital	Retained earnings	Total
<b>as at 31 December, 2021 (unaudited)</b>	10	<u>5,000,000</u>	<u>27,724</u>	<u>5,027,724</u>
Net income for the year		-	3,369,333	3,369,333
Increase in share capital		<u>35,000,000</u>	-	<u>35,000,000</u>
<b>as at December 31, 2022</b>	10	<u>40,000,000</u>	<u>3,397,057</u>	<u>43,397,057</u>
Dividends paid		-	(1,566,380)	(1,566,380)
Net income for the 6 months ended 30 June 2023		-	<u>23,562,376</u>	<u>23,562,376</u>
<b>as at June 30, 2023</b>	10	<u>40,000,000</u>	<u>25,393,053</u>	<u>65,393,053</u>

  
General Director  
LLC "Royal Pure Gold"  
Abdikaparov A. Sh.



**Notes to the financial statements**  
(Amounts are presented in KGZ)

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**1. Company Information**

Royal Pure Gold Limited Liability Company.  
Legal address: 19 Razzakova str., Bishkek, 720040

Primary registration dated August 30, 2017, re-registration on 19 January 2023.  
State registration certificate number 168573-3301-LLC.  
OKPO code 29992442, STO Pervomaisky district, Bishkek, INN 03008201710146.

LLC Royal Pure Gold is a legal entity under the legislation of the Kyrgyz Republic and carries out its activities in accordance with the Charter: 66.12.2. Securities management activities.  
LLC Royal Pure Gold is a commercial organization with the purpose of making a profit and carrying out the following licensed activities:

- A license to carry out brokerage activities in the securities market, issued on 16 November 2018, valid for an indefinite period, CB series No. 0038.
- License for dealer activity in the securities market, date of issue 16 November 2018, validity period – indefinite, CB series No. 0039
- License to operate virtual assets, date of issue 10 February 2023, registration number 09, validity period – indefinite, series VA No. 0012.

The profit received as a result of economic activity should be directed to the development of the enterprise, payment of dividends, etc. LLC "Royal Pure Gold" as a resident taxpayer is registered with the Department of the State Tax Service of the Pervomaisky district of Bishkek.

LLC Royal Pure Gold is a payer of the following taxes: income tax, sales tax and corporate income tax.

**2. Basic principles of financial reporting**

***Statement of compliance with IFRS***

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

***Basis of Valuation***

These financial statements have been prepared on a historical (initial) cost basis.

***Functional and presentation currency***

The national currency of the Kyrgyz Republic is the Kyrgyz Som ("KGS"), which is the Company's functional currency and the currency in which these financial statements are presented. All figures presented in KGS are rounded to the nearest thousand.

***Going concern assumption***

The financial statements have been prepared on a going concern basis, which includes the realization of assets and the recognition of liabilities in the normal course of business.

***Use of estimates and professional judgments***

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.



**Notes to the financial statements**  
(Amounts are presented in KGZ)

Assumptions and the resulting accounting estimates are reviewed on an ongoing basis to determine whether they should be changed. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

**3. Main aspects of accounting policy**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**Foreign currency transactions**

Transactions in foreign currencies are translated to Kyrgyz soms at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into Kyrgyz Som at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

**Financial instruments**

**Non-derivative financial instrument**

Non-derivative financial instruments include trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are initially recognized on the date of the transaction that results in the Company becoming a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers its rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company classifies non-derivative financial assets into the following categories: loans and receivables.

**Loans and receivables**

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs.

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, and highly liquid investments with original maturities of three months or less.

**Non-derivative financial liabilities**

Other financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Other financial liabilities include loans and borrowings, trade and other payables.



**Notes to the financial statements**  
(Amounts are presented in KGZ)

***Property, plant and equipment***

At each reporting date, the Company assesses whether the book value of fixed assets and intangible assets does not exceed their replacement value. Replacement cost is the greater value of the fair value less selling costs and consumer value. If the book value of fixed assets and intangible assets exceeds their replacement value, the Company reduces the book value of fixed assets to their replacement value. After the impairment loss is recognized, depreciation charges on fixed assets are adjusted in subsequent periods in order to distribute the restated carrying amount of assets less residual value (if any) evenly over the remaining useful life.

***Impairment***

**Non-derivative financial assets**

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

**Loans and receivables**

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All such assets, each individually significant, are individually assessed for impairment. All individually significant loans and receivables found not to be individually impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing evidence of impairment, the Company reviews historical data on the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

**Non-financial assets**

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. For intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated each year at the same time. An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of accumulated depreciation, had no impairment loss been recognized.

**Notes to the financial statements**  
(Amounts are presented in KGZ)

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***Employee benefits***

**Social fund contributions**

Obligations for contributions to defined contribution pension plans, including Russia's State pension fund, are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**Short-term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for amounts expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount of the provision is determined by discounting the expected cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The amounts reflecting the "unwinding of the discount" are recognized as finance costs.

**Revenue**

Revenue from services rendered is measured at the fair value of the consideration received or receivable, net of returns and all trade discounts granted and indirect taxes.

***Other expenses***

**Lease payments**

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease.

**Social payments**

To the extent that the Company's contributions to social programs benefit the community at large and are not restricted to the benefit of the Company's employees, they are recognized in profit or loss as incurred.

**Income tax expense**

Income tax expense includes income tax for the current period. Current income tax is recognized in profit or loss for the period.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.



**Notes to the financial statements**  
(Amounts are presented in KGZ)

**4. New and revised IFRSs in issue but not yet effective**

The following amendments to standards and interpretations have become applicable to the Company since January 1, 2022.:

Amendments to IAS 37	"Burdening Contracts: Contract Execution Costs"
Amendments to IFRS 3	References to Conceptual Framework
Amendments to IFRS (IAS) 16 "Lease"	"Fixed Assets: Receipts Prior to Intended Use"
IFRS (IFRS) 9 "Financial Instruments"	"Commission Fee for Conducting the '10% Test' in Case of Termination of Financial Liability Recognition"

The application of new standards and interpretations, with the exception of those listed below, did not lead to significant changes in the Company's accounting policies that affect the reporting data of the current and previous periods.

**Amendments to IFRS 3 — References to the Conceptual Framework**

The amendments replace the reference to the previous version of the "Conceptual Framework" of IFRS with a reference to the current version issued in March 2018, without making significant changes to the requirements of the standard.

The amendments add an exception to the recognition principle under IFRS 3 "Business Combinations" in order to avoid the occurrence of potential "2nd day" gains or losses for liabilities and contingent liabilities that would fall within the scope of IFRS (IAS) 37 "Estimated Liabilities, Contingent Liabilities and Contingent Assets" or Clarifications of the IFRIC (IFRIC) 21 "Mandatory payments", if they arose within the framework of individual transactions. The exception requires entities to determine whether there is a current obligation at the acquisition date by applying the criteria of IAS 37 or IFRIC 21, respectively, instead of applying the provisions of the Conceptual Framework.

The amendments also add a new paragraph to IFRS 3 clarifying that contingent assets are not recognized at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e. to business combinations that will occur after the beginning of the reporting year in which it first applies the amendments (the date of first application).

These amendments did not have any impact on the Company's financial statements, as the Company did not have any contingent assets, liabilities or contingent liabilities that fall within the scope of such amendments during the reporting period.

**Amendments to IFRS (IAS) 16 "Lease" – "Fixed Assets: proceeds before intended use"**

The amendments prohibit organizations from deducting from the initial cost of an object of fixed assets any proceeds from the sale of products produced during the delivery of this object to the location and bringing it into condition that are required for its operation in accordance with the intentions of management. Instead, the organization recognizes the proceeds from the sale of such products, as well as the cost of production of these products in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to those items of property, plant and equipment that became available for use at the start date (or after it) of the earliest period presented in the financial statements in which the organization first applies these amendments.

These amendments did not have any impact on the Company's financial statements, as the Company did not sell such items produced in the process of bringing fixed assets into a condition that is suitable for use from the beginning of the earliest recorded period.



**Notes to the financial statements**  
(Amounts are presented in KGZ)

**New and revised IFRSs in issue but not yet effective**

A number of new standards, amendments to standards and interpretations have not yet entered into force as of December 31, 2022 and have not been applied in the preparation of these financial statements. Of these innovations, the following standards and amendments may potentially have an impact on the financial and economic activities of the Company. The Company plans to start applying these standards and amendments from the moment they come into effect. The Company has not yet conducted an analysis of the possible impact of the new standards on financial reporting data.

At the time of approval of these financial statements, the Company has not applied the following new and revised IFRS, issued but not yet effective:

<b>New or revised standard or interpretation</b>	<b>Effective date - for annual periods beginning no earlier than</b>
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS (IAS) 1 "Classification of Liabilities as Short-term or Long-term" (as part of the draft wording for Annual Improvements to IFRS, 2010-2012 cycle)	January 1, 2023
Amendments to IFRS (IAS) 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 1 and Practical Guidance 2 on IFRS "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023
Annual Improvements to IFRS Standards: 2018-2020 cycle:	January 1, 2022

**5. Revenue**

<b>Name</b>	<b>For the 6 months ended 30 June 2023</b>	<b>For the year ended 31 December 2022</b>	<b>For the 6 months ended 30 June 2022 (unaudited)</b>
Brokerage services	28,004,608	3,672,261	20,848
RPG services	-	463,612	-
Consulting services	-	2,174,528	1,070,229
	<u>28,004,608</u>	<u>6,310,401</u>	<u>1,091,077</u>

**Notes to the financial statements**  
(Amounts are presented in KGZ)

**6. Administrative expenses**

Description	For the 6 months ended 30 June 2023	For the year ended 31 December 2022	For the 6 months ended 30 June 2022 (unaudited)
Labor costs	728,820	103,787	48,439
Expenses for payment of services	338,070	1,196,383	66,416
Banking services	127,581	47,793	3,818
Social security expenses, deductions and other taxes from the photo	125,722	17,903	8,356
Depreciation of fixed assets	90,867	175,900	87,950
Inventory costs	24,735	162,634	12,849
Other general and administrative expenses	20,799	84,833	178,695
Representation expenses	-	33,300	33,300
Office rent	-	152,703	68,973
Utility bills	-	80,095	80,095
Exchange commissions	-	77,000	-
	<u>1,456,594</u>	<u>2,132,331</u>	<u>588,891</u>

**7. Fixed assets**

	Equipment	Office equipment	Total
<b>Carrying amount as at 31 December 2021</b>	<u>670,876</u>	<u>208,625</u>	<u>879,501</u>
Depreciation for the period	<u>(67,088)</u>	<u>(20,863)</u>	<u>(87,950)</u>
<b>Carrying amount at 30 June 2022</b>	<u>603,789</u>	<u>187,762</u>	<u>791,551</u>
Additions	35,000	-	35,000
Depreciation for the period	<u>(134,175)</u>	<u>(41,725)</u>	<u>(175,900)</u>
<b>Carrying amount at 31 December 2022</b>	<u>571,701</u>	<u>166,900</u>	<u>738,601</u>
Depreciation for the period	<u>(70,004)</u>	<u>(20,863)</u>	<u>(90,867)</u>
<b>Carrying amount at 30 June 2023</b>	<u>501,697</u>	<u>146,037</u>	<u>647,734</u>

**Notes to the financial statements**  
(Amounts are presented in KGZ)

**8. Investments**

Name	Q-ty	Nominal value	Total cost as of June 30 2023
Shares of JSC "Invoice Vision Digital Exchange"	1,912,500,000	0.01	19,125,000
Securities of CJSC "International Finance & Investment Company"	10,000,000	0.01	100,000
Securities of LLC "Sky Investment"	100,000	1.00	100,000
Common shares of Kyrgyz Stock Exchange CJSC	23	48,000.00	1,104,000
			<u>20,429,000</u>

**9. Cash and cash equivalents**

Name	30 June 2023	31 December 2022	30 June 2022
Cash on hand (som)	4,919,403	4,365,984	3,628,570
Cash on hand (US dollar)	540,806	531,216	-
	<u>5,460,208</u>	<u>4,897,200</u>	<u>3,628,570</u>
Settlement account (som)	245,093	82	1,118
Settlement account (US Dollar)	13	399	-
Settlement account (EURO)	2,946	-	-
Settlement account (KZT)	1,829	-	-
Settlement account (RUB)	-	69	28,011
Settlement account limited to use (undisclosed amount)	3,310,711	19,137	-
	<u>3,560,592</u>	<u>19,687</u>	<u>29,129</u>
Contribution of founders to share capital:			
Abdykaparov A.Sh.	10,500,000	-	-
Shabdanov A.S.	7,875,000	-	-
Kadyraliev M.N.	5,250,000	-	-
Melisbekov A.M.	3,500,000	-	-
Mikhailov O.Y.	3,500,000	-	-
Matkaziev N.A.	2,625,000	-	-
Akhmullaev I.A.	1,750,000	-	-
	<u>35,000,000</u>	<u>-</u>	<u>-</u>
Allowance for unexplained customer accounts	(3,310,711)	-	-
	<u>40,710,089</u>	<u>4,916,887</u>	<u>3,657,699</u>



**Notes to the financial statements**  
(Amounts are presented in KGZ)

**10. Share capital**

Name	30 June 2023	31 December 2022	30 June 2022
Abdikaparov Arstanbek Shamshidinovich	12,000,000	16,000,000	2,000,000
Kadyraliev Munarbek Nurbekovich	6,000,000	8,000,000	1,000,000
Shabdanov Almazbek Sultanbekovich	9,000,000	8,000,000	1,000,000
Matkaziev Nursultan Almasbekovich	3,000,000	1,600,000	200,000
Melisbekov Almaz Melisbekovich	4,000,000	1,600,000	200,000
Akhmullaev Ismail Azizzhanovich	2,000,000	800,000	100,000
Mikhailov Alexander Yurievich	4,000,000	4,000,000	500,000
	<u>40,000,000</u>	<u>40,000,000</u>	<u>5,000,000</u>

By the minutes of the General Meeting of the participants of the Royal Pure Gold LLC dated 18 October 2022, it was decided to increase the authorized capital from 5 million som up to 40 million som.

**11. Financial instruments and risk management**

The use of financial instruments exposes the Company to the following types of risks:

- credit risk;
- liquidity risk;
- market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

**Main principles of risk management**

Management is fully responsible for the organization and oversight of the Company's risk management system.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. This risk is mainly connected with the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The Company performs impairment test of trade and other receivables, which is an estimate of the amount of credit losses already incurred. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for the Company for similar assets in respect of losses that have been incurred but not yet identified. The collective loss estimate is determined based on historical statistical data on payments on similar financial assets.

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have

## Notes to the financial statements

(Amounts are presented in KGZ)

sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on investment.

### Currency risk

The Company is exposed to currency risk through sales, purchases and borrowings that are denominated in currencies other than the Company's functional currency, which primarily includes the U.S. dollar.

### Exposure to currency risk

The Company's exposure to foreign currency risk, based on the fact that the Company conducts its settlements in the local currency, is not significant.

The Kyrgyz Republic economy continues to display characteristics of an emerging market. The financial condition and future operations of the Company may be adversely affected by continued economic difficulties that are characteristic of an emerging market. Management is unable to predict the extent and duration of the economic difficulties, nor quantify the impact, if any, on these financial statements.

### Tax Law

Taxation in the Kyrgyz Republic is subject to change, inconsistent application, interpretations and enforcement. Non-compliance with Kyrgyz legislation and regulations as interpreted by the Kyrgyz authorities may lead to the assessment of additional taxes, penalties and interest.


Kyrgyz tax legislation and practice are in a state of continuous development and therefore are subject to varying interpretations and frequent changes, which may have a retrospective effect. Management believes that its interpretation of the relevant legislation is appropriate and the Company's tax, currency legislation and customs positions will be sustained. Management believes that the Company will not incur significant losses from potential tax claims.

### Legal proceedings

Management believes that the ultimate liability, if any, arising from such actions or complaints, will not have a material adverse effect on the financial condition or the results of future operations of the Company.

## 12. Events after the reporting date

No events have occurred after the date of approval of the financial statements that would affect the amounts in the financial statements presented.

  
General Director  
LLC "Royal Pure Gold"  
Abdikaparov A. Sh.

