



Sat&Co
MANAGING COMPANY



**ANNUAL STATEMENT OF THE
GENERAL MEETING OF SHAREHOLDERS
OF SAT & COMPANY
JOINT STOCK COMPANY**

The full name of the legal entity:	Sat&Company Joint Stock Company (hereinafter referred to as " the Company "), certificate of state registration № 79711-1910-AO issued on August 15, 2006 by the Department of Justice of Almaty.
Name and location of the executive board of the Company:	Board Chairman of SAT&COMPANY JSC 241, Mukanov Str., Almaty, Republic of Kazakhstan
Place, date and time of the meeting:	241, Mukanov Str., Almaty, Republic of Kazakhstan July 19, 2012, 15:00
Start of registration of shareholders:	14:00
Deadline for registration of shareholders:	15:00

Invitees:

- 1) Sagitova Rumiya Shafkhatovna - Member of the Board, Deputy Board Chairman on Finance and Investments
- 2) Sharabok Nadezhda Ivanovna - Chief Accountant
- 3) Svetlana Gennadievna Tyufyakova – Deputy Director of Legal Department, Corporate Secretary.

Six shareholders (their substitutes) collectively holding 1 045 191 732 ordinary shares equal to 87.71 percent of voting shares of Company were registered and attended the annual general meeting.

The list of shareholders having the rights to participate at annual general meeting of the shareholders of SAT & Company JSC and vote was provided by an independent registrar - Registrar System of Securities JSC on July 16, 2012.

Legal requirements of the Republic of Kazakhstan in respect of the quorum were observed and the meeting was legally qualified to take resolutions on all issues of the agenda.

**The annual general meeting of the shareholders was opened by
Deputy Board Chairman on Finance and Investments of
«SAT & Company» JSC
Sagitova Rumiya Shafkhatovna.**

R. S. Sagitova greeted the shareholders attended the general meeting and thanked them for participating in managing the Company.

Then R.S. Sagitova reported that the powers of the participants are confirmed, and a quorum for annual general meeting of the shareholders is available and therefore she declared the meeting opened and offered to consider the issues on the agenda.

The shareholders offered to elect Rustam Narimanovich Khodzhayev as the Chairman of the annual general meeting.

The proposal was put to the vote.

Total number of shareholder votes participated in voting – 6.

Voting results: «PROS» – 6; «CONS» - no; «ABSTAINED» - no.

**Rustam Narimanovich Khodzhayev was elected Chairman of the meeting.
Corporate Secretary - Svetlana Gennadievna Tyufyakova.**

Responsibilities of the tabulation commission were executed by Secretary of the general meeting.

Chairman of the meeting proposed to choose as voting methods:

- on procedural issues - open voting on the principle of "one shareholder – one vote",
- on the agenda items – open voting on the principle of "one voting share - one vote",

The meeting adopted the proposed voting methods by majority of the votes.

Further, Chairman of the Meeting announced that the annual general meeting of the shareholders was initiated by the Board of Directors of the Company with the agenda outlined by the Board of Directors of the Company.

Notification on annual general meeting of the shareholders was published on website of the Company - www.sat.kz - and was communicated to the shareholders by a written message.

The agenda comprised the following:

- 1) Approval of annual financial statements of the Company for 2011,
- 2) Establishment of the order on allocation of net profit of the Company for 2011 and the dividends per ordinary share of the Company.
- 3) Resolution not to pay dividends on ordinary shares of the Company for 2011.
- 4) Consideration of information about the shareholders' claims towards the Company and its officials.
- 5) Consideration of information on the size and composition of remuneration to the members of the Board of Directors and Management of the Company
- 6) Amendments and additions to the Articles of Association and approval of new edition of the Articles of Association.

The proposal "To approve the agenda of the meeting" was put to the vote by the principle of "one voting share - one vote".

Total number of shareholder votes participated in voting – .

Voting results: «pros» – 1 045 191 732; «cons» - no; "abstained" - no.

IT WAS UNANIMOUSLY RESOLVED :

To approve the agenda of the Annual General Meeting of Shareholders as follows:

THE AGENDA:

- 1) Approval of annual financial statements of the Company for 2011,
- 2) Establishment of the order on allocation of net profit of the Company for 2011 and the dividends per ordinary share of the Company.
- 3) Resolution not to pay dividends on ordinary shares of the Company for 2011.
- 4) Consideration of information about the shareholders' claims towards the Company and its officials.
- 5) Consideration of information on the size and composition of remuneration to the members of the Board of Directors and Management of the Company
- 6) Amendments and additions to the Articles of Association and approval of new edition of the Articles of Association.

ON THE FIRST ITEM ON THE AGENDA The Chief Accountant Sharabok Nadezhda Ivanovna has delivered an overview of annual financial statements of the Company on the financial performance of companies for 2011. Sharabok N. I. informed the attendees that Year 2011 annual financial statement is available to the shareholders at the location of the Company, therefore, proposed to move to a discussion on the report. Sharabok N. I. announced the key issues of the results of financial activities of the Company in 2011, performance of the Company and the group of the companies within the structure of the Company as a whole and other issue on the activities of the Company in 2011.

Then, Sharabok N. I. submitted consolidated financial statements for 2011 for approval and informed the audience that consolidated financial statements of the Company and the subsidiaries is established in accordance with the requirements of International Financial Reporting Standards and approved by "PricewaterhouseCoopers" LLP (report dated May 14, 2012).

RE: Financial performance of «SAT & Company» JSC (group of companies) in 2011.

Year 2011 consolidated financial statements of the SAT group approved by the auditor, except to financial performance of «SAT & Company» JSC, incorporated financial performances of the following subsidiaries:

Company / subsidiary	Location	Primary activity
«Sat & Company» JSC	Kazakhstan	Investment activities Trade activity
«SAT Trade» LLP	Kazakhstan	Trade activity
Jinsheng Sat (Tianjin) Commercial & Trading Co., LTD	China	Trade activity
"TSAIKK" LLP	Kazakhstan	Industrial production, subsoil use
«SAT Komir» Mining LLP	Kazakhstan	Subsurface Use
SAT&Co Holding A.S.	Turkey	Subsurface Use
«Shalkiya Zinc NV»	Netherlands	Subsurface Use
"FNK Ertys" LLP	Kazakhstan	Subsurface Use
"Trading House SAT" LLC	Russia	Trade activity

The group cancelled consolidation of the company Jinsheng Sat (Tianjin) Commercial & Trading Co., LTD in China in 2011. Other companies within the group had no turnovers and were not included to the list.

The financial results of the group's operations for 2011 are shown in the table below.

Key Financial Indicators

KzT, thousands

	2011	2010 - restated
Revenue	8 151 491	2 281 620
COGS	8 421 987	1 709 211
Gross profit	-270 496	572 409
Revenues from acquisitions		9 470 799
Impairment of investments	1 039 383	3 372 883
Other operating income	8 865 944	1 409 776
General and administrative expenses	3 704 968	4 148 315
Sales expenses	1 072 512	392 405
Other operating expenses	452 610	298 606
Operating income	2 325 975	3 240 775
Income from financing	1 698 599	21 719
Financing expenses	3 989 788	1 773 804
The loss of companies accounted applying equity method	412 966	354 188
Profit before taxation	-378 180	1 134 502
Income Tax expense (benefit)	854 467	-123 380
Income from discontinued operations		1 274 902
Profit per annum	476 287	1 011 122
Foreign exchange profit/loss	-190 420	-44 972
Grand Total, Aggregate Annual Income	285 867	2 241 052

As can be seen from the data of Year 2011, an income totaling KzT 285 867 thousand had been accumulated.

The structure of the proceeds from sales (services):

Revenue

	Year 2011	Year 2010
Ferroalloys	4 804 065	
Sales of petroleum products	972 096	1 033 064
Sales of Coal	2 012 401	1 014 337
Other	361 929	234 219
Grand Total	8 151 491	2 281 620

COGS

	Year 2011	Year 2010
Raw materials	3 009 001	51 367
Electric power	1 396 366	160
Fixed assets depreciation	1 161 556	27 755
Wages and taxes	692 293	254 546
Stripping works	663 754	312 153
Crude oil and petroleum products	612 994	843 546
Provisions for impairment	554 150	-8 267
Transportation	112 326	156 348
Other	219 547	71 603
Grand Total:	8 421 987	1 709 211

As can be seen from the data above, the operating activities of the Group companies resulted with gross loss at the amount of KzT 270,496 thousand mainly due to the excess of COGS over the cost of implementation on Taraz Metallurgical Plant.

Impairment of the investments accounted at book value totaling to KzT 1 039 383 thousand refers to the investments in metallurgical plants in PRC.

Other operating income at the amount of 8 865 944 includes income from the sales of shares in subsidiaries Ammonia P & D and Aviacentre Jet totaling to KzT 8 168 568 thousand.

Financial income at the amount of KzT 1 698 599 thousand was obtained as a result of restructuring of the loans to "ShalkiyaZinc LTD" LLP.

Financial expenses at the amount of KzT 3 989 788 thousand mainly incorporated the interest paid on the loans and bonds.

Aggregate income for Year 2011 totaling to KzT 285 867 thousands. The shareholders of the Group shall be given with the income of KzT 412 429 thousand; non-controlling shareholders shall be given with the losses totaling KzT 126 562 thousand.

Earnings per share.

Basic earnings per share are calculated as the ratio of profit for the year attributable to shareholders of the group to the weighted average number of ordinary shares in circulation, excluding repurchased shares.

	Year 2011
Profit (loss) attributable to the ordinary shares holders (KzT thousands)	427 487
Weighted average number of ordinary shares in circulation (thousands pcs)	1 037 787
Income (loss) per share attributable to the shareholders of the Company (KzT)	0,41

	Year 2010
Profit (loss) attributable to holders of preferred shares (KzT, thousand)	48 800
Weighted average number of preferred shares in circulation (thousand pcs)	118 468
Earnings per preferred share,	0,41

Consolidated Financial Statements (Balance Sheet) as of December 31, 2011

	As of December 31, 2011	As of December 31, 2010
Assets:	79 228 340	59 119 920
Fixed assets	40 005 524	36 704 638
Assets on Exploration and Assessment	3 781 538	2 540 942
Investments to the associated companies	3 436 479	3 849 445
Receivables	16 858 409	2 311 876
Inventories	1 751 709	1 788 509
Cash and their equivalents	738 608	2 668 384

Other assets	12 656 073	9 256 126
Liabilities:	50 183 228	36 822 919
Bonds issued	10 526 641	9 719 655
Loans and borrowings	24 186 046	15 520 954
Accounts payable and other liabilities	15 470 541	11 582 310
Capital:	29 045 112	22 297 001
Equity	23 200 038	16 497 036
Reserves	-11 717 427	-11 605 167
Retained profit	14 826 277	13 961 625
Non-controlling shareholders stake	2 736 224	3 443 507

Shareholders' equity of the Group for Year 2011 increased onto KzT 6 748 111 thousand, including:

- contributions of the shareholders to Charter capital KzT 8 890 071 thousand;
- debt component on preferred shares KzT 2 187 069 thousand;
- received gross income KzT 285 867 thousand;
- Foreign exchange adjustments and provisions KzT 240 758 thousand

Appendix: Year 2011 Financial Statements of the Group with approval of the auditor.

Having listened to N. I. Sharabok and discussed the Year 2011 performance report of the Company and upon examination of Year 2011 consolidated financial statements and Report of Independent Auditors, the shareholders of have voted as follows:

Total number of shareholders participated in voting –
1 045 191 732

Resolution to vote:

Approval of Year 2011 consolidated financial statements of the Company.

Voting results: «pros» – 1 045 191 732; «cons» - no; "abstained" - no.

IT WAS UNANIMOUSLY RESOLVED:

Approve Year 2011 consolidated financial statements of the Company.

THE SECOND ISSUE OF THE AGENDA was addressed by Sagitova Rumiya Shafkhatovna, Deputy Board Chairman on Finance and Investments who stated net profit by the end of 2011 totaled to KzT 285,867,000.

With regard to "Approval of allocation of net profit of the Company for 2011 and resolution to pay dividends on ordinary shares and approval of the dividend's amount per ordinary share of the Company", the Board of Directors recommended the shareholders to allocate net profit of the Company of KzT 285,867,000 for the development of the group of «SAT & Company» JSC by investing production processes in mining and metallurgical subsidiaries, dividends on ordinary shares not to be paid.

No other proposals.

A voting was proposed after discussions.

Proposal to vote:

Company's net income for 2011 of KzT 285,867 thousand to allocate for the development of group of companies of «SAT & Company» JSC by investing production processes in mining and metallurgical subsidiaries.

Total number of shareholder votes participated in voting – 1 045 191 732.

Voting results: «pros» – 1 045 191 732; «cons» - no; "abstained" - no.

IT WAS UNANIMOUSLY RESOLVED:

Company's net income for 2011 of KzT 285,867 thousand to allocate for the development of a group of companies of «SAT & Company» JSC by investing in mining and metallurgical subsidiaries.

THE THIRD ISSUE OF THE AGENDA was addressed by Sagitova Rumiya Shafkhatovna, Deputy Board Chairman on Finance and Investments who proposed the shareholders to resolute not to pay the dividends on ordinary shares.

Having listened to the Chairman, the shareholders voted as follows:

Total number of shareholder votes participated in voting –1 045 191 732.

Voting results: «pros» – 1 045 191 732; «cons» - no; "abstained" - no.

IT WAS UNANIMOUSLY RESOLVED:

Dividends on ordinary shares are not paid.

THE FOURTH ISSUE OF THE AGENDA was addressed by R. Sagitova who informed the meeting that no claims from the part of the shareholders with regard to the actions of the Company and the officials have not been reported.

Having listened to the Chairman, the shareholders voted as follows:

Total number of shareholder votes participated in voting –1 045 191 732.

Voting results: «pros» – 1 045 191 732; «cons» - no; "abstained" - no.

IT WAS UNANIMOUSLY RESOLVED:

Take note of the information provided.

THE FIFTH ISSUE OF THE AGENDA was addressed by Sagitova Rumiya Shafkhatovna, Deputy Board Chairman on Finance and Investments who stated that during annual meeting of the shareholders the Chairman of the Board of Directors should inform the shareholders-attendees on the size and composition of remuneration to the members of the Board of Directors and Management Board. Due to the fact that the Chairman of the Board of Directors Rakishev K.Kh. was on a business trip, Sagitova Rumiya Shafkhatovna represented the shareholders information on remuneration to the officials. (information about the size and composition of remuneration to the members of Board of Directors and Management Board is attached to the present Statement).

Having listened to Sagitova R. S. and considered the remuneration of Board of members and the Management Board, the shareholders voted as follows

Total number of shareholder votes participated in voting –1 045 191 732.

Voting results: «pros» – 1 045 191 732; «cons» - no; "abstained" - no.

IT WAS UNANIMOUSLY RESOLVED :

Take note of the information provided.

THE SIXTH ISSUE OF THE AGENDA was addressed by Sagitova Rumiya Shafkhatovna, Deputy Board Chairman on Finance and Investments who stated that the issue was raised at the last GMS however was not considered due to no quorum.

The Company has drafted new Articles of Association, taking into account changes to the legislation adopted within 2011 - 2012.

The draft Articles of Association was sent to the shareholders for consideration by email. Besides the draft Articles of Association has been available for review by related persons at the location of the Company.

In the event the shareholders do not have comments and suggestions to the draft of the Articles of Association, Sagitova R.S. asked the shareholders to vote.

In addition, Sagitova R.S. proposed to assign Olzhas Tokhtarov Chairman of the Board of the Company with authority to sign on behalf of the Company the Articles of Association and necessary documents, directly and / or indirectly relating to the registration of the changes and amendments to new edition of the Articles of Association of the Company in compliance to the requirements of the legislation of the Republic of Kazakhstan.

Total number of shareholder votes participated in voting – **1 045 191 732**.
Voting results: «pros» – **1 045 191 732**; «cons» - no; "abstained" - no.

IT WAS UNANIMOUSLY RESOLVED:

- (1) To approve new edition of the Articles of Association of the Company.
- (2) Management Board shall prepare necessary documents in compliance to the legislation of the Republic of Kazakhstan to approve amendment procedure to constituent documents of the Company in authorized bodies.
- (3) Assign the Chairman of the Board of the Company with authority to sign on behalf of the Company the Articles of Association and necessary documents, directly and / or indirectly relating to the registration of the changes and amendments to new edition of the Articles of Association of the Company in compliance to the requirements of the legislation of the Republic of Kazakhstan

The meeting was concluded by the Chairman of the Meeting who reported that all the items of the agenda of annual general meeting of the shareholders have been considered and relevant resolutions were adopted and, therefore, proposed to consider annual general meeting of the Company shareholders to be closed.

CORPORATE SECRETARY



S. G. TYUFYAKOVA

The Company has drafted new Articles of Association taking into account changes to the legislation adopted within 2011 - 2012

The draft Articles of Association was sent to the shareholders for consideration by email. Besides the draft Articles of Association has been available for review by invited persons at the location of the Company

In the event the shareholders do not have comments and suggestions to the draft of the Articles of Association, the Board of Directors is invited to vote

In addition, the Board of Directors is invited to sign on behalf of the Company the Articles of Association and necessary documents directly and / or indirectly relating to the registration of the changes and amendments to the Articles of Association of the Company in compliance with the requirements of the legislation of the Republic of Kazakhstan

Total number of shareholder votes participated in voting - 1 042 181 731
Validly issued shares - 1 042 181 732 shares - no "abstained" - no

IT WAS UNANIMOUSLY RESOLVED:

To approve new edition of the Articles of Association of the Company

Management Board shall prepare necessary documents in compliance to the legislation of the Republic of Kazakhstan to approve amendments procedure in consistent document of the Company

The Chairman of the Board of the Company with authority to sign on behalf of the Company the Articles of Association and necessary documents directly and / or indirectly relating to the changes and amendments to new edition of the Articles of Association of the Company in compliance with the requirements of the legislation of the Republic of Kazakhstan

Conducted by the Chairman of the Meeting who reported that all the items of the agenda of the meeting of the shareholders have been considered and relevant resolutions adopted in order to ensure general meeting of the Company

S. S. TYLYAKOVA

