

**IN THE HIGH COURT OF JUSTICE**  
**BUSINESS AND PROPERTY COURTS**  
**OF ENGLAND AND WALES**  
**COMMERCIAL COURT**  
**(KBD)**

**Claim no. CL-2023-000262**

**BETWEEN:**

**YERMEK ALIMOV**

**Claimant**

**-and-**

**(1) ABDUMALIK MIRAKHMEDOV**

**(2) RASHIT MAKHAT**

**(3) ANDREY KIM**

**(4) GENESIS DIGITAL ASSETS LIMITED**

**Defendants**

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**SECOND WITNESS STATEMENT OF ANDREY KIM**

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I, **ANDREY KIM**, of [REDACTED]  
[REDACTED] **WILL SAY AS FOLLOWS:**

1. I am the Third Defendant in these proceedings. I filed my first witness statement on 8 March 2024 ('**AK1**') in support of the Defendants' Jurisdiction Challenge and Set Aside Application. I will refer to both these applications together as 'the Applications'.
2. I make this second witness statement in support of the Applications and in response to the evidence filed by the Claimant on 28 June 2024 ('**Claimant's Evidence in Answer**') which was in reply to the evidence filed by the Defendants on 8 March 2024 (including AK1), as well as the First Witness Statement of Mr Mirakhmedov ('**Mirakhmedov 1**') and the First Witness Statement of Mr Moruzzi ('**Moruzzi 1**'), both filed on 23 October 2023, in support of the Jurisdiction Challenge.

3. The Claimant's Evidence in Answer comprises of 7 witness statements and the Second Expert Report of Askar Konysbayev. However, in this witness statement, I shall only refer to:
  - (a) the Third Witness Statement of Mihail Iatuha and Exhibit dated 28 June 2024 ('**Iatuha 3**') and Exhibit MI3;
  - (b) the First Witness Statement of Yermek Alimov and Exhibit dated 28 June 2024 ('**Alimov 1**') and Exhibit YA 1; and
  - (c) the First Witness Statement of Sholpan Soyayeva and Exhibit dated 27 June 2024 ('**Soyayeva 1**') and Exhibit SS1.
4. My solicitors instructed in this matter, Withers LLP ('**Withers**'), have provided a further separate witness statement, namely the Fourth Witness Statement of Roberto Moruzzi dated 9 September 2024 ('**Moruzzi 4**'), which I understand covers the main procedural and substantive issues in detail.
5. This witness statement is intended to refer only to certain factual areas related to me particularly which which I consider to be important for me to respond to in the context of determining the Applications. There is a hearing listed for 15-16 October 2024 to hear the Applications.
6. Unless otherwise stated, I have personal knowledge of the facts and matters set out in this statement and they are true. Where the facts and matters are not within my personal knowledge, they are true to the best of my information and belief. I have produced this witness statement with the help of Withers who have assisted in the drafting under my instructions by telephone, video call and email.
7. I shall refer in this statement to an Exhibit marked 'AK2', which is a paginated bundle of correspondence and other documents relevant to the Applications. To avoid duplication of documents in Exhibit AK2, I refer to documents contained in the Exhibit previously filed in these proceedings. I specify the Exhibit to which I refer.
8. Nothing in this statement is intended to waive privilege or submit to the jurisdiction of the Courts of England and Wales in relation to any matters arising in relation to the Claim and the allegations made therein. If I do not comment on any particular matter raised by the Claimant or his witnesses in the Claimant's Evidence in Answer, it does not mean that I accept what the Claimant or his witnesses are saying about that matter. In fact, I object to the majority of the factual points raised by both Mr Alimov in his first witness statement and by his witnesses. Rather than respond to each and every false statement or factual inaccuracy in the Claimant's Evidence in Answer, I respond only to those which I understand it is useful for me to address for the Applications.

#### **Introduction – links to Kazakhstan**

9. As is evident from the documents submitted so far in this case, the underlying dispute – which I consider to be the result of a dishonest claim by Mr Alimov – concerns a Kazakhstan business and Kazakhstan law. Every alleged meeting that Mr Alimov alleges that I had with him took place in Kazakhstan (certain of which I dispute, as to which see below). The parties agree that all the underlying assets relating to the dispute are located in Kazakhstan. At least 3 of the Claimant's own witnesses are based in Kazakhstan (Mr Arman Naurzaliev, Mr Aydyn Alimov and Ms Shoplan

Soyayeva). All the relevant documents would be in Kazakhstan, and most will concern languages that are spoken in Kazakhstan.

10. Both Mr Alimov and his wife, Mrs Alimova, have substantial positions at and received salaries from 2 Kazakhstani companies:
  - (a) Mr Alimov was employed as Chief Manager of ANB Capital LLP (with business identification number (or '**BIN**') 071140013496) which is located in Karaganda, Kazakhstan from 1 April 2020 until 31 March 2021 and during this time received a total salary of KZT 5,250,000 (c. US\$ 12,332.83 as at 31 March 2021<sup>1</sup>). **[Exhibit AK2, pp. 1-4]**.
  - (b) Mrs Alimova was also employed as a manager of ANB Capital LLP from 1 April 2020 until 30 June 2020 during which time she received a salary of KZT 750,000 (c. US\$1,847.45 as at 30 June 2020<sup>2</sup>). **[Exhibit AK2, pp. 5-8]**.
  - (c) Mr Alimov has been employed as Chief Manager of Billion krg LLP (BIN 190440024672) which is located in Karaganda, Kazakhstan from 21 May 2020 until the present day and from 21 May 2020 until 30 April 2021 had received a total salary of KZT 2,847,222 (c. US\$ 6,620.18<sup>3</sup>). **[Exhibit AK2, pp. 9-12]**.
11. I also note in passing that Ms Soyayeva is stated to be a 'Director' of ANB Capital LLP and her signature appears in the Russian versions of the 'Reference Letters' referred to at 10(a) and 10(b) above as well as the letter from ANB Capital LLP dated 28 August 2024 which confirms her position as '*head of the company*' at that entity **[Exhibit AK2, pp. 13-16]**. This is in spite of Ms Soyayeva stating (with a statement of truth) that she has '*always worked as an accountant and [has] never been involved in directorial or managerial roles.*' (See Soyayeva 1, 5).
12. Against this backdrop, and where so many of Mr Alimov's proposed witnesses want to give evidence through an interpreter in England, I am very surprised that Mr Alimov continues to argue that his claim should be heard in England. As I have explained previously, I believe that this case is clearly more suited to be dealt with by the Courts in Kazakhstan.

### Meetings and alleged meetings

13. I did not have '*extensive discussions*' with Mr Alimov which '*outlined the main points of our potential deal*' (Alimov 1, 77(c)) between the meeting or meeting in May 2017 and the alleged London Agreement on 10 June 2017, which Mr Alimov alleges for the first time. Nor did I have '*dozens of other meetings*' with Mr Alimov after 10 June 2017 as he also alleges for the first time in these proceedings (Alimov 1, 25) – although I do accept that (i) I had one or two introductory meetings at the Raddison Hotel in Astana, Kazakhstan in around May 2017, (ii) we went on three site tours to sites in respect of which Mr Alimov was trying to broker a sale, and (iii) I met him again in March

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<sup>1</sup> See here: <https://www.x-rates.com/historical/?from=KZT&amount=5250000&date=2021-03-31>

<sup>2</sup> See here: <https://www.x-rates.com/historical/?from=KZT&amount=750000&date=2020-06-30>

<sup>3</sup> See here: <https://www.x-rates.com/historical/?from=KZT&amount=2847222&date=2021-04-30>

2019 (albeit not, as he suggests, on 16 March 2019, since I landed in Dubai at 06:18 am on that day) at the Raddison Hotel in Nur-Sultan, Kazakhstan. At none of those meetings did discussions take place of the kind that Mr Alimov has now decided to allege. I see that Mr Alimov now alleges that these '*extensive discussions*' (for which he provides no date, no time, no location let alone any documentary evidence) formed the basis of the so-called and wholly disputed '*London Agreement*'. It is strange that these alleged extensive discussions, if they were an integral part of this '*London Agreement*' as is now claimed, are only now being mentioned for the first time and critically after Mr Alimov had the chance to review the Defendants' evidence and, in particular, that of Mr Mirakhmedov with regards to the Iftar dinner on 10 June 2017.

14. As an aside, the only '*evidence*' that Mr Alimov has sought to produce in relation to any of these meetings seems to be in Alimov 1, 26 where he tries to convey that he was intimately acquainted with our office layout and arrangements, no doubt in an attempt to show that we had many meetings. However, his '*knowledge*' of our office is inaccurate. For example, I have always had my own office so never needed to take Mr Mirakhmedov's keys to hold a meeting in his office, as alleged. Further, our offices are spread over 2 floors with 8 rooms on the ground floor (including my office) where our HR, legal, IT, finance, accounting teams are based with 2-6 people in a room which is arranged in an open plan layout. On the third floor, there is a conference room as well as desks in a open-planned layout for the operations team of 8-10 people.

#### *The Alleged 6 June 2017 meeting*

15. Mr Alimov now alleges for the first time at Alimov 1, 27 that he organised an introductory meeting at the Raddison Hotel on 6 June 2017 at 8/9pm between me, Mr Makhat, himself and '*the experts*'. He claims, that he sent me the CVs of these experts prior to this alleged meeting. However, in customary style, he has not provided this email said to have attached the CVs. I have checked and see that he did forward me an email on 6 June 2017, sent to Mr Alimov only, from Olzhas Oralov which said '*Attached are the CVs of John, Elena Nikolayevna and mine*' but there was no attachment. **[Exhibit AK2, pp. 22-23]**.
16. Mr Alimov is now very specific about the precise details of this alleged experts' meeting on 6 June 2017, even though it took place more than 7 years ago, stating that it was in the lobby of the hotel and that '*We arranged ourselves on two sofas and two chairs*' (Alimov 1, 28) and that it was agreed the experts' fees would be split 50:50 between Mr Mirakhmedov, Mr Makhat and me and Mr Alimov (Alimov 1, 29). I flatly deny that this meeting took place on 6 June 2017. I have met with Mr Abbas, Ms Kaplunovskaya<sup>4</sup> and Mr Navid Ismail each in their capacity as an expert, but Mr Alimov was not at any of these meetings.
17. As can be seen from my plane tickets, on 6 June 2017 I was in Seoul, South Korea with my family. Without wanting to go into too much detail, I flew to Seoul from Almaty, Kazakhstan on 26 May 2017 **[Exhibit AK2, p. 24]** to join my wife, sons, grandparents and my cousin as my grandfather was undergoing cancer surgery in Seoul and, as a family, we wanted to support him through this. We stayed in Seoul for his surgery, and for a little while after to assist with his aftercare and recovery.

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<sup>4</sup> In ALIMOV 1, 27 Mr Alimov refers to Elena Kaplunovskaya but the forwarded email refers to Elena Nikolayevna.

As can also be seen from my plane tickets, I returned to Dubai, UAE on 14 June 2017 and then on 15 June 2017 travelled from Dubai to Jeddah, Saudi Arabia **[Exhibit AK2, p. 25]**. Therefore, I cannot have met, and did not meet, Mr Alimov on 6 June 2017, as he claims.

18. I believe that, once again, Mr Alimov has fabricated what he says (in this instance inventing an expert meeting on 6 June 2017) in an attempt to give credence to his entirely false and misguided Claim. I have disproved what Mr Alimov is asking the Court to believe by reference to contemporaneous documents and note with interest that, unlike the Defendants, Mr Alimov has provided no reliable documentary evidence to support his (false) version of events. I invite the Court to draw adverse inferences from this and treat Mr Alimov's alleged narrative with the scepticism it deserves. I would also draw the Court's attention to Mr Alimov's ever-changing story as evidence of its fabrication.
19. Whilst I was searching my inbox for the above June email, I came across 2 emails I had sent to Mr Alimov, both dated 23 July 2017 (10:17am) and each with an attachment. At Alimov 1, paragraph 100, Mr Alimov only refers to one of these emails and attachments. **[Exhibit AK2, pp. 26-28]**. The table in attachment 'Haa1' **[Exhibit AK2, p.28]** shows our internal calculations relating to the Ridderskaya powerplant, which was one of the power plants Mr Alimov suggested that we buy, but we did not end up purchasing. This table has nothing to do with the Stal Substation or the ABK Buildings as Mr Alimov claims (Alimov 1, 100). Mr Mirakhmedov, Mr Makhat and me were considering purchasing Ridderskaya for US\$ 15-16 million **[Exhibit AK2, pp. 29-32]** and the purpose of this table was to run the profitability figures for this potential site. The US\$ 15-16 million figure was derived from the letter dated 10 October 2016 from Sberbank to Mr Igor Vladimirovich, the President of the entity which owned the Ridderskaya power plant **[Exhibit AK2, pp. 29-32]**. The letter shows that Sberbank was prepared to advance KZT 3.5 billion, which is c. US\$ 10.5 million<sup>5</sup> of credit to finance an investment in the power plant. The letter further states under 'Type of Security' that the credit advanced (i.e. US\$ 10.5 million) should be 130% above the market value of the Ridderskayava power plant. This demonstrates that the bank considered the power plant to be worth c. US\$ 14 million (i.e. US\$ 10.5 million x 30% = US\$ 13,650,000). **[Exhibit AK2, pp. 29-32]**. This is the rationale behind the figure included in the table I sent to Mr Alimov. In light of this, Mr Alimov's 'explanation' about my alleged 'overinflation' of the assets (at Alimov 1, 100) can be seen to be misleading and false.
20. The reference to 'Y. Alimov's facility' is included because Mr Alimov proposed Ridderskaya as a potential power plant for us to purchase. However, Mr Alimov has misleadingly relied upon this table in his LBC (see Exhibit 1 on page 3 **[Exhibit RGMM1, p. 52]**) as well as in **[Exhibit YA1, p.77]** to suggest that figure relates to Mr Alimov's 'contribution to the joint venture as had been specified by the London Agreement' (Alimov 1, 100). That is not correct for the reason explained in the above paragraph. It is also not correct given that Mr Makhat, Mr Goigov and I visited the ABK Buildings for the first time in August 2017, so I would not have been modelling the profitability of these assets

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<sup>5</sup> See here: <https://www.x-rates.com/historical/?from=KZT&amount=3,500,000.000&date=2016-10-10>

before I had even seen them, let alone sending or having Mr Goigov send these internal calculations to Mr Alimov.

21. The other email dated 23 July 2017 which I sent to Mr Alimov (not exhibited or referred to by him in Alimov 1 or Exhibit YA1) attached a 'Simplified mining model' [Exhibit AK2, pp. 33-36]. This model is very similar but not identical to the document allegedly dated 10 August 2017 at Exhibit YA1, p.5/p.10 said to have been sent by Mr Goigov to Mr Alimov. I do not recognise the document Mr Alimov includes at Exhibit YA1, p.5/p.10. It seems to me that Mr Alimov (or someone on his behalf) has amended the table I sent him on 23 July 2017 [Exhibit AK2, pp. 35-36] as the version he exhibits conveniently now includes in the 'P&L total calculation' box (on the bottom left) 2 line items which state: '*Earnings of the KZ party: 16 638 772*' and '*Earnings of KZ partner (EA): 5 823 570*'. Mr Alimov was never a partner in our business, so we would never have 'added' such line items to this table.
22. I find it convenient that Mr Alimov claims that he only came across this 'August version' of the document whilst preparing Alimov 1 so it has not been previously exhibited in his Claim. Further, Mr Goigov was not authorised to send forecasting models, such as this one, to anyone outside of KZ Systems (where we worked at the time) and for this reason I do not believe he would have sent Mr Alimov this document or any document.

*The alleged 13 May 2018 meeting and alleged meeting at the end of March or beginning of April 2018*

23. I understand that meetings which are said to have happened after 10 June 2017 are not important for the purposes of the Applications. However, Mr Alimov claims at Alimov 1, 129 that I delivered to Yerlan Isekeshev some spreadsheets which are alleged to show certain bitcoin payments to Mr Alimov at the Raddison Hotel (I assume in Astana) on 13 May 2018. This is untrue. I did not prepare these spreadsheets or instruct anyone else prepare them, and I did not deliver them to Yerlan Isekeshev or Beibut Kopbaev on 13 May 2018. I do not think that I have ever met Beibut Kopbaev.
24. I have checked my travel records and, contrary to what Mr Alimov alleges at Alimov 1, 132, I was not in Kazakhstan so could not have met with Mr Alimov and Mr Makhat and Mr Vakha Goigov as alleged at our offices at the Radisson Hotel at the end of March or the beginning of April 2018. On 19 March 2018, I flew with my family from Astana to Dubai [Exhibit AK2, p. 37]. Between 26 to 29 March 2018, I was in San Francisco, USA, attending the conference in San Jose [Exhibit AK2, p. 38]. I flew from San Francisco to Geneva (via Frankfurt) on 29 March 2018 to spend some time in France [Exhibit AK2, p. 39]. Then, from 6 to 10 April 2018, I was in Seoul with my wife and my son for my son's medical treatment [Exhibit AK2, p. 40].

**Mr Satybaldy**

25. Mr Alimov is wrong to suggest that Mr Makhat and I are the '*closest and most trusted contacts*' of Mr Satybaldy (Alimov 1, 14).
26. I do know Mr Satybaldy and his family socially, but that is the extent of our relationship. I have never worked with Mr Satybaldy, or participated in any business venture with him.

27. It follows from this, for the avoidance of doubt, that Mr Satybaldy has never had any involvement whatsoever in our Kazakhstan bitcoin mining projects ('**Projects**'), and that Mr Satybaldy did not appoint or identify me as the operational manager of the Projects, as Mr Alimov alleges at Alimov 1, 16.
28. I obviously was not part of any alleged discussion between Mr Alimov and Mr Satybaldy at the meetings said to have taken place in May 2017, but I do not understand how or why Mr Satybaldy would ever have made a comment about me in a business context as alleged. Similarly, I am almost certain that it was not Mr Satybaldy who invited me and Mr Makhat to the quad biking event in Dubai in 2014 (although, given it was so long ago, I cannot now say so with absolute certainty).
29. Again, I suspect that Mr Alimov is constructing a false narrative for his own ends. In particular, it is entirely false and misleading for him to suggest that Mr Satybaldy was in any way '*essential*' for our Projects in Kazakhstan (Alimov 1, 13), or that I paid Mr Satybaldy c. \$100,000 per month for alleged '*protection*' for our bitcoin mining projects (Alimov 1, 13). I have no idea why Mr Alimov is making such false statements, but given the seriousness of this latter allegation, which sounds to me like a allegation of some form of bribery, I am surprised that he has provided no evidence in support of it. For the avoidance of all doubt, I have never paid anyone money for alleged protection for any of my businesses in Kazakhstan or anywhere else, including for our Projects.
30. It is also entirely false for Mr Alimov to state that Mr Satybaldy's '*influence*' was required to assist in obtaining a licence to enable us to import the cryptocurrency-mining equipment we needed for our Projects. The procedure to obtain these licences is straightforward and it is open to anyone to apply online to the National Security Agency for such a licence<sup>6</sup>.
31. In 2017, I know that there were at least 20 companies operating in Kazakhstan who had an import licence from the National Security Agency. As can be seen from the report entitled 'Information on the mining industry in Kazakhstan' which I received from the blockchain association [of Kazakhstan], as at 5 August 2022 the Ministry '*officially notified 284 organizations about the start of digital mining activities and 54 organizations have notified about the provision of infrastructure for digital mining*' in Kazakhstan [Exhibit AK2, pp. 41-51].
32. The Kazakhstan government website<sup>7</sup> also shows that, as at 5 April 2022, the Ministry officially notified 245 organisations of ongoing digital mining activities and the commencement of digital mining operations. Additionally, the website reveals that 37 organisations were officially notified about providing infrastructure for digital mining. The National Grid of Kazakhstan's website states that: '*Electricity in Kazakhstan is generated by 222 power plants of various forms of ownership. As on 01 January 2024 the total installed capacity of power plants in Kazakhstan was 24 641,9 MW and available capacity is 20 428,4 MW. The power plants are branched into power plants of national importance, power plants of industrial importance and those of regional importance*'<sup>8</sup>. Even the

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<sup>6</sup> See here: <https://www.elicense.kz/?lang=en>

<sup>7</sup> See here: <https://www.gov.kz/memleket/entities/mdai/documents/details/292598?lang=ru>

<sup>8</sup> See here: <https://www.kegoc.kz/en/electric-power/elektroenergetika-kazakhstana/>

relevant Wikipedia page<sup>9</sup> shows that in Kazakhstan there are 37 hydroelectric power plants, 59 thermal power plants and 13 wind and solar power plants.

33. As these sources demonstrate, the digital mining industry in Kazakhstan is a saturated and competitive market and there is no need for any 'influence' or special relationship to operate within it, as alleged by Mr Alimov. Even if there were fewer players in this industry in 2017 compared to 2022, by Mr Alimov's logic a significant number of companies would similarly need to pay regular significant sums for 'protection' and to secure import licences in order to operate in Kazakhstan. That is a ridiculous allegation to make and, within this context, clearly absurd. As explained in Moruzzi 1, 49, in the spring and summer of 2017 Kazakhstan was already a very popular jurisdiction for digital mining because its energy supply was cheap thanks to the low tariffs set by the government and the industry regulation was relaxed, which made it more competitive than other countries.

## Documents

34. I have seen Alimov 1,92-93 and they only highlight the concern I raised in Kim 1, 55-70 that there is an issue with the translation of the documents in this case, which are generally all in Russian. The parties cannot agree on the translation of these messages from Russian to English and Mr Alimov continues to rely on an incorrect translation and to then stretch the meaning of the words in order to suit his narrative. In the circumstances, I would invite Mr Alimov to disclose the original of these messages as I no longer have access to these WhatsApp or Telegram messages.
35. The translation we obtained of the messages at [00.28] **[Exhibit AK1, p.122]** read as follows: *'They said yes. Rashit and I are thinking about this proposal. Keep that in mind brother.'* That is crucially a different emphasis than the translation Mr Alimov has obtained which says *'They replied yes. We, together with Rashit are thinking about it. Please think about it'*. Our translation is a more akin to a notification or the relaying of information, whereas Mr Alimov's (incorrect) translation suggests I was inviting his views, which I was not. That different emphasis is important because it gives context to the reference to 'us' in the message at [00.29], rather than that statement being proof that we were treating the Claimant as a partner in the Projects. I also think it is misleading for the Claimant to rely on his own message as evidence that my reply message considered him to be a partner and would encourage him to disclose the original messages, including the date which is missing.

## Stal Substation and ABK Buildings

### *Market value not nominal or book value*

36. In Kim 1, 44-48, I explained that on 8 February 2017, KKS Karagandy LLP (**'KKS Karagandy'**) purchased the Stal Substation from Temirshi LLP (**'Temirshi'**) for KZT 46,481,000 **[Exhibit AK1, p.4]** (c. US\$ 143,635<sup>10</sup>) (the **'Temirshi Stal SPA'**) **[Exhibit AK2, pp. 52-80]**. I explained that I thought that this purchase price, and the Temirshi Stal SPA, showed that, when Prima Investment

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<sup>9</sup> See here: [https://ru.wikipedia.org/wiki/Список\\_электростанций\\_Казахстана](https://ru.wikipedia.org/wiki/Список_электростанций_Казахстана)

<sup>10</sup> See here: <https://www.x-rates.com/historical/?from=KZT&amount=46,481,000&date=2017-02-07>



Company LLP ('Prima') purchased the Stal Substation on 22 January 2018 for KZT 53,454,044 (c. US\$ 164,000), it did not do so at an undervalue.

37. Similarly, I explained at Kim 1, 34 that, on 12 January 2018, KKS Karagandy purchased the ABK Buildings from Temirshi (we know this from Clause 2 of the SPA between Prima and KKS Karagandy cited at **[Exhibit AK1, p.20-21]**). I refer to the Evaluation Report dated 8 January 2018 commissioned by Temirshi in relation to the ABK Buildings ('**ABK Evaluation Report**') **Exhibit AK2, pp. 81-144**. The ABK Evaluation Report at page 33 is clear that the market value on 8 January 2018 was KZT 256,012,000 (c. US\$ 775,385<sup>11</sup>). This market value informed (i) Temirshi's sale of the ABK Buildings to KKS Karagandy a few days later on 12 January 2017 for the price cited in the ABK Evaluation Report, and (ii) the sale and purchase agreement between KKS Karagandy (as Seller) and Prima (as Buyer) on 24 January 2018 for KZT 285,750,000 (c. US\$ 890,306<sup>12</sup>) **[Exhibit AK1, p.21] ('ABK SPA')**, but as explained in Moruzzi 1, 69(b), Prima in fact paid KZT 178,000,000, which is c. US\$ 548,920.
38. At Alimov 1, 114 Mr Alimov attempts to explain why the purchase price in relation to the Temirshi sale of the Stal Substation and the ABK Buildings to KKS Karagandy was not an undervalue. He says that *'the transfer from Temirshi to KKS Karagandy was an internal transfer between two companies which I owned [...] and those transfers were also done at nominal book value, not at market value'*. This attempted explanation is parroted by both Mr Iatuha at Iatuha 3, 30(c) and by Ms Soyayeva at Soyayeva 1, 14. In usual fashion, no documentary evidence is submitted to support this assertion (such as the transfer instructions received by Ms Soyayeva, or any correspondence evidencing that the transfer was for nominal or book value). Rather, we are asked to believe it outright so that the alleged price of US\$ 2.5 million can be believed.
39. In any event, and with or without any supporting materials, this is an unconvincing answer and is contradicted by the ABK Evaluation Report **[Exhibit AK2, pp. 81-144]** and the contemporaneous documentary evidence I cited in Exhibit AK1. In accordance with Clause 2.1 of the Temirshi Stal SPA **[Exhibit AK1, p.4]**, the purchase price in the Temirshi Stal SPA is based on the Appraisal Report No. 50/10/2016 dated 24 October 2016 ('**Stal Appraisal Report**') **[Exhibit AK1, p.61-100]**. The Stal Appraisal Report gives the market value of the Stal Substation (not the nominal value) as KZT 46,481,000 **[Exhibit AK1, p.61]**.
40. The Stal Appraisal Report could not be clearer that the purchase price is the market value, not nominal value, as made plain in clause 3.4.1 of the Appraisal Report: *'In accordance with the Law "On Appraisal Activities in the Republic of Kazakhstan" dated November 2000 No. 109-II, market value is the estimated amount of money at which this object can be alienated on the basis of a transaction in a competitive environment, when the parties to the transaction act with all available information about the appraisal object.'* **[Exhibit AK1, p.69]**. Similarly, clause 2.2 of the ABK Evaluation Report explains that its purpose was to *'determine the real market value as of January*

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<sup>11</sup> See here: <https://www.x-rates.com/historical/?from=KZT&amount=256012000&date=2018-01-08>

<sup>12</sup> See here: <https://www.x-rates.com/historical/?from=KZT&amount=285750&date=2018-01-24>

8, 2018' and gives a similar definition of 'market value' to the one cited in the Stal Appraisal Report. **[Exhibit AK2, p. 123].**

41. Mr Alimov's assertion at Alimov 1, 119 that had the transfer between Temirshi and KKS Karagandy been a *'genuine arm's length sale of Stal for market value, [he] would have demanded at least the \$2.5 million [he] had been offered by Hua Tun, and potentially more given its particular importance to MMK'* is similarly undermined by the documents. The (extensive) definition of 'Market value' the Appraisal Report states that *"...As a result of a commercial transaction ..." means that there are no special or special [sic] relationships between the parties that can make the price level uncharacteristic for the market. [...] It is assumed that a transaction at market value should be made between parties that are not related to each other by any relationship and each of the parties acts independently.*' (Emphasis added). **[Exhibit AK1, pp.69-70].** Why would the Temirshi Stal SPA refer to the Stal Appraisal Report, which cites the market value of the Stal Substation, if its nominal value was meant to be used?
42. Lastly, the official Determination of Judicial Chamber for Civil Case of the Karaganda city Regional Court in Case No. 3599-24-00-2a/835 dated 27 May 2024 (the **'Appeal Judgment'** **[Exhibit AK2, pp. 145-168]**) also cites the purchase price in the Temirshi Stal SPA as KZT 46,481,000 **[Exhibit AK2, p. 162]** as well as the Stal Appraisal Report. **[Exhibit AK1, p.62].**
43. I believe that this shows that the purchase price was not just a nominal value.
44. Lastly, I have seen what Mr Alimov says at Alimov 1,104 in relation to me allegedly providing a flat as so-called compensation for Mr Alimov removing the Stal Substatuion from any agreement he had with Hua Tun. This is completely untrue. A relative of mine did sell an apartment in Astana to Mr Alimov's wife. This was a private transaction and had nothing to do with Hua Tun.

#### *Commission payment to Mr Alimov*

45. In latuha 3, 29(b), Mr latuha states that we cannot have paid Mr Alimov a brokerage fee of US\$ 1.75 million as this was higher than the value of the Stal Substation and the ABK Buildings and he states *'A broker would never receive more than the purchase price'*. This is not true. In the crypto-mining industry, it is common to pay a broker a commission fee which is significantly higher than, for example, the assets or the value of the lease over the land. In fact, GDA paid a broker c. US\$ 780,000 for land in the USA which is leased to GDA for c. US\$ 100,000 per annum.

#### *Ownership of the Stal Substation and Temirshi*

46. Mr Alimov cannot be correct when he alleges that he was the ultimate beneficial owner of Temirshi and therefore also owned the Stal Substation and the ABK Buildings (see, for example, Alimov 1, 124). Nor is Mr latuha correct when he states at latuha 3, 31 that my *'evidence that Mr Alimov was not the owner of Temershi was knowingly false'*.
47. Firstly, the Temirshi Stal SPA is clear that the land to which the agreement relates, i.e. the Stal Substation, is 'arrested' or seized land. Clause 1.1 states: *'The Seller undertakes to sell and transfer, and the Buyer undertakes to pay and accept the arrested real estate...'* **[Exhibit AK1, p.4].**

48. Secondly, the recipient or the beneficiary of the Temirshi Stal SPA is a bailiff: see under Clause 2.2 which states '*Beneficiary: private bailiff Iliyaz Sultangazyuly Kospabay (State License No. 568 dated 23.06.2012), IIN 840529350641, IIC No. KZ65551M129001259KZT, Beneficiary code 19, Bank Kassa Nova JSC, BIC KSNVKZKA.*' [Exhibit AK1, p. 5]. This is confirmed in the Appraisal Report which includes the same details: '*Kospabay I.S, private enforcement officer of the court of enforcement district of Karaganda region*' and the same state licence number and bank account details are also included [Exhibit AK1, p. 61].
49. Thirdly, as can be seen from the 'Demand Letter' dated 7 December 2017 sent by a director of KKS Karagandy LLP, Naurzaliyev A.O., to a director of Temirshi, Aldan A.A., pursuant to the Temirshi Stal SPA, the equipment at the Stal Substation '*was mistakenly not indicated and not transferred documentarily through the act of acceptance and transfer.*' [Exhibit AK2, pp. 169-170]. Therefore, in this Demand Letter, KKS Karagandy requested that the Temirshi Stal SPA be amended to document and record the transfer of the equipment. (The Demand Letter also referred to the '*enforcement proceedings*' in which the Stal Substation was seized and sold under the Temirshi Stal SPA.)
50. Following this, on 25 December 2017, Aldan A.A. wrote a Notification Letter to all the shareholders of Temirshi to include, amongst other things, in the agenda of the extraordinary general meeting of participants of Temirshi, scheduled to take place on 9 January 2018 at 15:00, the transfer of the equipment [Exhibit AK2, pp. 171-173]. Notably, this letter was not addressed to Mr Alimov, I suggest because he was not, as he alleges, a shareholder of Temirshi let alone its ultimate beneficial owner.
51. The supplementary agreement No. 1 dated 11 January 2018 between Temirshi, as Seller, and KKS Karagandy, as Buyer, ('**Supplementary Agreement**') records the transfer of the equipment [Exhibit AK2, pp. 72-80]. Yet it also makes clear that as at its date, 11 January 2018, Temirshi was still the owner of the Stal Substation. Further, under Clause 2 it states:

**2. Paragraph 1.1 of the Agreement [i.e. Temirshi Stal SPA] should be worded as follows:**

*This Agreement is concluded between the Seller and the Buyer as an independent sale of the seized property in the form of the "Sta" substation with the right to lease land and equipment within the framework of enforcement proceedings No. 1374/15-35-568 dated 20.11.2015 "On the recovery of the amount owed from TEMIRSHI LLP in favor of Dmitriy Viktorovich An, according to the resolution of the private bailiff of the executive district of the Karaganda region – Kospabay I.S. dated 03.02.2017. [Exhibit AK2, p. 72]*

52. These documents clearly show that (i) Mr Alimov was not a shareholder of Temirshi in at least December 2017 to January 2018, so could not have been at the time of the alleged '*London Agreement*', and (ii) that the Stal Substation was sold as part of enforcement proceedings for market value at a price set by the Appraisal Report.
53. This demonstrates that Mr Alimov could not, and did not, simply instruct the transfer of the Stal Substation from one of his companies to another at nominal book value in February 2017 as alleged.

54. Lastly, with regards to the ABK Buildings, I maintain what I said at Kim 1, 34-35, namely that Mr Alimov did not own the ABK Buildings through KKS Karagandy until 12 January 2018 to which see clause 2 of the ABK SPA [**Exhibit AK1, p.20**], which is consistent with when I say KKS Karagandy became the owner of the Stal Substation, i.e. after both 11 January 2018 and the (prior) alleged 'London Agreement'. The above evidence also shows that Mr Alimov did not own the Stal Substation through Temirshi or through KKS Karagandy on 10 June 2017. Therefore, contrary to what Mr Alimov says at paragraph 22 of the Particulars of Claim, in May 2017 and at the time of the alleged 'London Agreement', Mr Alimov did not own either the Stal Substation or the ABK Buildings. I suggest this is yet another fabrication by Mr Alimov to bolster his invented Claim.

*Threats and Intimidation*

55. I would like to make it clear that I have not engaged in any of the activity which Mr Alimov has alleged from paragraphs 172 of Alimov 1. These are entirely unfair and unreasonable allegations to make against me and the other defendants, apart from being untrue. I consider these allegations to be an attempt by the Claimant to distract the Court from the serious concerns raised by me, in my previous witness statement, as well as by Mr Mirakhmedov and Mr Moruzzi of Withers in their witness statements, about the true purpose and motivation of this litigation. All of those allegations raised previously by me, Mr Mirakhmedov and Mr Moruzzi also clearly show links back to the Claimant.

**I have no connection to England and Wales**

56. For the reasons given above, I respectfully request that the Court grant the Applications.

**Statement of truth**

I believe that the facts stated in this witness statement are true. I understand that proceedings for contempt of court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.



**Andrey Kim**

Dated: 9 September 2024