

**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

WITNESS STATEMENT OF ABDUMALIK MIRAKHMEDOV

I, ABDUMALIK MIRAKHMEDOV, of [REDACTED]
[REDACTED] **WILL SAY AS FOLLOWS:**

1. I am the First Defendant in these proceedings. I make this witness statement in support of my application to challenge the jurisdiction of this Court to hear this matter and in relation to Mr Alimov's failure to serve me with the Claim Form **[AM1/3 -6]** and Particulars of Claim **[AM1/7-28]** properly. For the avoidance of doubt, although my first language is Uzbekistani, I am comfortable making this statement in English, as I also speak fluent English and Russian.

2. My solicitors instructed for this matter, Withers LLP (**'Withers'**), have provided a separate witness statement which I understand covers the main procedural and substantive issues for this application in detail and so my witness statement is only intended to refer to a few key factual areas which I consider to be important for me to comment upon.
3. Unless otherwise stated, I have personal knowledge of the facts set out in this statement and they are true. Where the facts are not within my personal knowledge, they are true to the best of my information and belief. I have produced this witness statement in liaison with Withers by telephone, video call and email.
4. 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 and if I do not comment on any particular matter raised in the Particulars of Claim then it does not mean that I accept what the Claimant is saying about that matter.
5. For the avoidance of doubt, however, I strongly reject the claim set out against me in the Claim Form and the Particulars of Claim. The alleged basis for the claim is false, and Mr Alimov does not have any of the rights claimed against me, although I appreciate that I should not address this in full in this witness statement. If I am forced to defend the claim in England and Wales then I shall do vigorously (although I am concerned about the cost of having to do so), but I am surprised that Mr Alimov is seeking to sue me in England and Wales. As I explain below, the limited business dealings that we have had concern Kazakhstan and had nothing to do with England and Wales.
6. I shall refer in this statement to Exhibit marked 'AM1', which is a paginated bundle of correspondence and other documents relevant to this application. Unless otherwise specified, where I refer to page numbers in the course of this witness statement they correspond with the pages in the bundle, Exhibit AM1.

I do not reside in England and Wales

7. Contrary to what is said at paragraph 3 of the Particulars of Claim – and as Withers have already explained to Mr Alimov and Sterling Law in their letter dated 23 September 2022¹ (**'23 September 2022 Letter'**) [AM1/29-41] – I am not resident in

¹ See: Response to the Letter Before Claim, paragraph 1.3.

England and Wales. I do not reside at any of the three London addresses where Mr Alimov says that he has 'served' me (and did not when he allegedly served me). For the avoidance of any doubt, I do not reside (habitually or otherwise) at: 27 Ingram Avenue NW11 6TG ('**27 Ingram Avenue**'), 26 Holne Chase, London, N2 0QN ('**26 Holne Chase**') or 5a Falkland Road, London, NW5 2PS ('**5a Falkland Road**') (and did not when he allegedly served me).

8. I did reside in London from approximately December 2014 until September 2021 at 26 Holne Chase. However, in September 2021, I moved permanently to Dubai, UAE². In 2022, I obtained a 10-year 'golden' visa which permits me to live and work in Dubai until 19 April 2032 and following this, my family joined me to live permanently in Dubai on 4 September 2022, once it was clear that me and my family's long-term future would be in Dubai. 4 of my 5 children are at school in Dubai, and my eldest works in Dubai. My family and I continue today to reside in Dubai and anticipate doing so for the time that my visa allows.
9. Since my family moved to Dubai in September 2022, the only reason I come to England and Wales is to visit my mother, who lives at 27 Ingram Avenue for health reasons as she is undergoing treatment for cancer. Since I moved to Dubai, I visit the UK to see my mother probably 4 times a year. Each visit lasts a few days.
10. I do not carry on any money-making business in England and Wales. I do have a charitable foundation, the Mirakhmedov Foundation, which provides and facilitates, through empowering local communities, clean drinking water to rural communities in Uzbekistan and other central Asian countries.³ The Mirakhmedov Foundation provides social and medical care and medical appliances and financial assistance for medical treatment for children, orphans, women with children, single mothers and persons with serious illnesses from low-income families. The Mirakhmedov Foundation supports and enables the construction/reconstruction of children's wards in hospitals and other medical institutions to ensure that children with serious illnesses and their families are comfortable and looked after during their stays. It also devotes resources to oncology.
11. The Mirakhmedov Foundation had until recently its registered office in London, at 5a Falkland Road. I am not a director of the Mirakhmedov Foundation, but I am its

² See: Response to the Letter Before Claim, paragraph 1.3.

³ See: <https://mirakhmedov.foundation/>.

founder and majority shareholder.⁴ However, 5a Falkland Road is not an address where I can be served with proceedings or which I have given to/registered with Companies House as an address where I can be contacted. Given what Withers has told Mr Alimov about where I reside, I am not sure why the Claim Form and Particulars of Claim were sent to this address.

12. Similarly, having been in business with both Mr Makhat and Mr Kim since 2015, I know that they are Kazakhstani nationals who, until the outbreak of the Covid-19 pandemic in 2020, resided in and carried on business in Kazakhstan. Although Mr Kim also had residency in Dubai from 2012, he spent the majority of his time until 2020 in Kazakhstan where his family and businesses were based. Similarly, Mr Makhat has had residency in Dubai and of Sharjah since 2014, but he too spent the majority of his time pre-2020 in Kazakhstan. Since the pandemic in 2020, both Mr Kim and Mr Makhat have resided in Dubai permanently but continued to carry on business in and travel for business to Kazakhstan, as well as other places such as the US. As far as I am aware, they have never carried on business in England and Wales. Neither Mr Makhat nor Mr Kim have ever resided nor owned a property in England and Wales [AM1/31].⁵
13. Since 2018, I have, along with Mr Kim and Mr Makhat, had worked out of offices and conducted business from Dubai. From 2018, we worked out of an office at: Office 1702, Boulevard Plaza, Downtown, Dubai, UAE. We moved offices in 2021 and currently work out of an office at: 1202, Index Tower, DIFC, Dubai. When I refer to "our" or to "we" in this statement, I am referring to Mr Kim, Mr Makhat and me.

Discussions with Mr Alimov

14. Although I was born in Uzbekistan, I have strong connections to Kazakhstan. I have substantial and ongoing business interests in Kazakhstan, and held a Kazakhstani passport from 22 December 2008 until 24 March 2022, through the key period which is the subject matter of the claim.
15. Save for the so-called '*London Agreement*', which I discuss below, none of the events detailed in the Particulars of Claim took place in England and Wales. I am based in Dubai – and have been since September 2021 – and my business is run from Dubai. Most of my business interests are in Kazakhstan and Dubai, and our bitcoin mining

⁴ See: <https://mirakhmedov.foundation/our-founder-and-board-of-trustees/>.

⁵ See: Response to the Letter Before Claim, paragraph 1.4.

projects ('**Projects**') – which are the subject of Mr Alimov's Claim – are located in Kazakhstan. For all those reasons, it does not make any sense to me how it could be suggested that Mr Alimov's claim has any connection with England and Wales. Mr Alimov tries to place so much emphasis on a dinner in London, which lasted under an hour, and was a social/religious occasion. I find his emphasis on this dinner highly artificial and perplexing.

16. To the best of my recollection, I have met Mr Alimov 4 or 5 times in person. These meet ups with Mr Alimov took place as follows:
 - 1) Once or maybe twice at our offices in Astana, Kazakhstan (our offices are located in the Astana Raddison Hotel) in or around May 2017;
 - 2) In London for a dinner during Ramadan on 10 June 2017 with my wife and Mr Alimov, his wife and his son, which lasted less than one hour;
 - 3) In Karaganda, Kazakhstan when visiting a potential site for the Projects, Kargres, which Mr Alimov offered to Mr Makhat, Mr Kim and me as potentially suitable for the Projects (it turned out not to be suitable) likely in or around the summer of 2017. I do not have offices in Karaganda; and
 - 4) It is possible that Mr Alimov came to my office in Moscow prior to February 2022 (after which time I closed my Moscow office). However, I used to receive anywhere between 5 to 10 visitors per day, so I cannot recall whether I met Mr Alimov at that office.
17. I never discussed any business with Mr Alimov in England and Wales.
18. Before our first meeting in Astana, Kazakhstan in or around the beginning of May 2017, I did not know Mr Alimov and I had never heard of him. Mr Kim and Mr Makhat confirmed to me that they recall being at a social event with Mr Alimov once in 2014 – a Kazakhstani gathering in the desert in Dubai for Quadro moto bike safari, with approximately 20 other people in attendance. I find it strange and surprising that Mr Alimov tries to make out in his Particulars of Claim that, from around the spring of 2017, he was a close business associate/partner of mine. This is simply not the case.
19. The few meetings which took place between Mr Alimov, and Mr Kim, Mr Makhat and I were all conducted in Russian. Except for the one dinner in London over Iftar also in Russian (and which is discussed at paragraphs 21-30 below), all the other

meetings/discussions described in the Particulars of Claim took place outside of England and Wales.

20. The only time that I met Mr Alimov in London has been entirely misrepresented in the Claim to concoct this apparent '*London Agreement*' – no doubt after the 'conspiracy' claim that he originally based his claim on was debunked by my solicitors. I could not believe it when I first read his Letter Before Claim ('**LBC**') [AM1/42-59] where he was alleging that Mr Kim, Mr Makhat and I had entered into a conspiracy to exclude him from our Projects and his supposed entitlements in those Projects. For the reasons I explain below, I find the fact he has now started a court claim against me for breach of a so-called '*London Agreement*' (and no longer a conspiracy) in England even more unbelievable.

Dinner with Mr Alimov on 10 June 2017

21. Mr Alimov did come to dinner at 27 Ingram Avenue on 10 June 2017 as stated in the Claim. During the Islamic holy religious festival of Ramadan, which primarily involves a period of fasting during the daylight hours, there is a meal, known as Iftar, after sunset. During this holy month, it is usual that Muslims invite and welcome each other and their families over for meals, even if they do not know each other very well. It is in this spirit that Mr Alimov and his family came to dinner: there was no discussion about work or business on that evening, and could not have been to the level of detail which might have been capable of creating a legal agreement about the ownership of the business.
22. June in London has quite long daylight hours. Upon checking publicly-available information⁶, I can see that dawn occurred at 2:47am (this is when day's fasting begins after the pre-dawn meal, Suhoor) and sunset occurred that day at 9:15pm, which is when the post-sunset meal that breaks the fast takes place. This would mean that on 10 June 2017, I would have been fasting for approximately 18 hours and 30 minutes, during the daylight hours. I believe that Mr Alimov, his wife and son had also been fasting during daylight hours on 10 June 2017.
23. To the best of my recollection about the dinner that evening, I believe that Mr Alimov and his wife and son arrived at around 9.15pm. I recall them arriving a bit late as I

⁶ See: <https://www.eastlondonmosque.org.uk/Handlers/Download.ashx?IDMF=5ba16bf8-83aa-4351-8712-28f17110c02e>.

remember my wife commented that we might not have sufficient time to enjoy all the food which had been prepared for the evening meal.

24. I remember that Mr Alimov was coming to dinner having already been out in central London. I have reminded myself of the detail by reference to a photograph of the printed tickets, arranged by the hotel where Mr Alimov was staying, and which he had sent to me for the evening of 10 June 2017 **[AM1/60]**. From the printout of the tickets, I am reminded that he and his family had been (or had intended to go) to the theatre to see 42nd Street, a musical which was showing at the Theatre Royal Drury Lane. From the ticket, I can see that this play started at 7:30pm and had a running time of 2 hour and 40 minutes, including a 20-minute interval.
25. I cannot confirm whether or not Mr Alimov actually went to this performance, but if he did go then he would have had to have left during the interval at around 8:50pm, to enable him to get to arrive for dinner at around 9:15pm (the journey time being approximately 30-40 minutes). I cannot remember whether we discussed this show over dinner or not, but I do recall we discussed London, its restaurants, the weather and universities.
26. We did not discuss business.
27. I would never have discussed business during Iftar, and certainly not in the presence of my wife and another guest's family. This was a social and religious occasion (which we observed and respected), and nothing more.
28. I want to mention that fasting for over 18 and a half hours during the summer heat in London is exhausting and onerous and does not create a conducive environment to do or discuss business, and certainly not complicated business matters. After a day of fasting, I always feel tired and a bit slow, and as such, as a matter of course, I would not arrange an important business meeting or to discuss complex business in this state.
29. To the best of my recollection, this dinner lasted around 45-50 minutes as after dinner we all left together by car to go to the Central London Mosque in Regents Park for Tarawih Prayers which started at 10:33pm **[AM1/61]**. I have checked the travel times between 27 Ingram Avenue and the Mosque and can see that the journey time is approximately 25 minutes, meaning we would have left at around 9:55pm. This accords with my memory of the dinner as being very rushed.

30. Given the above, it is absurd to me that Mr Alimov alleges that at this dinner – which is the only time I have met Mr Alimov in England and the second or third time I have met him ever – I agreed to hand over to him 35% of the business which also belonged to Mr Kim and Mr Makhat, without even first discussing this with them as my business partners.
31. As a matter of commercial sense, it is also absurd that on 10 June 2017, I would agree to this when the sites for the Projects had not yet been decided upon and would depend on the technical specification and operational capacities of electrical power stations/power assets and factories, which at that time had not yet even been purchased. I would never make an agreement which was dependent on so many future variables and unknowns (e.g. electrical capacity/output/energy prices). What's more, I would certainly not make any agreement about ownership of the business on behalf of my business partners when they were not even present or aware that any discussion was going on.
32. I would also never agree to a deal which gave up such a large amount of my business without (i) considering and agreeing proper terms around the deal including, as an example, the terms of any investment, how management decisions would be made between business partners, what Mr Alimov's responsibilities might be and how they might be measured, and what mechanism for exiting the business might be in place, (ii) taking proper legal advice, and (iii) recording these in a shareholder's agreement.
33. For context I want to add that when we received investment in our business from a hedge fund, that deal took about six months to negotiate, agree and eventually finalise. It involved the CEO of that hedge fund travelling to Kazakhstan to meet with our legal and finance teams to discuss all the terms that any transaction of this nature requires.

Factors for the Application

34. I understand that the witness statement from Withers will cover the main factors which are relevant to this application and so I will not go into detail over those areas myself. However, I just want to confirm a few points which I understand may assist the Court.
35. All of the business assets described in the Particulars of Claim are located in Kazakhstan including all of the electrical sub-stations and other relevant buildings (and electricity supply) for the Projects. Our business, in which I reiterate that Mr

Alimov has no ownership interest or entitlement, is also based in Kazakhstan with management decisions made from Kazakhstan or, if necessary, from Dubai.

36. The other power project sites which Mr Kim, Mr Makhat and I were considering around the summer of 2017 as being suitable for the Projects are similarly located in Kazakhstan, that is: the Stal Substation; the ABK Buildings; the Ridderskaya, KaTGRES 1 and Sogrinskaya (all of which were introduced to us by Mr Alimov). We also considered the following, none of which had anything to do with Mr Alimov: Gres 1; Gres 2; Pavlodar Tets; Petropavlosk Tets.
37. Of those assets which Mr Alimov introduced as being owned and operated by KKS Karaganda, we ended up purchasing the Stal Substation and the ABK Buildings from KKS Karaganda. I am aware from the Particulars of Claim that Mr Alimov is relying on payments we made to him as justification for his Claim. This is not right. The payments to him were made on the basis of a verbal agreement we reached with him to pay him a total of US\$1.75million for his brokering work identifying/introducing us to the sites owned by KKS Karaganda. This was a single and isolated agreement and we have paid him the amount owed. Mr Alimov has taken the payments we made to him to pay that US\$1.75million and artificially created a percentage figure which suits his own narrative. We only paid Mr Alimov in Bitcoin because that was what he requested.
38. Given the assets for the Projects are located in Kazakhstan, it follows that the energy and electricity which was required to power the bitcoin mining Projects are situated in Kazakhstan. In my experience, and to the best of my knowledge, the energy power rates in Kazakhstan are set by the Committee on Regulation of Natural Monopolies of the Ministry of National Economy of the Republic of Kazakhstan.⁷ Therefore, Mr Alimov's claim that he was required to, or was instrumental in sourcing or securing cheap sources of energy for the Projects on behalf of Mr Kim, Mr Makhat and me is denied and indeed I do not think this is possible as a matter of law.⁸
39. I do not believe it is possible for parties to secure energy rates which are cheaper than those set by the relevant Kazakhstani authorities. I do not think that someone outside the relevant authorities could lawfully offer cheaper electricity than the rates

⁷ See: <https://adilet.zan.kz/rus/docs/V1500010627>.

⁸ See: Particulars of Claim, paragraphs 13(a), 15-16, 27(c), 58
See also: Letter Before Claim, paragraphs 4, 6, 15(c) and 53(b)(iii).

set by the government without first making the necessary amendments to the regulations/laws.

Conclusion

40. For the reasons given above, the Court is respectfully asked to grant the application in my favour.

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.



Abdumalik Mirakhmedov

Dated 23 October 2023