

Company No. LL04433



**INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2022**

**(Unaudited)**

**(In United States Dollars)**

Company No. LL04433

**STEPPE CEMENT LTD**

(Incorporated in Labuan FT, Malaysia under the Labuan Companies Act, 1990)

**AND ITS SUBSIDIARY COMPANIES**

**INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

<b>CONTENTS</b>	<b>PAGE(S)</b>
Condensed Consolidated Statement of Profit and Loss (Unaudited)	1
Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income (Unaudited)	2
Condensed Consolidated Statement of Financial Position (Unaudited)	3 – 4
Condensed Consolidated Statement of Changes in Equity (Unaudited)	5 – 7
Condensed Consolidated Cash Flow Statement (Unaudited)	8 – 9
Notes to the Condensed Interim Financial Statements (Unaudited)	10 – 22

**STEPPE CEMENT LTD**

(Incorporated in Labuan FT, Malaysia under the Labuan Companies Act, 1990)

**AND ITS SUBSIDIARY COMPANIES****CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
FOR THE PERIOD ENDED 30 JUNE 2022 (UNAUDITED)**

	Note	The Group 6 months ended		The Company 6 months ended	
		30 June 2022 USD'000	30 June 2021 USD'000	30 June 2022 USD'000	30 June 2021 USD'000
Revenue	7	43,125	39,534	670	691
Cost of sales		<u>(23,148)</u>	<u>(22,082)</u>	<u>-</u>	<u>-</u>
Gross profit		19,977	17,452	670	691
Selling expenses		(5,285)	(6,577)	-	-
General and administrative expenses		<u>(3,183)</u>	<u>(2,965)</u>	<u>(165)</u>	<u>(157)</u>
Operating profit		11,509	7,910	505	534
Interest income		266	78	-	-
Finance costs	8	(435)	(475)	-	-
Net foreign exchange (loss)/gain		(246)	(147)	3	(1)
Other income, net		<u>940</u>	<u>341</u>	<u>-</u>	<u>-</u>
Profit before income tax		12,034	7,707	508	533
Income tax expense	9	<u>(1,831)</u>	<u>(1,515)</u>	<u>-</u>	<u>-</u>
Profit for the period		<u>10,203</u>	<u>6,192</u>	<u>508</u>	<u>533</u>
Attributable to: Shareholders of the Company		10,203	6,192	508	533
Earnings per share:					
Basic and diluted (cents)	10	<u>4.7</u>	<u>2.8</u>		

^ - insignificant amount.

The accompanying notes form an integral part of the Condensed Financial Statements.

**STEPPE CEMENT LTD**

(Incorporated in Labuan FT, Malaysia under the Labuan Companies Act, 1990)

**AND ITS SUBSIDIARY COMPANIES**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND  
OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE  
2022(UNAUDITED)**

	<b>The Group</b>		<b>The Company</b>	
	<b>6 months ended</b>	<b>6 months ended</b>	<b>6 months ended</b>	<b>6 months ended</b>
	<b>30 June 2022</b>	<b>30 June 2021</b>	<b>30 June</b>	<b>30 June 2021</b>
	<b>2022</b>		<b>2022</b>	
	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>
Profit for the period	10,203	6,192	508	533
Other comprehensive loss:				
<i>Item that may be reclassified subsequently to profit or loss</i>				
Exchange differences arising on translation of foreign subsidiary companies	<u>(4,941)</u>	<u>(902)</u>	<u>-</u>	<u>-</u>
Total other comprehensive loss for the period	<u>(4,941)</u>	<u>(902)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>5,262</u>	<u>5,290</u>	<u>508</u>	<u>533</u>
Attributable to:				
Shareholders of the Company	<u>5,262</u>	<u>5,290</u>	<u>508</u>	<u>533</u>

The accompanying notes form an integral part of the Condensed Financial Statements.

**STEPPE CEMENT LTD**

(Incorporated in Labuan FT, Malaysia under the Labuan Companies Act, 1990)

**AND ITS SUBSIDIARY COMPANIES****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022 (UNAUDITED)**

	Note	The Group		The Company	
		Unaudited 30 June 2022 USD'000	Audited 31 Dec 2021 USD'000	Unaudited 30 June 2022 USD'000	Audited 31 Dec 2021 USD'000
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	11	44,599	48,438	-	-
Right-of-use assets		792	1,700	-	-
Investment in subsidiary companies		-	-	36,200	36,200
Loan to subsidiary company		-	-	30,114	30,080
Advances		6	-	-	-
Other assets	12	161	155	-	-
<b>Total Non-Current Assets</b>		<b>45,558</b>	<b>50,293</b>	<b>66,314</b>	<b>66,280</b>
<b>Current Assets</b>					
Inventories	13	17,356	16,024	-	-
Trade and other receivables	14	4,544	1,752	1,265	1,724
Other assets	12	2,076	2,258	-	-
Income tax receivable		846	911	-	-
Loans and advances to subsidiary companies		-	-	39	50
Advances and prepaid expenses		8,439	5,234	17	5
Cash and cash equivalents	15	14,694	10,136	1,602	614
<b>Total Current Assets</b>		<b>47,955</b>	<b>36,315</b>	<b>2,923</b>	<b>2,393</b>
<b>Total Assets</b>		<b>93,513</b>	<b>86,608</b>	<b>69,237</b>	<b>68,673</b>

(Cont'd)

**STEPPE CEMENT LTD**

(Incorporated in Labuan FT, Malaysia under the Labuan Companies Act, 1990)

**AND ITS SUBSIDIARY COMPANIES****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022 (UNAUDITED)**

	Note	The Group		The Company	
		Unaudited 30 June 2022 USD'000	Audited 31 Dec 2021 USD'000	Unaudited 30 June 2022 USD'000	Audited 31 Dec 2021 USD'000
<b>Equity and Liabilities</b>					
<b>Capital and Reserves</b>					
Share capital		73,761	73,761	73,761	73,761
Revaluation reserve		1,931	2,068	-	-
Translation reserve		(125,379)	(120,438)	-	-
Retained earnings		120,530	110,190	(5,098)	(5,606)
<b>Total Equity</b>		<b>70,843</b>	<b>65,581</b>	<b>68,663</b>	<b>68,155</b>
<b>Non-Current Liabilities</b>					
Borrowings	16	3,621	1,941	-	-
Lease liabilities		4	9	-	-
Deferred taxes		3,654	4,319	-	-
Deferred income		1,868	1,588	-	-
Provision for site restoration		172	180	-	-
<b>Total Non-Current Liabilities</b>		<b>9,319</b>	<b>8,037</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Trade and other payables		5,803	5,062	-	-
Accrued and other liabilities		3,369	1,553	284	228
Amount due to subsidiary company		-	-	290	290
Borrowings	16	1,807	3,615	-	-
Lease liabilities		966	2,018	-	-
Deferred income		100	103	-	-
Taxes payable		1,306	639	-	-
<b>Total Current Liabilities</b>		<b>13,351</b>	<b>12,990</b>	<b>574</b>	<b>518</b>
<b>Total Liabilities</b>		<b>22,670</b>	<b>21,027</b>	<b>574</b>	<b>518</b>

Company No. LL04433

**Total Equity and  
Liabilities**

93,513      86,608      69,237      68,673

The accompanying notes form an integral part of the Condensed Financial Statements.

Company No. LL04433

**STEPPE CEMENT LTD**

(Incorporated in Labuan FT, Malaysia under the Labuan Companies Act, 1990)

**AND ITS SUBSIDIARY COMPANIES**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2022 (UNAUDITED)**

<b>The Group</b>	<b>Share capital USD'000</b>	<b>Non-distributable Revaluation reserve USD'000</b>	<b>Translation reserve USD'000</b>	<b>Distributable Retained earnings USD'000</b>	<b>Total USD'000</b>
As at 1 January 2022	73,761	2,068	(120,438)	110,190	65,581
Profit for the period	-	-	-	10,203	10,203
Other comprehensive loss	-	-	(4,941)	-	(4,941)
Total comprehensive income for the period	-	-	(4,941)	10,203	5,262
Transfer of revaluation reserve relating to depreciation of property, plant and equipment through use	-	(137)	-	137	-
As at 30 June 2022	<u>73,761</u>	<u>1,931</u>	<u>(125,379)</u>	<u>120,530</u>	<u>70,843</u>

(Cont'd)



Company No. LL04433

**STEPPE CEMENT LTD**

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**AND ITS SUBSIDIARY COMPANIES**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2022 (UNAUDITED)**

<b>The Group</b>	<b>Share capital USD'000</b>	<b>Non-distributable Revaluation reserve USD'000</b>	<b>Translation reserve USD'000</b>	<b>Distributable Retained earnings USD'000</b>	<b>Total USD'000</b>
As at 1 January 2021	73,761	2,370	(118,514)	100,325	57,942
Profit for the period	-	-	-	6,192	6,192
Other comprehensive loss	-	-	(902)	-	(902)
Total comprehensive income for the period	-	-	(902)	6,192	5,290
Transfer of revaluation reserve relating to depreciation of property, plant and equipment through use	-	(148)	-	148	-
As at 30 June 2021	<u>73,761</u>	<u>2,222</u>	<u>(119,416)</u>	<u>106,665</u>	<u>63,232</u>

Company No. LL04433

**STEPPE CEMENT LTD**

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**AND ITS SUBSIDIARY COMPANIES**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2022 (UNAUDITED)**

<b>The Company</b>	<b>Share capital</b>	<b>(Accumulated losses)/Retained earnings</b>	<b>Total</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>
As at 1 January 2022	73,761	(5,606)	68,155
Total comprehensive income for the period	<u>-</u>	<u>508</u>	<u>508</u>
As at 30 June 2022	<u>73,761</u>	<u>(5,098)</u>	<u>68,663</u>
As at 1 January 2021	73,761	631	74,392
Total comprehensive income for the period	<u>-</u>	<u>533</u>	<u>533</u>
As at 30 June 2021	<u>73,761</u>	<u>1,164</u>	<u>74,925</u>

**STEPPE CEMENT LTD**

(Incorporated in Labuan FT, Malaysia under the Labuan Companies Act, 1990)

**AND ITS SUBSIDIARY COMPANIES****CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 30 JUNE 2022 (UNAUDITED)**

	<b>The Group</b>		<b>The Company</b>	
	<b>6 months ended</b>		<b>6 months ended</b>	
	<b>30 June 2022</b>	<b>30 June 2021</b>	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>
<b>OPERATING ACTIVITIES</b>				
Profit before income tax	12,034	7,707	508	533
Adjustments for:				
Depreciation of property, plant and equipment	3,203	3,733	-	-
Depreciation of right-of-use assets	823	1,031	-	-
Other non-cash items	<u>218</u>	<u>478</u>	<u>(1,090)</u>	<u>(1,030)</u>
Operating Profit/(Loss) Before Working Capital Changes	16,278	12,949	(582)	(497)
(Increase)/Decrease in:				
Inventories	(2,922)	(1,607)	-	-
Trade and other receivables, advances and prepaid expenses	(6,444)	(2,175)	(12)	(12)
Loans and advances from subsidiary companies	-	-	(24)	(3)
Increase in:				
Trade and other payables, accrued and other liabilities	<u>3,494</u>	<u>3,317</u>	<u>56</u>	<u>5</u>
Cash Generated From/(Used In) Operations	10,406	12,484	(562)	(507)
Income tax paid	(1,785)	(730)	-	-
Interest paid	<u>(198)</u>	<u>(299)</u>	<u>-</u>	<u>-</u>
Net Cash Generated From/(Used In) Operating Activities	<u>8,423</u>	<u>11,455</u>	<u>(562)</u>	<u>(507)</u>

(Cont'd)

	<b>The Group</b>		<b>The Company</b>	
	<b>6 months ended</b>		<b>6 months ended</b>	
	<b>30 June 2022</b>	<b>30 June 2021</b>	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>
<b>INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(2,870)	(4,529)	-	-
Purchase of other assets	(18)	(18)	-	-
Interest received	267	78	1,550	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net Cash (Used In)/Generated From Investing Activities	<u>(2,621)</u>	<u>(4,469)</u>	<u>1,550</u>	<u>-</u>
<b>FINANCING ACTIVITIES</b>				
Proceeds from borrowings	3,346	3,350	-	-
Repayment from borrowings	(2,815)	(4,089)	-	-
Payment of lease liabilities	(1,090)	(877)	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net Cash Used In Financing Activities	<u>(559)</u>	<u>(1,616)</u>	<u>-</u>	<u>-</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>5,243</b>	<b>5,370</b>	<b>988</b>	<b>(507)</b>
<b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>(685)</b>	<b>(114)</b>	<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b><u>10,136</u></b>	<b><u>8,214</u></b>	<b><u>614</u></b>	<b><u>1,353</u></b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (NOTE 15)</b>	<b><u><u>14,694</u></u></b>	<b><u><u>13,470</u></u></b>	<b><u><u>1,602</u></u></b>	<b><u><u>846</u></u></b>

The accompanying notes form an integral part of the Condensed Financial Statements.

**STEPPE CEMENT LTD**

(Incorporated in Labuan FT, Malaysia under the Labuan Companies Act, 1990)

**AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
(UNAUDITED)**

**1. GENERAL INFORMATION**

Steppe Cement Ltd (“the Company”) is incorporated and domiciled in Malaysia. The Company’s and its subsidiaries’ (“the Group”) principal place of business is located at Aktau village, Karaganda region, Republic of Kazakhstan. The Company’s shares are listed on the AIM Market of the London Stock Exchange plc.

The registered office of the Company is located at Brumby Centre, Lot 42, Jalan Muhibbah, 87000 Labuan FT, Malaysia.

**2. BASIS OF PREPARATION OF CONDENSED INTERIM FINANCIAL STATEMENTS**

**Basis of presentation**

The condensed interim financial statements of the Group and the Company are unaudited and have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the audited financial statements for the year ended 31 December 2021.

The condensed interim financial statements of the Group and the Company were authorised for issue by the Board of Directors on [ ] September 2022.

**Use of estimates and assumptions**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Due to the inherent uncertainty in making those estimates, actual results reported in future periods could differ from such estimates.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Accounting**

The financial statements of the Group and the Company have been prepared under the historical cost convention except the revaluation of land and building to fair values in accordance with IAS 16 “Property, Plant and Equipment” (Note 11).

The accounting policies adopted are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022.

The adoption of these Amendments did not have an impact on the Group’s condensed consolidated interim financial statements.

The principal closing rates used in translation of foreign currency amounts are as follows:

	<b>USD</b>
1 Pound Sterling	1.2143
1 Ringgit Malaysia	0.2269
1 Euro Dollar	1.1370
1 Kazakhstan Tenge (“KZT”)	<u>0.0021</u>
	<b>KZT</b>
1 US Dollar	<u><u>465.08</u></u>

#### 4. **REVIEW OF RESULTS FOR THE PERIOD**

The Group's revenue rose 9% or USD3.6 million to USD43.1 million from USD39.5 million in first half of the year despite a marginal decrease in sales volume to 837,063 tonnes, from 840,661 tonnes. Turnover in KZT increased 18% over the same period in 2021. On average, the KZT declined against USD by 6% to 449.8 from 424.2.

The Group sold cement at an average selling price of USD52 (KZT23,391) per tonne compared with USD47 (KZT19,814) in the same period last year. Ex-factory price for the current period was USD45 (KZT20,485) per tonne compared with USD39 (KZT16,571) per tonne.

The Group's gross profit margin was slightly higher at 46% as compared to 44% in the same period last year. Cost of sales increased by USD1 million or 5%. Selling expenses declined USD1.3 million or 20% to USD5.3 million while general & administration expenses increased 7% by USD0.2 million to USD3.2 million.

The Group posted a 65% higher profit after tax of USD10.2 million or 4.7 cents earnings per share compared with a USD6.2 million or 2.8 cents earnings per share in the corresponding period in 2021.

#### 5. **SEASONAL OR CYCLICAL FACTORS**

The Group's revenue is closely linked to the construction sector which experiences seasonal, significant slow-down in construction activities due to extreme, cold temperature especially during the months of December, January and February in most parts of Kazakhstan. Each year, the Group's sales improve after winter and typically peak during the summer months.

#### 6. **SEGMENTAL REPORTING**

No industry and geographical segmental reporting are presented as the Group's primary business is in the production and sale of cement which is located in Karaganda region, Republic of Kazakhstan.

7. **REVENUE**

	<b>The Group</b>		<b>The Company</b>	
	<b>6 months ended</b>		<b>6 months ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>
Sales of manufactured goods	43,120	39,526	-	-
Transmission and distribution of electricity	5	8	-	-
Net interest income	-	-	670	691
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>43,125</u>	<u>39,534</u>	<u>670</u>	<u>691</u>

8. **FINANCE COSTS**

	<b>The Group</b>	
	<b>6 months ended</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2022</b>	<b>2021</b>
	<b>USD'000</b>	<b>USD'000</b>
Interest expense on:		
- bank loans	200	233
- lease liabilities	96	102
Other finance costs	134	135
Unwinding of discount	<u>5</u>	<u>5</u>
Total	<u>435</u>	<u>475</u>



9. **INCOME TAX EXPENSE**

	<b>The Group</b>		<b>The Company</b>	
	<b>6 months ended</b>		<b>6 months ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>
Income tax expense	1,850	-	-	-
Deferred tax (benefit)/expense	(19)	736	-	-
	<u>1,831</u>	<u>736</u>	<u>-</u>	<u>-</u>

The Group's effective tax rate was lower at 16% due to the tax effects arising on USD2.5 million foreign exchange losses on intercompany loan deductible for tax purposes.

10. **EARNINGS PER SHARE**

	<b>The Group</b>	
	<b>6 months ended</b>	<b>6 months ended</b>
	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>USD'000</b>	<b>USD'000</b>
Profit attributable to ordinary shareholders	<u>10,203</u>	<u>6,192</u>
	<b>6 months ended</b>	<b>6 months ended</b>
	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>'000</b>	<b>'000</b>
Number of ordinary shares in issue at beginning and at end of period	<u>219,000</u>	<u>219,000</u>
Weighted average number of ordinary shares at beginning and at end of period	<u>219,000</u>	<u>219,000</u>
Earnings per share, basic and diluted (cents)	<u>4.7</u>	<u>2.8</u>

The basic earnings per share is calculated by dividing the consolidated profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the financial period.

There are no dilutive instruments in issue as at 30 June 2022 and 30 June 2021.

**11. PROPERTY, PLANT AND EQUIPMENT, NET**

<b>The Group</b>	<b>Freehold land and land improvement</b>	<b>Buildings</b>	<b>Machinery and equipment</b>	<b>Railway Wagons</b>	<b>Other assets</b>	<b>Stand-by equipment and major spare parts</b>	<b>Construction in progress</b>	<b>Total</b>
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<b>Cost</b>								
At 1 January 2022	1,730	21,233	66,115	6,397	11,736	2,231	1,630	111,072
Additions	-	-	149	-	758	130	1,424	2,461
Transfers	-	226	644	-	(202)	(603)	(65)	-
Disposals	-	-	(58)	-	(42)	-	-	(100)
Reclassification from inventories	-	-	-	-	(17)	390	65	438
Exchange differences	(124)	(1,533)	(4,977)	(459)	(859)	(208)	(113)	(8,273)
<b>At 30 June 2022</b>	<b>1,606</b>	<b>19,926</b>	<b>61,873</b>	<b>5,938</b>	<b>11,374</b>	<b>1,940</b>	<b>2,941</b>	<b>105,598</b>
<b>Accumulated depreciation</b>								
At 1 January 2022	-	15,253	39,789	2,363	5,229	-	-	62,634
Charge for the period	-	520	2,120	154	409	-	-	3,203
Disposals	-	-	(15)	-	(34)	-	-	(49)
Exchange differences	-	(1,113)	(3,113)	(175)	(388)	-	-	(4,789)
<b>At 30 June 2022</b>	<b>-</b>	<b>14,660</b>	<b>38,781</b>	<b>2,342</b>	<b>5,216</b>	<b>-</b>	<b>-</b>	<b>60,999</b>
<b>Net Book Value</b>								
At 30 June 2022	1,606	5,266	23,092	3,596	6,158	1,940	2,941	44,599
At 31 December 2021	1,730	5,980	26,326	4,034	6,507	2,231	1,630	48,438

## 12. OTHER ASSETS

	The Group		The Company	
	As at 30 June 2022 USD'000	As at 31 Dec 2021 USD'000	As at 30 June 2022 USD'000	As at 31 Dec 2021 USD'000
VAT recoverable – non-current	1,667	1,695	-	-
Site restoration fund	161	155	-	-
Others	409	563	-	-
Total	2,237	2,413	-	-
Less: non-current portion of other assets	(161)	(155)		
Current portion	2,076	2,258	-	-

## 13. INVENTORIES

	The Group		The Company	
	As at 30 June 2022 USD'000	As at 31 Dec 2021 USD'000	As at 30 June 2022 USD'000	As at 31 Dec 2021 USD'000
Finished goods	3,591	2,703	-	-
Spare parts	7,007	7,017	-	-
Work in progress	717	2,726	-	-
Raw materials	3,012	1,477	-	-
Other materials	4,134	3,440	-	-
Packing materials	759	638	-	-
Goods held for resale	6	37	-	-
Total	19,226	18,038	-	-
Less: Provision for obsolete inventories	(1,870)	(2,014)	-	-
Net	17,356	16,024	-	-

No additional provision for obsolete inventories is necessary based on current conditions as at 30 June 2022.

14. **TRADE AND OTHER RECEIVABLES**

	<b>The Group</b>		<b>The Company</b>	
	<b>As at 30 June 2022 USD'000</b>	<b>As at 31 Dec 2021 USD'000</b>	<b>As at 30 June 2022 USD'000</b>	<b>As at 31 Dec 2021 USD'000</b>
Trade receivables	5,071	2,392	-	-
Less: Loss allowances	<u>(1,145)</u>	<u>(1,233)</u>	<u>-</u>	<u>-</u>
Net	3,926	1,159	-	-
Other receivables:				
Receivable from employees	161	172	-	-
Others	457	421	-	-
Interest receivable	<u>-</u>	<u>-</u>	<u>1,265</u>	<u>1,724</u>
Total	<u><u>4,544</u></u>	<u><u>1,752</u></u>	<u><u>1,265</u></u>	<u><u>1,724</u></u>

The Company enters into sales contracts with trade customers on cash terms. Some customers with good payment history are granted certain credit periods on their cement purchases which are secured against bank guarantee or other credit enhancements.

The recoverability of trade accounts receivable depends to a large extent on the Group's customers' ability to meet their obligations and other factors which are beyond the Group's control. The recoverability of the Group's trade accounts receivable is determined based on conditions prevailing and information available as at reporting date. The directors have reviewed the trade receivables and considered no further loss allowances for trade receivables is necessary based on conditions prevailing and available information as at 30 June 2022.

15. **CASH AND CASH EQUIVALENTS**

	<b>The Group</b>	
	<b>As at 30 June 2022 USD'000</b>	<b>As at 31 Dec 2021 USD'000</b>
Cash in hand and at banks	2,441	1,143
Short-term deposit	<u>12,253</u>	<u>8,993</u>
<b>Total</b>	<u><b>14,694</b></u>	<u><b>10,136</b></u>

16. **BORROWINGS**

	<b>The Group</b>	
	<b>As at 30 June 2022 USD'000</b>	<b>As at 31 Dec 2021 USD'000</b>
Current portion:		
Bank loans	1,807	3,615
Non-current portion:		
Bank loans	<u>3,621</u>	<u>1,941</u>
<b>Total borrowings</b>	<u><b>5,428</b></u>	<u><b>5,566</b></u>

**Undrawn loan amounts**

As at 30 June 2022, the Group has USD6.2 million in working capital facilities available for drawdown under the Altyn Bank JSC and Halyk Bank JSC short-term loan facilities.

17. **RELATED PARTIES**

Related parties include shareholders, directors, affiliates and entities under common ownership, over which the Group has the ability to exercise a significant influence.

Other related parties include entities which are controlled by a director, which a director of the Group has ownership interests and exercises significant influence.

Balances and transactions between the Company and its subsidiary companies, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

The following transactions with related parties are included in the condensed consolidated income statement as of 30 June 2022 and 2021:

	<b>Purchase of services</b>	
	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>USD'000</b>	<b>USD'000</b>
<b>Other related party</b>		
Office rental	4	5
	<u>          </u>	<u>          </u>

The following balance with related parties is included in the condensed consolidated statement of financial position as of 30 June 2022 and 31 December 2021:

	<b>Payable to related parties</b>	
	<b>30 June 2022</b>	<b>31 Dec 2021</b>
	<b>USD'000</b>	<b>USD'000</b>
<b>Other related party</b>		
Office rental	-	1
	<u>          </u>	<u>          </u>

### Compensation of key management personnel

Included in the staff costs are remuneration of directors and other members of key management during the financial period as follows:

	The Group		The Company	
	30 June 2022 USD'000	30 June 2021 USD'000	30 June 2022 USD'000	30 June 2021 USD'000
Short-term benefits	416	435	60	50

The remuneration of directors and key executives is determined by the remuneration committees of the Company and subsidiary companies having regard to the performance of individuals and market trends.

## 18. FINANCIAL INSTRUMENTS

### Financial Risk Management Objectives and Policies

The operations of the Group are subject to various financial risks which include foreign currency risk, credit risk and liquidity risk.

The condensed interim financial statements of the Group do not include all financial risk management information and disclosures required in the annual financial statements. There has been no change in the financial risk management objectives and policies since the previous financial year ended 31 December 2021. The Group continuously manages its exposures to risks and/or costs associated with the financing, investing and operating activities of the Group.

### Fair Value of Financial Assets and Financial Liabilities

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market condition regardless of whether that price is directly observable or estimated using another valuation technique. As no readily available market exists for a large part of the Group's financial instruments, judgement is necessary in arriving at fair value, based on current economic conditions and specific risks attributable to the instrument. The fair value of the instruments presented herein is not necessarily indicative of the amounts the Group could realise in a market exchange from the sale of its full holdings of a particular instrument.

The following methods and assumptions were used by the Group to estimate the fair value of financial instruments:

Cash and cash equivalents

The carrying value of cash and cash equivalents approximates their fair value due to the short-term maturity of these financial instruments.

Trade and other receivables and payables and accrued and other liabilities

For assets and liabilities with maturity less than twelve months, the carrying value approximate fair value due to the short-term maturity of these financial instruments.

Borrowings

The fair values of the borrowings are estimated by discounting expected future cash flows at market interest rates prevailing at the end of the relevant period with similar maturities adjusted by credit risk.

As at 30 June 2022 and 2021, the fair values of financial assets and short-term financial liabilities approximate their carrying values.

19. **CONTINGENCIES**

There are no significant changes in the contingencies since the financial year ended 31 December 2021.