

Company No. LL04433



**INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024
(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)

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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 PROFIT AND LOSS
FOR THE PERIOD ENDED 30 JUNE 2024 (UNAUDITED)**

		The Group 6 months ended		The Company 6 months ended	
	Note	30 June 2024 USD'000	30 June 2023 USD'000	30 June 2024 USD'000	30 June 2023 USD'000
Revenue	7	34,376	36,882	738	683
Cost of sales		<u>(29,158)</u>	<u>(27,405)</u>	<u>-</u>	<u>-</u>
Gross profit		5,218	9,477	738	683
Selling expenses		(6,138)	(6,154)	-	-
General and administrative expenses		<u>(3,417)</u>	<u>(3,421)</u>	<u>(199)</u>	<u>(176)</u>
Operating (loss)/profit		(4,337)	(98)	539	507
Interest income		119	93	88	-
Finance costs	8	(614)	(483)	-	-
Net foreign exchange (loss)/gain		(251)	(14)	(4)	18
Other income, net		<u>641</u>	<u>563</u>	<u>-</u>	<u>-</u>
(Loss)/Profit before income tax		(4,442)	61	623	525
Income tax credit/(expense)	9	<u>938</u>	<u>(9)</u>	<u>-</u>	<u>-</u>
(Loss)/Profit for the period		<u>(3,504)</u>	<u>52</u>	<u>623</u>	<u>525</u>
Attributable to shareholders of the Company		<u>(3,504)</u>	<u>52</u>	<u>623</u>	<u>525</u>
(Loss)/Earning per share:					
Basic and diluted (cents)	10	<u>(1.6)</u>	<u>0.1</u>		

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 PROFIT AND LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2024 (UNAUDITED)**

	The Group		The Company	
	6 months ended		6 months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	USD'000	USD'000	USD'000	USD'000
(Loss)/Profit for the period	(3,504)	52	623	525
Other comprehensive income/ (loss):				
<i>Item that may not be reclassified subsequently to profit or loss</i>				
Exchange differences arising on translation of foreign operations	(3,140)	48	-	-
Total comprehensive (loss)/ income for the period	<u>(6,644)</u>	<u>100</u>	<u>623</u>	<u>525</u>
Attributable to shareholders of the Company	<u>(6,644)</u>	<u>100</u>	<u>623</u>	<u>525</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 2024 (UNAUDITED)**

	Note	The Group		The Company	
		Unaudited 30 June 2024 USD'000	Audited 31 Dec 2023 USD'000	Unaudited 30 June 2024 USD'000	Audited 31 Dec 2023 USD'000
Assets					
Non-Current Assets					
Property, plant and equipment	11	46,475	50,543	-	-
Right-of-use assets		2,551	-	-	-
Investment in subsidiary companies		-	-	36,200	36,200
Loan to subsidiary company		-	-	30,010	30,020
Other assets	12	213	223	-	-
Total Non-Current Assets		<u>49,239</u>	<u>50,766</u>	<u>66,210</u>	<u>66,220</u>
Current Assets					
Inventories	13	22,791	28,957	-	-
Trade and other receivables	14	1,609	1,737	894	-
Other assets	12	2,363	2,853	-	-
Income tax receivable		2,945	2,168	-	-
Loans and advances to subsidiary companies		-	-	66	66
Advances and prepaid expenses		5,485	2,903	24	10
Cash and cash equivalents	15	2,043	6,435	125	4,624
Total Current Assets		<u>37,236</u>	<u>45,053</u>	<u>1,109</u>	<u>4,700</u>
Total Assets		<u>86,475</u>	<u>95,819</u>	<u>67,319</u>	<u>70,920</u>

(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 2024 (UNAUDITED)**

	Note	The Group		The Company	
		Unaudited 30 June 2024 USD'000	Audited 31 Dec 2023 USD'000	Unaudited 30 June 2024 USD'000	Audited 31 Dec 2023 USD'000
Equity and Liabilities					
Capital and Reserves					
Share capital		69,600	73,761	69,600	73,761
Revaluation reserve		1,406	1,516	-	-
Translation reserve		(128,318)	(125,178)	-	-
Retained earnings / (Accumulated losses)		117,202	120,596	(2,525)	(3,148)
Total Equity		<u>59,890</u>	<u>70,695</u>	<u>67,075</u>	<u>70,613</u>
Non-Current Liabilities					
Borrowings	16	1,714	2,846	-	-
Deferred taxes		2,246	3,168	-	-
Deferred income		2,381	2,351	-	-
Lease Payable		2,735	-	-	-
Provision for site restoration		193	193	-	-
Total Non-Current Liabilities		<u>9,269</u>	<u>8,558</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables		8,253	9,873	-	-
Accrued and other liabilities		5,340	2,425	154	163
Amount due to a subsidiary company		-	-	90	144
Borrowings	16	3,687	3,638	-	-
Lease liabilities		97	-	-	-
Deferred income		-	195	-	-
Taxes payable		(61)	435	-	-
Total Current Liabilities		<u>17,316</u>	<u>16,566</u>	<u>244</u>	<u>307</u>
Total Liabilities		<u>26,585</u>	<u>25,124</u>	<u>244</u>	<u>307</u>
Total Equity and Liabilities		<u>86,475</u>	<u>95,819</u>	<u>67,319</u>	<u>70,920</u>

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 2024 (UNAUDITED)**

The Group	Share capital USD'000	Non-distributable Revaluation reserve USD'000	Translation reserve USD'000	Distributable Retained earnings USD'000	Total USD'000
As at 1 January 2024	73,761	1,516	(125,178)	120,596	70,695
Loss for the period	-	-	-	(3,504)	(3,504)
Other comprehensive (loss)	-	-	(3,140)	-	(3,140)
Total comprehensive (loss) for the period	-	-	(3,140)	(3,504)	(6,644)
Capital Reduction	(4,161)	-	-	-	(4,161)
Transfer of revaluation reserve relating to property, plant and equipment through use	-	(110)	-	110	-
As at 30 June 2024	<u>69,600</u>	<u>1,406</u>	<u>(128,318)</u>	<u>117,202</u>	<u>59,890</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 2024 (UNAUDITED)**

The Group	Share capital USD'000	Non-distributable Revaluation reserve USD'000	Translation reserve USD'000	Distributable Retained earnings USD'000	Total USD'000
As at 1 January 2023	73,761	1,795	(126,267)	115,791	65,080
Profit for the period	-	-	-	52	52
Other comprehensive income	-	-	48	-	48
Total comprehensive income for the period	-	-	48	52	100
Transfer of revaluation reserve relating to property, plant and equipment through use	-	(46)	-	46	-
As at 30 June 2023	<u>73,761</u>	<u>1,749</u>	<u>(126,219)</u>	<u>115,889</u>	<u>65,180</u>

Company No. LL04433

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AND ITS SUBSIDIARY COMPANIES

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2024 (UNAUDITED)**

The Company	Share capital	Accumulated losses	Total
	USD'000	USD'000	USD'000
As at 1 January 2024	73,761	(3,148)	70,613
Total comprehensive income for the period	-	623	623
Capital Reduction	<u>(4,161)</u>	<u>-</u>	<u>(4,161)</u>
As at 30 June 2024	<u>69,600</u>	<u>(2,525)</u>	<u>67,075</u>
As at 1 January 2023	73,761	(4,220)	69,541
Total comprehensive income for the period	<u>-</u>	<u>525</u>	<u>525</u>
As at 30 June 2023	<u>73,761</u>	<u>(3,695)</u>	<u>70,066</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 2024 (UNAUDITED)**

	The Group		The Company	
	6 months ended		6 months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	USD'000	USD'000	USD'000	USD'000
OPERATING ACTIVITIES				
(Loss)/Profit before income tax	(4,442)	61	623	525
Adjustments for:				
Depreciation of property, plant and equipment	2,898	2,837	-	-
Depreciation of right-of-use Assets	3	3	-	-
Other non-cash items	(2,413)	578	(1,094)	(1,088)
Operating Profit/(Loss) Before Working Capital Changes	(3,954)	3,479	(471)	(563)
(Increase)/Decrease in:				
Inventories	5,096	345	-	-
Trade and other receivables, advances and prepaid expenses	(1,725)	(22)	(9)	(9)
Loans and advances from subsidiary companies	-	-	(67)	(20)
Increase in:				
Trade and other payables, accrued and other liabilities	1,879	3,622	(4,152)	4
Cash Generated From/(Used In) Operations	1,296	7,424	(4,699)	(588)
Income tax paid	(926)	(1,777)	-	-
Interest paid	(224)	(483)	-	-
Net Cash Generated From/(Used In) Operating Activities	146	5,164	(4,699)	(588)

(Cont'd)

	The Group		The Company	
	6 months ended		6 months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	USD'000	USD'000	USD'000	USD'000
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(2,171)	(2,721)	-	-
Purchase of other assets	7	(24)	-	-
Interest received	119	93	200	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Cash (Used In)/Generated From Investing Activities	<u>(2,045)</u>	<u>(2,652)</u>	<u>200</u>	<u>-</u>
FINANCING ACTIVITIES				
Proceeds from borrowings	9,629	1,703	-	-
Repayment from borrowings	(10,752)	(1,980)	-	-
Payment of lease liabilities	-	(363)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Cash Used In Financing Activities	<u>(1,123)</u>	<u>(640)</u>	<u>-</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS				
	(3,022)	1,872	(4,499)	(588)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES				
	(1,370)	(14)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD				
	<u>6,435</u>	<u>4,144</u>	<u>4,624</u>	<u>1,240</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (NOTE 15)				
	<u><u>2,043</u></u>	<u><u>6,002</u></u>	<u><u>125</u></u>	<u><u>652</u></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

**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 2023.

The condensed interim financial statements of the Group and the Company were authorised for issue by the Board of Directors on 20 September 2024.

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 2023, except for the adoption of new standards effective as of 1 January 2024.

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:

	USD
1 Pound Sterling	1.2642
1 Ringgit Malaysia	0.2119
1 Euro Dollar	1.0713
1 Kazakhstan Tenge (“KZT”)	0.0021
	<hr/>
	KZT
1 US Dollar	471.46
	<hr/>

4. REVIEW OF RESULTS FOR THE PERIOD

During the six-month period to 30 June 2024, the Group posted revenue of USD34.4 million, a decline of 7% from USD36.9 million in the corresponding period in 2023. The decline was mainly attributable to the 4% lower sales volume. The significant drop in the first quarter (-18%) was compensated with an increase of volumes 2% in the second quarter after prices were adjusted to match the market. Volumes continue to recover in the third quarter of 2024 and prices have been slightly increased.

The average sales price was USD48 (KZT21,458 per tonne compared with USD49 (KZT22,354) per tonne in the corresponding period in 2023.

The gross margin was reduced to 15% in the six-month period to 30 June 2024 compared with 26% in the same period last year due mostly to the 6% higher cost concentrated in electricity and maintenance. Selling expenses and administration expenses were maintained at USD6.2 million and USD3.4 million respectively.

General inflation in Kazakhstan has eased to 8.4% during the period.

The Group posted a net loss for the period of USD3.5 million compared with USD0.1 million profit after tax in the same period in 2023.

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**

	The Group		The Company	
	6 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	USD'000	USD'000	USD'000	USD'000
Sales of manufactured goods	34,369	36,865	-	-
Transmission and distribution of electricity	7	17	-	-
Net interest income	-	-	738	683
	<hr/>	<hr/>	<hr/>	<hr/>
Total	34,376	36,882	738	683
	<hr/>	<hr/>	<hr/>	<hr/>

8. **FINANCE COSTS**

	The Group	
	6 months ended	
	30 June	30 June
	2024	2023
	USD'000	USD'000
Interest expense on:		
- bank loans	436	298
Other finance costs	178	185
	<hr/>	<hr/>
Total	614	483
	<hr/>	<hr/>

9. **INCOME TAX EXPENSE**

	The Group		The Company	
	6 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	USD'000	USD'000	USD'000	USD'000
Deferred tax benefit/(expense)	938	(9)	-	-
	<u>938</u>	<u>(9)</u>	<u>-</u>	<u>-</u>

10. **EARNINGS PER SHARE**

	The Group	
	6 months ended	6 months ended
	30 June 2024	30 June 2023
	USD'000	USD'000
(Loss)/Profit attributable to ordinary shareholders	<u>(3,504)</u>	<u>52</u>
	6 months ended	6 months ended
	30 June 2024	30 June 2023
	'000	'000
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>(1.6)</u>	<u>0.1</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 2024 and 30 June 2023.

11. PROPERTY, PLANT AND EQUIPMENT, NET

The Group	Freehold land and land improvement	Buildings	Machinery and equipment	Railway Wagons	Other assets	Stand-by equipment and major spare parts	Construction in progress	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cost								
At 1 January 2024	1,612	20,573	73,546	6,420	12,260	4,439	3,634	122,484
Additions	-	52	60	-	(19)	-	2,077	2,170
Transfers	-	32	351	7	244	1	(635)	-
Disposals	-	-	(687)	-	(1,773)	-	-	(2,461)
Reclassification from inventories	-	-	85	-	183	(404)	301	165
Exchange differences	(57)	(741)	(2,688)	(231)	(375)	(140)	(214)	(4,444)
At 30 June 2024	1,555	19,917	70,667	6,196	10,520	3,896	5,163	117,914
Accumulated depreciation								
At 1 January 2023	-	16,185	47,141	2,865	6,091	-	-	72,282
Charge for the period	-	244	2,122	171	361	-	-	2,898
Disposals	-	-	(500)	-	(495)	-	-	(995)
Exchange differences	-	(592)	(1,831)	(111)	(212)	-	-	(2,746)
At 30 June 2024	-	15,837	46,932	2,925	5,745	-	-	71,439
Net Book Value								
At 30 June 2024	1,555	4,080	23,735	3,271	4,775	3,896	5,163	46,475
At 31 December 2023	1,613	4,388	26,747	3,554	6,169	4,439	3,634	50,543

12. OTHER ASSETS

	The Group		The Company	
	As at 30 June 2024 USD'000	As at 31 Dec 2023 USD'000	As at 30 June 2024 USD'000	As at 31 Dec 2023 USD'000
VAT recoverable	2,280	2,330	-	-
Site restoration fund	213	190	-	-
Others	115	556	-	-
Total	2,608	3,076	-	-
Less: non-current portion of				
-Other assets	(32)	(33)	-	-
-Site restoration fund	(213)	(190)	-	-
Current portion	2,363	2,853	-	-

13. INVENTORIES

	The Group		The Company	
	As at 30 June 2024 USD'000	As at 31 Dec 2023 USD'000	As at 30 June 2024 USD'000	As at 31 Dec 2023 USD'000
Finished goods	8,668	5,797	-	-
Spare parts	10,742	11,370	-	-
Work in progress	673	8,609	-	-
Raw materials	895	2,922	-	-
Other materials	3,507	1,753	-	-
Packing materials	454	734	-	-
Total	24,939	31,185	-	-
Less: Provision for obsolete inventories	(2,148)	(2,228)	-	-
Net	22,791	28,957	-	-

No additional provision for obsolete inventories is necessary based on current conditions as at 30 June 2024.

14. **TRADE AND OTHER RECEIVABLES**

	The Group		The Company	
	As at 30 June 2024 USD'000	As at 31 Dec 2023 USD'000	As at 30 June 2024 USD'000	As at 31 Dec 2023 USD'000
Trade receivables	1,878	1,765	-	-
Less: Loss allowances	(791)	(828)	-	-
Net	1,087	938	-	-
Other receivables:				
Receivable from employees	-	180	-	-
Others	522	619	-	-
Interest receivable	-	-	894	-
Total	1,609	1,737	894	-

The Company enters into sales contracts with trade customers on cash terms.

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 2024.

15. **CASH AND CASH EQUIVALENTS**

	The Group	
	As at 30 June 2024 USD'000	As at 31 Dec 2023 USD'000
Cash in hand and at banks	356	915
Short-term deposit	<u>1,687</u>	<u>5,521</u>
Total	<u><u>2,043</u></u>	<u><u>6,435</u></u>

16. **BORROWINGS**

	The Group	
	As at 30 June 2024 USD'000	As at 31 Dec 2023 USD'000
Current portion:		
Bank loans	3,687	3,638
Non-current portion:		
Bank loans	<u>1,714</u>	<u>2,846</u>
Total borrowings	<u><u>5,400</u></u>	<u><u>6,484</u></u>

Undrawn loan amounts

As at 30 June 2024, the Group has USD4.9 million in working capital facilities available for drawdown under the 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 transactions between a related party and the Group included in the condensed consolidated income statement and condensed statement of financial position are as follows:

	The Group	
	Purchase of services	
	30 June 2024	30 June 2023
	USD'000	USD'000
Other related party		
Office rental	4	4
	<hr/>	<hr/>
	Payable to related parties	
	30 June 2024	30 June 2023
	USD'000	USD'000
Other related party		
Office rental	-	-
	<hr/>	<hr/>

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 2024 USD'000	30 June 2023 USD'000	30 June 2024 USD'000	30 June 2023 USD'000
Short-term benefits	381	429	75	75

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 2023. 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 2024 and 2023, 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 2023.