

Company No. LL04433



**INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2012  
(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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**STEPPE CEMENT LTD**

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

**AND ITS SUBSIDIARY COMPANIES**

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE PERIOD ENDED 30 JUNE 2012 (UNAUDITED)**

	Note	The Group 6 months ended		The Company 6 months ended	
		30 June 2012 USD'000	30 June 2011 USD'000	30 June 2012 USD'000	30 June 2011 USD'000
Revenue	6	52,155	43,059	50	50
Cost of sales		<u>(34,099)</u>	<u>(30,757)</u>	<u>-</u>	<u>-</u>
Gross profit		18,056	12,302	50	50
Selling expenses	7	(9,653)	(7,886)	-	-
General and administrative expenses		<u>(5,242)</u>	<u>(4,573)</u>	<u>(264)</u>	<u>(261)</u>
Operating income/(loss)		3,161	(157)	(214)	(211)
Investment income		-	17	-	-
Finance costs	8	(2,268)	(2,673)	-	-
Other expense, net		<u>(502)</u>	<u>(25)</u>	<u>(9)</u>	<u>(19)</u>
Profit/(Loss) before income tax		391	(2,838)	(223)	(230)
Income tax (expense)/credit	9	<u>(500)</u>	<u>600</u>	<u>-</u>	<u>-</u>
Loss for the period		<u>(109)</u>	<u>(2,238)</u>	<u>(223)</u>	<u>(230)</u>
Attributable to: Shareholders of the Company		(109)	(2,238)	(223)	(230)
Loss per share:					
Basic (cents)	10	<u>(0.1)</u>	<u>(1.3)</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 COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2012 (UNAUDITED)**

	<b>The Group</b>		<b>The Company</b>	
	<b>6 months ended</b>		<b>6 months ended</b>	
	<b>30 June 2012</b>	<b>30 June 2011</b>	<b>30 June 2012</b>	<b>30 June 2011</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>
Loss for the period	(109)	(2,238)	(223)	(230)
Other comprehensive (loss)/income:				
Exchange differences arising on translation of foreign subsidiary companies	(899)	1,357	-	-
Total comprehensive loss for the period	(1,008)	(881)	(223)	(230)
Attributable to: Shareholders of the Company	<u>(1,008)</u>	<u>(881)</u>	<u>(223)</u>	<u>(230)</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 2012 (UNAUDITED)**

	Note	The Group		The Company	
		Unaudited 30 June 2012 USD'000	Audited 31 Dec 2011 USD'000	Unaudited 30 June 2012 USD'000	Audited 31 Dec 2011 USD'000
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	11	130,743	134,761	-	-
Investment in subsidiary companies		-	-	26,500	26,500
Advances paid		906	993	-	-
Other assets	12	31,169	28,162	-	-
<b>Total Non-Current Assets</b>		<u>162,818</u>	<u>163,916</u>	<u>26,500</u>	<u>26,500</u>
<b>Current Assets</b>					
Inventories, net	13	20,703	21,373	-	-
Trade receivables, net	14	5,303	2,582	-	-
Amount owing by subsidiary companies		-	-	28,939	29,151
Other receivables, advances and prepaid expenses		11,325	11,391	-	-
Cash and bank balances		8,322	494	159	103
<b>Total Current Assets</b>		<u>45,653</u>	<u>35,840</u>	<u>29,098</u>	<u>29,254</u>
<b>Total Assets</b>		<u>208,471</u>	<u>199,756</u>	<u>55,598</u>	<u>55,754</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 2012 (UNAUDITED)**

	Note	The Group		The Company	
		Unaudited 30 June 2012 USD'000	Audited 31 Dec 2011 USD'000	Unaudited 30 June 2012 USD'000	Audited 31 Dec 2011 USD'000
<b>Equity and Liabilities</b>					
Capital and Reserves					
Share capital		58,298	58,298	58,298	58,298
Revaluation reserve		8,751	9,477	-	-
Translation reserve		(20,908)	(20,009)	-	-
Retained earnings/ (Accumulated loss)		79,838	79,221	(3,659)	(3,436)
<b>Total Equity</b>		<u>125,979</u>	<u>126,987</u>	<u>54,639</u>	<u>54,862</u>
<b>Non-Current Liabilities</b>					
Loans	16	37,160	43,212	-	-
Deferred tax liabilities		6,617	6,176	-	-
<b>Total Non-Current Liabilities</b>		<u>43,777</u>	<u>49,388</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade payables	15	6,481	7,841	-	-
Other payables and accrued liabilities		9,665	3,661	959	892
Loans	16	22,206	11,435	-	-
Taxes payable		363	444	-	-
<b>Total Current Liabilities</b>		<u>38,715</u>	<u>23,381</u>	<u>959</u>	<u>892</u>
<b>Total Liabilities</b>		<u>82,492</u>	<u>72,769</u>	<u>959</u>	<u>892</u>
<b>Total Equity and Liabilities</b>		<u>208,471</u>	<u>199,756</u>	<u>55,598</u>	<u>55,754</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 2012 (UNAUDITED)**

The Group	←		Non-distributable	→		Total/Net USD'000
	Share capital USD'000	Share Premium USD'000	Revaluation reserve USD'000	Translation reserve USD'000	Distributable Retained earnings USD'000	
Balance as at 1 January 2011	58,298	-	10,940	(18,944)	74,425	124,719
Loss for the period	-	-	-	-	(2,238)	(2,238)
Exchange differences arising on translation of foreign subsidiary companies	-	-	-	1,357	-	1,357
Total comprehensive income/(loss) for the period	-	-	-	1,357	(2,238)	(881)
Balance as at 30 June 2011	<u>58,298</u>	<u>-</u>	<u>10,940</u>	<u>(17,587)</u>	<u>72,187</u>	<u>123,838</u>

(Cont'd)

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**AND ITS SUBSIDIARY COMPANIES**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2012 (UNAUDITED)**

<b>The Group</b>	<b>Share capital USD'000</b>	<b>Share Premium 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/Net USD'000</b>
Balance as at 1 January 2012	58,298	-	9,477	(20,009)	79,221	126,987
Loss for the period	-	-	-	-	(109)	(109)
Exchange differences arising on translation of foreign subsidiary companies	-	-	-	(899)	-	(899)
Total comprehensive loss for the period	-	-	-	(899)	(109)	(1,008)
Depreciation transfer on revaluation reserve	-	-	(726)	-	726	-
Balance as at 30 June 2012	<u>58,298</u>	<u>-</u>	<u>8,751</u>	<u>(20,908)</u>	<u>79,838</u>	<u>125,979</u>

(Cont'd)



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**STEPPE CEMENT LTD**

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**AND ITS SUBSIDIARY COMPANIES**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2012 (UNAUDITED)**

<b>The Company</b>	<b>Share capital USD'000</b>	<b>Non- distributable Share Premium USD'000</b>	<b>Distributable Retained earnings USD'000</b>	<b>Total/Net USD'000</b>
Balance as at 1 January 2011	58,298	-	(3,038)	55,260
Total comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>(230)</u>	<u>(230)</u>
Balance as at 30 June 2011	<u>58,298</u>	<u>-</u>	<u>(3,268)</u>	<u>55,030</u>
Balance as at 1 January 2012	58,298	-	(3,436)	54,862
Total comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>(223)</u>	<u>(223)</u>
Balance as at 30 June 2012	<u>58,298</u>	<u>-</u>	<u>(3,659)</u>	<u>54,639</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 2012 (UNAUDITED)**

	<b>The Group</b>		<b>The Company</b>	
	<b>6 months ended</b>		<b>6 months ended</b>	
	<b>30 June 2012</b>	<b>30 June 2011</b>	<b>30 June 2012</b>	<b>30 June 2011</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>
<b>OPERATING ACTIVITIES</b>				
Profit/(Loss) before tax	391	(2,838)	(223)	(230)
Adjustments for non-cash items	7,612	6,621	7	-
Operating Profit/(Loss) Before Working Capital Changes	8,003	3,783	(216)	(230)
(Increase)/ Decrease in:				
Inventories	2,038	1,411	-	-
Trade receivables	(2,720)	(414)	-	-
Other receivable and prepaid expenses	(1,124)	(1,399)	-	1
Amount owing by subsidiary companies	-	-	213	(350)
Increase/ (Decrease) in:				
Trade payables	(1,421)	1,531	-	-
Other payables and accrued liabilities	6,135	4,840	59	106
Cash Generated From/(Used In) Operations	10,911	9,752	56	(473)
Income tax paid	(518)	(107)	-	-
Interest paid	(1,784)	(2,343)	-	-
Net Cash Generated From/(Used In) Operating Activities	8,609	7,302	56	(473)

(Cont'd)

	<b>The Group</b>		<b>The Company</b>	
	<b>6 months ended</b>		<b>6 months ended</b>	
	<b>30 June 2012</b>	<b>30 June 2011</b>	<b>30 June 2012</b>	<b>30 June 2011</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>
<b>INVESTING ACTIVITIES</b>				
Proceeds from disposal of property, plant and equipment	-	-	-	-
Purchase of property, plant and equipment	(1,755)	(280)	-	-
Purchase of non-current assets	(3,139)	(162)	-	-
Interest received	-	17	-	-
	<u>-</u>	<u>17</u>	<u>-</u>	<u>-</u>
Net Cash Used In Investing Activities	<u>(4,894)</u>	<u>(425)</u>	<u>-</u>	<u>-</u>
<b>FINANCING ACTIVITIES</b>				
Proceeds from borrowings	8,223	6,171	-	-
Repayment from borrowings	(4,107)	(2,910)	-	-
	<u>4,116</u>	<u>3,261</u>	<u>-</u>	<u>-</u>
Net Cash From by Financing Activities	<u>4,116</u>	<u>3,261</u>	<u>-</u>	<u>-</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
<b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES</b>	7,831	10,138	56	(473)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	(3)	85	-	-
	<u>494</u>	<u>9,532</u>	<u>103</u>	<u>964</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (NOTE 17)</b>	<u>8,322</u>	<u>19,755</u>	<u>159</u>	<u>491</u>

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

**STEPPE CEMENT LTD**

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**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 Alternative Investment Market of the London Stock Exchange.

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 2011.

The condensed interim financial statements of the Group and the Company were authorised for issue by the Board of Directors on 7 September 2012.

**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.

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 2011, except for the adoption of IAS 12 "Income Taxes" — Limited scope amendment (recovery of underlying assets).

The adoption of the revised Standard did not have any significant impact on the reported results or financial position of the Group.

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

	<b>USD</b>
1 Pound Sterling	1.5707
1 Ringgit Malaysia	0.3147
1 Euro Dollar	1.26670
1 Kazakhstan Tenge	<u>0.0067</u>
	<b>KZT</b>
1 US Dollar	<u><u>149.49</u></u>

### 3. REVIEW OF RESULTS FOR THE PERIOD

During the period, the Group's revenue rose by 21% or USD9 million from USD43 million to USD52 million due to both higher pricing and sales volume. The average sales price of cement was 20% higher at USD84 (KZT12,549) per tonne compared to USD71 (KZT10,458) per tonne in the corresponding period 2011. Sales volume increased by 2% to 615,838 tonnes from 601,099 tonnes in the same period in 2011 to due to continued growth in cement consumption.

In line with better pricing, the Group's gross margins rose to 35% compared to 29% in the previous period. During the period, costs of sales rose by 11% or USD3.3 million.

The Group's loss for the period declined to USD0.1 million a 95% or USD2.1 million reduction compared to USD2.2 million loss recorded in the same period in 2011.

4. **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. The Group's sales improve after winter and typically peak during summer.

5. **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.

6. **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>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>
Sales of manufactured goods	52,155	43,059	-	-
Others	-	-	50	50
	<hr/>	<hr/>	<hr/>	<hr/>
Total	52,155	43,059	50	50
	<hr/>	<hr/>	<hr/>	<hr/>

7. **SELLING EXPENSES**

During the period, selling expenses increased in line with revenue as higher railway transportation costs were incurred to deliver cement to buyers located in Almaty.

8. **FINANCE COSTS**

	<b>The Group</b>	
	<b>6 months ended</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2012</b>	<b>2011</b>
	<b>USD'000</b>	<b>USD'000</b>
Interest expense on:		
- loans from financial institutions	2,136	1,841
- debt securities	-	832
- others	132	-
	<hr/>	<hr/>
Total	2,268	2,673
	<hr/>	<hr/>

## 9. INCOME TAX (EXPENSE)/CREDIT

	The Group		The Company	
	6 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2012	2011	2012	2011
	USD'000	USD'000	USD'000	USD'000
Income tax (expense)/credit:				
- current income tax expense	(23)	-	-	-
- deferred income tax expense	(1,254)	600	-	-
- deferred income tax benefit	777	-	-	-
	<u>777</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(500)</u>	<u>600</u>	<u>-</u>	<u>-</u>

There have been no changes in the major elements of temporary differences that give rise to the deferred tax liabilities and assets, mainly comprising property, plant and equipment and unutilized tax losses. No income tax is estimated for the parent company and the subsidiary company incorporated in Labuan FT, Malaysia.

## 10. LOSS PER SHARE

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

	The Group	
	6 months ended	6 months ended
	30 June 2012	30 June 2011
	USD'000	USD'000
Loss attributable to ordinary shareholders	<u>(109)</u>	<u>(2,238)</u>
	<u>6 months ended</u>	<u>6 months ended</u>
	<u>30 June 2012</u>	<u>30 June 2011</u>
	<u>'000</u>	<u>'000</u>
Number of shares in issue at beginning and at end of period	<u>179,000</u>	<u>179,000</u>
Basic loss per share (cents)	<u>(0.1)</u>	<u>(1.3)</u>

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

<b>The Group</b>	<b>Freehold land and land improvement USD'000</b>	<b>Buildings USD'000</b>	<b>Machinery and equipment USD'000</b>	<b>Other assets USD'000</b>	<b>Computer software USD'000</b>	<b>Construction in progress USD'000</b>	<b>Total USD'000</b>
<b>Cost (unless otherwise indicated)</b>							
At 1 January 2012	4,181	51,386	78,204	14,091	96	29,199	177,157
Additions	-	-	-	132	6	1,591	1,729
Transfers	-	48	77	517		(642)	-
Disposals	(11)	(33)	(110)	(5)	(20)	-	(179)
Exchange differences	(28)	(344)	(523)	(94)	(1)	(237)	(1,227)
At 30 June 2012	4,142	51,057	77,648	14,641	81	29,911	177,480
<b>Accumulated depreciation</b>							
At 1 January 2012	-	19,304	17,523	5,482	40	-	42,349
Charge for the period	-	1,223	2,788	755	7	-	4,773
Transfers	-	(23)	241	(218)	-	-	-
Disposals	-	(2)	(35)	(2)	(20)	-	(59)
Exchange differences	-	(140)	(142)	(43)	(1)	-	(326)
At 30 June 2012	-	20,362	20,375	5,974	26	-	46,737
<b>Net Book Value</b>							
<b>At 30 June 2012</b>	<b>4,142</b>	<b>30,695</b>	<b>57,273</b>	<b>8,667</b>	<b>55</b>	<b>29,911</b>	<b>130,743</b>
<b>At 31 December 2011</b>	<b>4,182</b>	<b>32,035</b>	<b>60,681</b>	<b>8,608</b>	<b>56</b>	<b>29,199</b>	<b>134,761</b>



Land and buildings were revalued at 27 August 2010 by an independent appraiser, by reference to depreciated replacement cost and income approach. As at 30 June 2012, the Group did not identify indicators of land and buildings impairment.

## 12. OTHER ASSETS

	The Group		The Company	
	As at 30 June 2012 USD'000	As at 31 Dec 2011 USD'000	As at 30 June 2012 USD'000	As at 31 Dec 2011 USD'000
VAT (recoverable)	8,110	6,824	-	-
Construction materials	17,349	20,264	-	-
Spare parts	5,327	658	-	-
Quarry stripping costs	383	380	-	-
Others	-	36	-	-
	<u>31,169</u>	<u>28,162</u>	<u>-</u>	<u>-</u>

## 13. INVENTORIES, NET

	The Group		The Company	
	As at 30 June 2012 USD'000	As at 31 Dec 2011 USD'000	As at 30 June 2012 USD'000	As at 31 Dec 2011 USD'000
Work in progress	4,366	6,421	-	-
Finished goods	2,003	2,347	-	-
Raw materials	4,122	4,008	-	-
Spare parts	9,959	8,416	-	-
Fuel	554	298	-	-
Construction materials	-	56	-	-
Other material	773	557	-	-
	21,778	22,103		
Less: Provision for obsolete inventories	<u>(1,075)</u>	<u>(730)</u>	<u>-</u>	<u>-</u>
Net	<u>20,703</u>	<u>21,373</u>	<u>-</u>	<u>-</u>

**14. TRADE RECEIVABLE, NET**

	<b>The Group</b>		<b>The Company</b>	
	<b>As at 30 June 2012 USD'000</b>	<b>As at 31 Dec 2011 USD'000</b>	<b>As at 30 June 2012 USD'000</b>	<b>As at 31 Dec 2011 USD'000</b>
Trade receivables from third parties	5,646	2,928	-	-
Less: Provision for doubtful receivables	<u>(343)</u>	<u>(346)</u>	<u>-</u>	<u>-</u>
Net	<u>5,303</u>	<u>2,582</u>	<u>-</u>	<u>-</u>

The standard credit period granted to trade receivables ranges from 1 to 30 days. The receivables are denominated in Kazakhstan Tenge.

As at 30 June 2012, the Group has trade receivables of USD5,302,729 (2011: USD2,582,376). The recoverability of these trade accounts receivable depends to a large extent on the Group's customers' ability to meet timely their obligations, and other factors, which are beyond the Group's control. The recoverability of the Group's trade receivables is determined based on conditions prevailing and information available as at reporting date. The directors have reviewed the trade receivables and considered no further provision for trade receivables is necessary based on prevailing conditions and available information.

**15. TRADE PAYABLES**

	<b>The Group</b>		<b>The Company</b>	
	<b>As at 30 June 2012 USD'000</b>	<b>As at 31 Dec 2011 USD'000</b>	<b>As at 30 June 2012 USD'000</b>	<b>As at 31 Dec 2011 USD'000</b>
Services	2,666	3,963	-	-
Raw materials	1,901	1,378	-	-
Spare parts	-	748	-	-
Property, plant & equipment	1,798	1,736	-	-
Others	<u>116</u>	<u>16</u>	<u>-</u>	<u>-</u>
	<u>6,481</u>	<u>7,841</u>	<u>-</u>	<u>-</u>

The standard credit period granted by creditors ranges from 1 to 30 days. The trade payables are denominated in Kazakhstan Tenge.

16. **LOANS**

	<b>The Group</b>	
	<b>As at 30 June 2012 USD'000</b>	<b>As at 31 Dec 2011 USD'000</b>
Total outstanding	59,365	54,647
Current portion	<u>(22,205)</u>	<u>(11,435)</u>
Non-current portion	<u>37,160</u>	<u>43,212</u>

**Central Asia Cement JSC**

On 19 January 2012, Central Asia Cement JSC signed a credit line agreement with Halyk Bank JSC for a one-year tenure for the replenishment of working capital of USD10 million (KZT1,450,000 thousand) with an interest rate of 10.75% per annum maturing on 23 January 2013. Principal repayment is made six months after drawdown date and the interest is paid on a monthly basis. The loan facility is secured against Central Asia Cement JSC's inventories of USD8,787,578 (KZT1,313,655 thousand) and inventories of Karcement JSC of USD800,482 (KZT119,664 thousand).

Undrawn loan commitment

As at 30 June 2012, Central Asia Cement JSC's undrawn commitment of the Bank CenterCredit JSC loan facility amounted to USD6.39 million.

**Karcement JSC**

Karcement JSC is required to comply with financial covenants in relation to borrowed funds from EBRD. These covenants include various financial performance ratios. Karcement JSC has breached leverage ratio covenant during the three months ended 30 June 2012 and in prior years. The conditional restructuring agreements signed in 2011, the effectiveness of which was confirmed with EBRD in June 2012 would address the various breaches of covenants.

Undrawn loan commitment

As at 30 June 2012, Karcement JSC has fully utilised all of its loan facilities with EBRD and HSBC Bank Kazakhstan.

17. **CASH AND CASH EQUIVALENTS**

	<b>The Group</b>	
	<b>As at 30 June 2012 USD'000</b>	<b>As at 31 Dec 2011 USD'000</b>
Cash in hand and at banks	8,322	455
Short-term deposits	-	39
	<u>8,322</u>	<u>494</u>

18. **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.

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 2012 and 2011:

	<b>Purchase of services</b>	
	<b>30 June 2012 USD'000</b>	<b>30 June 2011 USD'000</b>
Rental expenses	-	20
Services rendered by related parties	483	475
	<u>483</u>	<u>495</u>

The following balance with related parties is included in the condensed consolidated statement of financial position as of 30 June 2012 and 31 December 2011:

	<b>Payable to related parties</b>	
	<b>30 June 2012 USD'000</b>	<b>31 Dec 2011 USD'000</b>
Services rendered by related parties	237	182
	<u>237</u>	<u>182</u>

Included in services rendered by related parties are drilling and blasting services performed by Maxam Kazakhstan of USD197,993 (2011: USD169,729). The contract is negotiated yearly on an arms length basis. Maxam Kazakhstan is a subsidiary company of Maxam SA. Company director, Javier Del Ser Perez, indirectly holds 20% equity interest indirectly in Maxam Kazakhstan.

### 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:

	<b>The Group</b>		<b>The Company</b>	
	<b>30 June 2012 USD'000</b>	<b>30 June 2011 USD'000</b>	<b>30 June 2012 USD'000</b>	<b>30 June 2011 USD'000</b>
Remunerations	462	468	111	114
Short-term benefits	20	19	-	-
<b>Total</b>	<b>482</b>	<b>487</b>	<b>111</b>	<b>114</b>

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.

### 19. COMMITMENTS AND CONTINGENCIES

The Group has outstanding commitments for the purchase of equipment, materials and services from various suppliers for the rehabilitation of production line #5 in the total amount of USD4,486,327 (KZT670,661 thousand) as at 30 June 2012.

Other than the above, there are no significant changes in the commitments and contingencies since the financial year ended 31 December 2011 other than those disclosed in the financial statements for the year ended 31 December 2011.