Company No. LL04433

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2013

(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 INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2013 (UNAUDITED)

		The Group		The Company	
		6 months ended		6 months ended	
	Note	30 June 2013 USD'000	30 June 2012 USD'000	30 June 2013 USD'000	30 June 2012 USD'000
Revenue	6	54,347	52,155	50	50
Cost of sales		(33,978)	(34,099)	-	-
Gross profit		20,369	18,056	50	50
Selling expenses		(9,101)	(9,653)	-	-
General and administrative expenses		(5,100)	(5,242)	(266)	(264)
Operating income/(loss)		6,168	3,161	(216)	(214)
Interest income		30	-	-	-
Finance costs	7	(1,598)	(2,268)	-	-
Other (expense)/income, net		(781)	(502)	63	(9)
Profit/(Loss) before income tax		3,819	391	(153)	(223)
Income tax expense	8	(1,599)	(500)	-	-
Profit/(Loss) for the period		2,220	(109)	(153)	(223)
Attributable to:					
Shareholders of the Company		2,220	(109)	(153)	(223)
Earnings/(Loss) per share:					
Basic (cent)	9	1.0	(0.1)		

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 2013 (UNAUDITED)

	The Group 6 months ended		**The Company 6 months ended**	
	30 June 2013 USD'000	**30 June 2012 USD'000**	**30 June 2013 USD'000**	**30 June 2012 USD'000**
Profit/(Loss) for the period	2,220	(109)	(153)	(223)
Other comprehensive loss:				
Exchange differences arising on translation of foreign subsidiary companies	(1,160)	(899)	-	-
Total other comprehensive loss for the period	(1,160)	(899)	-	-
Total comprehensive profit/(loss) for the period	1,060	(1,008)	(153)	(223)
Attributable to: Shareholders of the Company	1,060	(1,008)	(153)	(223)

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 FINANCIAL POSITION
AS AT 30 JUNE 2013 (UNAUDITED)

		The Group		The Company	
		Unaudited	Audited	Unaudited	Audited
		30 June 2013	31 Dec 2012	30 June 2013	31 Dec 2012
	Note	USD'000	USD'000	USD'000	USD'000
Assets					
Non-Current Assets					
Property, plant and equipment	10	160,643	135,442	-	-
Investment in subsidiary companies		-	-	30,500	30,500
Advances and prepaid expenses		1,437	2,385	-	-
Other assets	11	23,372	40,575	-	-
Total Non-Current Assets		185,452	178,402	30,500	30,500
Current Assets					
Inventories	12	21,782	18,248	-	-
Trade and other receivables	13	9,074	6,779	-	-
Amount owing by subsidiary companies		-	-	39,060	37,510
Advances and prepaid expenses		4,990	4,934	13	6
Short-term investments		-	5,998	-	-
Cash and cash equivalents	14	5,135	14,016	1,244	2,923
Total Current Assets		40,981	49,975	40,317	40,439
Total Assets		226,433	228,377	70,817	70,939

(Cont'd)

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 FINANCIAL POSITION AS AT 30 JUNE 2013 (UNAUDITED)

		The Group		**The Company**	
		Unaudited	**Audited**	**Unaudited**	**Audited**
		30 June 2013	**31 Dec 2012**	**30 June 2013**	**31 Dec 2012**
	Note	**USD'000**	**USD'000**	**USD'000**	**USD'000**
Equity and Liabilities					
Capital and Reserves					
Share capital		73,761	73,761	73,761	73,761
Revaluation reserve		7,318	8,034	-	-
Translation reserve		(22,805)	(21,645)	-	-
Retained earnings/ (Accumulated loss)		91,960	89,024	(4,093)	(3,940)
Total Equity		150,234	149,174	69,668	69,821
Non-Current Liabilities					
Borrowings	15	33,892	40,663	-	-
Deferred tax liabilities		10,025	8,519	-	-
Total Non-Current Liabilities		43,917	49,182	-	-
Current liabilities					
Trade payables and other payables		8,336	8,026	-	-
Accrued and other liabilities		10,449	7,080	1,149	1,118
Borrowings	15	13,063	14,527	-	-
Taxes payable		434	388	-	-
Total Current Liabilities		32,282	30,021	1,149	1,118
Total Liabilities		76,199	79,203	1,149	1,118
Total Equity and Liabilities		226,433	228,377	70,817	70,939

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 2013 (UNAUDITED)

		Non-distributable		Distributable	
The Group	**Share capital USD'000**	**Revaluation reserve USD'000**	**Translation reserve USD'000**	**Retained earnings USD'000**	**Total/Net USD'000**
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)
Transfer of revaluation reserve relating to depreciation of property, plant and equipment	-	(726)	-	726	-
Balance as at 30 June 2012	58,298	8,751	(20,908)	79,838	125,979

(Cont'd)

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 2013 (UNAUDITED)

		Non-distributable		Distributable	
The Group	**Share capital USD'000**	**Revaluation reserve USD'000**	**Translation reserve USD'000**	**Retained earnings USD'000**	**Total/Net USD'000**
Balance as at 1 January 2013	73,761	8,034	(21,645)	89,024	149,174
Profit for the period	-	-	-	2,220	2,220
Exchange differences arising on translation of foreign subsidiary companies	-	-	(1,160)	-	(1,160)
Total comprehensive loss for the period	-	-	(1,160)	2,220	(1,060)
Transfer of revaluation reserve relating to depreciation of property, plant and equipment	-	(716)	-	716	-
Balance as at 30 June 2013	73,761	7,318	(22,805)	91,960	150,234

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 2013 (UNAUDITED)

The Company	**Share capital USD'000**	**Distributable Retained earnings USD'000**	**Total/Net USD'000**
Balance as at 1 January 2012	58,298	(3,436)	54,862
Total comprehensive loss for the period	-	(223)	(223)
Balance as at 30 June 2012	58,298	(3,659)	54,639
Balance as at 1 January 2013	73,761	(3,940)	69,821
Total comprehensive loss for the period	-	(153)	(153)
Balance as at 30 June 2013	73,761	(4,093)	69,668

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 2013 (UNAUDITED)

	The Group 6 months ended		**The Company 6 months ended**	
	30 June 2013 USD'000	**30 June 2012 USD'000**	**30 June 2013 USD'000**	**30 June 2012 USD'000**
OPERATING ACTIVITIES				
Profit/(Loss) before tax	3,819	391	(153)	(223)
Adjustments for non-cash items	6,819	7,612	(62)	7
Operating Profit/(Loss) Before Working Capital Changes	10,638	8,003	(215)	(216)
(Increase)/ Decrease in:				
Inventories	(5,352)	2,038	-	-
Trade and other receivables, advances and prepaid expenses	1,229	(3,844)	(7)	-
Amount owing by subsidiary companies	-	-	(1,550)	213
Increase in:				
Trade and other payables, accrued and other liabilities	3,807	4,714	93	59
Cash Generated From/(Used In) Operations	10,322	10,911	(1,679)	56
Income tax paid	(687)	(518)	-	-
Interest paid	(2,267)	(1,784)	-	-
Net Cash Generated From/(Used In) Operating Activities	7,368	8,609	(1,679)	56

(Cont'd)

	The Group 6 months ended		The Company 6 months ended	
	30 June 2013 USD'000	**30 June 2012 USD'000**	**30 June 2013 USD'000**	**30 June 2012 USD'000**
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(4,766)	(1,755)	-	-
Purchase of non-current assets	(9,690)	(3,139)	-	-
Proceeds from short-term investment	5,998	-	-	-
Interest received	30	-	-	-
Net Cash Used In Investing Activities	(8,428)	(4,894)	-	-
FINANCING ACTIVITIES				
Proceeds from borrowings	15,876	8,223	-	-
Repayment from borrowings	(23,600)	(4,107)		
Net Cash (Used In)/From Financing Activities	(7,724)	4,116	-	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(8,784)	7,831	(1,679)	56
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(97)	(3)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	14,016	494	2,923	103
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (NOTE 14)	5,135	8,322	1,244	159

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 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 2012.

The condensed interim financial statements of the Group and the Company were authorised for issue by the Board of Directors on 11 September 2013.

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 10).

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 2012, except for the adoption of the following Standards and Interpretations:

IFRS 10	*Consolidated Financial Statements*
IFRS 11	*Joint Arrangements*
IFRS 12	*Disclosure of Interests in Other Entities*
IFRS 13	*Fair Value Measurement*
Amendments to IFRS 7	*Disclosures – Offsetting Financial Assets*
Amendment to IFRS 10, IFRS 11 And IFRS 12	*Consolidated financial statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance*
IAS 19 (as revised in 2011)	*Employee Benefits*
IAS 27 (as revised in 2011)	*Separate Financial Statements*
IAS 28 (as revised in 2011)	*Investments in Associates and Joint Ventures*
Amendments to IFRSs	*Annual Improvements to IFRSs 2009-2011 Cycle except for the Amendment to IAS 1*
IFRIC 20	*Stripping Costs in the Production Phase of a Surface Mine*

The adoption of these Standards, Amendments and Interpretations did not result in significant 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	1.5213
1 Ringgit Malaysia	0.3164
1 Euro Dollar	1.3010
1 Kazakhstan Tenge	0.0066

	KZT
1 US Dollar	151.80

3. REVIEW OF RESULTS FOR THE PERIOD

During the period, the Group's revenue rose by 4% or USD2.2 million from USD52.1 million to USD54.3 million due to its strategy on selling at higher prices. The Group sold cement at an average sales price that was 13% higher at USD96 (KZT14,465) per tonne compared with USD85 (KZT12,549) per tonne in the corresponding period in 2012. However, sales volume decreased by 8% from 615,838 tonnes in the same period in 2012 to 564,440 tonnes.

In line with its focus on higher pricing, the Group's gross margins rose to 37% compared with 35% in the previous period. The Group recorded profit for the period of USD2.2 million compared to USD0.1 million loss posted in the same period in 2012.

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. Each year, the Group's sales improve after winter and typically peak during the summer months.

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

	The Group 6 months ended		**The Company 6 months ended**	
	30 June 2013 USD'000	**30 June 2012 USD'000**	**30 June 2013 USD'000**	**30 June 2012 USD'000**
Sales of manufactured goods	54,303	52,155	-	-
Transmission and distribution of electricity	44	-	-	-
Management fee receivable from subsidiary company	-	-	50	50
Total	54,347	52,155	50	50

7. FINANCE COSTS

	The Group 6 months ended	
	30 June 2013 USD'000	30 June 2012 USD'000
Interest expense on:		
- loans from financial institutions	1,037	2,136
- debt securities	529	-
- others	32	132
Total	1,598	2,268

8. INCOME TAX EXPENSE

	The Group 6 months ended		The Company 6 months ended	
	30 June 2013 USD'000	30 June 2012 USD'000	30 June 2013 USD'000	30 June 2012 USD'000
Income tax (expense)/credit:				
- current income tax expense	(7)	(23)	-	-
- deferred income tax expense	(1,936)	(1,254)	-	-
- deferred income tax benefit	344	777	-	-
	(1,599)	(500)	-	-

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.

9. EARNINGS/(LOSS) PER SHARE

	The Group	
	6 months ended 30 June 2013 USD'000	**6 months ended 30 June 2012 USD'000**
Profit/(Loss) attributable to ordinary shareholders	2,220	(109)

	6 months ended 30 June 2013 '000	**6 months ended 30 June 2012 '000**
Number of ordinary shares in issue at beginning and at end of period	219,000	179,000
Weighted average number of ordinary shares at beginning and at end of period	219,000	179,000
Basic earnings/(loss) per share (cent)	1.0	(0.1)

The basic earnings/(loss) per share is calculated by dividing the consolidated profit/(loss) 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 2013 and 30 June 2012.

10. PROPERTY, PLANT AND EQUIPMENT, NET

The Group	Freehold land and land improvement USD'000	Buildings USD'000	Machinery and equipment USD'000	Other assets USD'000	Computer software USD'000	Construction in progress USD'000	Total USD'000
Cost (unless otherwise indicated)							
At 1 January 2013	4,129	51,030	78,503	14,704	831	36,742	185,939
Additions	-	1	622	348	5	30,058	31,034
Transfers	-	55	1,163	16	-	(1,234)	-
Disposals	-	(1)	(102)	(38)	-	(3)	(144)
Exchange differences	(37)	(457)	(703)	(132)	(7)	(386)	(1,722)
At 30 June 2013	4,092	50,628	79,483	14,898	829	65,177	215,107
Accumulated depreciation							
At 1 January 2013	-	21,438	21,905	7,107	46	-	50,496
Charge for the period	-	1,163	2,670	687	11	-	4,531
Transfers	-	-	-	-	-		-
Disposals	-	-	(49)	(19)	-	-	(68)
Exchange differences	-	(203)	(221)	(70)	(1)	-	(495)
At 30 June 2013	-	22,398	24,305	7,705	56	-	54,464
Net Book Value							
At 30 June 2013	4,092	28,230	55,178	7,193	773	65,177	160,643
At 31 December 2012	4,129	29,592	56,598	7,597	784	36,742	135,442

During the financial period, the Group spent USD4.7 million in additional capital expenditure and construction materials of USD25.6 million were reclassified from other assets to construction in progress. The Group capitalised interest costs of USD0.67 million during this period.

As at 30 June 2013, the Group did not identify indicators of land and buildings impairment.

11. OTHER ASSETS

	The Group		The Company	
	As at 30 June 2013 USD'000	**As at 31 Dec 2012 USD'000**	**As at 30 June 2013 USD'000**	**As at 31 Dec 2012 USD'000**
Construction materials	11,784	28,312	-	-
VAT (recoverable)	8,629	8,707	-	-
Spare parts	2,564	3,161	-	-
Quarry stripping costs	395	395	-	-
Others	-	-	-	-
	23,372	40,575	-	-

During the financial period, construction materials of USD25.6 million were reclassified to property, plant and equipment, mostly as construction in progress.

12. INVENTORIES, NET

	The Group		The Company	
	As at 30 June 2013 USD'000	**As at 31 Dec 2012 USD'000**	**As at 30 June 2013 USD'000**	**As at 31 Dec 2012 USD'000**
Spare parts	8,929	7,533	-	-
Work in progress	7,637	3,814	-	-
Raw materials	4,199	4,902	-	-
Finished goods	1,150	2,274	-	-
Other material	1,047	515	-	-
Packing materials	215	243	-	-
Fuel	201	195	-	-
Goods held for resale	75	79	-	-
Construction materials	-	62	-	-
	23,453	19,617		
Less: Allowance for obsolete inventories	(1,671)	(1,369)	-	-

	21,782	18,248	-	-

During the financial period, the Group made an allowance for obsolete inventories of USD0.3million.

13. TRADE RECEIVABLE AND OTHER RECEIVABLES

	The Group		The Company	
	As at 30 June 2013 USD'000	As at 31 Dec 2012 USD'000	As at 30 June 2013 USD'000	As at 31 Dec 2012 USD'000
Trade receivables	5,524	3,608	-	-
Less: Allowance for doubtful receivables	(393)	(397)	-	-
	5,131	3,211	-	-
Other receivables:				
VAT recoverable	2,998	3,173	-	-
Income tax	575	-	-	-
Receivable from related party	-	7	-	-
Receivable from employees	12	17	-	-
Others	358	371	-	-
	9,074	6,779	-	-

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

In determining the recoverability of trade receivables, the directors consider any change in the credit quality of the trade receivables from the date the credit was initially granted up to the end of the financial period. The directors have reviewed the trade receivables and considered no further provision for trade receivables is necessary based on prevailing conditions and available information as at 30 June 2013.

14. CASH AND CASH EQUIVALENTS

	The Group	
	As at 30 June 2013 USD'000	As at 31 Dec 2012 USD'000
Cash in hand and at banks	5,135	6,994
Short-term deposits	-	7,002
	5,135	14,016

During the financial period, the increase in cash and cash equivalents was due to the upliftment of short-term investments of approximately USD6 million.

15. BORROWINGS

	The Group	
	As at 30 June 2013 USD'000	As at 31 Dec 2012 USD'000
Current portion:		
Bonds	33	108
Bank loans	13,030	14,419
	13,063	14,527
Non-current portion:		
Bonds	9,433	9,485
Bank loans	24,459	31,178
	33,892	40,663
Total borrowings	46,955	55,190

Central Asia Cement JSC

During the financial period, subsidiary companies (Karcement JSC and CAC JSC), signed, as co-borrowers, an extension of working capital credit line agreement with Halyk Bank JSC of up to USD20 million. The facility matures on 23 January 2014.

Karcement JSC

A subsidiary company, Karcement JSC, is required to comply with certain financial covenants in relation to borrowings obtained from the European Bank for Reconstruction and Development. These covenants include various financial ratios. Karcement JSC has breached covenants as at 31 December 2012 and 2011 and during the year then ended. As at 30 June 2013, the breach of covenants remained.

Undrawn loan commitment

As at 30 June 2013, CAC JSC and Karcement JSC jointly have an undrawn working capital loan facility from Halyk Bank JSC totaling KZT3 billion (approximately USD20 million).

As at 30 June 2013, Karcement JSC has fully utilised all of its loan facilities with EBRD and HSBC Bank Kazakhstan.

16. 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 2013 and 2012:

	Purchase of services	
	30 June 2013 USD'000	**30 June 2012 USD'000**
Maxam Kazakhstan	738	483
Opera Holdings LLP	10	-

The following balance with related parties is included in the condensed consolidated statement of financial position as of 30 June 2013 and 31 December 2012:

	Receivable/(Payable) to related parties	
	30 June 2013 USD'000	**31 Dec 2012 USD'000**
Maxam Kazakhstan	(43)	(151)
Others	-	7

Services rendered by Maxam Kazakhstan and Opera Holdings LLP represent drilling and blasting services, and rental expenses respectively.

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 2013 USD'000	30 June 2012 USD'000	30 June 2013 USD'000	30 June 2012 USD'000
Remunerations	412	462	107	111
Short-term benefits	36	20	-	-
Total	448	482	107	111

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.

17. FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The operations of the Group are subject to a various financial risks which include foreign currency risk, credit risk, liquidity risk and interest rate 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 have been no change in the financial risk management objectives and policies since the previous financial year ended 31 December 2012. 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 amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in forced or liquidation sale. As no readily available market exists for a large part of the Group's financial instruments, judgment is necessary in arriving at fair value, based on current economic conditions and specific risks attributable to the 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 nature of maturity of these financial instruments.

Short-term investments, 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 nature of 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 year with similar maturities adjusted by credit risk.

As at 30 June 2013 and 2012, the fair values of financial assets and financial liabilities approximate their carrying values.

18. COMMITMENTS AND CONTIGENCIES

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 USD7.7 million (KZT1,174,659 thousand) as at 30 June 2013.

Other than the above, there are no significant changes in the commitments and contingencies since the financial year ended 31 December 2012.