

27 May 2026

**Steppe Cement Limited**

("Steppe Cement" or the "Company")

**Final Results for the Year Ended 2025  
Notice of Annual General Meeting**

The Board of Steppe Cement (AIM: STCM) is pleased to announce the Company's final results for the year ended 31 December 2025, which are set out below.

**Highlights:**

**Strong Market Recovery and Volume Growth**

The Kazakh cement market experienced significant growth in 2025, with consumption increasing by more than 20% to exceed 14 million tonnes, supported by residential construction, infrastructure projects and ongoing urbanisation. Steppe Cement maintained a 14.4% market share of the cement market while increasing sales volumes by 21% to approximately 2.07 million tonnes through improved operational reliability and increased clinker production.

**Significant Improvement in Financial Performance**

Revenue increased to USD 101.5 million, up 20% year-on-year, driven by higher sales volumes and improved pricing. Gross profit rose to USD 28.4 million, while EBITDA improved to USD 11.8 million from USD 7.5 million in 2024. Net profit increased to USD 3.2 million (2024: USD 1.0 million), reflecting improved operational efficiency, tighter cost control and a more favourable market environment. The Company ended the year with a strong cash position of USD 10.5 million.

**Operational Progress and Capacity Expansion**

The operational improvements implemented on Line 6 continued to deliver strong results, with the Company's clinker production increasing to 1.63 million tonnes in 2025 from 1.47 million tonnes in 2024. Following this progress, the Board approved a USD 30 million expansion project to increase clinker production capacity from 3,000 to 4,500 tonnes per day, supporting future cement production capacity of approximately 2.5 million tonnes annually. Completion is expected by summer 2027.

Steppe Cement wishes to inform that its Annual General Meeting will take place at its Malaysian Office at Suite 10.1, 10th Floor, West Wing, Rohas Perkasa, 8 Jalan Perak, Kuala Lumpur, Malaysia on Friday, 26 June 2026 at 4.00 p.m. (UTC+8).

A copy of the Annual Report 2025 and the Notice of Annual General Meeting will shortly be made available on the Company's website at [www.steppecement.com](http://www.steppecement.com).

For further information, please contact:

**Steppe Cement Limited**

Javier del Ser Pérez, Executive Chairman

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**Strand Hanson Limited (Nominated & Financial Adviser and Broker)**

James Spinney / Ritchie Balmer / Imogen Ellis

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*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019.*

**CHAIRMAN STATEMENT**

Dear Shareholders,

After 27 years as Chief Executive Officer of the Company, I have transitioned to the role of Executive Chairman while leaving the CEO role in the capable hands of Petr Durnev. In this new capacity, I look forward to supporting Steppe Cement as it enters its next expansion phase.

Surprisingly, the Kazakh cement market has strengthened following a period of sustained competition and margin pressure over the past three years. Cement demand in Kazakhstan increased by 21%, resulting in higher sales volumes and pricing conditions in local currency terms. Consequently, industry utilisation levels have moved upwards.

The year ended 31 December 2025 was characterised by a strong recovery in construction activity in Kazakhstan. According to official statistics, the total volume of construction work increased by 15.9% year-on-year to KZT 10.7 trillion or 6% of GDP. This expansion was driven mostly by residential construction (estimated at 65%) where 20 million square meters of housing were commissioned, followed by infrastructure (construction of roads, railways and related projects) and by non-residential buildings.

The residential housing sector was driven by the private sector that provided 90% of the supply while public housing was 10%.

Construction growth was geographically widespread, with increased activity recorded in most regions, including significant expansion in the major urban centres of Almaty, Shymkent and Astana and, as well as in the industrial regions.

In addition to residential construction, there was continued investment in social infrastructure, including the commissioning of schools, healthcare facilities and other public buildings during the year.

The outlook for the Kazakh construction sector remains positive. Population growth of more than 200,000 people per year (now reaching 20.5 million), growing urbanisation particularly in the



*New crane for Line 6 preheater tower*

south, residential development and infrastructure investment means that GDP per capita now equals or exceeds that of Turkey or Malaysia.

While residential construction growth is expected to continue at a moderate pace, infrastructure and non-residential projects are likely to remain significant contributors to overall demand. At the same time, the Board remains mindful of potential risks, including cost inflation, exchange rate volatility and competitive pressures from imports in the southern regions that may eventually spill in the central market. We will be watching for any change of momentum in the market to adapt our strategy quickly.

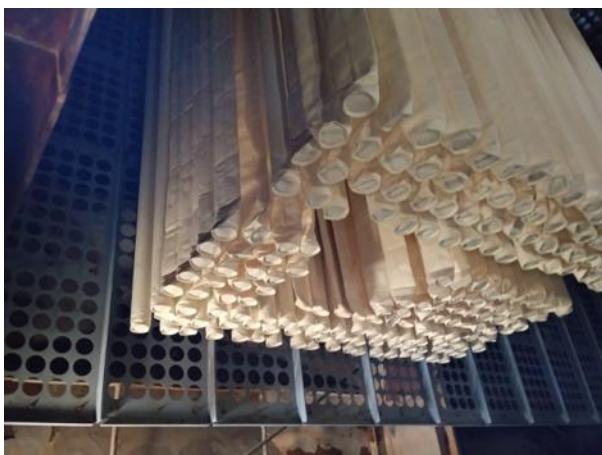


*Support equipment for new raw mill 5*

The Company is well positioned to benefit from this environment, supported by its established market position, strong operational capabilities, experienced management team and a very sound balance sheet. Its location, near the major industrial and urban centres of Astana, Karaganda and Temirtau, and near key raw material sources including limestone, clay, coal, iron ore and slag, continues to be a significant strategic advantage.

The production facilities operated at high utilisation rates for much of the year, reflecting both improved market conditions and the benefits of ongoing operational improvements. Management maintained a disciplined approach to cost control, enabling the Company to respond effectively to increased demand despite continued inflationary pressures, particularly in energy, transport and labour. Import volumes also increased during the year,

reflecting regional supply dynamics and price differentials.



*Interior new clay crusher filter*

The management continues to focus on operational excellence and disciplined expansion. During the year, management implemented a series of improvements that allowed to increase clinker production by 11%. Following this success, the Board agreed an expansion plan to take production from 2 to 2.5 million tonnes with a budget of USD30 million that includes a new cooler, a new raw mill, rebuilding of the riser duct, new stage 4 cyclones, modifications to the kiln drive, kiln seal, coal mill and cooler heat recovery. The expansion will provide reduced per tonne consumption of coal and electricity and doesn't

require any increase in fixed expenses. There will be only a small increase in number of operators for the new raw mill number 5 with a capacity of 120 tons per hour. Completion is expected by the summer of 2027. We will be providing updates on the construction progress.

The cement making process consumes substantial amounts of energy and emits CO<sub>2</sub> both due to the heating of the materials as well as the chemical reactions in the process. The sector has traditionally

reduced these emissions through capital investment, heat recovery projects, alternative fuels use and clinker substitution. The Company has historically reduced its emissions with the closure of the wet lines, the replacement of most of the process filters and substantial improvements in the heat recovery. The energy consumption and emissions are in line with similar factories around the world.

To comply with future ecological standards, Steppe is negotiating a framework agreement with the government that will set up targets in line with worldwide Best Available Technologies standard (“BAT”) by 2035. The Company has already committed to spend USD5 million in the next two years to complete the full transition to bag filters from electrostatic precipitators. Once the agreement is completed, we expect the current emission tax to be substantially reduced from its current level of USD1.4 million per year.



The current production expansion underway together with the planned increase of slag use in the production of cement will substantially improve the ecological footprint and lower the energy consumption per tonne.

The Board will continue to keep a cautious approach to capital allocation, prioritising investments that deliver attractive returns while maintaining a strong balance sheet. We intend to use our cash flow to finance the majority of these investments, and we have arranged loans with local banks to cover the rest.

In addition, as part of its commitment to the communities in which it operates, the Company continues to support the village of Aktau through partnerships which have been in place since 1998. We sponsor numerous sport teams in the area and contribute to essential community infrastructure by undertaking major repairs in the heating systems and other municipal utilities. The Company also offers support to employees and ex-employees who experience health issues and provides free annual health medical check-ups to all employees who require them.

Following the improved trading performance in 2025, the Board is reviewing its approach to the allocation between capex and an increased dividend. The final decision will depend upon:

- the Company’s cash generation and debt commitments during the year.
- ongoing and planned capital expenditure requirements; and
- prevailing market conditions and outlook.

In April 2026, we managed to complete the first stage of restructuring with the removal of two companies in the group: The intermediary holding Steppe Cement BV and Mechanical and Electrical in Malaysia. Currently the main operating companies in Kazakhstan are Karcement JSC and Central Asia Cement JSC both directly owned by Steppe Cement Bhd. Sdn. in Malaysia. With the current tax code and double taxation treaty in place with Malaysia, the dividend withholding tax will be 5% up to USD2 million paid to the holding from each Kazakh company and 10% for any amount higher than that.

On 19 November 2025, the Company subscribed to the first tranche of bonds issued by its wholly owned subsidiary, Karcement, amounting to USD10 million pursuant to a sale and purchase agreement entered into by both parties. The bond carries a fixed annual coupon rate of 8%, payable quarterly, and has a maturity period of 10 years from the subscription date. Interest on the bonds is tax free.

The subscription forms part of the approved programme to issue up to USD50 million in bonds, intended initially to refinance the remaining USD13 million outstanding on the loan owed by Steppe Cement Ltd to Karcement. Depending on future market conditions, Karcement can also use this instrument to replace bank debt.

A further step in the restructuring process, involving a holding company already incorporated in the Astana International Finance Centre (AIFC), remains under consideration. Dividends paid by companies incorporated in AIFC to their holding companies are not subject to dividend withholding tax.

On the macroeconomic front, the Kazakhstan Tenge appreciated against the USD during 2025, and the trend has continued well into 2026. This is unusual, as the currency has historically depreciated by approximately 5% per year against the USD, broadly in line with inflation and interest-rate differentials. However, the current political conflicts, the privileged position of Kazakhstan as a big energy production country and its geographic position between China and Russia, point toward a positive short-term outcome for the currency.

Current inflation is 11% and the base interest rate is still high at 18%.

Finally, I would like to thank Mr Xavier Blutel for his many years of service to the Company, and welcome Saida Djarbolova as a new Independent Non-Executive Director. Together with the new CEO, Petr Durnev, Ms Djarbolova will help the Company in the relation with the Government and Kazakh institutions.

On behalf of the Board, I would like to thank our employees, management, customers and shareholders for their continued support.

Yours sincerely,

**Javier del Ser**  
**Executive Chairman**

**STEPPE CEMENT LTD**  
(Incorporated in Labuan, Malaysia)

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

	Note	Group		Company	
		2025 USD	2024 USD	2025 USD	2024 USD
Revenue	4	101,544,792	84,923,700	1,949,442	1,490,402
Cost of sales		<u>(73,284,281)</u>	<u>(61,566,422)</u>	-	-
Gross profit		28,260,511	23,357,278	1,949,442	1,490,402
Other income		2,442,342	2,298,646	38,906	87,639
Selling expenses		(13,548,123)	(11,871,228)	-	-
Administrative expenses		(7,916,398)	(8,569,663)	(944,113)	(495,069)
Other expenses		(3,399,119)	(3,841,247)	-	-
Net addition of impairment losses on financial assets	5(c)	<u>(120,077)</u>	<u>(91,838)</u>	-	-
<b>Profit from operations</b>		5,719,136	1,281,948	1,044,235	1,082,972
Finance cost	5(b)	<u>(371,877)</u>	<u>(1,230,368)</u>	-	-
<b>Profit before tax</b>	5	5,347,259	51,580	1,044,235	1,082,972
Tax (expense)/credit	6	<u>(2,029,527)</u>	<u>945,710</u>	-	-
<b>Profit net of tax, for the financial year</b>		<u><u>3,317,732</u></u>	<u><u>997,290</u></u>	<u><u>1,044,235</u></u>	<u><u>1,082,972</u></u>
<b>Basic and diluted earnings per ordinary share (cents)</b>	7	<u><u>1.51</u></u>	<u><u>0.46</u></u>		

**STEPPE CEMENT LTD**  
(Incorporated in Labuan, Malaysia)

**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (cont'd)**

	Note	Group		Company	
		2025 USD	2024 USD	2025 USD	2024 USD
<b>Profit net of tax, for the financial year</b>		<u>3,317,732</u>	<u>997,290</u>	<u>1,044,235</u>	<u>1,082,972</u>
<b>Other comprehensive income for the financial year:</b>					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Exchange differences arising from translation of foreign operations	19	2,298,651	(8,704,850)	-	-
Asset revaluation surplus, net of deferred tax	19	-	2,424,546	-	-
<b>Total other comprehensive income for the financial year</b>		<u>2,298,651</u>	<u>(6,280,304)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the financial year</b>		<u>5,616,383</u>	<u>(5,283,014)</u>	<u>1,044,235</u>	<u>1,082,972</u>
<b>Profit for the financial year attributed to Owners of the Company</b>		<u>3,317,732</u>	<u>997,290</u>	<u>1,044,235</u>	<u>1,082,972</u>
<b>Total other comprehensive income attributed to Owners of the Company</b>		<u>2,298,651</u>	<u>(6,280,304)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income attributable to Owners of the Company</b>		<u>2,298,651</u>	<u>(6,280,304)</u>	<u>-</u>	<u>-</u>

The annexed notes form an integral part of,  
and should be read in conjunction with, these financial statements.

**STEPPE CEMENT LTD**  
(Incorporated in Labuan, Malaysia)

**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2025**

		Group		Company	
	Note	2025 USD	2024 USD	2025 USD	2024 USD
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	8	45,439,173	46,364,479	-	-
Right-of-use asset	9	14,894	19,062	-	-
Investments in subsidiaries	10	-	-	36,151,930	36,199,699
Other assets	11	251,718	307,878	-	-
Amounts due from subsidiaries	12	-	-	13,400,000	27,000,000
Investment in bond	13	-	-	10,000,000	-
		<u>45,705,785</u>	<u>46,691,419</u>	<u>59,551,930</u>	<u>63,199,699</u>
<b>Current assets</b>					
Inventories	14	19,046,491	20,314,140	-	-
Trade receivables	15	128,749	600,953	-	-
Other receivables	16	4,482,678	3,406,663	4,661	7,736
Amounts due from subsidiaries	12	-	-	508,735	211,094
Tax recoverable		927,764	2,098,186	-	-
Cash and cash equivalents	17	<u>11,432,961</u>	<u>6,063,506</u>	<u>267,025</u>	<u>116,999</u>
		<u>36,018,643</u>	<u>32,483,448</u>	<u>780,421</u>	<u>335,829</u>
<b>TOTAL ASSETS</b>		<u><u>81,724,428</u></u>	<u><u>79,174,867</u></u>	<u><u>60,332,351</u></u>	<u><u>63,535,528</u></u>

**STEPPE CEMENT LTD**  
(Incorporated in Labuan, Malaysia)

**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2025** (cont'd)

	Note	Group		Company	
		2025 USD	2024 USD	2025 USD	2024 USD
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	18	61,049,924	65,399,924	61,049,924	65,399,924
Asset revaluation reserve	19	3,368,552	3,669,267	-	-
Foreign translation reserve	19	(131,584,049)	(133,882,700)	-	-
Retained earnings/ (Accumulated losses)	19	<u>125,482,974</u>	<u>121,864,527</u>	<u>(1,021,007)</u>	<u>(2,065,242)</u>
<b>TOTAL EQUITY</b>		<u>58,317,401</u>	<u>57,051,018</u>	<u>60,028,917</u>	<u>63,334,682</u>
<b>Non-current liabilities</b>					
Borrowings	20	1,754,412	2,071,991	-	-
Deferred tax liabilities	21	2,919,403	2,557,498	-	-
Deferred income	22	1,674,434	1,839,899	-	-
Lease liability	23	25,386	16,978	-	-
Provision for site restoration	24	<u>36,079</u>	<u>31,701</u>	<u>-</u>	<u>-</u>
		<u>6,409,714</u>	<u>6,518,067</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>					
Borrowings	20	866,164	3,121,028	-	-
Deferred income	22	140,018	184,756	-	-
Lease liability	23	4,775	3,763	-	-
Trade payables	25	10,468,339	6,669,584	-	-
Other payables	26	<u>5,518,017</u>	<u>5,626,651</u>	<u>303,434</u>	<u>200,846</u>
		<u>16,997,313</u>	<u>15,605,782</u>	<u>303,434</u>	<u>200,846</u>
<b>TOTAL LIABILITIES</b>		<u>23,407,027</u>	<u>22,123,849</u>	<u>303,434</u>	<u>200,846</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>81,724,428</u></u>	<u><u>79,174,867</u></u>	<u><u>60,332,351</u></u>	<u><u>63,535,528</u></u>

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

**STEPPE CEMENT LTD**

(Incorporated in Labuan, Malaysia)

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

		<-----Attributable to Owners of the Company----->				
		<-----Non-distributable----->			Distributable	
	Note	Share capital USD	Asset revaluation reserve USD	Foreign translation reserve USD	Retained earnings USD	Total Equity USD
<b>2024</b>						
<b>Group</b>						
<b>At 1 January</b>		73,760,924	1,515,896	(125,177,850)	120,596,062	70,695,032
Profit for the financial year		-	-	-	997,290	997,290
<b>Other comprehensive income</b>						
Asset revaluation surplus, net of deferred tax	19	-	2,424,546	-	-	2,424,546
Exchange differences arising from translation of foreign operations	19	-	-	(8,704,850)	-	(8,704,850)
Realisation of depreciated asset revaluation reserve	19	-	(271,175)	-	271,175	-
Total other comprehensive income for the financial year		-	2,153,371	(8,704,850)	271,175	(6,280,304)
<b>Total comprehensive income for the financial year</b>		-	2,153,371	(8,704,850)	1,268,465	(5,283,014)
<b>Transaction with Owners of the Company</b>						
Capital repayment, representing total transaction with Owners of the Company	18	(8,361,000)	-	-	-	(8,361,000)
<b>At 31 December</b>		65,399,924	3,669,267	(133,882,700)	121,864,527	57,051,018

**STEPPE CEMENT LTD**

(Incorporated in Labuan, Malaysia)

**STATEMENTS OF CHANGES IN EQUITY**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (cont'd)**

		<-----Attributable to Owners of the Company----->				
		<-----Non-distributable----->			Distributable	
		Share capital USD	Asset revaluation reserve USD	Foreign translation reserve USD	Retained earnings USD	Total Equity USD
	Note					
<b>2025</b>						
<b>Group (cont'd)</b>						
<b>At 1 January</b>		65,399,924	3,669,267	(133,882,700)	121,864,527	57,051,018
Profit for the financial year		-	-	-	3,317,732	3,317,732
<b>Other comprehensive income</b>						
Exchange differences arising from translation of foreign operations	19	-	-	2,298,651	-	2,298,651
Realisation of depreciated asset revaluation reserve	19	-	(300,715)	-	300,715	-
Total other comprehensive income for the financial year		-	(300,715)	2,298,651	300,715	2,298,651
<b>Total comprehensive income for the financial year</b>		-	(300,715)	2,298,651	3,618,447	5,616,383
<b>Transaction with Owners of the Company</b>						
Capital repayment, representing total transaction with Owners of the Company	18	(4,350,000)	-	-	-	(4,350,000)
<b>At 31 December</b>		<u>61,049,924</u>	<u>3,368,552</u>	<u>(131,584,049)</u>	<u>125,482,974</u>	<u>58,317,401</u>

**STEPPE CEMENT LTD**  
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**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (cont'd)**

	Note	Share capital USD	Accumulated losses USD	Total equity USD
<b>Company</b>				
<b>At 1 January 2024</b>		73,760,924	(3,148,214)	70,612,710
Capital repayment, representing total transaction with Owners of the Company		(8,361,000)	-	(8,361,000)
Profit net of tax, representing total comprehensive income for the financial year		-	1,082,972	1,082,972
<b>At 31 December 2024/1 January 2025</b>		65,399,924	(2,065,242)	63,334,682
Capital repayment, representing total transaction with Owners of the Company	18	(4,350,000)	-	(4,350,000)
Profit net of tax, representing total comprehensive income for the financial year		-	1,044,235	1,044,235
<b>At 31 December 2025</b>		<u>61,049,924</u>	<u>(1,021,007)</u>	<u>60,028,917</u>

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

**STEPPE CEMENT LTD**  
(Incorporated in Labuan, Malaysia)

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

	Note	Group		Company	
		2025 USD	2024 USD	2025 USD	2024 USD
<b>Cash Flows from Operating Activities</b>					
Profit before tax		5,347,259	51,580	1,044,235	1,082,972
<i>Adjustments for:</i>					
Amortisation of deferred income		(147,035)	(226,254)	-	-
Depreciation of property, plant and equipment		5,248,443	5,527,933	-	-
Depreciation of right-of-use asset		4,784	5,319	-	-
Loss on disposal of property, plant and equipment		75,707	1,243,611	-	-
Revaluation deficit on property, plant and equipment*		-	237,250	-	-
Allowance/(reversal) for inventories obsolescences		178,154	(1,492,166)	-	-
Net addition of impairment loss on financial assets	5(c)	120,077	91,838	-	-
Impairment loss on investments in subsidiaries		-	-	47,769	-
Written off of bad debts		7,152	-	-	-
Waiver of debts		-	-	51,039	-
Interest income		(1,107,693)	(594,633)	(1,950,418)	(1,578,041)
Interest expense		371,877	1,230,368	-	-
Unrealised loss/(gain) on foreign exchange		339	24,287	(473)	2,114
Operating profit/(loss) before changes in working capital		10,099,064	6,099,133	(807,848)	(492,955)
<i>Changes in working capital:</i>					
Deferred income		(141,992)	19,122	-	-
Inventories		1,154,500	1,367,621	-	-
Payables		3,072,951	1,340,737	102,588	35,660
Receivables		(522,531)	2,418,484	3,075	2,897
<b>Cash from/(used in) operations</b>		13,661,992	11,245,097	(702,185)	(454,398)
Income tax paid		(568,751)	(109,443)	-	-
Interest paid		(281,755)	(627,387)	-	-
Interest received		1,107,693	594,633	976	2,147,925
<b>Net cash from/(used in) operating activities</b>		13,919,179	11,102,900	(701,209)	1,693,527

\* Revaluation deficit on property, plant and equipment with no corresponding prior revaluation surplus

**STEPPE CEMENT LTD**  
(Incorporated in Labuan, Malaysia)

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025** (cont'd)

	Note	Group		Company	
		2025 USD	2024 USD	2025 USD	2024 USD
(cont'd)					
<b>Cash Flows from Investing Activities</b>					
Proceeds from disposal of property, plant and equipment		22,195	187,768	-	-
Acquisition of property, plant and equipment	8(a)	(1,883,087)	(1,470,704)	-	-
Acquisition of bond		-	-	(10,000,000)	-
Repayment from subsidiaries		-	-	15,200,762	2,161,091
<b>Net cash (used in)/from investing activities</b>		<u>(1,860,892)</u>	<u>(1,282,936)</u>	<u>5,200,762</u>	<u>2,161,091</u>
<b>Cash Flows from Financing Activities</b>					
Capital repayment	18	(4,350,000)	(8,361,000)	(4,350,000)	(8,361,000)
Drawdown of borrowings	(ii)	2,273,105	11,407,546	-	-
Repayment of borrowings	(ii)	(5,039,691)	(12,499,814)	-	-
Repayment of lease liability	(i)(ii)	-	(3,442)	-	-
Advance from related parties		688	-	-	-
<b>Net cash used in financing activities</b>		<u>(7,115,898)</u>	<u>(9,456,710)</u>	<u>(4,350,000)</u>	<u>(8,361,000)</u>
<b>Net increase/(decrease) cash and cash equivalents</b>		4,942,389	363,254	149,553	(4,506,382)
Effect of foreign exchange rate changes		427,066	(735,185)	473	(314)
Cash and cash equivalents at beginning of the financial year		<u>6,063,506</u>	<u>6,435,437</u>	<u>116,999</u>	<u>4,623,695</u>
<b>Cash and cash equivalents at end of the financial year</b>		<u>11,432,961</u>	<u>6,063,506</u>	<u>267,025</u>	<u>116,999</u>

**STEPPE CEMENT LTD**  
(Incorporated in Labuan, Malaysia)

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025** (cont'd)

(i) Cash outflow for leases as a lessee are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Included in net cash from/(used in) operating activities:</b>				
- Interest paid in relation to lease liability	(3,816)	(4,997)	-	-
- Payment related to short-term leases	(311,821)	(287,391)	(4,308)	(3,892)
<b>Included in net cash used in financing activities:</b>				
Payment for the principal portion of lease liability	-	(3,442)	-	-
Total cash outflows for leases	<u>(315,637)</u>	<u>(295,830)</u>	<u>(4,308)</u>	<u>(3,892)</u>

(ii) Reconciliation of movements of liabilities to cash flows arising from financing activities:

	<b>Borrowings</b>	<b>Lease liability</b>
	<b>USD</b>	<b>USD</b>
<b>Group</b>		
<b>2025</b>		
At beginning of the financial year	5,193,019	20,741
Drawdown	2,273,105	-
Repayment	(5,039,691)	-
Net changes from financing cash flows	(2,766,586)	-
Interest expense	364,739	3,816
Interest paid	(281,755)	-
Foreign exchange	111,159	5,604
At end of the financial year	<u>2,620,576</u>	<u>30,161</u>

**STEPPE CEMENT LTD**  
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**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025** (cont'd)

(ii) Reconciliation of movements of liabilities to cash flows arising from financing activities: (cont'd)

<b>Group</b> (cont'd)	<b>Borrowings</b>	<b>Lease</b>
<b>2024</b>	<b>USD</b>	<b>liability</b>
		<b>USD</b>
At beginning of the financial year	6,483,960	26,591
Drawdown	11,407,546	-
Repayment	(12,499,814)	(3,442)
Net changes from financing cash flows	(1,092,268)	(3,442)
Interest expense	1,222,069	4,997
Interest accrued	5,292	-
Interest paid	(622,390)	(4,997)
Foreign exchange	(803,644)	(2,408)
At end of the financial year	<u>5,193,019</u>	<u>20,741</u>

The annexed notes form an integral part of,  
and should be read in conjunction with, these financial statements.