CHAGALA GROUP LIMITED

Unaudited Interim Condensed
Consolidated Financial Statements

For the six months ended 30 June 2018

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Unaudited Interim Condensed Consolidated Statement

CHAGALA GROUP LIMITED

Unaudited Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2018

In thousands of US Dollars	Note	30 June 2018 Unaudited	31 December 2017 audited
Assets			
Non-current assets			
Property, plant and equipment	7	67,746	71,267
Intangible assets other than goodwill		84	105
Capital work-in-progress	7	256	361
Investment property	8	5,411	4,573
Investment in associates	4	3,448	3,448
Value added tax recoverable		338	347
Restricted cash		254	254
		77,537	**80,355**
Current assets			
Inventories	9	1,258	1,359
Accounts receivable	10	1,995	2,371
Taxes prepaid	11	357	349
Corporate income tax prepaid		280	225
Due from related parties	23	361	431
Other prepayments	12	842	830
Cash	13	1,510	1,781
		6,603	**7,346**
Total assets		**84,140**	**87,701**
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital	14	8,503	8,503
Additional paid-in capital		80,293	80,293
Treasury shares	14	(232)	(232)
Retained earnings		76	202
Revaluation reserve, net of deferred tax	14	57,837	57,837
Foreign currency translation reserve		(83,854)	(82,342)
		62,623	**64,261**
Non-controlling interests	5	1,708	1,844
Total equity		**64,331**	**66,105**
Non-current liabilities			
Long-term borrowings	15	7,000	7,500
Deferred tax liabilities	22	7,699	7,807
		14,699	**15,307**
Current liabilities			
Current portion of long-term borrowings	15	2,000	2,500
Short-term borrowings	15	175	300
Interest payable	15	114	139
Corporate income tax payable		110	41
Trade accounts payable	16	1,500	1,396
Advances from customers	17	555	748
Taxes payable	18	135	254
Due to related parties	23	266	659
Other payables and accruals		255	252
		5,110	**6,289**
Total liabilities		**19,809**	**21,596**
Total equity and liabilities		**84,140**	**87,701**

Chief Executive Officer — Francisco Parrilla

Chief Financial Officer — Svetlana Mendesh

The accompanying notes on pages 6 to 20 are an integral part of these unaudited interim condensed consolidated statement.

CHAGALA GROUP LIMITED

Unaudited Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June

In thousands of US Dollars	**Note**	**2018 unaudited**	**2017 unaudited**
Room and rent revenue	6	6,620	7,409
Food and beverages revenue	6	835	1,191
Other operating revenue	6	888	954
Total revenue		**8,343**	**9,554**
Utilities, cleaning and maintenance		(1,801)	(1,729)
Costs of food and beverages		(247)	(365)
Salaries and employee benefits	19	(2,219)	(2,573)
General and administrative expenses		(1,227)	(1,353)
Depreciation and amortization		(1,399)	(1,449)
Operating profit		**1,450**	**2,085**
Foreign exchange (loss)/profit, net		(298)	350
(Gain)/Loss on disposal of property, plant and equipment		–	(11)
Finance costs	20	(383)	(477)
Other income		–	12
Other expenses	21	(580)	(340)
Profit before income tax expense		**189**	**1,619**
Income tax expense	22	(201)	(313)
Profit for the period		**(12)**	**1,306**
Attributable to:			
Equity holders of the parent		(126)	1,198
Non-controlling interests	5	114	108
		(12)	**1,306**
Earnings per share (in US Dollars): basic and diluted, for profit for the period attributable to equity holders of the parent	14	(0,006)	0.057

Chief Executive Officer Francisco Parrilla

Chief Financial Officer Svetlana Mendesh

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Interim Condensed Consolidated Statement of Other Comprehensive Income

For the six months ended 30 June

In thousands of US Dollars	Note	2018 unaudited	2017 unaudited
Profit for the period		**(12)**	**1,306**
Other comprehensive income			
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:			
Foreign currency translation (loss)/gain	14	(1,557)	2,315
Revaluation of property, plant and equipment		–	–
Income tax effect		–	–
Revaluation of property, plant and equipment, net of tax		**–**	**–**
Net other comprehensive (loss)/gain not to be reclassified to profit or loss in subsequent periods		**(1,557)**	**2,315**
Total comprehensive (loss)/gain for the period, net of tax		**(1,569)**	**3,621**
Attributable to:			
Equity holders of the parent		(1,638)	3,464
Non-controlling interests	5	69	157
		(1,569)	**3,621**

Chief Executive Officer — Francisco Parrilla

Chief Financial Officer — Svetlana Mendesh

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CHAGALA GROUP LIMITED

Unaudited Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June

In thousands of US Dollars	Note	2018 Unaudited	2017 unaudited
Cash flows from operating activities			
Profit before income tax expense		189	1,619
Adjustments for:			
Depreciation	7	1,380	1,439
Amortisation		19	10
Unrealised foreign exchange (loss)/gain		308	(373)
Change in allowance for doubtful debts		8	80
Finance costs	20	383	477
Loss/(gain) on disposal of property, plant and equipment		–	11
Cash from operations before working capital changes		**2,287**	**3,263**
(Increase)/decrease in operating assets:			
Inventories		66	1
Accounts receivable		307	365
Amounts due from related parties		46	(122)
Other assets		(57)	(26)
Increase/(decrease) in operating liabilities:			
Accounts payable		140	(437)
Advances from customers		(193)	(166)
Amounts due to related parties		(244)	(365)
Other payables		(103)	137
Cash generated from operations		**2,249**	**2,650**
Interest paid		(401)	(416)
Income taxes paid		(104)	(117)
Net cash provided by operating activities		**1,744**	**2,117**
Cash flows from investing activities			
Loans repaid by related parties		13	364
Purchases of property, plant and equipment		(531)	(571)
Proceeds from disposal of property, plant and equipment		–	–
Long-term prepayments		–	(218)
Acquisition of intangible assets		–	(1)
Net cash used in investing activities		**(518)**	**(426)**
Cash flows from financing activities			
Repayment of long-term borrowings		(1,000)	(1,325)
Receipt of long-term borrowings		–	600
Receipt of short-term borrowings		150	–
Repayment of short-term borrowings		(275)	–
Transaction costs		(8)	(1)
Dividends paid to equity holders of the parent		(132)	–
Dividends paid to non-controlling interests	14	(205)	(138)
Net cash used in financing activities		**(1,470)**	**(864)**
Net increase in cash		(244)	827
Effect of exchange rate changes on cash		(27)	(92)
Cash at the beginning of the year	13	1,781	2,213
Cash at the end of the period	**13**	**1,510**	**2,948**

Chief Executive Officer — Francisco Parrilla

Chief Financial Officer — Svetlana Mendesh

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CHAGALA GROUP LIMITED

Unaudited Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June

	Attributable to equity holders of the parent								
In thousands of US Dollars	Share capital	Additional paid in capital	Treasury shares	Revaluation reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
As at 1 January 2018	**8,503**	**80,293**	**(232)**	**57,837**	**(82,342)**	**202**	**64,261**	**1,844**	**66,105**
Profit for the period	–	–	–	–	–	(126)	(126)	114	(12)
Other comprehensive income	–	–	–	–	(1,512)	–	(1,512)	(45)	(1,557)
Total comprehensive income	–	–	–	–	**(1,512)**	**(126)**	**(1,638)**	**69**	**(1,569)**
Dividends	–	–	–	–	–	–	–	(205)	(205)
Other movements	–	–	–	–	–	–	–	–	–
As at 30 June 2018	**8,503**	**80,293**	**(232)**	**57,837**	**(83,854)**	**76**	**62,623**	**1,708**	**64,331**

	Attributable to equity holders of the parent								
In thousands of US Dollars	Share capital	Additional paid in capital	Treasury shares	Revaluation reserve	Foreign currency translation reserve	Retained earnings	Total	Non−controlling interests	Total equity
As at 1 January 2017	**8,503**	**80,293**	**(232)**	**60,008**	**(82,440)**	**670**	**66,802**	**1,365**	**68,167**
Profit for the period	–	–	–	–	–	1,198	1,198	108	1,306
Other comprehensive income	–	–	–	–	2,266	–	2,266	49	2,315
Total comprehensive income	–	–	–	–	**2,266**	**1,198**	**3,464**	**157**	**3,621**
Dividends	–	–	–	–	–	–	–	(64)	(64)
Other movements	–	–	–	(9)	–	9	–	–	–
As at 30 June 2017	**8,503**	**80,293**	**(232)**	**59,999**	**(80,174)**	**1,877**	**70,266**	**1,458**	**71,724**

Chief Executive Officer | Francisco Parrilla

Chief Financial Officer | Svetlana Mendesh

The accompanying notes on pages 6 to 20 are an integral part of these unaudited interim condensed consolidated statement.

1 CORPORATE INFORMATION

Chagala Group Limited (the "Company" or "Parent") was incorporated as a private company in the British Virgin Islands ("BVI") on 20 February 2006. The Company was formed for the principal purpose of acting as the parent company of a group of subsidiaries based in the Republic of Kazakhstan. The principal activities of the Company and its controlled subsidiaries (collectively referred to as the "Group") consist of (i) ownership and management of hotels, serviced apartments, office accommodation and other commercial properties (ii) restaurant operations and (iii) development of commercial real estate in Western Kazakhstan.

The Company's registered address is c/o Offshore Incorporations Limited, PO Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands and it operational headquarters address is Wyndham Place, 26th Floor 44 Wyndham Street Central, Hong Kong.

On 27 February 2007 the Company listed its Global Depository Receipts ("GDRs"), each representing four ordinary shares, through an initial public offering ("IPO") on the London Stock Exchange ("LSE"), and successfully floated 57.9% of its ordinary shares. GDRs of the Company were publicly traded and the shareholding was dispersed with no single party able to exercise control.

Based on the decision made at the Annual General Shareholder Meeting the Company changed its listing on the LSE from GDRs to Shares, in the form of depository interests. The admission to trading of the Company's GDRs on the London Stock Exchange was voluntarily cancelled on 30 October 2015.

On 18 November 2015 the issued share capital of the Company consisting of 21,250,000 ordinary shares (in the form of the depository interests) has been admitted, with a standard listing, to the Official List of the United Kingdom Listing Authority and to trading on the London Stock Exchange Plc's main market for listed securities under the TIDM code "CGLO".

A list of the Group's subsidiaries and associates as at 30 June 2018 and 31 December 2017 is as follows:

			Percentage ownership and voting rights	
Entities	**Country of residence**	**City**	**30 June 2018**	**31 December 2017**
Subsidiaries				
Chagala Cooperatief U.A.	Netherlands	Amsterdam	100%	100%
Chagala International Holding B.V.	Netherlands	Amsterdam	100%	100%
Starion Holdings B.V.	Netherlands	Amsterdam	100%	100%
Caspi Limited LLP	Republic of Kazakhstan	Atyrau	100%	100%
Kurmangazy Development LLP	Republic of Kazakhstan	Uralsk	70%	70%
Aktau Development Company LLP	Republic of Kazakhstan	Aktau, Bautino	100%	100%
Khazar Property LLP	Republic of Kazakhstan	Bautino	100%	100%
Chagala Management LLP	Republic of Kazakhstan	Almaty	100%	100%
Bayan Limited LLP	Republic of Kazakhstan	Uralsk	100%	100%
Chagala Aksai LLP	Republic of Kazakhstan	Aksai	50.1%	50.1%
Associates				
Arrowhead B.V. (Note 4)	Netherlands	Amsterdam	30%	30%
Itasia Engineering LLP (Note 4)	Republic of Kazakhstan	Almaty	49%	49%

2 BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements are presented in US Dollars and all values are rounded to the nearest thousands ($000), except when otherwise indicated.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2017.

2.2 Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2018.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in the statement of profit or loss;
- Reclassifies the parent’s share of components previously recognised in other comprehensive income to the statement of profit or loss or retained earnings, as appropriate.

2.3 Changes in accounting policy and disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2017.

The nature and the impact of each new standard or amendment is described below:

IFRS 9 *Financial Instruments*

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement.* IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 9.

IFRS 15 Revenue from contracts with customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes*. The core principle of the new standard is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard results in enhanced disclosures about revenue, provides guidance for transactions that were not previously addressed comprehensively and improves guidance for multiple-element arrangements. IFRS 15 is effective for annual reporting periods beginning on or after 1January 2018, with early adoption permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15.

IFRS 16 Leases

IFRS 16 replaces the current guidance for the lease accounting, including IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC-15 Operating Leases—Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The new standard cancels a currently used dual lessee accounting model. This model requires classification of the lease as on-balance finance lease and off-balance operating lease. It will be replaced by a single accounting model, which implies that the lease is recognised on balance and is similar to the current accounting of the finance lease. For lessors the currently used accounting rules will be preserved in general – the lessors will continue classifying the lease as finance lease and operating lease. IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted provided that IFRS 15 Revenue from Contracts with Customers is also applied. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 16.

3 ACQUISITIONS AND MERGERS

Mergers in 2017

On 1 June 2017, Compass Offices PV LLP and Compass Offices Management LLP, being a 100% subsidiary of the Group, was merged with another 100% subsidiary of the Group, Compass Offices Holdings LLP.

On 20 November 2017, Compass Offices Holdings LLP, being a 100% subsidiary of the Group, was merged with another 100% subsidiary of the Group, Chagala Management LLP.

Compass Group Holdings (Kazakhstan) Limited and Compass Group Management (Kazakhstan) Limited have been dissolved on 23 July 2017.

The aforementioned mergers had no impact on the consolidated financial statements as they reflected a simplification of the legal structure but did not impact any consolidated financial information or conclusions around control.

Acquisitions in 2017

On 29 November 2017, the Group acquired a 100% interest in Khazar Property LLP for USD 903 thousand. The acquiree is established and registered in compliance with the laws of the Republic of Kazakhstan. The main activities of the entity are construction and operation of a multifunctional hotel complex with business centre and entertainment facility. As of the date of acquisition, the acquiree is at the initial stage of development. The purpose of the purchase was the acquisition of the exclusive land plot. The acquisition was recognized as an asset acquisition and not as a business combination. Khazar Property LLP holds the contract for 48 years rental of the land plot located in Bautino with a total area of 1 ha.

4 INVESTMENT IN ASSOCIATES

Name of associate	Principal activity	Place of incorporation and principal place of business	Percentage ownership and voting rights 30 June 2018	31 December 2017
Arrowhead B.V.	Real estate development, management and sale	Netherlands/ Kazakhstan	30%	30%
Itasia Engineering LLP	Real estate construction	Kazakhstan	49%	49%

Arrowhead B.V.

The Group has a 30% interest in Arrowhead B.V. (or “ABV”), which is involved in the development of commercial and residential properties in the Republic of Kazakhstan. ABV is a legal entity established under the laws of the Netherlands. In 2012 ABV created two subsidiaries, 100% owned by the entity: Flecha LLP was created on 11 September 2012 with its main activity in Atyrau; Crossbow LLP was created on 16 April 2012 with its main activity in Almaty. Flecha LLP is the owner of Saraishyk Residential Complex and supermarket building in Atyrau. The Complex is located near Chagala properties and comprises 4 blocks of two and three-bedroom apartments covering an area of circa 14,000 square meters. The first apartment block was finished in September 2014. The supermarket was completed in March 2015. Crossbow LLP has purchased an office building in Almaty. The six-floor building contains 5,156 square meters of useable ‘A’ class office space and is being leased to external clients.

In 2017 Arrowhead B.V. generated net loss, of which the share of the Group constituted USD 38 thousand and was booked at the Group’s consolidated income statement.

Itasia Engineering LLP

The Group has a 49% interest in Itasia Engineering LLP (or “Itasia”), which is involved in the construction of properties and provision of capital repair services for the Group. Itasia is a legal entity established under the laws of the Republic of Kazakhstan.

In 2017 Itasia recognised net loss and total other comprehensive loss, of which the share of the Group constituted USD 45 thousand (2016: gain of USD 34 thousand). The Group did not recognise the net loss on Itasia in the statement of other comprehensive income due to zero value of the investment. As at 31 December 2017 the amount of unrecognised Group’s share of Itasia’s net losses equals to USD 65 thousand.

5 MATERIAL PARTLY-OWNED SUBSIDIARY

Chagala Aksai LLP

Financial information of the Group’s subsidiary that has a material non-controlling interests, Chagala Aksai LLP, is provided below.

Proportion of equity interest held by non-controlling interests:

	Country of residence	30 June 2018 unaudited	31 December 2017 audited
Chagala Aksai LLP	Republic of Kazakhstan	49.90%	49.90%

Amounts allocated to material non-controlling interest:

In thousands of US Dollars	30 June 2018 unaudited	31 December 2017 audited
Accumulated balances of material non-controlling interest	1,602	1,647
Dividends declared	(205)	(64)
Comprehensive income allocated to material non-controlling interest for the period	19	360

In March 2018 Chagala Aksai LLP declared dividends for the year 2017 in the amount of USD 418 thousand, where USD 205 thousand refer to non-controlling interests.

In March 2017 Chagala Aksai LLP declared dividends for the year 2016 in the amount of USD 128 thousand, where USD 64 thousand refer to non-controlling interests.

Kurmangazy Development LLP

Financial information of the Group's subsidiary that has a material non-controlling interest, Kurmangazy Development LLP, is provided below.

Proportion of equity interest held by non-controlling interests:

	Country of residence	30 June 2018 unaudited	31 December 2017 audited
Kurmangazy Development LLP	Republic of Kazakhstan	30%	30%

Amounts allocated to material non-controlling interest:

In thousands of US Dollars	30 June 2018 unaudited	31 December 2017 audited
Accumulated balances of material non-controlling interest	311	261
Comprehensive income allocated to material non-controlling interest for the period	50	183

6 OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on services rendered and has two reportable operating segments: room and rent operations and food and beverages operations.

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss before income tax expense and is measured consistently with operating profit or loss in the consolidated financial statements except for certain revenues, costs and expenses which are not allocated to segments on the basis that they are not directly attributable to segments.

The following table presents information regarding the Group's business segments:

Six months ended 30 June 2018 *In thousands of US Dollars*	Room and rent	Food and beverages	Unallocated	Total operations
Revenue				
Sales to external customers	7,425	918	–	8,343
Total revenue	**7,425**	**918**	–	**8,343**
Results				
Depreciation and amortization	(1,236)	(77)	(86)	(1,399)
(Loss)/Gain on disposal of property, plant and equipment	(2)	–	2	–
Finance costs, net	(383)	–	–	(383)
Other expenses, net	–	–	(878)	(878)
Segment profit/(loss)	**2,722**	**255**	**(2,788)**	**189**

Six months ended 30 June 2017 *In thousands of US Dollars*	**Room and rent**	**Food and beverages**	**Unallocated**	**Total operations**
Revenue				
Sales to external customers	8,363	1,191	–	9,554
Total revenue	**8,363**	**1,191**	**–**	**9,554**
Results				
Depreciation and amortization	(1,327)	(62)	(60)	(1,449)
Gain/(Loss) on disposal of property, plant and equipment	5	–	(16)	(11)
Finance costs, net	(476)	–	(1)	(477)
Other income, net	–	–	22	22
Segment profit/(loss)	**3,594**	**377**	**(2,352)**	**1,619**

7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment and related accumulated depreciation consist of the following:

For the six months ended 30 June 2018 *In thousands of US Dollars*	**Land**	**Buildings**	**Furniture and equipment**	**Total**	**Capital work-in-progress**
Net carrying amount at 1 January	**8,591**	**60,190**	**2,486**	**71,267**	**361**
Additions	–	5	334	339	192
Disposals	–	–	(43)	(43)	–
Transfers	–	290	–	290	(290)
Transfer to investment property	–	(958)	–	(958)	–
Depreciation charge for the period	–	(1,051)	(329)	(1,380)	–
Translation reserve	(220)	(1,486)	(63)	(1,769)	(7)
Net carrying amount at 30 June	**8,371**	**56,990**	**2,385**	**67,746**	**256**
Gross book value	8,371	70,044	30,556	108,971	256
Accumulated depreciation	–	(13,054)	(28,171)	(41,225)	–
Net carrying amount at 30 June	**8,371**	**56,990**	**2,385**	**67,746**	**256**

Transfers in 2018 from capital work-in-progress to buildings are connected with renovation projects in Atyrau and Uralsk.

Transfer to investment property represents reclassification of a restaurant in Atyrau rented to third parties.

2017 *In thousands of US Dollars*	**Land**	**Buildings**	**Furniture and equipment**	**Total**	**Capital work-in-progress**
Net carrying amount at 1 January	**8,965**	**63,221**	**2,806**	**74,992**	**554**
Additions	–	152	454	606	473
Revaluations recognised in the statement of other comprehensive income	(133)	(2,292)	–	(2,425)	–
Reversal of impairment/(impairment)	2	94	–	96	(121)
Disposals	–	(15)	(21)	(36)	–
Transfers	(339)	887	–	548	(548)
Depreciation charge for the year	–	(2,032)	(768)	(2,800)	–
Translation reserve	96	175	15	286	3
Net carrying amount at 31 December	**8,591**	**60,190**	**2,486**	**71,267**	**361**
Gross book value	8,591	72,148	30,314	111,053	361
Accumulated depreciation	–	(11,958)	(27,828)	(39,786)	–
Net carrying amount at 31 December	**8,591**	**60,190**	**2,486**	**71,267**	**361**

Transfers in 2017 from capital work-in-progress to lands, buildings and furniture and equipment are connected with the regular capital repair and renovation projects.

Capital work-in-progress

The Group develops real estate properties in Western Kazakhstan.

The carrying amount of capital work-in progress as at 30 June 2018 and 31 December 2017 is as follows:

In thousands of US Dollars	**30 June 2018 unaudited**	**31 December 2017 audited**
Office building in Atyrau city	219	225
Atyrau New Entrance & Plaza	–	91
Other	37	45
	256	**361**

8 INVESTMENT PROPERTY

Investment property is represented by land plots with no specific purpose or development and three restaurant buildings.

In thousands of US Dollars	**30 June 2018 unaudited**	**31 December 2017 audited**
Net carrying amount at 1 January	**4,573**	**3,891**
Additions	958	903
Change in the fair value	–	(233)
Translation reserve	(120)	12
Net carrying amount of investment property	**5,411**	**4,573**

9 INVENTORIES

As at 30 June 2018 and 31 December 2017, inventories consisted of the following:

In thousands of US Dollars	**30 June 2018 unaudited**	**31 December 2017 audited**
Housekeeping goods	398	414
Materials	307	382
Spare parts	190	170
Restaurant and kitchen supplies	86	92
Food and beverages	70	102
Stationery and office equipment	49	49
Working clothes	29	22
Other	129	128
	1,258	**1,359**

Inventories recognised as an expense are as follows:

	For the six months ended 30 June	
In thousands of US Dollars	**2018**	**2017**
Cost of sales − Food and Beverages	247	365
Repairs and maintenance	122	121
Housekeeping goods	133	160
Staff meals	98	89
Replacement costs	41	45
Other	15	36
	656	**816**

10 ACCOUNTS RECEIVABLE

As at 30 June 2018 and 31 December 2017 accounts receivable consisted of the following:

In thousands of US Dollars	**30 June 2018 unaudited**	**31 December 2017 audited**
Trade accounts receivable	2,165	2,537
Allowance for doubtful debts	(170)	(166)
	1,995	**2,371**

Accounts receivable are non-interest bearing and are generally on 7 to 30-day term. The Group's accounts receivable is denominated in US Dollars (44%) and Tenge (56%) (31 December 2017: 41% and 59% accordingly).

At 30 June 2018 the largest trade accounts receivable are from North Caspian Operating Company ("NCOC") representing 41% (at 31 December 2017: from NCOC representing 51%) of total trade accounts receivable.

The movements in the allowance for doubtful debts were as follows:

In thousands of US Dollars	**30 June 2018 unaudited**	**31 December 2017 audited**
As at 1 January	**(166)**	**(95)**
Change for the period	(8)	(94)
Write-offs	–	23
Translation reserve	4	–
As at the end of the period	**(170)**	**(166)**

As at 30 June 2018 and 31 December 2017 the ageing analysis of accounts receivable is as follows:

			Past due but not impaired		
In thousands of US Dollars	**Total**	**Neither past due nor impaired**	**180-270 days**	**271-360 days**	**>360 days**
30 June 2018	**1,995**	**1,989**	**2**	**4**	**–**
31 December 2017	2,371	2,369	1	1	–

See Note 25 on credit risk of trade receivables to understand how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

11 TAXES PREPAID

As at 30 June 2018 and 31 December 2017 taxes prepaid consisted of the following:

In thousands of US Dollars	**30 June 2018 unaudited**	**31 December 2017 audited**
Value added tax recoverable	276	331
Other taxes prepaid	81	18
	357	**349**

12 OTHER PREPAYMENTS

As at 30 June 2018 and 31 December 2017 other prepayments consisted of the following:

In thousands of US Dollars	**30 June 2018 unaudited**	**31 December 2017 audited**
Advances paid to suppliers	346	340
Other receivables	510	504
	856	**844**
Impairment allowance	(14)	(14)
	842	**830**

The majority of advances paid to suppliers are KZT denominated. Other receivables are mainly denominated in USD.

13 CASH

As at 30 June 2018 and 31 December 2017 cash consisted of the following:

In thousands of US Dollars	**30 June 2018 unaudited**	**31 December 2017 audited**
Cash in current bank accounts	1,495	1,771
Cash on hand	15	10
	1,510	**1,781**

Cash in current bank accounts does not earn interest.

At 30 June 2018 and 31 December 2017 cash was denominated in the following currencies:

In thousands of US Dollars	**30 June 2018 unaudited**	**31 December 2017 audited**
KZT	1,433	946
USD	47	821
Other currencies	30	14
	1,510	**1,781**

14 SHARE CAPITAL AND OTHER RESERVES

Ordinary shares issued and fully paid

At 30 June 2018 the issued and fully paid shares of the Group consist of 21,250,000 shares of USD 0.40 each (as at 31 December 2017: 21,250,000 shares of USD 0.40 each).

Treasury shares

At 30 June 2018 treasury shares of the Group consist of 380,407 shares (as at 31 December 2017: 380,407 shares).

Dividends to shareholders

During the six months period ended 30 June 2018 no dividends were declared by the Group.

In July and December 2017, the Group declared dividends in the total amount of USD 1,043 thousand or USD 0.05 per share. In 2016 no dividends were declared by the Group.

Dividends to non-controlling interests

In February 2018 Chagala Aksai LLP, where the Group owns a 50.1% interest, declared dividends in the amount of USD 418 thousand, where USD 205 thousand relate to Non-controlling interests and USD 213 thousand represent the Group's share (Note 5).

In 2017 Chagala Aksai LLP, where the Group owns a 50.1% interest, declared dividends in the amount of USD 128 thousand , where USD 64 thousand relate to Non-controlling interests and USD 64 thousand represent the Group's share (Note 5).

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements from the functional to presentation currency.

Revaluation reserve and transfer for land and building due to disposal

The revaluation reserve is used to record increases in the fair value of land and buildings and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

Transfer for land and building represents revaluation reserve related to assets being disposed of that was transferred to retained earnings.

Earnings per share

Basic earnings per share are calculated by dividing the net income attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net income attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the potential dilutive ordinary shares into ordinary shares.

	For the six months ended 30 June	
	2018	**2017**
Weighted average number of ordinary shares outstanding (thousands)	20,870	20,870
Profit for the period attributable to equity holders of the parent (in thousands of US Dollars)	(126)	1,198
Basic and diluted earnings per share, US Dollars	**(0.006)**	**0.057**

There are no potentially dilutive or antidilutive instruments in issue in either year, and thus basic earnings per share equals diluted earnings per share.

15 BORROWINGS

As at 30 June 2018 and 31 December 2017 long-term borrowings comprised the following:

In thousands of US Dollars	Currency	30 June 2018 unaudited	31 December 2017 audited
Long-term borrowings			
Bank CenterCredit JSC	USD	7,000	7,500
		7,000	**7,500**
Current portion of long-term borrowings			
Bank CenterCredit JSC	USD	2,000	2,500
		2,000	**2,500**
Short-term borrowings			
Islamic Bank Al Hilal JSC	USD	175	300
		175	**300**
Interest payable			
Islamic Bank Al Hilal JSC	USD	2	3
Bank CenterCredit JSC	USD	112	136
		114	**139**
Total borrowings		**9,289**	**10,439**

Movement of borrowings including bonds is presented below:

In thousands of US Dollars	30 June 2018 unaudited	31 December 2017 audited
At 1 January	10,439	12,588
Receipt	150	700
Repayment	(1,275)	(2,900)
Interest accrued	389	933
Interest paid	(414)	(882)
At the end of the period	**9,289**	**10,439**

Bank CenterCredit JSC

In November 2016, Caspi Limited LLP signed an agreement with Bank CenterCredit JSC to open a USD denominated non-revolving credit facility of USD 12,500 thousand with the purpose to refinance the bonds placed on KASE and loans previously granted by Islamic Bank Al Hilal JSC. The facility is granted for 5 year-term with 8% annual rate and quarterly repayment schedule. In February 2018 the Group extended the period of credit facility with Bank CenterCredit JSC for one year until 2022 on the same terms and conditions.

As at 30 June 2018 the credit facility is secured as follows:

- immovable property with a carrying amount of USD 14,077 thousand, and
- a corporate guarantee issued by Chagala International Holding B.V.

Islamic Bank Al Hilal JSC

In February 2017 the Group entered into a general agreement Murabaha for the purchase and sale of Murabaha goods with Islamic Bank Al Hilal JSC to open one overdraft credit line. The revolving credit line is USD 1,000 thousand to finance working capital requirements. Under this credit line the Group has the right to roll over the credit facility during the period of 36 months from the date of first utilisation. Under this credit line the Murabaha profit amounts to 1-year LIBOR + 5%, with a minimum rate of 6.85%. The availability period is 25 months from the date of the agreement. As at 31 December 2017 the outstanding debt is USD 300 thousand with the Murabaha profit of 6.85%.

As at 30 June 2018 the credit facility is secured on immovable property with a carrying amount of USD 1,864 thousand.

16 TRADE ACCOUNTS PAYABLE

As at 30 June 2018 and 31 December 2017 trade accounts payable consisted of the following:

In thousands of US Dollars	**30 June 2018 unaudited**	**31 December 2017 audited**
Legal services	651	612
Other supplies	849	784
	1,500	**1,396**

Trade accounts payable are non-interest bearing and are normally settled on 30-day terms. The majority of trade payables are USD-denominated (2017: USD-denominated).

17 ADVANCES FROM CUSTOMERS

As at 30 June 2018 and 31 December 2017 advances from customers consisted of the following:

In thousands of US Dollars	**Currency**	**30 June 2018 unaudited**	**31 December 2017 audited**
Advance from KPO BV	USD	289	540
Shell Kazakhstan Development	USD	61	46
Shell Kazakhstan Development	KZT	16	25
Other advances	KZT	89	137
Total advances from customers		**555**	**748**

In September 2015 in the framework of the office building reconstruction project Uralsk Kurmangazy Development LLP entered into a long-term contract with Karachaganak Petroleum Operating B.V. (KPO BV) and received a USD denominated advance in the amount of USD 1,500 thousand. Since the advance received is a non-monetary item, it was initially recognised in KZT at the historic exchange rate at the date of transaction and is not retranslated at each reporting date. In the presentation currency, this historic KZT balance is translated from the functional currency into USD at the exchange rate as at 30 June 2018 and 31 December 2017, accordingly.

18 TAXES PAYABLE

As at 30 June 2018 and 31 December 2017 current taxes payable consisted of the following:

In thousands of US Dollars	**30 June 2018 unaudited**	**31 December 2017 audited**
Value added tax payable	47	60
Withholding tax payable	18	132
Other taxes	70	62
	135	**254**

19 SALARIES AND EMPLOYEE BENEFITS

Salaries and employee benefits for the six months ended 30 June comprised the following:

	For the six months ended 30 June	
In thousands of US Dollars	**2018 unaudited**	**2017 unaudited**
Payroll and related taxes	1,916	2,141
Benefits	303	432
	2,219	**2,573**

20 FINANCE COSTS

For the six months ended 30 June finance costs comprised the following:

	For the six months ended 30 June	
In thousands of US Dollars	**2018 unaudited**	**2017 unaudited**
Interest expense on borrowings	375	476
Other	8	1
	383	**477**

21 OTHER EXPENSES

For the six months ended 30 June other expenses comprised the following:

	For the six months ended 30 June	
In thousands of US Dollars	**2018 unaudited**	**2017 unaudited**
Litigation costs	539	280
Other expenses	41	60
	580	**340**

Litigation costs

During the six months ended 30 June 2018 and 2017, the Company was involved in litigation relating to a Direction Notice issued to certain shareholders of the Company in June 2016 under Regulation 13.8 of the Articles of Association of the Company. The Company incurred certain legal costs in relation to such litigation. In addition, the Company has met some of the legal expenses incurred by the directors in respect of the Claim pursuant to the indemnity provisions of the Articles of Association of the Company. These legal expenses are repayable by the directors in the event that the Court should determine that the indemnity provided to the Directors under the Articles of Association are not applicable in whole or in part. More detailed information about the litigation is presented in Note 24.

For the six months ended 30 June 2018 litigation costs are represented net of insurance coverage provision in the amount of USD 641 thousand (for the six months ended 30 June 2017: USD 583 thousand).

22 INCOME TAX EXPENSE

Income tax benefit or expense for the six months period ended 30 June comprised the following:

	For the six months ended 30 June	
In thousands of US Dollars	**2018 unaudited**	**2017 unaudited**
Income tax expense – current	110	254
Deferred income tax expense	91	59
Income tax expense reported in the consolidated income statement	**201**	**313**

Reflected in the consolidated financial statements as at 30 June 2018 and 31 December 2017 as follows:

In thousands of US Dollars	**30 June 2018 unaudited**	**31 December 2017 audited**
Deferred tax assets	–	–
Deferred tax liabilities	(7,699)	(7,807)
Deferred tax liability, net	**(7,699)**	**(7,807)**

23 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

During the six months ended 30 June 2018 and 2017 the Group entered into transactions with related parties. Those transactions along with balances at 30 June 2018 and 31 December 2017 are presented in the following table:

Balances with related parties

In thousands of US Dollars	**30 June 2018 unaudited**	**31 December 2017 audited**
Amounts due from related parties, including loans		
Loan to associates	36	50
Other amounts due from associates	325	381
	361	**431**
Amounts due to related parties		
Associates	13	274
Other related parties	253	385
	266	**659**

Related parties transactions

	For the six months ended 30 June	
In thousands of US Dollars	**2018**	**2017**
Associates		
Sales to related parties	384	125
Purchases from related parties	848	612

Sales transactions for the six months ended 30 June 2018 and 30 June 2017 mainly include revenue from operational services provided by the Group to Arrowhead B.V. and accommodation services rendered to Itasia.

Purchases from related parties for the six months ended 30 June 2018 and 30 June 2017 represent capital repair and technical materials provided by Itasia.

Key management personnel

	For the six months ended 30 June	
In thousands of US Dollars	**2018**	**2017**
Remuneration and compensation paid	288	313

Key management personnel comprise members of the Management Board and Board of Directors of the Group, totalling four persons during six months period ended 30 June 2018 (2017: four). The total compensation to key management personnel is included in salaries and employees benefits in the consolidated income statement.

Terms and conditions of transactions with related parties

The Group does not provide any discount on hotel services to related parties. Outstanding balances at year-end are unsecured and interest free and settlement occurs via bank transfer. There were no financial guarantees provided for any related party payables.

24 CONTINGENT COMMITMENTS AND OPERATING RISKS

Business environment

The Group's operations are primarily located in Kazakhstan. Consequently, the Group is exposed to the economic and financial markets of Kazakhstan which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in Kazakhstan. In addition, the significant depreciation of the Kazakhstan tenge, and the reduction in the global price of oil, have increased the level of uncertainty in the business environment.

The management is taking appropriate measures to support the sustainability of the Group's business in the current circumstances, which is demonstrated by stable financial results. Nevertheless, further unexpected deterioration in the areas described above could negatively affect the Group's results and financial position in a manner not currently determinable. However, these consolidated financial statements reflect management's assessment of the impact of the Kazakhstan business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

Taxation

The taxation system in Kazakhstan is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities, including opinions with respect to IFRS treatment of revenues, expenses and other items in the consolidated financial statements. Taxes are subject to review and investigation by various levels of authorities, which have the authority to impose severe fines and interest charges. A tax year generally remains open for review by the tax authorities for five subsequent calendar years; however, under certain circumstances a tax year may remain open longer.

These circumstances may create tax risks in Kazakhstan that are more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

Contractual commitments

Along with the acquisition of Compass Group in December 2015, the Group obtained through an assignment agreement the office space lease contract signed by one of the Compass Group companies in the act of the tenant. The contract has been signed in 2013 for the term of ten years without any break option during first five years from the date of signing. The lease contract may be terminated starting from October 2018, with a penalty of additional 3-month rental and interior refurbishment fee to the total amount of USD 250 thousand. Since the contract may be terminated in 2018 and corresponding losses were reported, the Group did not include any provisions in the financial statements of 2017.

Litigation

On 27 July 2016 TIPP Investments PCC filed a claim in the Commercial Division of the High Court of Justice of the British Virgin Islands against the Company and its three current directors (the "Claim"). The Claim principally concerns a Direction Notice dated 10 June 2016 issued by Chagala to TIPP Investments PCC and certain other shareholders of the Company under Regulation 13.8 of the Articles of Association of the Company on the basis that such shareholders were acting in concert in connection with an acquisition of shares in the Company by TIPP Investments PCC. The trial of the Claim, with a time estimate of fifteen days, was likely to take place in the end of 2018. On 26 June 2018 the Company and TIPP Investments PCC have reached a preliminary settlement agreement, where subject to the satisfaction of certain conditions and the carrying out of certain confirmatory due diligence, TIPP Investments PCC through a special purpose vehicle which will be incorporated for the purpose will make a voluntary unconditional offer to acquire all of the shares of the Company for cash at a price of US$2.15 per share. The completion of the acquisition shall constitute full and final settlement of any and all claims arising out of or connected to the facts in issue in the Claim proceedings which might exist as between TIPP Investments PCC and the Company.

25 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments consist of cash as well as accounts receivable, loans, borrowings and accounts payable. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk and credit risk.

Market risk

Market risk is the risk that the fair values of future cash flows of financial instruments will fluctuate because of changes in market prices. Market prices comprise different types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, deposits and derivative financial instruments.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates to the Group's long-term debt obligations with floating interest rates related to the refinancing interest rate of National Bank of RK (refinancing interest rate, US LIBOR).

As at 30 June 2018 approximately 2% (USD 175 thousand) of the Group's borrowings are at a floating interest rate (31 December 2017: 3% and USD 300 thousand accordingly).

The following table demonstrates the sensitivity of a possible change in interest rates, with all other variables held constant, of the Group's profit after income tax and equity (through the impact on floating rate borrowings).

In thousands of US Dollars	**Increase / decrease in basis points**	**Effect on profit before tax**
Six months ended 30 June 2018		
LIBOR	+100	(1)
	-100	1
Six months ended 30 June 2017		
LIBOR	+100	(5)
	-100	5

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency) and foreign currency derivatives.

Almost 59% of revenue generated by the Group during six months ended 30 June 2018 are US dollar denominated or linked to the US Dollar exchange rate and the management assesses that US dollar revenue generated by the Group would be sufficient to cover cash outflows on interests and principal repayments and timely coincides therewith, which mitigates the Group's exposure to the risk of unfavourable changes in foreign exchange rate and creates an economic hedge.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate, with all the variables held constant, of the Group's profit before income tax.

	30 June 2018		**31 December 2017**	
In thousands of US Dollars	**Increase in exchange rate**	**Effect on profit before tax**	**Increase in exchange rate**	**Effect on profit before tax**
USD	+10%	(868)	+10%	(849)
USD	-10%	868	-10%	849

Credit risk

The Group trades only with recognised, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The maximum exposure is the carrying amount as disclosed in Note 10.

With respect to credit risk arising from cash at bank, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of this instrument. The Company held cash of USD 1,495 thousand as at 30 June 2018 (31 December 2017: USD 1,771 thousand), which represents its maximum credit exposure on these assets. The cash is held with bank and financial institution counterparties, with long-term credit rating varying from "A" to "BB-", based on rating agency Standard and Poor's ratings.

Liquidity risk

The liquidity risk is the risk that the Group will encounter difficulty in the meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities, when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and borrowings.

The tables below summarises the maturity profile of the Group's financial liabilities at 30 June 2018 and 31 December 2017 based on contractual undiscounted payments:

In thousands of US Dollars	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Total**
As at 30 June 2018					
Borrowings	–	750	1,987	8,210	10,947
Trade accounts payable	–	1,500	–	–	1,500
Due to related parties	–	266	–	–	266
Other payables and accruals	–	256	–	–	256
	–	**2,772**	**1,987**	**8,210**	**12,969**
As at 31 December 2017					
Borrowings	–	886	2,174	9,406	12,466
Trade accounts payable	–	1,396	–	–	1,396
Due to related parties	–	659	–	–	659
Other payables and accruals	–	252	–	–	252
	–	**3,193**	**2,174**	**9,406**	**14,773**

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating in order to support its business and maximise shareholder value.

The Group monitors capital using a gearing ratio, which is total debt divided by total capital. The Group's policy is to keep the gearing ratio below 50%. The debt includes borrowings and trade accounts payable. Capital is defined as equity attributable to the equity holders of the Group.

The debt-to-equity ratio at the year-end was as follows:

In thousands of US Dollars	**30 June 2018 unaudited**	**31 December 2017 audited**
Borrowings	9,175	10,300
Trade accounts payable	1,500	1,396
Total debt	**10,675**	**11,696**
Equity	**64,331**	**66,105**
Debt-to-equity ratio	**0.17**	**0.18**

Fair values

Fair value is defined as the amount at which an instrument could be exchanged in a current transaction between knowledgeable willing parties according to arm's length conditions, other than in a forced or liquidation sale. As no readily available market exists for a large part of the Group's financial instruments, judgment is needed to arrive at a fair value, based on current economic conditions and the specific risks attributable to the instrument.

The carrying amount of cash, trade accounts receivable, accounts payable and other current monetary assets and liabilities approximates their fair value due to the short-term maturity of these financial instruments.

The fair value of borrowings is estimated by discounting future cash flows using rates currently available for debt or similar terms and remaining maturities. The fair value approximates their carrying values net of unamortised transaction costs.

	Carrying amount		**Fair value**	
In thousands of US Dollars	**30 June 2018**	**31 December 2017**	**30 June 2018**	**31 December 2017**
Financial assets				
Trade accounts receivable	1,995	2,371	1,995	2,371
Due from related parties	361	431	361	431
Cash	1,510	1,781	1,510	1,781
Financial liabilities				
Borrowings	9,175	10,300	9,175	10,300
Interest payable	114	139	114	139
Trade accounts payable	1,500	1,396	1,500	1,396
Due to related parties	266	659	266	659
Other payables and accruals	255	252	255	252

Fair values hierarchy as at 30 June 2018

In thousands of US Dollars	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Trade accounts receivable	–	1,995	–	1,995
Due from related parties	–	361	–	361
Cash	1,510	–	–	1.510
Financial liabilities				
Borrowings	–	9,175	–	9,175
Interest payable	–	114	–	114
Trade accounts payable	–	1,500	–	1,500
Due to related parties	–	266	–	266
Other payables and accruals	–	255	–	255

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26 EVENTS AFTER REPORTING PERIOD

The following events occurred subsequent to 30 June 2018:

- In August 2018 the Group refinanced Bank CenterCredit JSC borrowings with Islamic Bank Al Hilal JSC for the term of 5 years, with the interest rate equal to half yearly LIBOR + 4% but no less than 6.85%.
- In August 2018 the Group declared a dividend of US$0.025 per Ordinary Share for the financial year ended 31 December 2017. This dividend will be payable on or around 17 September 2018 to holders of record on 31 August 2018. The corresponding ex-dividend date will be 30 August 2018.
- As at 5 September 2018 the foreign exchange rates of US Dollars against the Kazakhstan tenge established by the Kazakhstan Stock Exchange (“KASE”) equals to 369.89 KZT.