

**“Sovereign Wealth Fund “Samruk-Kazyna” JSC**

Interim condensed consolidated financial statements  
(unaudited)

*As at June 30, 2019 and for the three and six months then ended*

## CONTENTS

---

Report on review of interim condensed consolidated financial statements

### **Interim condensed consolidated financial statements (unaudited)**

Interim consolidated statement of financial position .....	1-2
Interim consolidated statement of comprehensive income .....	3-4
Interim consolidated statement of changes in equity .....	5-6
Interim consolidated statement of cash flows .....	7
Notes to the interim condensed consolidated financial statements (unaudited).....	8-48



«Эрнст энд Янг» ЖШС  
Әл-Фараби д-лы, 77/7  
«Есентай Тауэр» ғимараты  
Алматы қ., 050060  
Қазақстан Республикасы  
Тел.: +7 727 258 5960  
Факс: +7 727 258 5961  
www.ey.com

ТОО «Эрнст энд Янг»  
пр. Аль-Фараби, 77/7  
здание «Есентай Тауэр»  
г. Алматы, 050060  
Республика Казахстан  
Тел.: +7 727 258 5960  
Факс: +7 727 258 5961

Ernst & Young LLP  
Al-Farabi ave., 77/7  
Esentai Tower  
Almaty, 050060  
Republic of Kazakhstan  
Tel.: +7 727 258 5960  
Fax: +7 727 258 5961

## Report on Review of Interim Condensed Consolidated Financial Information

To the Shareholder, Audit Committee and Management of "Sovereign Wealth Fund "Samruk-Kazyna" JSC

### Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of "Sovereign Wealth Fund "Samruk-Kazyna" JSC and its subsidiaries, which comprise the interim consolidated statement of financial position as at 30 June 2019 and the interim consolidated statement of comprehensive income for the three and six months then ended, interim consolidated statements of changes in equity and cash flows for the six months then ended and selected explanatory notes (interim condensed consolidated financial information). Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information of "Sovereign Wealth Fund "Samruk-Kazyna" JSC and its subsidiaries is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

*Ernst & Young LLP*

---

Paul Cohn  
Audit Partner



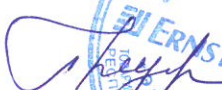
---

Albert Asmatulayev  
Auditor

Auditor Qualification Certificate  
No. МФ-0000461 dated 6 February 2017

050060, Republic of Kazakhstan, Almaty  
Al-Farabi ave., 77/7, Esentai Tower

10 September 2019

---

Gulmira Turmagambetova  
General Director  
Ernst & Young LLP



State audit license for audit activities on  
the territory of the Republic of Kazakhstan:  
series МФЮ-2 No. 0000003 issued by  
the Ministry of finance of the Republic of  
Kazakhstan on 15 July 2005

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<i>In millions of tenge</i>	<b>Note</b>	<b>June 30, 2019 (unaudited)</b>	<b>December 31, 2018 (audited) (restated)*</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	12,853,417	12,677,362
Intangible assets	8	2,031,592	1,685,014
Exploration and evaluation assets		419,734	431,848
Investment property		43,476	42,388
Investments in joint ventures and associates	9	3,914,910	3,701,451
Loans issued and finance lease receivables		404,854	431,276
Amounts due from credit institutions	10	172,496	176,360
Deferred tax assets		121,204	131,192
Other non-current financial assets		304,163	291,374
Other non-current assets	11	651,973	627,917
		<b>20,917,819</b>	<b>20,196,182</b>
<b>Current assets</b>			
Inventories		658,651	611,859
VAT receivable		167,772	151,750
Income tax prepaid		60,836	68,857
Trade accounts receivable	12	788,331	747,873
Loans issued and finance lease receivables		168,064	201,656
Amounts due from credit institutions	10	805,123	623,612
Other current financial assets		61,520	57,257
Other current assets	12	440,890	417,362
Cash and cash equivalents	13	1,750,389	2,487,533
		<b>4,901,576</b>	<b>5,367,759</b>
Assets classified as held for sale or distribution to the Shareholder	6	196,767	182,410
<b>Total assets</b>		<b>26,016,162</b>	<b>25,746,351</b>

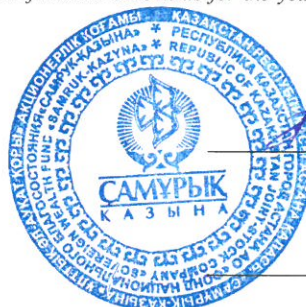
*The explanatory notes on pages 8 through 48 form an integral part of these interim condensed consolidated financial statements (unaudited).*

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**

<i>In millions of tenge</i>	Note	June 30, 2019 (unaudited)	December 31, 2018 (audited) (restated)*
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holder of the Parent</b>			
Share capital	14.1	5,148,915	5,133,766
Additional paid-in capital		17,303	17,303
Currency translation reserve		1,318,896	1,349,799
Revaluation reserve of investments at fair value through other comprehensive income		29,207	28,806
Hedging reserve		(46,474)	(67,163)
Other capital reserves		(17,119)	(16,807)
Retained earnings		5,704,819	5,099,496
		<b>12,155,547</b>	<b>11,545,200</b>
Non-controlling interest		<b>1,545,705</b>	<b>1,408,135</b>
<b>Total equity</b>		<b>13,701,252</b>	<b>12,953,335</b>
<b>Non-current liabilities</b>			
Borrowings	15	5,980,705	6,035,456
Loans from the Government of the Republic of Kazakhstan		642,215	630,433
Lease liabilities	17	329,592	130,640
Provisions		301,870	269,123
Deferred tax liabilities		1,032,827	934,960
Employee benefit liabilities		97,959	94,243
Obligations under oil supply agreements	16	717,188	1,153,761
Other non-current liabilities		104,290	118,675
		<b>9,206,646</b>	<b>9,367,291</b>
<b>Current liabilities</b>			
Borrowings	15	703,284	817,319
Loans from the Government of the Republic of Kazakhstan		14,107	22,973
Lease liabilities	17	83,318	25,853
Provisions		106,828	151,793
Employee benefit liabilities		7,009	7,267
Income tax payable		16,051	18,699
Trade and other payables		962,314	995,322
Obligations under oil supply agreements	16	409,328	527,402
Other current liabilities	18	714,485	764,021
		<b>3,016,724</b>	<b>3,330,649</b>
Liabilities associated with assets classified as held for sale or distribution to the Shareholder	6	91,540	95,076
<b>Total liabilities</b>		<b>12,314,910</b>	<b>12,793,016</b>
<b>Total equity and liabilities</b>		<b>26,016,162</b>	<b>25,746,351</b>

\* Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2018 and reflect adjustments made, refer to Note 2.

Managing Director for Economy and Finance –  
member of the Management Board



*Beibit Karymsakov*

Chief accountant

*Almaz Abdrakhmanova*

The explanatory notes on pages 8 through 48 form an integral part of these interim condensed consolidated financial statements (unaudited).

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

<i>In millions of tenge</i>	Note	For the three months ended June 30		For the six months ended June 30	
		2019 (unaudited)	2018 (unaudited) (restated)*	2019 (unaudited)	2018 (unaudited) (restated)*
<b>Continuing operations</b>					
Revenue	19	2,481,149	2,639,284	5,014,214	4,757,865
Government grants		6,856	7,135	23,257	12,154
		<b>2,488,005</b>	<b>2,646,419</b>	<b>5,037,471</b>	<b>4,770,019</b>
Cost of sales	20	(1,836,359)	(2,050,917)	(3,804,169)	(3,692,514)
<b>Gross profit</b>		<b>651,646</b>	<b>595,502</b>	<b>1,233,302</b>	<b>1,077,505</b>
General and administrative expenses	21	(104,765)	(117,746)	(206,049)	(209,848)
Transportation and selling expenses	22	(184,938)	(168,846)	(389,494)	(329,991)
Impairment loss, net	23	(60,377)	(65,363)	(68,851)	(71,794)
Gain on disposal of subsidiaries		5,723	3,259	23,354	11,012
Gain on business combination	5	17,310	–	71,960	313,517
<b>Operating profit</b>		<b>324,599</b>	<b>246,806</b>	<b>664,222</b>	<b>790,401</b>
Finance costs	24	(132,643)	(251,084)	(272,861)	(376,010)
Finance income	25	47,075	93,819	83,974	135,885
Other non-operating loss		(4,225)	(2,004)	(13,048)	(10,653)
Other non-operating income		31,900	6,062	39,145	17,529
Share in profit of joint ventures and associates, net	26	256,823	178,859	496,390	358,875
Net foreign exchange (loss)/gain		(7,066)	131,457	(19,324)	57,555
<b>Profit before income tax</b>		<b>516,463</b>	<b>403,915</b>	<b>978,498</b>	<b>973,582</b>
Income tax expenses		(113,798)	(100,953)	(194,806)	(163,425)
<b>Net profit for the period from continuing operations</b>		<b>402,665</b>	<b>302,962</b>	<b>783,692</b>	<b>810,157</b>
<b>Discontinued operations</b>					
Loss from discontinued operations, net of income tax		–	(2,920)	–	(3,542)
<b>Net profit for the period</b>		<b>402,665</b>	<b>300,042</b>	<b>783,692</b>	<b>806,615</b>
<b>Net profit for the period attributable to:</b>					
Equity holder of the Parent		345,327	272,745	679,047	752,515
Non-controlling interest		57,338	27,297	104,645	54,100
		<b>402,665</b>	<b>300,042</b>	<b>783,692</b>	<b>806,615</b>

*The explanatory notes on pages 8 through 48 form an integral part of these interim condensed consolidated financial statements (unaudited).*

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)**

	For the three months ended June 30		For the six months ended June 30	
	2019 (unaudited)	2018 (unaudited) (restated)*	2019 (unaudited)	2018 (unaudited) (restated)*
<i>In millions of tenge</i>				
<b>Other comprehensive income, net of tax</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange differences on translation of foreign operations	14.6	2,431	92,746	(37,271)
Unrealized (loss)/gain from revaluation of investments at fair value through other comprehensive income		(39)	25	(58)
(Loss)/gain on cash flow hedge		(483)	(2,384)	2,670
Reclassification of losses on cash flow hedge to profit or loss		-	-	19,005
Reclassification to profit or loss of the revaluation reserve for the sale of financial assets at fair value through other comprehensive income		105	13	112
Reclassification to profit or loss of a foreign currency translation reserve upon the disposal of foreign subsidiaries		-	(476)	-
Share of the OCI items of associates and joint ventures		(849)	877	(164)
Tax effect on transactions of OCI components		2,495	-	2,524
<b>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods</b>		<b>3,660</b>	<b>90,801</b>	<b>(13,182)</b>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Share of the OCI items of associates and joint ventures		(15)	15	190
Actuarial (loss)/gain on defined benefit plans		(1,598)	805	(2,132)
Tax effect on transactions of OCI components		-	(196)	-
<b>Other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods</b>		<b>(1,613)</b>	<b>624</b>	<b>(1,942)</b>
<b>Other comprehensive income/(loss) for the period, net of tax</b>		<b>2,047</b>	<b>91,425</b>	<b>(15,124)</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>404,712</b>	<b>391,467</b>	<b>768,568</b>
<b>Total comprehensive income for the period, net of tax, attributable to:</b>				
Equity holder of the Parent		346,815	342,306	667,554
Non-controlling interest		57,897	49,161	101,014
		<b>404,712</b>	<b>391,467</b>	<b>768,568</b>

\* Certain numbers shown here do not correspond to the consolidated financial statements for the three and six months ended June 30, 2018 and reflect adjustments made, refer to Note 2.

Managing Director for Economy and Finance –  
member of the Management Board



*Beibit Karymysakov*

Chief accountant

*Almaz Abdrahmanova*

The explanatory notes on pages 8 through 48 form an integral part of these  
interim condensed consolidated financial statements (unaudited).



**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

In millions of tenge	Note	Attributable to the equity holder of the Parent							Total	
		Share capital	Additional paid-in capital	Revaluation reserve of investments at fair value through other comprehensive income	Currency translation reserve	Hedging reserve	Other capital reserves	Retained earnings		Non-controlling interest
<b>Balance as at December 31, 2017 (audited)</b>		5,133,476	13,189	29,012	941,704	(54,666)	(16,742)	3,908,470	1,817,529	11,771,972
Total comprehensive income for the period		-	-	185	20,403	(36)	(1)	732,189	62,868	815,608
Issue of shares		-	-	-	-	-	-	-	566	566
Dividends		-	-	-	-	-	-	-	(22,687)	(22,687)
Other contributions of the Shareholder		-	3,979	-	-	-	-	-	-	3,979
Other distributions to the Shareholder		-	-	-	-	-	-	(22,476)	-	(22,476)
Acquisition of subsidiaries		-	-	-	-	-	-	-	76,761	76,761
Change in ownership interests of subsidiaries - acquisition of non-controlling interest		-	-	-	1,196	-	-	92,720	(778,619)	(684,703)
Other equity movements		-	-	64	30	-	-	43	1	138
<b>Balance as at June 30, 2018 (unaudited) (restated)*</b>		5,133,476	17,168	29,261	963,333	(54,702)	(16,743)	4,710,946	1,156,419	11,939,158

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)**

In millions of tenge	Note	Attributable to the equity holder of the Parent							Total	Non-controlling interest	Total
		Share capital	Additional paid-in capital	Revaluation reserve of investments at fair value through other comprehensive income	Currency translation reserve	Hedging reserve	Other capital reserves	Retained earnings			
<b>Balance as at December 31, 2018 (audited) (restated)*</b>		5,133,766	17,303	28,806	1,349,799	(67,163)	(16,807)	5,099,496	11,545,200	1,408,135	12,953,335
Effect of adoption of new standards	2	-	-	-	-	-	-	(10,498)	(10,498)	(6,239)	(16,737)
<b>Balance as at December 31, 2018 (audited) (restated)*</b>		5,133,766	17,303	28,806	1,349,799	(67,163)	(16,807)	5,088,998	11,534,702	1,401,896	12,936,598
Total comprehensive income for the period		-	-	111	(31,063)	20,849	-	677,657	667,554	101,014	768,568
Issue of shares	14.1	15,149	-	-	-	-	-	-	15,149	1,896	17,045
Dividends	14.2	-	-	-	-	-	-	-	-	(42,077)	(42,077)
Discount on loans from the Government	14.3	-	-	-	-	-	-	(1,796)	(1,796)	-	(1,796)
Other distributions to the Shareholder	14.4	-	-	-	-	-	-	(55,678)	(55,678)	-	(55,678)
Other transactions with the Shareholder	14.5	-	-	-	-	-	-	(2,501)	(2,501)	-	(2,501)
Acquisition of subsidiaries	5	-	-	-	-	-	-	-	-	85,804	85,804
Change in ownership interests of subsidiaries - acquisition of non-controlling interest		-	-	290	160	(160)	(312)	(1,540)	(1,852)	(487)	(2,339)
Other equity movements		-	-	-	-	-	-	(321)	(31)	(2,341)	(2,372)
<b>Balance as at June 30, 2019 (unaudited)</b>		<b>5,148,915</b>	<b>17,303</b>	<b>29,207</b>	<b>1,318,896</b>	<b>(46,474)</b>	<b>(17,119)</b>	<b>5,704,819</b>	<b>12,155,547</b>	<b>1,545,705</b>	<b>13,701,252</b>

\* Certain numbers shown here do not correspond to the consolidated financial statements for the six months ended June 30, 2018 and to the consolidated financial statements for the year ended December 31, 2018 and reflect adjustments made, refer to Note 2.

Managing Director for Economy and Finance –  
member of the Management Board



Chief accountant

The explanatory notes on pages 8 through 18 form an integral part of these interim condensed consolidated financial statements (unaudited).

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

<i>In millions of tenge</i>	Note	For the six months ended June 30, 2019 (unaudited)	For the six months ended June 30, 2018 (unaudited)
<b>Cash flows from operating activities</b>			
Receipts from customers		4,838,529	4,954,145
Payments to suppliers		(3,169,296)	(3,116,929)
Payments to employees		(484,423)	(458,337)
Other taxes and payments		(786,556)	(676,371)
Operations with financial instruments (the Fund and Kazpost JSC)		4,218	(82,456)
Other (payments)/receipts, net		(107,773)	(69,630)
VAT received		44,895	32,188
Income taxes paid		(118,365)	(91,614)
Interest paid		(225,987)	(196,829)
Interest received		81,053	94,841
<b>Net cash flows received from operating activities</b>		<b>76,295</b>	<b>389,008</b>
<b>Cash flows from investing activities</b>			
(Placement)/redemption of bank deposits, net		(193,600)	1,377,219
(Acquisition) of joint ventures and associates, net		(580)	(1,254)
(Acquisition)/sale of subsidiaries, net of cash acquired with the subsidiary	5	(170,580)	2,921
Acquisition of property, plant and equipment		(422,015)	(434,555)
Acquisition of intangible assets		(5,639)	(5,128)
Proceeds from sale of subsidiaries, net of cash of disposed subsidiaries	6	62,128	3,712
Proceeds of receivables from sale of BTA Bank JSC		30,318	-
Dividends received from joint ventures and associates	9	129,140	154,967
Loans issued		(3,141)	(22,806)
Repayment of loans issued		33,063	38,452
Purchase of debt instruments		(31,877)	(175)
Other receipts, net		37,057	12,318
<b>Net cash flows (used)/received in investing activities</b>		<b>(535,726)</b>	<b>1,125,671</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		644,993	1,431,111
Repayment of borrowings		(767,733)	(1,843,174)
Repayment of lease liabilities		(41,061)	(8,956)
Contributions to the share capital	14.1	15,000	-
Distributions to the Shareholder		(74,516)	(28,859)
Acquisition of non-controlling interest		(2,382)	(684,703)
Dividends paid to non-controlling interest of subsidiaries		(27,379)	(20,015)
Other payments		(2,726)	(106)
<b>Net cash flows used in financing activities</b>		<b>(255,804)</b>	<b>(1,154,702)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(715,235)</b>	<b>359,977</b>
Effects of exchange rate changes on cash and cash equivalents		(26,174)	64,395
Changes in cash and cash equivalents disclosed as part of assets classified as held for sale		6,184	(1,292)
Change in allowance for expected credit losses		(1,919)	(1,931)
Cash and cash equivalents, at the beginning of the period		2,487,533	2,263,938
<b>Cash and cash equivalents, at the end of the period</b>	13	<b>1,750,389</b>	<b>2,685,087</b>

Managing Director for Economy and Finance –  
member of the Management Board



*[Signature]*  
Beibit Karymsakov

Chief accountant

*[Signature]*  
Almaz Abdrakhmanova

*The explanatory notes on pages 8 through 48 form an integral part of these interim condensed consolidated financial statements (unaudited).*

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

---

### 1. GENERAL INFORMATION

#### Corporate information

“Sovereign Wealth Fund “Samruk-Kazyna” JSC (the “Fund” or “Samruk-Kazyna”) was established on November 3, 2008 in accordance with the Decree of the President of the Republic of Kazakhstan dated October 13, 2008 and the Resolution of the Government of the Republic of Kazakhstan dated October 17, 2008. The formation was enacted by the merger of “Sustainable Development Fund “Kazyna” JSC (“Kazyna”) and “Kazakhstan Holding Company for State Assets Management “Samruk” JSC (“Samruk”) and the additional transfer to the Fund of interests in certain entities owned by the Government of the Republic of Kazakhstan (the “State” or the “Government”). The Government, represented by the State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan, is the sole shareholder of the Fund (the “Shareholder” or the “Parent”).

During this process the Government’s overall objective was to increase management efficiency and to optimise organisational structures in these entities for them to successfully achieve their strategic objectives as set in the respective Government programs and development plans of these entities.

The Fund is a holding company combining state-owned enterprises listed in *Note 27* (the “Group”). Prior to February 1, 2012, the Fund’s activities were governed by the Law of the Republic of Kazakhstan *On National Welfare Fund* No. 134-4 dated February 13, 2009 and were aimed to assist in provision of stable development of the state economy, modernization and diversification of economy, and improvement of the Group companies’ efficiency. According to the Law of the Republic of Kazakhstan enacted on February 1, 2012 *On Sovereign Wealth Fund* No. 550-4, the Fund’s activity is focused on improving sovereign wealth of the Republic of Kazakhstan by increasing the long-term value of the Group companies and by effective management of the Group assets.

For management purposes, the Group is organized into organizational business units based on their products and services, and has 8 (eight) reportable operating segments as follows (*Note 31*):

- Oil and gas segment includes operations related to exploration and production of oil and gas, transportation of oil and gas and refining and trading of crude oil, gas and refined products;
- Transportation segment includes operations related to railway and air transportation of cargo and passengers;
- Communication segment includes operation of fixed line communication, including local, long-distance intercity and international telecommunication services (including CIS and non-CIS countries); and also renting out of lines, data transfer services and wireless communication services;
- Energy segment includes operations related to production and distribution of electricity, the function of oversight over the input of electricity into the energy system and consumption of imported electricity, the function of centralized operation and dispatch of facilities in the Unified Energy System of Kazakhstan;
- Mining segment includes exploration, mining, processing, sales of mineral resources and geological exploration;
- Industrial segment includes projects for the development of chemical industry;
- Corporate center segment covers Fund’s investing and financing activities, including provision of loans to related and third parties;
- Other segment includes operations related to assisting the Government in increasing housing availability by investing into residential development and other operations.

The address of the Fund’s registered office is 17/10 E10 str., Nur-Sultan, the Republic of Kazakhstan.

These interim condensed consolidated financial statements were authorised for issue by Managing Director for Economy and Finance and Chief accountant of the Fund on September 10, 2019.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

---

### 2. BASIS OF PREPARATION

These interim condensed consolidated financial statements for the three and six months ended June, 30 2019 were prepared in accordance with International Accounting Standard No. 34 *Interim Financial Statements* (IAS 34). These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended December 31, 2018.

These interim condensed consolidated financial statements are presented in Kazakhstan tenge (“tenge”) and all monetary amounts are rounded to the nearest million tenge except where otherwise indicated.

#### Restatements affecting comparative information

##### *NAC KAP*

##### *Acquisition of Baiken-U LLP and increase of share in associate companies Khorasan-U LLP and Kyzylkum LLP*

In December 2018, the Group obtained control over Baiken-U LLP. As at December 31, 2018, the Group applied provisional amounts for the acquired assets and liabilities as the assessment of fair value for the business combination was not complete at the end of the reporting period. As at June 30, 2019 an independent professional appraiser finalised fair value assessment of acquired assets and liabilities and, as a result, comparative information as at December 31, 2018, was restated.

The Group maintained significant influence over Kyzylkum LLP and JV Khorasan-U LLP as at December 31, 2018 (*Note 5*) and Group concluded that no control was obtained over JV Khorasan-U LLP pending participants’ approval of changes in the charter of the investee that would enable the Group to exercise the majority of votes. As at December 31, 2018, the Group applied provisional amounts for the acquired investments in associates as the assessment of fair value for the business combination was not complete at the end of the reporting period.

As at June 30, 2019 an independent professional appraiser finalised fair value assessment of acquired shares in associate companies. Thus, as at December 31, 2018 the Group applied fair values for the acquired investments in associates as the assessment of fair value in these condensed interim consolidated financial statements (*Note 5*).

##### *Joint operations – JV Akbastau JSC and Karatau LLP*

At June 30, 2018 in connection with the reclassification of and accounting for JV Akbastau JSC and Karatau LLP as joint operations and pending completion of fair value assessments of acquired assets and liabilities by an independent professional appraiser under IFRS 3, the acquired assets and liabilities were recorded at provisional amounts. Following issuance of the valuation report by the independent appraiser at the end of 2018, comparative information in this condensed interim consolidated financial statements was restated using acquisition method under IFRS 3 accordingly for the following items.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**2. BASIS OF PREPARATION (continued)**

**Restatements affecting comparative information (continued)**

*Investments in Sekerbank TAS*

As at June 30, 2019 Sekerbank TAS was reclassified from assets classified as held for sale to the investments in associates and the relevant amendments were made retrospectively.

<i>In millions of tenge</i>	<b>December 31, 2018 (audited)</b>	<b>NAC KAP</b>	<b>Investments in Sekerbank TAS</b>	<b>December 31, 2018 (restated)</b>
Property, plant and equipment	12,669,551	7,811	–	12,677,362
Intangible assets	1,611,163	73,851	–	1,685,014
Investments in joint ventures and associates	3,664,897	18,568	17,986	3,701,451
Inventories	611,094	765	–	611,859
Assets classified as held for sale or distribution to the Shareholder	200,396	–	(17,986)	182,410
<b>Total assets</b>	<b>25,645,356</b>	<b>100,995</b>	<b>–</b>	<b>25,746,351</b>
Currency translation reserve	1,333,529	–	16,270	1,349,799
Retained earnings	5,078,098	37,668	(16,270)	5,099,496
Equity attributable to equity holder of the Parent	11,507,532	37,668	–	11,545,200
Non-controlling interest	1,364,353	43,782	–	1,408,135
<b>Total equity</b>	<b>12,871,885</b>	<b>81,450</b>	<b>–</b>	<b>12,953,335</b>
Deferred tax liabilities	915,415	19,545	–	934,960
<b>Total liabilities</b>	<b>12,773,471</b>	<b>19,545</b>	<b>–</b>	<b>12,793,016</b>
<b>Total equity and liabilities</b>	<b>25,645,356</b>	<b>100,995</b>	<b>–</b>	<b>25,746,351</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**2. BASIS OF PREPARATION (continued)**

**Restatements affecting comparative information (continued)**

*Investments in Sekerbank TAS (continued)*

<i>In millions of tenge</i>	For the six months, ended June 30, 2018 (unaudited)	NAC KAP	Investments in Sekerbank TAS	For the six months, ended June 30, 2018 (unaudited) (restated)
Cost of sales	(3,685,947)	(6,567)	–	(3,692,514)
<b>Gross profit</b>	<b>1,084,072</b>	<b>(6,567)</b>	<b>–</b>	<b>1,077,505</b>
Impairment loss, net	(76,392)	–	4,598	(71,794)
Gain on business combination	96,858	216,659	–	313,517
<b>Operating profit</b>	<b>575,711</b>	<b>210,092</b>	<b>4,598</b>	<b>790,401</b>
Other non-operating income	17,560	(31)	–	17,529
Share in profit of joint ventures and associates, net	357,776	–	1,099	358,875
<b>Profit before income tax</b>	<b>757,824</b>	<b>210,061</b>	<b>5,697</b>	<b>973,582</b>
Income tax expenses	(164,735)	1,310	–	(163,425)
<b>Net profit for the period from continuing operations</b>	<b>593,089</b>	<b>211,371</b>	<b>5,697</b>	<b>810,157</b>
<b>Net profit for the period</b>	<b>589,547</b>	<b>211,371</b>	<b>5,697</b>	<b>806,615</b>
<b>Net profit for the period attributable to:</b>				
Equity holder of the Parent	535,447	211,371	5,697	752,515
Non-controlling interest	54,100	–	–	54,100
<b>Other comprehensive income, net of tax</b>				
Exchange differences on translation of foreign operations	12,919	–	(5,612)	7,307
Share of the OCI items of associates and joint ventures	634	–	(85)	549
<b>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods</b>	<b>13,917</b>	<b>–</b>	<b>(5,697)</b>	<b>8,220</b>
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>14,690</b>	<b>–</b>	<b>(5,697)</b>	<b>8,993</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>604,237</b>	<b>211,371</b>	<b>–</b>	<b>815,608</b>
<b>Total comprehensive income for the period, net of tax, attributable to:</b>				
Equity holder of the Parent	541,369	211,371	–	752,740
Non-controlling interest	62,868	–	–	62,868

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**2. BASIS OF PREPARATION (continued)**

**Restatements affecting comparative information (continued)**

Investments in Sekerbank TAS (continued)

<i>In millions of tenge</i>	For the three months, ended June 30, 2018 (unaudited)	NAC KAP	Investments in Sekerbank TAS	For the three months, ended June 30, 2018 (unaudited) (restated)
Cost of sales	(2,047,487)	(3,430)	–	(2,050,917)
<b>Gross profit</b>	<b>598,932</b>	<b>(3,430)</b>	<b>–</b>	<b>595,502</b>
Impairment loss, net	(67,194)	–	1,831	(65,363)
<b>Operating profit</b>	<b>248,405</b>	<b>(3,430)</b>	<b>1,831</b>	<b>246,806</b>
Share in profit of joint ventures and associates, net	178,235	–	624	178,859
<b>Profit before income tax</b>	<b>404,890</b>	<b>(3,430)</b>	<b>2,455</b>	<b>403,915</b>
<b>Net profit for the period from continuing operations</b>	<b>303,937</b>	<b>(3,430)</b>	<b>2,455</b>	<b>302,962</b>
<b>Net profit for the period</b>	<b>301,017</b>	<b>(3,430)</b>	<b>2,455</b>	<b>300,042</b>
<b>Net profit for the period attributable to:</b>				
Equity holder of the Parent	273,720	(3,430)	2,455	272,745
Non-controlling interest	27,297	–	–	27,297
<b>Other comprehensive income, net of tax</b>				
Exchange differences on translation of foreign operations	95,159	–	(2,413)	92,746
Share of the OCI items of associates and joint ventures	919	–	(42)	877
<b>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods</b>	<b>93,256</b>	<b>–</b>	<b>(2,455)</b>	<b>90,801</b>
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>93,880</b>	<b>–</b>	<b>(2,455)</b>	<b>91,425</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>394,897</b>	<b>(3,430)</b>	<b>–</b>	<b>391,467</b>
<b>Total comprehensive income for the period, net of tax, attributable to:</b>				
Equity holder of the Parent	345,736	(3,430)	–	342,306
Non-controlling interest	49,161	–	–	49,161



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**2. BASIS OF PREPARATION (continued)**

**Foreign currency translation**

*Functional and presentation currency*

Items included in the financial statements of each of the Group’s entities included in these interim condensed consolidated financial statements for the three and six months ended June 30, 2019 are measured using the currency of the primary economic environment in which the entities operate (“the functional currency”). The interim condensed consolidated financial statements are presented in tenge (“tenge”), which is the Group’s presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

*Group entities*

Gains, losses and financial position of all of the Group’s subsidiaries, joint ventures and associates (none of which has the currency of a hyperinflationary economy) that have a functional currency different from their presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at that reporting date;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates; in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognized as a separate component of other comprehensive income.

*Exchange rates*

Weighted average currency exchange rates established by the Kazakhstan Stock Exchange (“KASE”) are used as official currency exchange rates in the Republic of Kazakhstan.

The following table presents foreign currency exchange rate to tenge:

	June 30, 2019	December 31, 2018	Weighted average for the six months ended June 30, 2019	Weighted average for the six months ended June 30, 2018	September 10, 2019
United States dollar (“USD”)	<b>380.53</b>	384.20	<b>379.29</b>	326.53	<b>385.89</b>
Euro (“EUR”)	<b>433.08</b>	439.37	<b>428.45</b>	395.39	<b>426.22</b>
Russian ruble (“RUR”)	<b>6.04</b>	5.52	<b>5.81</b>	5.5	<b>5.9</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

---

### 2. BASIS OF PREPARATION (continued)

#### New and amended standards and interpretations

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 December 31, 2018, except for the adoption of new standards and interpretations effective as of January 1, 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- IFRIC Interpretation 23 *Uncertainty over Income Tax Treatment*;
- Amendments to IFRS 9: *Prepayment Features with Negative Compensation*;
- Amendments to IAS 19: *Plan Amendment, Curtailment or Settlement*;
- Amendments to IAS 28: *Long-term Interests in Associates and Joint Ventures*;
- Annual improvements 2015-2017 cycle:
  - IFRS 3 *Business Combinations*;
  - IFRS 11 *Joint Arrangements*;
  - IAS 12 *Income Taxes*;
  - IAS 23 *Borrowing Costs*.

All of these amendments had no impact on the interim consolidated financial statements of the Group.

#### *IFRS 16 Leases*

The Group applies, for the first time, IFRS 16 *Lease*. As required by IAS 34, the nature and effect of these changes are disclosed below.

IFRS 16 supersedes 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 standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-statement of financial position model.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of January 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (‘short-term leases’), and lease contracts for which the underlying asset is of low value (‘low-value assets’).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**2. BASIS OF PREPARATION (continued)**

**New and amended standards and interpretations (continued)**

*IFRS 16 Leases (continued)*

The effect of adoption IFRS 16 on interim condensed consolidated statement of financial position is as follows:

<i>In millions of tenge</i>	<b>As at January 1, 2019</b>
<b>Assets</b>	
Property, plant and equipment	210,128
Deferred tax assets	2,369
Other non-current assets	(2,374)
VAT receivable	144
Assets classified as held for sale or distribution to the Shareholder	208
<b>Total assets</b>	<b>210,475</b>
<b>Equity</b>	
Retained earnings	(10,498)
Non-controlling interest	(6,239)
	<b>(16,737)</b>
<b>Liabilities</b>	
Lease liabilities	227,858
Deferred tax liabilities	(731)
Trade and other payables	(123)
Liabilities associated with assets classified as held for sale or distribution to the Shareholder	208
<b>Total equity and liabilities</b>	<b>210,475</b>

Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of buildings and premises, plant, machinery, vehicles and other equipment. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under advances received, trade accounts payable and other payables, respectively.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

• Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under IAS 17). The requirements of IFRS 16 was applied to these leases from January 1, 2019.

• Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related advances received and accrued lease payments previously recognised.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**2. BASIS OF PREPARATION (continued)**

**New and amended standards and interpretations (continued)**

*IFRS 16 Leases (continued)*

Nature of the effect of adoption of IFRS 16 (continued)

- Leases previously accounted for as operating leases (continued)

Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied all available exemptions.

The lease liabilities as at January 1, 2019 can be reconciled to the operating lease commitments as of December 31, 2018 as follows:

*In millions of tenge*

<b>Operating lease commitments as at December 31, 2018</b>	<b>277,121</b>
Effect of discounting using incremental borrowing rate as at January 1, 2019	(63,368)
<b>Discounted operating lease commitments as at January 1, 2019</b>	<b>213,753</b>
Less commitments relating to short-term leases and low-value assets	(10,276)
Add commitments relating to leases previously classified as finance leases	156,493
Payments in periods provided by an extension option and not recognized as at December 31, 2018	24,381
<b>Lease liabilities as at January 1, 2019</b>	<b>384,351</b>

Impact of IFRS 16 adoption on interim condensed consolidated statement of cash flows

While in accordance with IAS 17, operating lease payments were presented as part of cash flows from operating activities, in accordance with IFRS 16, lease payments were split into interest payments and principal repayment. In accordance with the requirements of IFRS 16, the Group submitted repayment of principal in cash flows from financial activities. In accordance with the Group’s accounting policy, interest paid is classified as part of the cash flows from operating activities. Payments on short-term leases, leases of low value assets and variable rental payments not included in the valuation of the lease liability are presented as part of operating activities.

Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application:

- Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

- Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

---

### 2. BASIS OF PREPARATION (continued)

#### New and amended standards and interpretations (continued)

##### *IFRS 16 Leases (continued)*

##### Summary of new accounting policies (continued)

- Lease liabilities (continued)

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

- Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property, plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

- Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to extend. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

### 3. SEASONALITY OF OPERATIONS

The Group's operating expenses are subject to seasonal fluctuations, with higher expenses for various materials, production services, maintenance and other services usually expected in the second half of the year rather than in the first six months. These fluctuations are mainly due to requirements to conduct formal public tenders during the first six months with goods and services being purchased in the second six months of the year.

### 4. SIGNIFICANT ACCOUNTING ESTIMATES, AND JUDGEMENTS

The preparation of interim condensed consolidated financial statements required management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2018.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

---

### 5. BUSINESS COMBINATION

#### **Khan Tengri Holding B.V.**

On May 23, 2019, the Group concluded an agreement with Tele2 for the purchase of remaining 49% share of Khan Tengri Holding B.V. and 50.52% of the voting rights of all outstanding shares, and completed the acquisition on June 28, 2019.

The consideration transferred for 49% interest acquired by the Group was 181,535 million tenge, including cash paid in the amount of 101,118 million tenge and loan provided to Mobile Telecom Service LLP in the amount of 80,417 million tenge for the purpose of consideration payment to the seller, Tele2.

On February 25, 2016, the Group provided a guarantee to associate organization Khan Tengri Holding B.V. under the credit facility from Development Bank of Kazakhstan JSC with a credit limit of up to 10,009 million tenge for the period until December 19, 2024. Guarantee issued in the amount of 937 million tenge was included into the consideration of business combination due to the acquisition of residual shares in associate of Khan Tengri Holding B.V.

In June 2019, the Group received approval from Committee on Regulation of Natural Monopolies and Protection of Competition under the Ministry of National Economy of the Republic of Kazakhstan of the terms of the trust management agreement that indicate that the Group has control over Khan Tengri Holding B.V.

The Group's interest in Khan Tengri Holding B.V. was recorded in the interim condensed consolidated financial statements using the equity method till the date of control acquisition.

If the companies were consolidated at the beginning of the year, the Group's revenues would be 220,685 million tenge, and profit before tax 52,636 million tenge.

The amount of goodwill equal to 100,398 million tenge and includes the cost of the expected synergistic effect from the acquisition. The entire amount of goodwill is allocated to the telecommunications segment. It is expected that recognized goodwill will not be deductible for the purposes of the taxation either in full or in part.

During six months period ended June 30, 2019, the Group recognized income from re-measurement of previously held interest in the equity-accounted associate in the amount of 17,310 million tenge as a result of remeasuring its existing interest in the equity-accounted associate amount of 81,901 million tenge at the date of obtaining control to its acquisition-date fair value of 99,211 million tenge.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**5. BUSINESS COMBINATION (continued)**

**Khan Tengri Holding B.V. (continued)**

Provisional fair value amounts of identified assets, liabilities and contingent liabilities of Khan Tengri Holding B.V. as at the date of acquisition comprised the following:

<i>In millions of tenge</i>	<b>At acquisition date</b>
<b>Assets</b>	
<b>Non-current assets</b>	
Property, plant and equipment	126,230
Intangible assets	112,272
Deferred tax assets	14,945
Other non-current financial assets	78
Other non-current assets	2,060
<b>Current assets</b>	
Inventories	909
VAT receivable	1,160
Income tax prepaid	614
Trade accounts receivable	15,801
Other current assets	3,312
Cash and cash equivalents	5,392
<b>Total assets</b>	<b>282,773</b>
<b>Liabilities</b>	
<b>Non-current liabilities</b>	
Borrowings	7,551
Lease liabilities	21,530
Provisions	4,527
Deferred tax liabilities	24,004
<b>Current liabilities</b>	
Borrowings	2,705
Lease liabilities	5,383
Provisions	299
Income taxes payable	1,134
Trade and other payables	26,747
Other current liabilities	9,482
<b>Total liabilities</b>	<b>103,362</b>
<b>Net assets</b>	<b>179,411</b>
Consideration transferred for 49% interest	181,535
Acquisition-date fair value of initial 51% interest	99,211
	<b>280,746</b>
Acquisition-date fair values of identifiable net assets acquired	(179,411)
Guarantee issued to Mobile Telecom Service LLP	(937)
<b>Goodwill</b>	<b>100,398</b>
<b>Analysis of cash flows on acquisition</b>	
Net cash acquired with the subsidiary	5,392
Consideration transferred	(181,535)
<b>Net cash outflow</b>	<b>(176,143)</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**5. BUSINESS COMBINATION (continued)**

**JV Khorasan-U LLP**

The Group has gained control over JV Khorasan-U LLP on February 20, 2019. The Group assessed the fair value of the identifiable assets acquired and the liabilities and contingent liabilities assumed in the acquisition of the entity under IFRS 3 *Business Combinations*. The valuation was performed by an independent appraiser.

The following table is the fair value of the assets acquired and liabilities as at the acquisition date:

<i>In millions of tenge</i>	<b>At acquisition date</b>
<b>Assets</b>	
<b>Non-current assets</b>	
Property, plant and equipment	22,808
Intangible assets	178,856
Other non-current financial assets	3,409
Other non-current assets	882
<b>Current assets</b>	
Inventories	8,873
VAT receivable	1,736
Trade accounts receivable	10,038
Other current assets	62
Cash and cash equivalents	5,563
<b>Total assets</b>	<b>232,227</b>
<b>Liabilities</b>	
<b>Non-current liabilities</b>	
Provisions	1,240
Deferred tax liabilities	36,873
<b>Current liabilities</b>	
Borrowings	17,441
Provisions	118
Trade and other payables	4,526
Other current liabilities	421
<b>Total liabilities</b>	<b>60,619</b>
<b>Net assets</b>	<b>171,608</b>
Less:	
Non-controlling interest	(85,804)
Carrying value of the investments in joint venture	(31,154)
<b>Gain on business combination</b>	<b>54,650</b>

Net result of business combinations recognised in the six months ended June 30, 2019 comprises bargain purchase gain of 2,150 million tenge and excess of fair value of investment in the associate over its carrying value of 52,500 million tenge at the acquisition date.



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**6. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER**

**Disposals**

*KMG Retail LLP*

On February 8, 2019 the Company completed the sale of 100% interest in KMG Retail LLP, which was classified as a disposal group held for sale, for 60,512 million tenge.

At the date of loss of control net assets of KMG Retail LLP were as follows:

<i>In millions of tenge</i>	<b>Net assets at the date of disposal</b>
Property, plant and equipment	34,266
Intangible assets	42
Cash and cash equivalents	2,288
Other non-current assets	6,556
Other current assets	138
<b>Total assets</b>	<b>43,290</b>
Trade and other payables	203
Other current liabilities	56
<b>Total liabilities</b>	<b>259</b>
<b>Net assets</b>	<b>43,031</b>

The resulting gain on disposal of KMG Retail LLP amounted to 17,481 million tenge.

*Kazakhstan-British University JSC (KBTU)*

In January 2019, a sale agreement on 100% shares in KBTU between KMG and the Public Foundation “Nursultan Nazarbayev Education Fund” came into force. According to the terms of the agreement, the transfer of shares and payment of 11,370 million tenge for them are made in three tranches within two years. On February 6, 2019 KMG received a payment for the first 30% stake of 3,339 million tenge. KMG believes that it has lost control over KBTU due to transfer of 30% stake and the signing of the trust agreement for the remaining 70% stake.

At the date of loss of control net assets of KBTU were as follows:

<i>In millions of tenge</i>	<b>Net assets at the date of disposal</b>
Property, plant and equipment	6,367
Intangible assets	1,964
Amounts due from credit institutions	2,091
Cash and cash equivalents	4,732
Trade accounts receivable	504
Inventories	120
Deferred tax assets	98
VAT receivable	77
Income tax prepaid	103
Other non-current assets	37
Other current assets	158
<b>Total assets</b>	<b>16,251</b>
Trade and other payables	267
Other non-current liabilities	823
Other current liabilities	3,940
<b>Total liabilities</b>	<b>5,030</b>
<b>Net assets</b>	<b>11,221</b>

The resulting gain on disposal of KBTU net of loss of 143 million tenge incurred by KBTU for the period from January 1, 2019 till the date of sale amounted to 6 million tenge.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**6. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)**

**Disposals (continued)**

*Management Company of Special Economic Zone Taraz assets of Chemical Park (“Chemical Park”)*

In April 2019 in accordance with the Resolution of the Government of Republic of Kazakhstan dated March 26, 2019 the Fund transferred 90% shares of Chemical Park with the net assets of 7,906 million tenge to the State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan.

The resulting loss on disposal of Chemical Park net of operating loss of 103 million tenge incurred by Chemical Park for the period from January 1, 2019 till the date of sale amounted to 89 million tenge.

At the date of loss of control net assets of Chemical Park were as follows:

<i>In millions of tenge</i>	<b>Net assets at the date of disposal (unaudited)</b>
Property, plant and equipment	4,283
Intangible assets	5
Cash and cash equivalents	1,980
Inventories	25
Trade accounts receivable	19
VAT receivable	265
Other non-current assets	1,878
Other current assets	12
<b>Total assets</b>	<b>8,467</b>
Trade and other payables	132
Other current liabilities	429
<b>Total liabilities</b>	<b>561</b>
<b>Net assets</b>	<b>7,906</b>

**Assets classified as held for sale or distribution to the Shareholder**

Assets classified as held for sale or distribution to the Shareholder comprised the following:

<i>In millions of tenge</i>	<b>Segment</b>	<b>June 30, 2019 (unaudited)</b>	<b>December 31, 2018 (audited) (restated)</b>
<b>Assets classified as held for sale, including:</b>		<b>150,017</b>	182,410
Transtelecom JSC	Transportation	<b>96,344</b>	96,283
KMG Retail LLP	Oil and gas	–	43,632
Kazakh-British Technical University JSC	Oil and gas	–	15,704
Other		<b>53,673</b>	26,791
<b>Assets classified as held for distribution to Shareholder, including:</b>		<b>46,750</b>	–
MAEK-Kazatomprom LLP	Energy	<b>35,871</b>	–
International Airport Aktobe JSC	Transportation	<b>5,736</b>	–
International Airport Atyrau JSC	Transportation	<b>3,965</b>	–
Airport Pavlodar JSC	Transportation	<b>1,178</b>	–
		<b>196,767</b>	182,410

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**6. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)**

**Assets classified as held for sale or distribution to the Shareholder (continued)**

Liabilities associated with assets classified as held for sale or distribution to the Shareholder comprised the following:

<i>In millions of tenge</i>	<b>Segment</b>	<b>June 30, 2019 (unaudited)</b>	<b>December 31, 2018 (audited)</b>
<b>Liabilities associated with assets classified as held for sale, including:</b>			
Transtelecom JSC	Transportation	<b>79,973</b>	95,076
KMG Retail LLP	Oil and gas	76,645	81,992
Kazakh-British Technical University JSC	Oil and gas	–	375
Other		–	4,659
		<b>3,328</b>	8,050
<b>Liabilities associated with assets classified as held for distribution to the Shareholder, including:</b>			
MAEK-Kazatomprom LLP	Energy	<b>11,567</b>	–
International Airport Aktobe JSC	Transportation	<b>10,200</b>	–
International Airport Atyrau JSC	Transportation	<b>455</b>	–
Airport Pavlodar JSC	Transportation	<b>783</b>	–
		<b>129</b>	–
		<b>91,540</b>	95,076

In accordance with the Resolution of the Government of the Republic of Kazakhstan dated July 31, 2019, the Fund plans to transfer 100% shares in “International Airport Aktobe” JSC, “Airport Pavlodar” JSC and “International Airport Atyrau” JSC to the State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan. As of June 30, 2019, net assets of airports of 9,512 million tenge were classified as held for distribution to the Shareholder.

In accordance with the planned activities for transfer of controlling interest in MAEK-Kazatomprom LLP within 12 months period to the State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan, as at June 30, 2019 the Fund classified net assets of MAEK-Kazatomprom LLP in the amount of 25,671 million tenge as held for distribution to the Shareholder.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**

**7. PROPERTY, PLANT AND EQUIPMENT**

Movements in property, plant and equipment are presented as follows:

<i>In millions of tenge</i>	Oil and gas assets	Pipelines and refinery assets	Buildings and premises	Railway tracks and infrastructure	Machinery, equipment and vehicles	Mining assets	Other	Construction in progress	Total
<b>Net book value at January 1, 2019 (audited) (restated)</b>	4,290,879	2,339,017	993,331	1,098,920	2,876,451	139,094	83,393	856,277	12,677,362
Effect of adoption of IFRS 16 (Note 2)	47,124	5,559	43,253	–	109,587	–	4,605	–	210,128
Foreign currency translation	(36,915)	(5,912)	(924)	70	(1,472)	–	(89)	(203)	(45,445)
Changes in estimates	9,311	974	(77)	–	–	(10)	–	–	10,198
Additions	21,915	342	719	107	37,972	11,997	2,791	233,814	309,657
Additions through lease agreements	–	29	2,990	–	39,341	–	407	–	42,767
Acquisition through business combinations (Note 5)	–	–	12,467	–	67,319	22,627	25,105	18,486	146,004
Disposals	(2,717)	(3,022)	(7,659)	(396)	(46,091)	–	(4,058)	(14,909)	(78,852)
Depreciation charge	(102,228)	(73,421)	(29,333)	(17,610)	(143,650)	(13,719)	(8,112)	–	(388,073)
Depreciation and impairment on disposals	2,034	2,981	4,940	289	23,088	–	3,347	312	36,991
Impairment, net of reversal of impairment	–	(1)	(2,998)	(17)	(4,451)	(966)	(230)	(6,283)	(14,946)
Discontinued operations / transfer to assets classified as held for sale or distribution to the Shareholder	–	(41)	(23,745)	–	(31,663)	(225)	(1,477)	(6,960)	(64,111)
Transfers from/(to) intangible assets	(227)	–	–	–	(3)	–	60	(2,762)	(2,932)
Transfers from/(to) exploration and evaluation assets, investment property	1,821	–	(1,634)	–	(32)	6,536	(77)	1,036	7,650
Transfer from/(to) inventories, net	7	2,562	48	(328)	3,355	399	109	867	7,019
Other transfers and reclassifications	81,777	8,989	54,082	28,604	159,717	–	4,573	(337,742)	–
<b>Net book value at June 30, 2019 (unaudited)</b>	<b>4,312,781</b>	<b>2,278,056</b>	<b>1,045,460</b>	<b>1,109,639</b>	<b>3,089,468</b>	<b>165,733</b>	<b>110,347</b>	<b>741,933</b>	<b>12,853,417</b>
Historical cost	5,742,047	3,370,192	1,504,832	1,349,367	5,049,464	304,954	220,972	880,701	18,422,529
Accumulated depreciation and impairment	(1,429,266)	(1,092,136)	(459,372)	(239,728)	(1,959,996)	(139,221)	(110,625)	(138,768)	(5,569,112)
<b>Net book value at June 30, 2019 (unaudited)</b>	<b>4,312,781</b>	<b>2,278,056</b>	<b>1,045,460</b>	<b>1,109,639</b>	<b>3,089,468</b>	<b>165,733</b>	<b>110,347</b>	<b>741,933</b>	<b>12,853,417</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**

**7. PROPERTY, PLANT AND EQUIPMENT (continued)**

<i>In millions of tenge</i>	Oil and gas assets	Pipelines and refinery assets	Buildings and premises	Railway tracks and infrastructure	Machinery, equipment and vehicles	Mining assets	Other	Construction in progress	Total
<i>Including:</i>									
Historical cost of right-of-use assets under lease agreements	46,617	5,611	68,725	-	405,303	-	27,948	-	554,204
Accumulated depreciation and impairment of right-of-use assets under lease agreements	(2,679)	(934)	(6,104)	-	(152,548)	-	(1,056)	-	(163,321)
<b>Net book value at June 30, 2019 (unaudited)</b>	<b>43,938</b>	<b>4,677</b>	<b>62,621</b>	<b>-</b>	<b>252,755</b>	<b>-</b>	<b>26,892</b>	<b>-</b>	<b>390,883</b>

As at June 30, 2019 property, plant and equipment with net book value of 1,241,285 million tenge was pledged as collateral for some of the Group’s borrowings (December 31, 2018: 1,260,296 million tenge).

As at June 30, 2019 the cost of fully amortised property, plant and equipment of the Group was equal to 1,021,824 million tenge (December 31, 2018: 826,144 million tenge).

For the six months ended June 30, 2019 the Group accrued depreciation expenses for the right-of-use assets under lease agreements in the amount of 20,744 million tenge.

For the six months ended June 30, 2019 the Group capitalized borrowing costs at an average interest rate of 5.3% in the amount of 9,820 million tenge (for the six months ended June 30, 2018: at an average interest rate of 4.6% in the amount of 18,275 million tenge).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**8. INTANGIBLE ASSETS**

Movements in intangible assets are presented as follows:

<i>In millions of tenge</i>	Licenses	Subsur- face use rights	Goodwill	Marketing related intangible assets	Software	Other	Total
<b>Net book value at January 1, 2019 (audited) (restated)</b>	625,667	703,161	205,912	33,364	45,528	71,382	1,685,014
Foreign currency translation	(4,962)	(1,901)	(96)	1,953	(54)	(583)	(5,643)
Additions	2,047	3,657	–	–	1,299	673	7,676
Acquisition through business combinations (Note 5)	108,506	178,856	100,398	–	1,890	1,876	391,526
Disposals	(2,351)	–	–	–	(3,552)	(1,185)	(7,088)
Amortization charge	(16,156)	(16,105)	–	–	(8,886)	(2,040)	(43,187)
Accumulated amortization on disposals	1,557	–	–	–	3,549	889	5,995
(Impairment)/reversal of impairment, net	–	(5,607)	–	–	(594)	(1)	(6,202)
Discontinued operations / transfer from/(to) assets classified as held for sale or distribution to the Shareholder	(4)	(35)	–	–	(274)	(18)	(331)
Transfers from/(to) property, plant and equipment, net	88	227	–	–	2,630	(13)	2,932
Transfers from/(to) exploration and evaluation assets, investment property	–	904	–	–	–	–	904
Transfer from/(to) inventories, net	–	–	–	–	(4)	–	(4)
Other transfers	501	–	–	–	1,151	(1,652)	–
<b>Net book value at June 30, 2019 (unaudited)</b>	<b>714,893</b>	<b>863,157</b>	<b>306,214</b>	<b>35,317</b>	<b>42,683</b>	<b>69,328</b>	<b>2,031,592</b>
Historical cost	799,518	909,391	381,758	57,609	145,020	119,408	2,412,704
Accumulated amortization and impairment	(84,625)	(46,234)	(75,544)	(22,292)	(102,337)	(50,080)	(381,112)
<b>Net book value at June 30, 2019 (unaudited)</b>	<b>714,893</b>	<b>863,157</b>	<b>306,214</b>	<b>35,317</b>	<b>42,683</b>	<b>69,328</b>	<b>2,031,592</b>
<b>Including:</b>							
Historical cost of right-of-use assets under lease agreements	575	–	–	–	2,278	503	3,356
Accumulated depreciation and impairment of right-of-use assets under lease agreements	(57)	–	–	–	(549)	–	(606)
<b>Net book value at June 30, 2019 (unaudited)</b>	<b>518</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,729</b>	<b>503</b>	<b>2,750</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**

**9. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES**

Investments in joint ventures and associates comprised the following:

<i>In millions of tenge</i>	Main activity	Place of business	June 30, 2019 (unaudited)		December 31, 2018 (audited) (restated)	
			Carrying amount	Percentage ownership	Carrying amount	Percentage ownership
<b>Joint ventures</b>						
Tengizchevroil LLP	Oil and gas exploration and production	Kazakhstan	2,176,013	20.00%	1,970,533	20.00%
Mangistau Investments B.V.	Oil and gas exploration and production	Kazakhstan	185,009	50.00%	138,549	50.00%
KazRosGas LLP	Processing and sale of natural gas and refined gas	Kazakhstan	74,413	50.00%	65,116	50.00%
Beineu-Shymkent Gas Pipeline LLP	Transportation of natural gas	Kazakhstan	68,251	50.00%	34,411	50.00%
Asian Gas Pipeline LLP	Transportation of natural gas	Kazakhstan	67,518	50.00%	–	50.00%
Ural Group Limited BVI	Oil and gas exploration and production	Kazakhstan	66,732	50.00%	70,874	50.00%
AstanaGas KMG LLP	Gas pipeline construction	Kazakhstan	43,739	50.00%	43,883	50.00%
Forum Muider B. V.	Production and sale of coal	Kazakhstan	36,870	50.00%	37,008	50.00%
Other			195,651		208,277	
<b>Total joint ventures</b>			<b>2,914,196</b>		<b>2,568,651</b>	
<b>Associates</b>						
Kazzinc LLP	Mining and processing of metal ores, production of refined metals	Kazakhstan/ Kazakhstan/ Russia	431,866	29.82%	483,723	29.82%
Caspian Pipeline Consortium	Transportation of crude oil		320,331	20.75%	289,586	20.75%
PetroKazakhstan Inc. (“PKI”)	Exploration, production and processing of oil and gas	Kazakhstan	118,556	33.00%	116,577	33.00%
JV KATCO LLP	Exploration, production and processing of uranium	Kazakhstan	55,971	49.00%	49,704	49.00%
Sekerbank T.A.S. (Note 2)	Banking	Turkey	14,374	19.37%	17,986	19.37%
Khan Tengri Holding B.V. (Note 5)	Telecommunications	Kazakhstan	–	–	76,071	51.00%
Other			59,616		99,153	
<b>Total associates</b>			<b>1,000,714</b>		<b>1,132,800</b>	
			<b>3,914,910</b>		<b>3,701,451</b>	

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**9. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)**

Movements in investments in joint ventures and associates are presented as follows:

*In millions of tenge*

<b>Balance as at January 1, 2019 (audited) (restated)</b>	3,701,451
Share in profit of joint ventures and associates, net (Note 26)	<b>496,390</b>
Dividends received	<b>(129,140)</b>
Change in dividends receivable	<b>(11,015)</b>
Acquisitions	380
Disposals (Note 5)	<b>(113,055)</b>
Reversal of impairment	1,420
Foreign currency translation	<b>(28,204)</b>
Other comprehensive income, other than foreign currency translation	14
Discount on loans given	285
Adjustment of unrealized income	<b>(3,616)</b>
<b>Balance as at June 30, 2019 (unaudited)</b>	<b>3,914,910</b>

**10. AMOUNTS DUE FROM CREDIT INSTITUTIONS**

Amounts due from credit institutions comprised the following:

<i>In millions of tenge</i>	June 30, 2019 (unaudited)	December 31, 2018 (audited)
Bank deposits	<b>845,576</b>	655,787
Loans to credit institutions	<b>138,958</b>	150,785
Less: allowance for expected credit losses	<b>(6,915)</b>	(6,600)
<b>Amounts due from credit institutions, net</b>	<b>977,619</b>	799,972
Less: current portion	<b>(805,123)</b>	(623,612)
<b>Non-current portion</b>	<b>172,496</b>	176,360

<i>In millions of tenge</i>	June 30, 2019 (unaudited)	December 31, 2018 (audited)
Rating from A+(A1) to A-(A3)	<b>625,972</b>	444,431
Rating from BBB-(Baa3) to BB-(Ba3)	<b>210,377</b>	211,250
Rating from B+(B1) to B-(B3)	<b>141,270</b>	144,291
	<b>977,619</b>	799,972

<i>In millions of tenge</i>	June 30, 2019 (unaudited)	Weighted average interest rate	December 31, 2018 (audited)	Weighted average interest rate
Amounts due from credit institutions, denominated in US dollars	<b>687,408</b>	2.66%	541,913	2.44%
Amounts due from credit institutions, denominated in tenge	<b>290,205</b>	6.46%	255,151	4.85%
Amounts due from credit institutions, denominated in other currencies	<b>6</b>	4%	2,908	0.33%
	<b>977,619</b>		799,972	



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**10. AMOUNTS DUE FROM CREDIT INSTITUTIONS (continued)**

As at June 30, 2019 amounts due from credit institutions included funds of 14,828 million tenge pledged as collateral for certain Group’s borrowings (December 31, 2018: 13,806 million tenge).

<i>In millions of tenge</i>	<b>June 30, 2019 (unaudited)</b>	December 31, 2018 (audited)
International credit institutions	625,210	443,662
10 largest local banks	299,474	303,746
Other local credit institutions	52,935	52,564
	<b>977,619</b>	<b>799,972</b>

**11. OTHER NON-CURRENT ASSETS**

Other non-current assets comprised the following:

<i>In millions of tenge</i>	<b>June 30, 2019 (unaudited)</b>	December 31, 2018 (audited)
Advances paid for non-current assets	319,325	278,365
Long-term VAT receivable	189,275	191,509
Restricted cash	102,863	105,747
Long-term receivables	25,884	38,171
Prepaid expenses	17,144	16,404
Long-term inventories	14,267	15,574
Other	66,033	49,909
Less: allowance for expected credit losses	(82,818)	(67,762)
	<b>651,973</b>	<b>627,917</b>

**12. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS**

Trade accounts receivable comprised the following:

<i>In millions of tenge</i>	<b>June 30, 2019 (unaudited)</b>	December 31, 2018 (audited)
Trade accounts receivable	846,723	804,834
Less: allowance for doubtful debts	(58,392)	(56,961)
	<b>788,331</b>	<b>747,873</b>

Other current assets comprised the following:

<i>In millions of tenge</i>	<b>June 30, 2019 (unaudited)</b>	December 31, 2018 (audited)
Advances paid and deferred expenses	176,256	152,970
Other accounts receivable	150,600	150,150
Other prepaid taxes	80,007	70,802
Restricted cash	67,210	77,270
Dividends receivable	35,386	24,986
Non-financial assets for distribution to the Shareholder	13,321	13,321
Amounts due from employees	5,241	5,105
Other	24,062	26,369
Less: allowance for expected credit losses	(111,193)	(103,611)
	<b>440,890</b>	<b>417,362</b>

As at June 30, 2019 the Group’s receivables of 126,680 million tenge were pledged under certain Group borrowings (December 31, 2018: 61,325 million tenge).

At at June 30, 2019 3,984 million tenge of the Group’s receivables were interest bearing (December 31, 2018: 9,814 million tenge). As June 30, 2019 the weighted average interest rate was 10% (December 31, 2018: 11.72%).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**13. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprised the following:

<i>In millions of tenge</i>	June 30, 2019 (unaudited)	December 31, 2018 (audited)
Current accounts with banks – US dollars	745,042	998,733
Current accounts with banks – tenge	230,721	240,404
Current accounts with banks – other currency	22,411	21,232
Bank deposits – US dollars	329,813	853,482
Bank deposits – tenge	386,433	301,234
Bank deposits – other currency	5,814	3,779
Cash in transit	10,757	12,934
Cash on hand	12,098	10,431
Reverse repurchase agreements with other banks with contractual maturity of three months or less	7,472	46,011
Less: allowance for expected credit losses	(172)	(707)
	<b>1,750,389</b>	<b>2,487,533</b>

Short-term bank deposits are placed for varying periods of between 1 (one) day and 3 (three) months, depending on immediate cash needs of the Group. As at June 30, 2019 the weighted average interest rates for short-term bank deposits and current accounts were 5.43% and 0.65%, respectively (December 31, 2018: 4.0% and 0.6%, respectively).

**14. EQUITY**

**14.1 Share capital**

Payment for shares	Number of shares authorized and issued	Par value per share, in tenge	Share capital in millions of tenge
<b>As at December 31, 2018 (audited)</b>	3,481,939,318		5,133,766
Cash contributions	1,500	10,000,000	15,000
Property contributions	14,951	10,000	149
<b>As at June 30, 2019 (unaudited)</b>	<b>3,481,955,769</b>		<b>5,148,915</b>

*Cash contributions*

On February 19, 2019 the Shareholder made cash contribution to the Fund’s share capital of 15,000 million tenge. These amounts were aimed to finance projects implemented by United Chemical Company LLP (“UCC”) subsidiary of the Fund.

*Property contributions*

On June 28, 2019 the State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan contributed property of 149 million tenge to the Fund’s share capital. This property was transferred to the charter capital of subsidiary National Company “Kazakhstan Temir Zholy” JSC (“NC KTZh”).

**14.2 Dividends**

*Dividends attributable to non-controlling interest*

During the six months ended June 30, 2019, the Group declared dividends of 42,077 million tenge to the holders of non-controlling interest in National Company “KazMunayGas” JSC (“NC KMG”) group, Kazakhtelecom JSC (“KTC”), National Atomic Company “Kazatomprom” JSC (“NAC KAP”) and Kazakhstan Electricity Grid Operating Company JSC (“KEGOC”).

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

---

### 14. EQUITY (continued)

#### 14.3 Discount on loans from the Government

On May 16, 2019 the Fund made partial early repayment of bonds in the amount of 4,525 million tenge issued in the framework of the eleventh issue of bonds of the Fund purchased by the National Bank using the funds of the National Fund. Due to the early redemption of obligations of the National Bank of the Republic of Kazakhstan, the Fund recognized the decrease in discount on loans from the Government of 1,796 million tenge in consolidated statement of changes in equity.

#### 14.4 Other distributions to the Shareholder

##### *Social projects financing*

During the six months ended June 30, 2019, in accordance with the Shareholder’s resolutions, the Fund recognized liabilities for financing of various social projects for total amount of 21,264 million tenge. These liabilities were recognized as other distributions to the Shareholder in the consolidated statement of changes in equity.

##### *Financing construction of social facilities*

During the six months ended June 30, 2019, in accordance with the Shareholder’s resolutions, the Fund recognized liabilities for future financing of the construction of Kazakh drama theatre in Nur-Sultan city of 26,498 million tenge. This financing was recognized as other distributions to the Shareholder in the consolidated statement of changes in equity.

##### *Transfer shares of “Management Company of Special Economic Zone Taraz assets of Chemical Park” JSC to the Shareholder (“Chemical Park”)*

In April 2019 in accordance with the Resolution of the Government of Republic of Kazakhstan dated March 26, 2019 the Group transferred 90% shares of Chemical Park with the net assets of 7,906 million tenge to the State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan. This transaction was recognized as distribution to the Shareholder in consolidated statement of changes in equity (*Note 6*).

#### 14.5 Other transactions with the Shareholder

As part of the contract of sale of bonds of Baiterek National Managing Holding JSC, on January 17, 2019 the next tranche was issued in the amount of 5,751 million tenge. The maturity of bonds is up to 2026 with a coupon rate of 0.15%. Since the funds were provided for the purposes of housing construction and completion of construction of problem housing facilities of Nur-Sultan city within the framework of “Nurly Zher” state program, approved by the Resolution of the Government of the Republic of Kazakhstan on June 22, 2018, the difference between the nominal value and the fair value of 2,501 million tenge was recognized as Other transactions with the Shareholder in the consolidated statement of changes in equity.

#### 14.6 Currency translation reserve

The currency translation reserve is used to record exchange differences arising from the translation of financial statements of the subsidiaries, whose functional currency is not tenge and whose financial statements are included in the consolidated financial statements. During the six months ended June 30, 2019 foreign translation difference amounted to 81,223 million tenge.

Certain borrowings of the Group denominated in US dollars were designated as hedge instrument for the net investment in the foreign operations. As at June 30, 2019 unrealized foreign currency gain of 43,952 million tenge resulting from translation of these borrowings were transferred to currency translation reserve recognized in other comprehensive income.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**14. EQUITY (continued)**

**14.7 Book value per share**

In accordance with the decision of the Exchange Board of Kazakhstan Stock Exchange JSC (“KASE”) dated October 4, 2010 financial statements shall disclose book value per share (common and preferred) as of the reporting date, calculated in accordance with the KASE rules.

<i>In millions of tenge</i>	June 30, 2019 (unaudited)	December 31, 2018 (audited) (restated)
<b>Total assets</b>	<b>26,016,162</b>	25,746,351
Less: intangible assets	(2,031,592)	(1,685,014)
Less: total liabilities	(12,314,910)	(12,793,016)
<b>Net assets for common shares</b>	<b>11,669,660</b>	11,268,321
Number of common shares	3,481,955,769	3,481,939,318
<b>Book value per common share, tenge</b>	<b>3,351</b>	3,236

*Earnings per share*

<i>In tenge</i>	For the six months ended June 30, 2019 (unaudited)	For the six months ended June 30, 2018 (unaudited) (restated)
Weighted average number of common shares for basic and diluted earnings per share	3,481,940,567	3,481,938,318
Basic and diluted share in net profit for the period per share	225.07	231.66
Basic and diluted share in net profit from continuing operations per share	225.07	232.67

**15. BORROWINGS**

Borrowings, including interest payable, comprised the following:

<i>In millions of tenge</i>	June 30, 2019 (unaudited)	December 31, 2018 (audited)
Fixed interest rate borrowings	5,182,104	5,053,961
Floating interest rate borrowings	1,501,885	1,798,814
	<b>6,683,989</b>	6,852,775
Less: amounts due for settlement within 12 months	(703,284)	(817,319)
<b>Amounts due for settlement after 12 months</b>	<b>5,980,705</b>	6,035,456

<i>In millions of tenge</i>	June 30, 2019 (unaudited)	December 31, 2018 (audited)
US dollar-denominated borrowings	5,015,050	5,369,190
Tenge-denominated borrowings	1,322,679	1,116,301
Other currency-denominated borrowings	346,260	367,284
	<b>6,683,989</b>	6,852,775

Under the terms of some loan agreements, respective subsidiaries of the Group are obliged to comply with certain covenants. The Group reviews compliance with all the Group loan covenants at each reporting date.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**15. BORROWINGS (continued)**

As at December 31, 2018, the Group had breached one of the HSBC France financial covenants, as a result, classified non-current portion of the loan of 46,238 million tenge as current liability. On February 28, 2019 the Group received a waiver from HSBC France to reset covenant threshold as at December 31, 2018. As at December 31, 2018 the Group was in compliance with the reset covenant.

Accordingly, this event had not resulted in payment acceleration of HSBC France loan and had not impacted the Group’s obligations under its other borrowing arrangements. As a result, during the six months ended June 30, 2019 the Group transferred the previously reclassified principal amount to the non-current portion.

As of June 30, 2019 the Group complied with all financial and non-financial covenants under other loan agreements.

Changes in borrowings are as follows:

*In millions of tenge*

<b>Balance as at January 1, 2019 (audited)</b>	6,852,775
Additions	616,593
Interest accrued	190,939
Discount	(904)
Purchase of property plant and equipment financed by borrowings	2,407
Interest capitalized	9,817
Interest paid	(208,213)
Transfer to liabilities associated with assets classified as held for sale or distribution to the Shareholder	(4,508)
Repayment of principal	(759,432)
Amortization of discount	5,164
Business combination (Note 5)	26,240
Foreign currency translation	(47,963)
Other	1,074
<b>Balance as at June 30, 2019 (unaudited)</b>	<b>6,683,989</b>

The carrying amount of borrowings by the Group subsidiaries is presented below:

<i>In millions of tenge</i>	June 30, 2019 (unaudited)	December 31, 2018 (audited)
NC KMG and its subsidiaries	3,909,486	4,149,123
NC KTZh and its subsidiaries	1,247,679	1,272,129
The Fund	537,983	535,712
Kazakhtelecom and its subsidiaries	260,526	91,991
Samruk-Energy and its subsidiaries	233,328	248,069
KEGOC and its subsidiaries	155,848	162,059
NAC KAP and its subsidiaries	144,248	199,690
Other subsidiaries of the Fund	194,891	194,002
<b>Total borrowings</b>	<b>6,683,989</b>	<b>6,852,775</b>

**16. OBLIGATIONS UNDER OIL SUPPLY AGREEMENTS**

**NC KMG**

In 2016 the NC KMG Group entered into long-term crude oil and liquefied petroleum gas (“LPG”) supply agreement, which involved a prepayment. The total minimum delivery volume approximates 38 million tons of crude oil and 1 million tons of LPG in the period from the date of the contract to March 2021.

The agreement stipulates pricing calculation with reference to market quotes and prepayments are settled through physical deliveries of crude oil and LPG.

As at June 30, 2019, the NC KMG Group has partially settled the prepayments by oil supply in the total amount of 1,203 million US dollars (equivalent to 456,400 million tenge). Also the Group accrued interest in amount of 15,368 million tenge with interest rate of LIBOR + 1.85%.

As at June 30, 2019, the remaining delivery commitment of the Group under the oil supply agreement equals to 11 million tons of oil.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**16. OBLIGATIONS UNDER OIL SUPPLY AGREEMENTS (continued)**

**KMG Kashagan B.V.**

During 2016, the KMG Kashagan B.V. entered into a long-term crude oil supply agreement. In accordance with the terms of the agreement, during the period from 2017 till 2025, KMG Kashagan B.V. will supply the minimum volume of oil of 18 million tons from the Kashagan field.

For the six months ended June 30, 2019 KMG Kashagan B.V. has partially settled the prepayments by oil supply in the total amount of 198 million US dollars (equivalent to 75,134 million tenge).

The total amount of accrued interest for six months of 2019 amounted to 48 million US dollars (equivalent to 18,081 million tenge).

Interest at LIBOR 1m rate plus 2.05% for the amount received of 1,950 million US dollars and LIBOR 1m rate plus 2.25% for the amount of 250 million US dollars is monthly accrued on balances of those prepayments.

Obligations under oil supply agreement is recognized as contract liability to customers in accordance with IFRS 15.

**17. LEASE LIABILITIES**

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments comprised the following:

<i>In millions of tenge</i>	<b>June 30, 2019 (unaudited)</b>	
	<b>Minimum lease payments</b>	<b>Present value of minimum lease payments</b>
Within one year	97,442	83,318
Two to five years inclusive	277,267	219,223
After five years	155,183	110,369
Less: amounts representing finance costs	(116,982)	-
<b>Present value of minimum lease payments</b>	<b>412,910</b>	<b>412,910</b>
Less: amounts due for settlement within 12 months	(97,442)	(83,318)
<b>Amounts due for settlement after 12 months</b>	<b>315,468</b>	<b>329,592</b>

<i>In millions of tenge</i>	<b>December 31, 2018 (audited)</b>	
	<b>Minimum lease payments</b>	<b>Present value of minimum lease payments</b>
Within one year	31,666	25,853
Two to five years inclusive	102,955	90,430
After five years	52,591	40,210
Less: amounts representing finance costs	(30,719)	-
<b>Present value of minimum lease payments</b>	<b>156,493</b>	<b>156,493</b>
Less: amounts due for settlement within 12 months	(31,666)	(25,853)
<b>Amounts due for settlement after 12 months</b>	<b>124,827</b>	<b>130,640</b>

As at June 30, 2019 interest calculation was based on effective interest rates ranging from 4.0% to 14.60% (December 31, 2018: from 2.0% to 14.60%).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**17. LEASE LIABILITIES (continued)**

Changes in lease liabilities are as follows:

*In millions of tenge*

<b>January 1, 2019 (audited)</b>	156,493
Effect of adoption of IFRS 16 (Note 2)	<b>227,858</b>
Additions of leases	<b>40,241</b>
Interest accrued	<b>12,827</b>
Interest paid	<b>(6,396)</b>
Repayment of principal	<b>(40,501)</b>
Foreign currency translation	<b>(2,217)</b>
Transfer to liabilities associated with assets classified as held for sale or distribution to the Shareholder	<b>(150)</b>
Business combination (Note 5)	<b>23,879</b>
Other	<b>876</b>
<b>June 30, 2019 (unaudited)</b>	<b>412,910</b>

**18. OTHER CURRENT LIABILITIES**

Other current liabilities comprised the following:

<i>In millions of tenge</i>	June 30, 2019 (unaudited)	December 31, 2018 (audited)
Contract liabilities to customers	196,132	211,703
Other taxes payable	145,191	147,787
Due to employees	106,024	111,930
Amounts due to customers	35,185	27,688
Obligations to the Shareholder on the financing of social projects	35,055	50,072
Dividends payable	17,603	4,030
Advances received and deferred income	15,333	28,117
Non-financial liabilities on joint operations	11,489	16,995
Obligations under quarantine agreements	2,630	7,404
Government grant liability	-	11,784
Other financial liabilities	95,069	94,517
Other non-financial liabilities	54,774	51,994
	<b>714,485</b>	<b>764,021</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**19. REVENUE**

<i>In millions of tenge</i>	For the three months ended June 30		For the six months ended June 30	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
Sales of crude oil	799,661	1,050,303	1,731,176	1,813,876
Sales of oil refined products	653,142	709,707	1,271,964	1,246,201
Railway cargo transportation	238,670	213,515	448,404	408,206
Sales of gas products	197,016	189,566	444,863	352,150
Sales of uranium products	109,218	76,480	157,859	127,647
Telecommunication services	96,761	51,338	184,783	102,126
Sales of refined gold	94,242	65,564	165,139	113,164
Oil and gas transportation fee	81,386	77,129	159,753	160,559
Air transportation	79,977	70,360	143,224	127,196
Electricity transmission services	53,099	35,457	108,681	72,690
Electricity complex	49,516	60,362	112,259	137,434
Oil processing fees	45,228	44,278	96,037	86,462
Railway passenger transportation	20,968	20,385	40,742	38,399
Interest revenue	11,904	10,981	23,931	22,039
Postal services	10,882	9,594	21,603	19,755
Other revenue	89,674	91,431	178,224	168,284
Less: quality bank for crude oil	(6,854)	(4,629)	(8,344)	(7,555)
Less: indirect taxes and commercial discounts	(143,341)	(132,537)	(266,084)	(230,768)
	<b>2,481,149</b>	<b>2,639,284</b>	<b>5,014,214</b>	<b>4,757,865</b>

**20. COST OF SALES**

<i>In millions of tenge</i>	For the three months ended June 30		For the six months ended June 30	
	2019 (unaudited)	2018 (unaudited) (restated)	2019 (unaudited)	2018 (unaudited) (restated)
Materials and supplies	1,045,870	1,385,412	2,200,328	2,337,212
Personnel costs, including social tax and contributions	198,472	190,042	409,301	385,649
Depreciation, depletion and amortization	176,608	165,019	392,140	325,420
Fuel and energy	89,120	71,217	186,249	161,560
Production services received	86,740	40,491	152,678	88,914
Repair and maintenance	58,111	37,335	102,980	74,602
Mineral extraction tax	29,879	42,567	68,050	77,232
Taxes other than social tax and withdrawals	21,496	18,267	41,915	36,624
Interest expense	18,976	15,700	42,835	44,688
Rent	17,659	18,511	44,231	34,329
Transportation expenses	11,440	6,491	22,076	14,899
Other	81,988	59,865	141,386	111,385
	<b>1,836,359</b>	<b>2,050,917</b>	<b>3,804,169</b>	<b>3,692,514</b>



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**21. GENERAL AND ADMINISTRATIVE EXPENSES**

<i>In millions of tenge</i>	For the three months ended June 30		For the six months ended June 30	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
Personnel costs, including social tax and contributions	49,412	41,886	94,877	85,160
Depreciation and amortization	9,594	7,842	19,034	16,000
Consulting services	7,100	7,880	13,806	14,845
Taxes other than social taxes and withdrawals	5,156	9,460	13,345	18,143
Allowance for expected credit losses for trade receivable and other assets	2,898	3,976	11,676	6,537
Fines and penalties	2,419	461	2,801	819
Business trips	2,302	1,863	3,775	3,345
Rent	1,528	2,777	2,751	5,203
Other services by third parties	1,391	1,280	2,343	2,759
Repair and maintenance	1,331	1,417	2,175	2,239
Utilities expenses and maintenance of buildings	961	777	2,013	1,800
Sponsorship and charitable donations	914	1,491	5,326	1,589
Transportation services	862	1,286	1,625	2,299
Professional education and advanced trainings	748	905	1,082	1,340
Bank services	522	681	1,081	1,398
Other	17,627	33,764	28,339	46,372
	<b>104,765</b>	<b>117,746</b>	<b>206,049</b>	<b>209,848</b>

**22. TRANSPORTATION AND SELLING EXPENSES**

<i>In millions of tenge</i>	For the three months ended June 30		For the six months ended June 30	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
Transportation	96,665	81,594	210,828	165,464
Rent tax	34,798	38,287	68,969	67,348
Custom duties	33,132	29,107	66,952	58,620
Personnel costs, including social tax and contributions	4,793	4,759	9,933	9,130
Commission fees to agents and advertising	3,816	2,759	7,099	5,239
Depreciation and amortization	3,321	2,654	6,958	5,565
Other	8,413	9,686	18,755	18,625
	<b>184,938</b>	<b>168,846</b>	<b>389,494</b>	<b>329,991</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**23. IMPAIRMENT LOSS**

	For the three months ended June 30		For the six months ended June 30	
	2019 (unaudited)	2018 (unaudited) (restated)	2019 (unaudited)	2018 (unaudited) (restated)
<i>In millions of tenge</i>				
Impairment of property, plant and equipment, intangible assets and exploration and evaluation assets	45,741	41,379	45,901	42,195
Impairment of VAT receivable	11,365	729	12,526	1,312
Impairment of other financial assets	9,084	563	8,641	4,022
Impairment of amounts in credit institutions	2,122	2,425	3,654	2,168
(Reversal of impairment) / impairment / (reversal of impairment) of assets held for sale	(4,608)	(62)	4	15,068
(Reversal of impairment) / impairment of investments in joint ventures and associates	(528)	11,837	(1,220)	(4,598)
Reversal of impairment of loans issued	(5,240)	(1,171)	(5,911)	(1,363)
Other	2,441	9,663	5,256	12,990
	<b>60,377</b>	<b>65,363</b>	<b>68,851</b>	<b>71,794</b>

**24. FINANCE COSTS**

	For the three months ended June 30		For the six months ended June 30	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
<i>In millions of tenge</i>				
Interest on loans and debt securities issued	90,859	113,445	183,423	202,577
Interest under oil supply agreement	15,301	8,928	33,457	16,838
Interest on finance lease liabilities	6,735	1,583	12,621	3,040
Unwinding of discount on provisions and other payables	4,665	4,517	9,724	8,424
Interest for the early redemption of Eurobonds	–	89,612	2,316	89,612
Interest on payable for the acquisition of additional interest in North Caspian Project	–	3,441	–	6,775
Other	15,083	29,558	31,320	48,744
	<b>132,643</b>	<b>251,084</b>	<b>272,861</b>	<b>376,010</b>

**25. FINANCE INCOME**

	For the three months ended June 30		For the six months ended June 30	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
<i>In millions of tenge</i>				
Interest income on amounts due from credit institutions and cash and cash equivalents	19,136	23,889	38,920	47,977
Guarantee income	15,358	2,947	16,092	3,483
Income from loans and financial assets	9,118	11,143	18,772	22,298
Unwinding of discount on long-term receivables	1,369	752	3,426	2,234
Write-off of loan	21	51,803	546	51,803
Other	2,073	3,285	6,218	8,090
	<b>47,075</b>	<b>93,819</b>	<b>83,974</b>	<b>135,885</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**26. SHARE IN PROFIT OF JOINT VENTURES AND ASSOCIATES, NET**

<i>In millions of tenge</i>	For the three months ended June 30		For the six months ended June 30	
	2019 (unaudited)	2018 (unaudited) (restated)	2019 (unaudited)	2018 (unaudited) (restated)
Tengizchevroil LLP	117,883	115,048	223,618	219,804
Asian Gas Pipeline LLP	36,662	-	67,518	-
Mangistau Investments B.V.	22,973	26,175	46,242	47,517
Kazzinc LLP	16,494	9,072	26,430	25,627
Caspian Pipeline Consortium	15,876	12,935	33,396	24,487
Beineu-Shymkent Pipeline LLP	10,584	(5,303)	33,840	11,564
KazRosGas LLP	9,606	5,582	11,243	(403)
Teniz Service LLP	4,917	7,438	8,570	8,198
JV Kazgermunai LLP	5,067	4,477	11,862	11,436
Kazakhoil Aktobe LLP	3,258	2,632	4,908	4,232
JV KATCO LLP	3,111	4,295	6,266	3,679
Khan Tengri Holding B.V.	2,778	1,407	5,831	2,207
Ural Group Limited BVI	(1,859)	(1,420)	(3,665)	(10,436)
Sekerbank T.A.S.	(2,453)	624	(3,671)	1,099
Other	11,926	(4,103)	24,002	9,864
	<b>256,823</b>	<b>178,859</b>	<b>496,390</b>	<b>358,875</b>

**27. CONSOLIDATION**

Subsidiaries included in the interim condensed consolidated financial statements are presented as follows:

	Ownership percentage	
	June 30, 2019 (unaudited)	December 31, 2018 (audited)
1 National Company “KazMunayGas” JSC (“NC KMG”) and subsidiaries	90.42%	90.42%
2 KMG Kashagan B.V.	100.00%	100.00%
3 National Company “Kazakhstan Temir Zholy” JSC (“NC KTZh”) and subsidiaries	100.00%	100.00%
4 National Atomic Company “Kazatomprom” JSC (“NAC KAP”) and subsidiaries	85.08%	85.00%
5 Samruk-Energy JSC (“Samruk-Energy”) and subsidiaries	100.00%	100.00%
6 Kazakhstan Electricity Grid Operating Company JSC (“KEGOC”) and subsidiaries	90% + 1	90% + 1
7 Kazpost JSC and subsidiaries	100.00%	100.00%
8 Kazakhtelecom JSC (“KTC”) and subsidiaries	52.03%	52.03%
9 Air Astana JSC (“Air Astana”)	51.00%	51.00%
10 Samruk-Kazyna Construction JSC and subsidiaries	100.00%	100.00%
11 National Mining Company “Tau-Ken Samruk” and subsidiaries	100.00%	100.00%
12 United Chemical Company LLP (“UCC”) and subsidiaries	100.00%	100.00%
13 Samruk-Kazyna Invest LLP and subsidiaries	100.00%	100.00%
14 Samruk-Kazyna Contract LLP	100.00%	100.00%
15 KOREM JSC	100.00%	100.00%
16 International Airport Atyrau JSC	100.00%	100.00%
17 International Airport Aktobe JSC	100.00%	100.00%
18 Airport Pavlodar JSC	100.00%	100.00%
19 SK Business Service LLP and subsidiaries	100.00%	100.00%
20 Qazaq Air JSC and subsidiaries	100.00%	100.00%
21 Kazakhstan nuclear electric plants JSC	100.00%	100.00%
22 MAEK-Kazatomprom LLP	100.00%	100.00%

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**28. RELATED PARTY DISCLOSURES**

In accordance with IAS 24 *Related Party Disclosures*, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties include key management personnel of the Group, enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by the Group’s key management personnel and other entities controlled by the Government. Related party transactions were made on terms agreed to between the parties that may not necessarily be at market rates, except for certain regulated services, which are provided based on the tariffs available to related and third parties.

The following table provides the total amount of transactions, which have been entered into with related parties during the six months ended June 30, 2019 and 2018 and the related balances as at June 30, 2019, and December 31, 2018, respectively:

<i>In millions of tenge</i>		Associates	Joint ventures where the Group is a venturer	Other state- controlled entities
Due from related parties	<b>June 30, 2019</b>	<b>4,018</b>	<b>32,272</b>	<b>14,262</b>
	December 31, 2018	20,592	36,243	22,794
Due to related parties	<b>June 30, 2019</b>	<b>27,728</b>	<b>128,831</b>	<b>13,481</b>
	December 31, 2018	40,171	133,759	11,822
Sale of goods and services	<b>June 30, 2019</b>	<b>64,628</b>	<b>177,257</b>	<b>189,453</b>
	June 30, 2018	37,007	152,431	72,928
Purchase of goods and services	<b>June 30, 2019</b>	<b>71,602</b>	<b>792,542</b>	<b>9,771</b>
	June 30, 2018	94,900	731,185	6,251
Other income/(loss)	<b>June 30, 2019</b>	<b>(3,341)</b>	<b>(2,917)</b>	<b>5,399</b>
	June 30, 2018	2,227	10,832	6,312
Cash and cash equivalents, and amounts due from credit institutions	<b>June 30, 2019</b>	–	–	<b>141,058</b>
	December 31, 2018	–	–	178,664
Loans issued	<b>June 30, 2019</b>	<b>105,261</b>	<b>393,880</b>	<b>255</b>
	December 31, 2018	139,749	400,254	5,203
Borrowings	<b>June 30, 2019</b>	–	–	<b>1,021,132</b>
	December 31, 2018	1,521	5	1,276,181
Other assets	<b>June 30, 2019</b>	<b>11,221</b>	<b>112,448</b>	<b>15,801</b>
	December 31, 2018	46,305	77,489	113,246
Other liabilities	<b>June 30, 2019</b>	<b>8,965</b>	<b>37,109</b>	<b>61,470</b>
	December 31, 2018	14,990	45,231	65,463
Interest received	<b>June 30, 2019</b>	<b>5,763</b>	<b>15,187</b>	–
	June 30, 2018	5,898	15,440	785
Interest accrued	<b>June 30, 2019</b>	–	<b>464</b>	<b>16,544</b>
	June 30, 2018	–	196	44,422

As at June 30, 2019 some of the Group’s borrowings in the amount of 56,892 million tenge were guaranteed by the Government of the Republic of Kazakhstan (as at December 31, 2018: 65,423 million tenge).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**28. RELATED PARTY DISCLOSURES (continued)**

For the six months ended June 30, 2019 the total compensation to key management personnel included in personnel costs in the accompanying interim consolidated statement of comprehensive income was equal to 3,132 million tenge (for the six months ended June 30, 2018: 2,261 million tenge). Compensation to key management personnel consists primarily of contractual salary and performance bonus based on operating results.

**29. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amount of the financial instruments of the Group as at June 30, 2019 and December 31, 2018 is a reasonable estimate of their fair value for the following financial instruments:

<i>In millions of tenge</i>	Level 1	Level 2	Level 3	June 30, 2019 (unaudited)
<b>Financial instruments category</b>				
<b>Assets</b>				
Financial assets at FVOCI	3,699	10,254	56	14,009
Financial assets at FVTPL	936	24,708	21,943	47,587
Derivative financial assets	–	94	1,050	1,144

<i>In millions of tenge</i>	Level 1	Level 2	Level 3	December 31, 2018 (audited)
<b>Financial instruments category</b>				
<b>Assets</b>				
Financial assets at FVOCI	3,626	10,851	55	14,532
Financial assets at FVTPL	–	24,165	23,391	47,556
Derivative financial assets	–	3,129	1,721	4,850

As at June 30, 2019 and December 31, 2018 the carrying amount of the Group’s financial instruments approximates their fair value except for the following financial instruments:

<i>In millions of tenge</i>	June 30, 2019 (unaudited)				
	Carrying amount	Fair value	Fair value by level of assessment		
			Quotations in an active market (Level 1)	From the observed market (Level 2)	Based on the significant amount of unobserved (Level 3)
<b>Financial assets</b>					
Amounts due from credit institutions	977,619	967,797	670,108	296,615	1,074
Investment property	43,476	53,735	–	23,972	29,763
<b>Financial liabilities</b>					
Borrowings	6,683,989	7,174,355	4,699,429	2,057,861	417,065
Loans from the Government of the Republic of Kazakhstan	656,322	530,774	–	530,774	–
Guarantee obligations	29,913	28,494	–	28,189	305

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**29. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

<i>In millions of tenge</i>	December 31, 2018 (audited)				
	Carrying amount	Fair value	Fair value by level of assessment		
			Quotations in an active market (Level 1)	From the observed market (Level 2)	Based on the significant amount of unobserved (Level 3)
<b>Financial assets</b>					
Amounts due from credit institutions	799,972	791,792	496,248	295,033	511
Investment property	42,388	54,981	–	32,360	22,621
<b>Financial liabilities</b>					
Borrowings	6,852,775	6,878,032	4,302,628	2,268,890	306,514
Loans from the Government of the Republic of Kazakhstan	653,406	533,935	–	533,935	–
Guarantee obligations	47,119	41,529	–	40,059	1,470

The fair value of the above financial instruments has been calculated by discounting the expected future cash flows at prevailing interest rates.

**30. COMMITMENTS AND CONTINGENCIES**

In addition to the contingent liabilities and commitments disclosed in the Group annual consolidated financial statements of the Group for the year ended December 31, 2018, the following changes have taken place during the six months ended June 30, 2019:

**Cost recovery audits**

As at June 30, 2019 the Group’s share in the total disputed amounts of costs is 734,771 million tenge (December 31, 2018: 765,188 million tenge). The Group and its partners under the production sharing agreements are in negotiation with the Government with respect to the recoverability of these costs.

**Kazakhstan local market obligation**

During six months ended June 30, 2019, in accordance with its obligations, the Group, including joint ventures, delivered 3,052 thousand tons of crude oil (six months ended June 30, 2018: 3,034 thousand tons) to the Kazakhstan market.

**Oil supply commitments**

As at June 30, 2019 the Group had commitments under the oil supply agreement in the amount of 24.7 million ton to be delivered till March 2021 (December 31, 2018: 30.1 million ton).

**Commitments to extend guarantees, letters of credit and other commitments related to settlement operations**

The Group provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. These agreements have fixed limits and generally extend for a period of up to 15 (fifteen) years.

Contracted amounts reflected in the table for commitments assume that amounts are fully advanced. The amounts reflected in the table for letters of credit represent the maximum accounting loss that would be recognized at the reporting date if counterparties failed completely to perform as contracted.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**30. COMMITMENTS AND CONTINGENCIES (continued)**

**Commitments to extend guarantees, letters of credit and other commitments related to settlement operations (continued)**

Commitments to extend guarantees were as follows:

<i>In millions of tenge</i>	<b>June 30, 2019 (unaudited)</b>	December 31, 2018 (audited)
<b>Guarantees</b>	<b>297,491</b>	434,900

The Group uses the same credit control and management policies in undertaking off-balance sheet commitments as it does for on-balance operations.

The total outstanding contractual commitments to extend guarantee indicated above does not necessarily represent future cash requirements, as these commitments may expire or terminate without being funded. The Group could also request collateral for credit instruments.

**Capital commitments**

As at June 30, 2019 the Group, including its joint ventures and associates, had capital commitments of approximately 3,426,483 million tenge related to acquisition and construction of property, plant and equipment (December 31, 2018: 3,741,716 million tenge).

**Legal proceedings**

*The proceedings initiated against Mr. Stati and his related parties on the suit of the Fund due to the arrest of shares KMG Kashagan B.V. belonging to the Fund*

On September 14, 2017 the pre-judgement attachment in respect of the Fund’s rights on management of 50% KMG Kashagan B.V. shares was imposed with regard to the decision of Amsterdam Court (the “Pre-judgement Attachment”).

The named Pre-judgement Attachment was imposed as part of the claim for recognition and enforcement of arbitral award on the matter of Anatolie Stati, Gabriel Stati, Ascom Group SA and Terra Raf Trans Trading Ltd. against the Republic of Kazakhstan issued in 2013 by the Arbitration Tribunal at the Arbitration Institute of the Stockholm Chamber of Commerce.

In interim proceedings initiated by the Fund on lifting the Pre-judgement Attachment, the Appeal Court in Amsterdam on January 5, 2018 by way of a preliminary judgment ruled that the aforesaid attachment remains effective. This decision of the Appeal Court in Amsterdam does not create any additional restrictions the Fund rights in respect of KMG Kashagan B.V. shares.

On May 7, 2019, the Appeal Court in Amsterdam upheld the decision of the trial court to maintain the Pre-judgement Attachment imposed on the shares of KMG Kashagan B.V., owned by the Fund, worth 5.2 billion US dollars. The restriction is imposed according to the requirements of A. Stati and his related parties on the enforcement of the decision of the Stockholm Arbitration Tribunal issued against Kazakhstan in 2013.

On August 27, 2019, meeting of the Amsterdam Court of Appeal took place on the claim of A. Stati and his related parties on the recognition and enforcement of an arbitral award made by the Stockholm Tribunal against Kazakhstan in 2013. The court tentatively set the date for the announcement of the decision on January 28, 2020.

Currently, the Fund makes all necessary arrangements to protect its interest in accordance with the established procedure and will continue to defend its rights.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**

**31. SEGMENT REPORTING**

The following table represents information about profit and loss, assets and liabilities of operating segments of the Group as at June 30, 2019 and for the six months then ended:

<i>In millions of tenge</i>	Oil and gas	Mining	Transportation	Communications	Energy	Industrial	Corporate center	Other	Elimination	Total
Revenues from sales to external customers	3,554,285	369,401	658,633	201,465	201,794	3,944	19,286	5,406	-	5,014,214
Revenues from sales to other segments	28,898	7,578	2,338	2,196	32,416	1,480	200,800	3,945	(279,651)	-
<b>Total revenue</b>	<b>3,583,183</b>	<b>376,979</b>	<b>660,971</b>	<b>203,661</b>	<b>234,210</b>	<b>5,424</b>	<b>220,086</b>	<b>9,351</b>	<b>(279,651)</b>	<b>5,014,214</b>
<b>Gross profit</b>	<b>950,948</b>	<b>48,120</b>	<b>117,684</b>	<b>50,808</b>	<b>61,852</b>	<b>874</b>	<b>175,293</b>	<b>5,633</b>	<b>(177,910)</b>	<b>1,233,302</b>
General and administrative expenses	(91,358)	(19,305)	(54,994)	(19,886)	(9,248)	(2,169)	(11,846)	(1,673)	4,430	(206,049)
Transportation and selling expenses	(377,217)	(4,477)	(4,845)	(2,969)	(2,471)	(353)	-	-	2,838	(389,494)
Finance income	63,672	3,185	2,441	4,310	3,333	301	26,589	2,995	(22,852)	83,974
Finance costs	(183,035)	(6,814)	(57,929)	(16,747)	(20,483)	(2,233)	(11,760)	(2,902)	29,042	(272,861)
Share in profit of joint ventures and associates	443,921	40,444	2,703	5,831	7,327	(30)	(3,815)	9	-	496,390
Foreign exchange gain/(loss), net	2,050	(406)	(3,160)	(773)	623	1,487	(19,809)	690	(26)	(19,324)
Income tax expenses	(155,544)	(8,830)	(11,339)	(7,214)	(9,553)	(41)	(1,319)	(966)	-	(194,806)
Net profit/(loss) for the period from continuing operations	629,028	116,129	(22,508)	35,289	32,716	(2,994)	157,828	3,452	(165,248)	783,692
Net loss for the period from discontinued operations	-	-	-	-	-	-	-	-	-	-
<b>Total net profit/(loss) for the period</b>	<b>629,028</b>	<b>116,129</b>	<b>(22,508)</b>	<b>35,289</b>	<b>32,716</b>	<b>(2,994)</b>	<b>157,828</b>	<b>3,452</b>	<b>(165,248)</b>	<b>783,692</b>
<b>Other segment information</b>										
Total assets of the segment	16,298,190	2,220,122	3,534,973	1,146,511	1,461,224	499,631	7,646,681	285,415	(7,076,585)	26,016,162
Total liabilities of the segment	7,099,308	484,965	2,353,594	669,167	717,199	286,536	1,655,380	184,646	(1,135,885)	12,314,910
Investments in joint ventures and associates	3,212,096	553,688	31,512	-	90,144	1,630	58,103	78	(32,341)	3,914,910



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**

**31. SEGMENT REPORTING (continued)**

The following table represents information about profit and loss of operating segments of the Group for the six months ended June 30, 2018 and assets and liabilities as at December 31, 2018:

<i>In millions of tenge</i>	Oil and gas	Mining	Transportation	Communications	Energy	Industrial	Corporate center	Other	Elimination	Total
Revenues from sales to external customers	3,518,879	286,642	615,201	122,692	188,288	2,360	15,210	8,593	–	4,757,865
Revenues from sales to other segments	40,686	35	6,938	3,144	30,994	3,619	255,888	3,247	(344,551)	–
<b>Total revenue</b>	<b>3,559,565</b>	<b>286,677</b>	<b>622,139</b>	<b>125,836</b>	<b>219,282</b>	<b>5,979</b>	<b>271,098</b>	<b>11,840</b>	<b>(344,551)</b>	<b>4,757,865</b>
<b>Gross profit</b>	<b>831,851</b>	<b>47,573</b>	<b>114,423</b>	<b>37,805</b>	<b>87,384</b>	<b>2,266</b>	<b>223,104</b>	<b>6,684</b>	<b>(273,585)</b>	<b>1,077,505</b>
General and administrative expenses	(106,430)	(15,462)	(53,029)	(12,970)	(14,152)	(2,343)	(7,618)	(1,482)	3,638	(209,848)
Transportation and selling expenses	(320,657)	(3,798)	(4,522)	(1,297)	(9,238)	(239)	–	–	9,760	(329,991)
Finance income	110,928	4,123	3,638	3,158	3,733	484	102,767	1,196	(94,142)	135,885
Finance costs	(295,121)	(5,444)	(55,023)	(2,677)	(19,460)	(788)	(18,819)	(716)	22,038	(376,010)
Share in profit of joint ventures and associates	322,675	30,673	(4,856)	2,301	6,994	(24)	1,099	13	–	358,875
Foreign exchange gain/(loss), net	77,045	5,339	32,264	2,172	5,337	(3,007)	(61,594)	(1)	–	57,555
Income tax expenses	(134,539)	(3,882)	(480)	(7,254)	(12,359)	(90)	(3,498)	(1,323)	–	(163,425)
Net profit/(loss) for the period from continuing operations	450,870	366,798	27,584	19,797	47,021	(6,315)	225,904	7,531	(329,033)	810,157
Net loss for the period from discontinued operations	–	–	–	–	–	(3,542)	–	–	–	(3,542)
<b>Total net profit/(loss) for the period</b>	<b>450,870</b>	<b>366,798</b>	<b>27,584</b>	<b>19,797</b>	<b>47,021</b>	<b>(9,857)</b>	<b>225,904</b>	<b>7,531</b>	<b>(329,033)</b>	<b>806,615</b>
<b>Other segment information</b>										
Total assets of the segment	16,464,564	2,176,219	3,437,049	875,317	1,456,134	462,137	7,467,849	305,170	(6,898,088)	25,746,351
Total liabilities of the segment	7,786,204	486,308	2,258,520	418,411	731,287	261,837	1,622,831	206,319	(978,701)	12,793,016
Investments in joint ventures and associates	2,841,824	631,012	32,359	76,071	89,309	1,279	61,869	69	(32,341)	3,701,451

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**

**31. SEGMENT REPORTING (continued)**

The following tables represents information about profit and loss of operating segments of the Group for the three months ended June 30, 2019 and June 30, 2018:

<i>In millions of tenge</i>	Oil and gas	Mining	Transportation	Communications	Energy	Industrial	Corporate center	Other	Elimination	Total
Revenues from sales to external customers	1,692,295	227,233	350,256	102,271	94,020	2,726	9,671	2,677	-	2,481,149
Revenues from sales to other segments	10,880	3,705	1,241	1,210	14,937	745	192,257	2,492	(227,467)	-
<b>Total revenue</b>	<b>1,703,175</b>	<b>230,938</b>	<b>351,497</b>	<b>103,481</b>	<b>108,957</b>	<b>3,471</b>	<b>201,928</b>	<b>5,169</b>	<b>(227,467)</b>	<b>2,481,149</b>
<b>Gross profit</b>	<b>490,662</b>	<b>29,725</b>	<b>80,210</b>	<b>25,859</b>	<b>25,196</b>	<b>662</b>	<b>182,440</b>	<b>3,097</b>	<b>(186,205)</b>	<b>651,646</b>
General and administrative expenses	(50,491)	(11,564)	(23,621)	(10,977)	(4,698)	(1,110)	(4,466)	(772)	2,934	(104,765)
Transportation and selling expenses	(177,472)	(2,848)	(2,651)	(1,854)	(1,124)	(246)	-	-	1,257	(184,938)
Finance income	33,155	1,186	1,224	2,159	1,735	131	18,196	2,149	(12,860)	47,075
Finance costs	(86,176)	(3,052)	(30,235)	(8,709)	(10,709)	(1,167)	(6,016)	(1,430)	14,851	(132,643)
Share in profit of joint ventures and associates	230,074	23,650	1,531	2,778	1,383	(13)	(2,588)	8	-	256,823
Foreign exchange gain/(loss), net	(1,174)	(10)	(8,336)	(274)	(1,472)	(209)	3,685	4	720	(7,066)
Income tax expenses	(83,097)	(8,164)	(12,139)	(4,596)	(4,630)	(18)	(478)	(676)	-	(113,798)
Net profit/(loss) for the period from continuing operations	314,650	38,188	(2,397)	26,121	6,207	(2,283)	198,813	2,684	(179,318)	402,665
Net loss for the period from discontinued operations	-	-	-	-	-	-	-	-	-	-
<b>Total net profit/(loss) for the period</b>	<b>314,650</b>	<b>38,188</b>	<b>(2,397)</b>	<b>26,121</b>	<b>6,207</b>	<b>(2,283)</b>	<b>198,813</b>	<b>2,684</b>	<b>(179,318)</b>	<b>402,665</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**

**31. SEGMENT REPORTING (continued)**

<i>In millions of tenge</i>	Oil and gas	Mining	Transportation	Communications	Energy	Industrial	Corporate center	Other	Elimination	Total
Revenues from sales to external customers	1,987,127	167,227	322,922	61,420	87,004	1,261	7,936	4,387	–	2,639,284
Revenues from sales to other segments	16,692	(4,468)	3,895	2,069	14,294	(191)	250,051	2,170	(284,512)	–
<b>Total revenue</b>	<b>2,003,819</b>	<b>162,759</b>	<b>326,817</b>	<b>63,489</b>	<b>101,298</b>	<b>1,070</b>	<b>257,987</b>	<b>6,557</b>	<b>(284,512)</b>	<b>2,639,284</b>
<b>Gross profit</b>	456,140	31,709	73,915	16,665	37,822	(645)	240,127	3,515	(263,746)	595,502
General and administrative expenses	(64,089)	(8,341)	(26,478)	(6,001)	(7,742)	(1,124)	(5,354)	(740)	2,123	(117,746)
Transportation and selling expenses	(164,394)	(1,626)	(2,394)	(596)	(4,557)	(97)	–	–	4,818	(168,846)
Finance income	80,993	2,792	948	1,802	2,220	243	90,908	596	(86,683)	93,819
Finance costs	(206,697)	(2,394)	(29,903)	(1,486)	(9,495)	(490)	(11,166)	(360)	10,907	(251,084)
Share in profit of joint ventures and associates	167,584	11,950	(2,710)	1,463	(51)	(14)	624	13	–	178,859
Foreign exchange gain/(loss), net	60,677	7,496	(31,844)	5,477	(2,898)	(7,212)	99,762	(1)	–	131,457
Income tax expenses	(92,389)	(5,153)	8,075	(4,593)	(4,561)	(37)	(1,433)	(862)	–	(100,953)
Net profit/(loss) for the period from continuing operations	197,928	29,283	(15,045)	10,526	11,719	(12,206)	405,739	5,115	(330,097)	302,962
Net loss for the period from discontinued operations	–	–	–	–	–	(2,920)	–	–	–	(2,920)
<b>Total net profit/(loss) for the period</b>	<b>197,928</b>	<b>29,283</b>	<b>(15,045)</b>	<b>10,526</b>	<b>11,719</b>	<b>(15,126)</b>	<b>405,739</b>	<b>5,115</b>	<b>(330,097)</b>	<b>300,042</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

---

**32. SUBSEQUENT EVENTS**

On July 31, 2019, the Group made a settlement of prepayments on oil supply agreement for 220 million US dollars (equivalent to 84,603 million tenge), of which the planned repayment amounted to 50 million US dollars (equivalent to 19,228 million tenge), and early repayment amounted to 170 million US dollars (equivalent to 65,375 million tenge).

On August 29, 2019, the Group made a settlement of prepayments on oil supply agreement for 221 million US dollars (equivalent to 85,649 million tenge), of which the planned repayment amounted to 41 million US dollars (equivalent to 15,890 million tenge), and early repayment amounted to 180 million US dollars (equivalent to 69,759 million tenge).

On August 14, 2019, the Group issued a joint financial guarantee on a parity basis for the loan obtained by the Group JV, Beineu-Shymkent gas pipeline LLP from the foreign Syndicate of banks for 720 million US dollars.

On September 10, 2019 the Group transferred 100% shares in three airports: “International Airport Aktobe” JSC, “Airport Pavlodar” JSC and “International Airport Atyrau” JSC to the “State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan”.