

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In thousands of tenge</i>	Note	September 30, 2018 (unaudited)	December 31, 2017 (audited) (restated)*
Assets			
Non-current assets			
Property, plant and equipment	5	4,153,245,892	4,080,164,484
Exploration and evaluation assets		253,211,231	253,326,100
Investment property		24,096,838	27,423,225
Intangible assets		186,870,038	185,205,427
Long-term bank deposits	6	51,172,651	48,523,034
Investments in joint ventures and associates	7	4,593,395,386	3,823,629,586
Deferred income tax asset		102,561,006	98,680,503
VAT receivable		112,698,518	96,666,045
Advances for non-current assets		221,777,719	124,906,942
Loans and receivables due from related parties	9	631,984,158	672,448,689
Other financial assets		4,921,630	4,161,312
Other non-current assets		19,911,801	17,401,423
		10,355,846,868	9,432,536,770
Current assets			
Inventories		284,365,173	250,368,907
VAT receivable		51,351,657	69,605,981
Income tax prepaid		25,015,119	36,134,973
Trade accounts receivable	8	799,040,926	467,867,255
Short-term bank deposits	6	331,434,934	1,638,940,642
Loans and receivables due from related parties	9	148,014,721	169,501,500
Other current assets	8	147,814,113	196,110,129
Cash and cash equivalents	10	1,545,413,381	1,263,987,456
		3,332,450,024	4,092,516,843
Assets classified as held for sale		105,237,373	24,904,588
		3,437,687,397	4,117,421,431
Total assets		13,793,534,265	13,549,958,201

The accounting policies and explanatory notes on pages 8 through 38 form an integral part of these interim condensed consolidated financial statements (unaudited).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(continued)

<i>In thousands of tenge</i>	Note	September 30, 2018 (unaudited)	December 31, 2017 (audited) (restated)*
Equity and liabilities			
Equity			
Share capital	11	916,540,545	709,344,505
Additional paid-in capital	11	40,659,141	243,876,410
Other equity		83,185	83,185
Currency translation reserve		1,568,867,237	1,295,091,189
Retained earnings		4,253,588,377	3,665,191,668
Attributable to equity holders of the Parent Company		6,779,738,485	5,913,586,957
Non-controlling interest	11	158,564,311	870,017,901
Total equity		6,938,302,796	6,783,604,858
Non-current liabilities			
Borrowings	12	3,642,219,825	3,417,111,859
Provisions		213,520,944	203,774,487
Deferred income tax liabilities		444,753,385	380,738,225
Financial guarantee		12,671,640	10,767,166
Prepayment on oil supply agreements	13	544,605,001	581,577,501
Other non-current liabilities		25,118,257	46,426,823
		4,882,889,052	4,640,396,061
Current liabilities			
Borrowings	12	494,648,502	884,140,278
Provisions		96,530,424	78,812,199
Income tax payable		52,089,666	10,081,239
Trade accounts payable	14	635,145,233	513,851,048
Other taxes payable		116,861,114	101,198,347
Financial guarantee		1,643,699	1,170,697
Prepayment on oil supply agreements	13	363,070,000	332,330,000
Other current liabilities	14	166,683,523	202,444,812
		1,926,672,161	2,124,028,620
Liabilities directly associated with the assets classified as held for sale		45,670,256	1,928,662
Total liabilities		6,855,231,469	6,766,353,343
Total equity and liabilities		13,793,534,265	13,549,958,201
Book value per ordinary share	11	11.066	11.195

* Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2017 and reflect adjustments made, refer to Note 4.

Deputy Chairman of the Management Board – Chief Financial Officer

D.S. Karabayev

Managing director – finance controller

A.Zh. Beknazarova

Chief accountant

Y.Y. Orynbayev

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>In thousands of tenge</i>	Note	For the three months ended September 30,		For the nine months ended September 30,	
		2018 (unaudited)	2017* (unaudited) (restated)	2018 (unaudited)	2017* (unaudited) (restated)
Revenue	15	1,860,262,849	1,147,154,859	5,206,760,369	3,213,523,652
Cost of sales	16	(1,363,059,466)	(902,069,144)	(3,966,300,337)	(2,468,460,970)
Gross profit		497,203,383	245,085,715	1,240,460,032	745,062,682
General and administrative expenses	17	(67,583,391)	(40,473,804)	(175,316,498)	(93,428,577)
Transportation and selling expenses	18	(177,757,310)	(93,387,818)	(481,659,674)	(286,388,962)
Impairment of property, plant and equipment, exploration and evaluation assets and intangible assets, other than goodwill	19	(1,860,305)	(786,866)	(41,556,254)	(4,185,504)
Loss on disposal of property, plant and equipment, intangible assets and investment property, net		(625,679)	(486,837)	(2,093,713)	(1,507,359)
Other operating income		5,298,366	6,584,103	14,465,592	14,093,511
Other operating expenses		(6,439,395)	(2,713,562)	(14,990,170)	(16,690,145)
Operating profit		248,235,669	113,820,931	539,309,315	356,955,646
Net foreign exchange (loss)/gain		(22,250,319)	63,795,716	(21,391,671)	82,647,665
Finance income	19	27,970,331	33,349,720	139,227,062	90,302,818
Finance costs	19	(74,539,042)	(76,526,842)	(349,538,836)	(219,826,688)
Reversal of impairment of investments in joint ventures		–	–	–	14,686,162
Net income/(loss) on disposal/acquisition on subsidiary		15,109,600	–	18,358,902	(3,249,292)
Share in profit of joint ventures and associates, net	20	195,597,852	105,487,566	532,916,863	285,169,236
Profit before income tax		390,124,091	239,927,091	858,881,635	606,685,547
Income tax expense	21	(95,551,936)	(52,522,862)	(202,973,674)	(142,353,927)
Profit for the period from continuing operations		294,572,155	187,404,229	655,907,961	464,331,620
Discontinued operations					
Loss after income tax for the period from discontinued operations		(6,052,685)	(5,361,885)	(7,681,797)	(9,999,406)
Net profit for the period		288,519,470	182,042,344	648,226,164	454,332,214
Net profit for the period attributable to:					
Equity holders of the Parent Company		277,239,642	142,272,404	625,788,531	382,994,512
Non-controlling interests		11,279,828	39,769,940	22,437,633	71,337,702
		288,519,470	182,042,344	648,226,164	454,332,214

The accounting policies and explanatory notes on pages 8 through 37 form an integral part of these interim condensed consolidated financial statements (unaudited).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

<i>In thousands of tenge</i>	Note	For the three months ended September 30,		For the nine months ended September 30,	
		2018 (unaudited)	2017* (unaudited) (restated)	2018 (unaudited)	2017* (unaudited) (restated)
Other comprehensive income					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of foreign operations		216,091,137	116,707,012	280,163,978	2,463,901
Accumulated differences on translation of disposal group		–	–	(475,673)	(423,776)
Other comprehensive income to be reclassified to profit or loss in subsequent periods		216,091,137	116,707,012	279,688,305	2,040,125
<i>Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain/(loss) on defined benefit plans of the Group		–	–	22,422	(37,718)
Actuarial (loss)/gain on defined benefit plans of joint ventures		(303,442)	67,135	(169,730)	(103,399)
Write-off of deferred tax assets		–	–	–	(150,746)
Other comprehensive gain/(loss) not to be reclassified to profit or loss in subsequent periods		(303,442)	67,135	(147,308)	(291,863)
Other comprehensive income for the period		215,787,695	116,774,147	279,540,997	1,748,262
Total comprehensive income for the period, net of tax		504,307,165	298,816,491	927,767,161	456,080,476
Total comprehensive income for the period attributable to:					
Equity holders of the Parent Company		488,625,025	245,180,047	899,417,158	377,824,265
Non-controlling interests		15,682,140	53,636,444	28,350,003	78,256,211
		504,307,165	298,816,491	927,767,161	456,080,476

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Deputy Chairman of the Management Board – Chief Financial Officer

D.S. Karabayev

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A.Zh. Beknazarova

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Y.Y. Orynbayev

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In thousands of tenge</i>	For the nine months ended September 30,	
	2018 (unaudited)	2017 (unaudited)
Cash flows from operating activities		
Receipts from customers	5,404,279,748	3,815,838,442
Payments to suppliers	(3,641,708,162)	(2,532,449,104)
Other taxes and payments	(921,437,751)	(637,191,444)
Income taxes paid	(83,425,232)	(61,620,231)
Interest received	98,046,645	74,139,171
Interest paid	(173,551,080)	(124,944,352)
Payments to employees	(284,426,076)	(264,594,295)
Social payments and pension funds	(41,015,870)	(38,693,826)
Taxes received from Tax authorities	21,518,224	67,850,450
Other payments, net	(65,403,779)	(11,208,157)
Net cash flows from operating activities	312,876,667	287,126,654
Cash flows from investing activities		
Withdrawal/(placement) of bank deposits, net	1,323,352,390	(734,394,280)
Purchase of property, plant and equipment, intangible assets, investment property and exploration and evaluation assets, including advances paid	(310,826,458)	(286,337,220)
Proceeds from sale of property, plant and equipment, intangible assets, investment property and exploration and evaluation assets	8,053,620	690,875
Proceeds from disposal of subsidiaries	17,967,179	–
Cash acquired with subsidiaries	–	180,678
Dividends received from joint ventures and associates (Note 7)	137,058,771	70,581,239
Disposal/(acquisition) of joint ventures and associates	1,999,889	(2,625)
(Additional contribution)/refund of contribution to joint ventures, net	(977,291)	1,714,856
Repayment of loans due from related parties	30,409,110	454,283
Repayment of other financial assets	172,053	–
Note receivable from a shareholder of a joint venture	24,113,396	–
Loans given to related parties	(50,829,294)	(164,377,696)
Net cash flows from / (used in) investing activities	1,180,493,365	(1,111,489,890)
Cash flows from financing activities		
Proceeds from borrowings	1,266,750,499	1,461,048,047
Repayment of borrowings	(1,905,738,978)	(537,491,564)
Dividends paid to Samruk-Kazyna and National Bank of RK	(36,273,040)	(45,877,366)
Dividends paid to non-controlling interests	(6,334,007)	(12,383,659)
Share buyback by subsidiary (Note 11)	(634,209,527)	–
Issue of shares	7	1
Net cash flows (used in) / from financing activities	(1,315,805,046)	865,295,459
Effects of exchange rate changes on cash and cash equivalents	108,223,224	49,010,912
Change in the impairment of provision	(40,474)	–
Net change in cash and cash equivalents	285,747,736	89,943,135
Cash and cash equivalents, at the beginning of the period	1,266,604,815	905,452,511
Cash and cash equivalents, at the end of the period	1,552,352,551	995,395,646

Deputy Chairman of the Management Board – Chief Financial Officer

Managing director – finance controller

Chief accountant



D.S. Karabayev

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O.Y. Orynbayev

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>In thousands of tenge</i>	Attributable to equity holders of the Parent Company					Total	Non-controlling interest	Total
	Share capital	Additional paid-in capital	Other equity	Currency translation reserve	Retained earnings			
As at December 31, 2016 (audited) (restated) (Note 4)	696,376,625	243,655,405	222,074	1,370,264,462	3,322,319,176	5,632,837,742	801,560,097	6,434,397,839
Net profit for the period (unaudited) (restated) (Note 4)	–	–	–	–	382,994,512	382,994,512	71,337,702	454,332,214
Other comprehensive (loss)/income (unaudited)	–	–	–	(4,893,561)	(276,686)	(5,170,247)	6,918,509	1,748,262
Total comprehensive (loss)/income for the period	–	–	–	(4,893,561)	382,717,826	377,824,265	78,256,211	456,080,476
Issue of share capital	12,967,880	210,980	–	–	–	13,178,860	–	13,178,860
Dividends	–	–	–	–	(45,877,366)	(45,877,366)	(13,269,567)	(59,146,933)
Distributions to Samruk-Kazyna	–	–	–	–	(3,631,340)	(3,631,340)	–	(3,631,340)
Forfeiture of share-based payments	–	–	(7,988)	–	–	(7,988)	(4,689)	(12,677)
Transactions with Samruk-Kazyna	–	–	–	–	(3,853,053)	(3,853,053)	–	(3,853,053)
Execution of share-based payments	–	–	(120,191)	–	–	(120,191)	120,191	–
As at September 30, 2017 (unaudited)	709,344,505	243,866,385	93,895	1,365,370,901	3,651,675,243	5,970,350,929	866,662,243	6,837,013,172

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

<i>In thousands of tenge</i>	Attributable to equity holders of the Parent Company					Total	Non-controlling interest	Total
	Share capital	Additional paid-in capital	Other equity	Currency translation reserve	Retained earnings			
As at December 31, 2017 (audited) (restated) (Note 4)	709,344,505	243,876,410	83,185	1,295,091,189	3,665,191,668	5,913,586,957	870,017,901	6,783,604,858
Changes in accounting policy (Note 2)	–	–	–	–	(12,391,462)	(12,391,462)	(6,195)	(12,397,657)
As at January 1, 2018 (restated)	709,344,505	243,876,410	83,185	1,295,091,189	3,652,800,206	5,901,195,495	870,011,706	6,771,207,201
Net profit for the period (unaudited)	–	–	–	–	625,788,531	625,788,531	22,437,633	648,226,164
Other comprehensive income (unaudited)	–	–	–	273,776,048	(147,421)	273,628,627	5,912,370	279,540,997
Total comprehensive income for the period	–	–	–	273,776,048	625,641,110	899,417,158	28,350,003	927,767,161
Contribution to share capital (Note 11)	207,196,040	(203,217,269)	–	–	–	3,978,771	–	3,978,771
Dividends (Note 11)	–	–	–	–	(36,271,669)	(36,271,669)	(6,200,598)	(42,472,267)
Distributions to the Samruk-Kazyna	–	–	–	–	(3,519,729)	(3,519,729)	–	(3,519,729)
Transactions with the Samruk-Kazyna (Note 11)	–	–	–	–	(84,448,814)	(84,448,814)	–	(84,448,814)
Share buyback by subsidiary (Note 11)	–	–	–	–	99,387,273	99,387,273	(733,596,800)	(634,209,527)
As at September 30, 2018 (unaudited)	916,540,545	40,659,141	83,185	1,568,867,237	4,253,588,377	6,779,738,485	158,564,311	6,938,302,796

Deputy Chairman of the Management Board – Chief Financial Officer





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