



**SAMRUK-ENERGY JSC**

**Condensed consolidated interim financial statements (unaudited)**

**31 March 2019**

**"Samruk-Energy" JSC**  
**Condensed Consolidated Interim Statement of Financial Position**

<i>In thousands of Kazakhstan Tenge</i>	Прим.	31 March 2019 (unaudited)	31 December 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	756,346,567	756,453,621
Investment property		402,954	428,734
Intangible assets	7	4,780,278	4,767,633
Investments in joint ventures and associates	8	61,493,367	55,860,500
Other non-current assets	9	14,364,522	14,282,994
<b>Total non-current assets</b>		<b>837,387,688</b>	<b>831,793,482</b>
<b>Current assets</b>			
Inventories	10	10,231,062	9,373,661
Trade and other receivables	11	22,023,622	23,913,414
Other current assets	12	94,017,457	93,673,376
Income tax prepaid		1,403,942	1,268,014
Cash and cash equivalents	13	17,087,017	13,604,335
Assets of disposal group, classified as held-for-sale	14	16,246,854	16,130,771
<b>Total current assets</b>		<b>161,009,953</b>	<b>157,963,571</b>
<b>TOTAL ASSETS</b>		<b>998,397,641</b>	<b>989,757,053</b>

Signed on behalf of management on 8 May 2019.

Yerlan Zh. Aliyev  
 Managing Director for Economic and  
 Finance



Saule B. Tulekova  
 Head of Accounting and Tax Department  
 – Chief Accountant


**"Samruk-Energy" JSC**  
**Condensed Consolidated Interim Statement of Financial Position (continued)**

<i>In thousands of Kazakhstan Tenge</i>	Note	31 March 2019 (unaudited)	31 December 2018
<b>EQUITY</b>			
Share capital	15	373,314,888	373,314,888
Other reserves	15	127,512,713	127,412,909
Retained earnings		(12,657,181)	(21,607,444)
<b>Equity attributable to the Group's equity holders</b>		<b>488,170,420</b>	<b>479,120,353</b>
Non-controlling interest	26	948,102	891,592
<b>TOTAL EQUITY</b>		<b>489,118,522</b>	<b>480,011,945</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Provision for liquidation of ash dump		2,759,395	2,643,471
Employee benefit obligations		1,111,903	1,297,228
Borrowings	16	276,850,530	266,959,110
Other non-current liabilities	17	8,512,528	4,843,536
Deferred income tax liabilities	25	82,097,052	82,771,915
<b>Total non-current liabilities</b>		<b>371,331,408</b>	<b>358,515,260</b>
<b>Current liabilities</b>			
Provision for liquidation of ash dump		149,978	248,406
Borrowings	16	34,752,319	43,403,659
Employee benefit obligations		99,289	113,600
Trade and other payables	18	96,295,493	99,901,007
Taxes payable and other payables to budget	25	3,738,038	4,636,438
Income tax payable	25	827,235	908,056
Liabilities of disposal group, classified as held-for-sale	14	2,085,359	2,018,682
<b>Total current liabilities</b>		<b>137,947,711</b>	<b>151,229,848</b>
<b>TOTAL LIABILITIES</b>		<b>509,279,119</b>	<b>509,745,108</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>998,397,641</b>	<b>989,757,053</b>

Signed on behalf of management on 8 May 2019.

  
 Yerlan Zh. Aliyev  
 Managing Director for Economic and  
 Finance



  
 Saule B. Tulekova  
 Head of Accounting and Tax Department  
 – Chief Accountant

**SAMRUK-ENERGY JSC****Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income**

<i>In thousands of Kazakhstan Tenge</i>	Note	1 quarter 2019	1 quarter 2018
Revenue	19	62,061,294	73,740,093
Cost of sales	20	(47,960,385)	(48,126,812)
<b>Gross profit</b>		<b>14,100,909</b>	<b>25,613,281</b>
Selling expense		(1,270,699)	(4,619,185)
General and administrative expenses	21	(2,823,128)	(3,212,715)
Share in profit of joint ventures and associates	8	5,632,862	6,976,791
Impairment			
Other income		1,090,496	519,710
Other expense		(179,451)	(218,956)
Finance income	22	1,420,749	2,420,496
Finance cost	23	(8,166,343)	(11,522,161)
<b>Profit before income tax</b>		<b>10,150,650</b>	<b>15,957,261</b>
Income tax expense	24	(1,084,000)	(3,213,132)
<b>Profit for the period from continuing operations</b>		<b>9,066,650</b>	<b>12,744,129</b>
Profit for the period from discontinued operations		(49,848)	(40,523)
<b>Profit for the period</b>		<b>9,016,802</b>	<b>12,703,606</b>
Other comprehensive (loss)/income			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurements of post-employment benefit obligations		99,804	(67,203)
<b>Total comprehensive income for the period</b>		<b>9,116,606</b>	<b>12,636,403</b>
<b>Profit attributable to:</b>			
Equity holders of the Group		8,960,292	12,646,104
Non-controlling interest		56,510	57,502
<b>Profit for the period</b>		<b>9,016,802</b>	<b>12,703,606</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Group		9,060,096	12,578,901
Non-controlling interest		56,510	57,502
<b>Total comprehensive income for the period</b>		<b>9,116,606</b>	<b>12,636,403</b>
Earnings/(loss) per ordinary share for profit/(loss) from continuing operations attributable to the owners of the Company, basic and diluted (in of Kazakhstan Tenge per share)	30	1,619	2,275
Earnings/(loss) per ordinary share for profit/(loss) from discontinued operations attributable to the owners of the Company, basic and diluted (in of Kazakhstan Tenge per share)	30	1,608	2,265

**SAMRUK-ENERGY JSC**  
**Condensed Consolidated Interim Statement of Changes in Equity**

<i>In thousands of Kazakhstan Tenge</i>	Note	Attributable to equity holders of the Group				Non- controlling interest	Total Equity
		Share capital	Other reserves	Retained earnings	Total		
<b>Balance at 1 January 2018</b>		<b>373,314,888</b>	<b>127,546,130</b>	<b>(22,057,982)</b>	<b>478,803,036</b>	<b>707,640</b>	<b>479,510,676</b>
<b>Beginning balance adjustment (IFRS 9)</b>		-	-	<b>(749,133)</b>	<b>(749,133)</b>	-	<b>(749,133)</b>
Profit for the year		-	-	3,240,671	3,240,671	183,952	3,424,623
Other comprehensive income		-	(133,221)	-	(133,221)	-	(133,221)
<b>Total comprehensive income</b>		-	<b>(133,221)</b>	<b>3,240,671</b>	<b>3,107,450</b>	<b>183,952</b>	<b>3,291,402</b>
Dividends		-	-	(2,041,000)	(2,041,000)	-	(2,041,000)
<b>Balance at 31 December 2018</b>		<b>373,314,888</b>	<b>127,412,909</b>	<b>(21,607,444)</b>	<b>479,120,353</b>	<b>891,592</b>	<b>480,011,945</b>
Profit for the period		-	-	8,960,292	8,960,292	56,510	9,016,802
Other comprehensive income		-	99,804	-	99,804	-	99,804
<b>Total comprehensive income</b>		-	<b>99,804</b>	<b>8,960,292</b>	<b>9,060,096</b>	<b>56,510</b>	<b>9,116,606</b>
Other equity distributions to 1 Shareholder		-	-	(10,029)	(10,029)	-	(10,029)
<b>Balance at 31 March 2019</b>		<b>373,314,888</b>	<b>127,512,713</b>	<b>(12,657,181)</b>	<b>488,170,420</b>	<b>948,102</b>	<b>489,118,522</b>

**SAMRUK-ENERGY JSC**  
**Consolidated Statement of Cash Flows**

<i>In thousands of Kazakhstan Tenge</i>	<b>Note</b>	<b>1 quarter 2019</b>	<b>1 quarter 2018</b>
<b>Cash flows from operating activities</b>			
<b>Total cash inflows</b>		<b>68,180,763</b>	<b>78,664,237</b>
Sale of products and goods		51,661,156	63,691,163
Sales of services		2,364,243	2,157,038
Advances received		12,613,223	12,113,290
Dividends and other receivables from associates		451,088	411,225
Others		1,091,053	291,521
<b>Total cash outflows</b>		<b>(57,759,180)</b>	<b>(64,124,544)</b>
Payments to suppliers		(22,970,945)	(19,696,804)
Advances paid		(10,866,180)	(23,267,063)
Payment of salary expenses		(7,818,116)	(6,887,229)
Payment of interest on loans received		(6,120,116)	(8,618,220)
Corporate income tax		(1,971,998)	(934,797)
Other payments to the budget		(6,814,643)	(4,307,377)
Others		(1,197,182)	(413,054)
<b>Net cash from operating activities of continuing operations</b>		<b>10,421,583</b>	<b>14,539,693</b>
<b>Net cash from operating activities from discontinued operations</b>		<b>(60,945)</b>	<b>(36,846)</b>
<b>Cash flows from investing activities</b>			
<b>Total cash inflows</b>		<b>3,239,890</b>	<b>19,103,726</b>
Proceeds from sale of fixed assets		2,996	-
Return of bank deposits		1,122,474	13,699,709
Proceeds from sale of interest in jointly-controlled entities		-	1,272,346
Others		9,708	-
<b>Total cash outflows</b>		<b>(10,349,262)</b>	<b>(24,371,385)</b>
Acquisition of fixed assets		(8,006,583)	(10,411,825)
Purchase of intangible assets		(32,721)	(101,378)
Placement of bank deposits		(296,484)	(11,539,929)
Others		(110,000)	-
<b>Net cash from investing activities of continuing operations</b>		<b>(7,109,372)</b>	<b>(5,267,659)</b>
<b>Net cash from investing activities from discontinued operations</b>		<b>48,458</b>	<b>27,559</b>
<b>Cash flows from financing activities</b>			
<b>Total cash inflows</b>		<b>36,317,550</b>	<b>6,795,733</b>
Proceeds from short-term loans received		4,900,000	3,635,149
Proceeds from long-term loans received		31,417,550	3,148,692
Other		-	11,892
<b>Total cash outflows</b>		<b>(36,137,211)</b>	<b>(28,526,920)</b>
Payment of principal on short-term loans received		(12,251,393)	(3,825,816)
Payment of principal on long-term loans received		(23,253,789)	(24,593,707)
Payment of principal on financial lease		(141,484)	-
Dividends paid to non-controlling owners		(579)	(2,661)
Others		(489,966)	(104,736)
<b>Net cash from financing activities of continuing operations</b>		<b>180,339</b>	<b>(21,731,187)</b>
<b>Net cash from financing activities of continuing operations</b>		<b>(3,484)</b>	<b>-</b>

**SAMRUK-ENERGY JSC**  
**Consolidated Statement of Cash Flows**

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<i>In thousands of Kazakhstan Tenge</i>	<b>Note</b>	<b>1 quarter 2019</b>	<b>1 quarter 2018</b>
Foreign exchange effect on Cash and cash equivalents		(26,421)	(430,543)
Less provision on impairment of cash and cash equivalents under IFRS 9		582	(2,187,394)
<b>Cash and cash equivalents at the beginning of the year of continuing operation</b>		<b>3,466,711</b>	<b>(15,077,090)</b>
<b>Cash and cash equivalents at the beginning of the year from discontinued operation</b>		<b>(15,971)</b>	<b>(9,287)</b>
<b>Денежные средства на начало года, в том числе:</b>		<b>13,624,165</b>	<b>32,730,644</b>
<b>Cash and cash equivalents at the beginning of the year of continuing operation</b>		<b>13,604,335</b>	<b>32,719,043</b>
<b>Cash and cash equivalents at the beginning of the year from discontinued operation</b>		<b>19,830</b>	<b>11,601</b>
<b>Денежные средства на конец года, в том числе:</b>		<b>17,090,876</b>	<b>17,653,554</b>
<b>Cash and cash equivalents at the end of the year of continuing operation</b>		<b>17,087,017</b>	<b>17,651,240</b>
<b>Cash and cash equivalents at the end of the year from discontinued operation</b>		<b>3,859</b>	<b>2,314</b>

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## **1 Samruk-Energy Group and its Operations**

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, “Interim financial reporting” for the three months ended 31 March 2019 for Samruk-Energy JSC (the “Company”) and its subsidiaries (together referred to as the “Group”).

The Company was incorporated on 18 April 2007 and registered on 10 May 2007. The Company is a joint stock company, and was set up in accordance with regulations of the Republic of Kazakhstan. The Group was established for the purpose of consolidation of entities in electric power industry of the Republic of Kazakhstan.

As of 31 March 2019 Company’s shareholder is Samruk-Kazyna National Welfare Fund JSC (“Samruk-Kazyna”) (Note 15). The Company’s ultimate controlling party is the Government of the Republic of Kazakhstan.

### ***Principal activity***

The Group’s principal activities are production of electricity, heat energy, hot water on the basis of coal, hydrocarbons and water resources, and sale to households and industrial enterprises, transmission of electricity and technical distribution of electricity within the network, construction of power stations, leasing of property of power stations.

The operations of the Group’s subsidiaries and joint ventures, which are dominant entities and natural monopolists in certain areas, are regulated by the Law of the RoK on Natural Monopolies and Regulated Markets, the Law on Competition and the Restriction of Monopolistic Activity (the “Antimonopoly legislation”). The tariff is regulated based on type of energy company and regulated by the Committee on Regulation of Natural Monopolies of the Ministry of Economics of the RoK (“Committee”) or by the relevant ministry - Ministry of Energy of the RoK.

Electricity tariffs for energy producers are approved by the order of the Minister of Energy #160 dated 27 February 2015 and subsequent changes and amendments to it on Approval of Cap for Tariffs for the period from 2016 to 2018. Tariffs for the supply of electricity produced by objects on use of renewable energy sources are fixed and approved by the Decree of the Government of RoK according to the Renewable Energy technology (separately for wind, solar and other sources), and are subject to annual indexation. Wherein financial center acts as a buyer, and energy producing organizations act as a seller. Tariffs for transmission and distribution of electricity, production of heat energy and energy supply are regulated by Committee on Regulation of Natural Monopolies and Competition Protection of Ministry of Economics. Regulation and control are performed in accordance with the legislation.

The tariff related decisions are significantly exposed to social and political issues. Economic, social and other policies of the Government of the RoK may have the significant effect on the Group’s operations.

### ***Registered address and place of business***

The registered address and place of Company’s Head Office is: Kabanbai Batyr Avenue 15A, Nur-Sultan, RoK.

## **2 Basis of Preparation and Significant Accounting Policies**

### ***Basis of preparation***

These condensed consolidated interim financial statements for the three-month period ended 31 March 2019 have been prepared in accordance with IAS 34 Interim Financial Reporting, under the historical cost convention, as modified by the initial recognition of financial instruments based on fair value. The main accounting policies, which were applied during the preparation of these condensed consolidated interim financial statements, correspond to those applied during preparation of consolidated financial statements for the year ended 31 December 2018, excluding income tax. The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2018, which have been prepared in accordance with IFRS. The principal accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those of the previous financial year except for accounting for income taxes.

Income tax expenses for the interim period are accrued using the calculated effective tax rate that would be applicable for the financial year.

***Seasonality of operations.*** The Group’s operations are exposed to the seasonal fluctuations. Fluctuations in electricity transmission volume, production of heat and electricity relate to heating season from October to April.



## **2 Basis of Preparation and Significant Accounting Policies (Continued)**

### **Exchange rates**

At 31 March 2019 the exchange rate used for translation of foreign currency balances was 1 US Dollar = Tenge 380.04 (31 December 2018: 1 US Dollar = Tenge 384.2). Exchange restrictions and currency controls exist relating to converting the Tenge into other currencies. Currently, Tenge is not freely convertible in most countries outside of the RoK.

## **3 New Accounting Pronouncements**

The following amended standards became effective from 1 January 2018, but did not have a material impact on the Group.

- Amendments to IFRS 2 “Share-based Payment” (issued on 20 June 2016 and effective for annual periods beginning on or after 1 January 2018).
- Amendments to IFRS 4 - “Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts” (issued on 12 September 2016 and effective, depending on the approach, for annual periods beginning on or after 1 January 2018 for entities that choose to apply temporary exemption option, or when the entity first applies IFRS 9 for entities that choose to apply the overlay approach). Annual Improvements to IFRSs 2014-2016 cycle – Amendments to IFRS 1 and IAS 28 (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2018).
- IFRIC 22 “Foreign Currency Transactions and Advance Consideration” (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2018).
- Amendments to IAS 40 – “Transfers of Investment Property” (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2018).

### *New standards and interpretations*

A number of new standards and interpretations have been published that are mandatory for annual periods beginning on or after 1 January 2018 and which the Group has not early adopted.

***Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).*** These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are held by a subsidiary. The Group is currently assessing the impact of the amendments on its consolidated financial statements.

***IFRS 16, Leases (issued on 13 January 2016 and effective for annual periods beginning on or after 1 January 2019).*** The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessees will be required to recognise: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the statement of profit or loss and other comprehensive income. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The group decided to apply the standard from the date of its mandatory application on January 1, 2019, using the modified retrospective method without recalculating the comparative figures.

Based on the analysis of obligations under the Group’s leases, the terms of individual contracts, facts and circumstances existing on that date, as well as taking into account the use of a modified retrospective transition method, the Group’s management concluded that from January 1, 2019 the application of the new standard will not have a significant impact on the consolidated financial statements.

**3 New Accounting Pronouncements (Continued)**

**IFRS 17 "Insurance Contracts"** (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2021). IFRS 17 replaces IFRS 4, which has given companies dispensation to carry on accounting for insurance contracts using existing practices. As a consequence, it was difficult for investors to compare and contrast the financial performance of otherwise similar insurance companies. IFRS 17 is a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. The standard requires recognition and measurement of groups of insurance contracts at: (i) a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all of the available information about the fulfilment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset) (ii) an amount representing the unearned profit in the group of contracts (the contractual service margin). Insurers will be recognising the profit from a group of insurance contracts over the period they provide insurance coverage, and as they are released from risk. If a group of contracts is or becomes loss-making, an entity will be recognising the loss immediately. The Group expects to apply the standard to performance guarantees that it issues and is currently assessing the impact of the new standard on its financial statement.

**IFRIC 23 "Uncertainty over Income Tax Treatments"** (issued on 7 June 2017 and effective for annual periods beginning on or after 1 January 2019). IAS 12 specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. The interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. An entity should determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments based on which approach better predicts the resolution of the uncertainty. An entity should assume that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the effect of uncertainty will be reflected in determining the related taxable profit or loss, tax bases, unused tax losses, unused tax credits or tax rates, by using either the most likely amount or the expected value, depending on which method the entity expects to better predict the resolution of the uncertainty. An entity will reflect the effect of a change in facts and circumstances or of new information that affects the judgments or estimates required by the interpretation as a change in accounting estimate. Examples of changes in facts and circumstances or new information that can result in the reassessment of a judgment or estimate include, but are not limited to, examinations or actions by a taxation authority, changes in rules established by a taxation authority or the expiry of a taxation authority's right to examine or re-examine a tax treatment. The absence of agreement or disagreement by a taxation authority with a tax treatment, in isolation, is unlikely to constitute a change in facts and circumstances or new information that affects the judgments and estimates required by the Interpretation. The Group is currently assessing the impact of the interpretation on its consolidated financial statements.

**Prepayment Features with Negative Compensation – Amendments to IFRS 9** (issued on 12 October 2017 and effective for annual periods beginning on or after 1 January 2019). The amendments enable measurement at amortised cost of certain loans and debt securities that can be prepaid at an amount below amortised cost, for example at fair value or at an amount that includes a reasonable compensation payable to the borrower equal to present value of an effect of increase in market interest rate over the remaining life of the instrument. In addition, the text added to the standard's basis for conclusion reconfirms existing guidance in IFRS 9 that modifications or exchanges of certain financial liabilities measured at amortised cost that do not result in the derecognition will result in a gain or loss in profit or loss. Reporting entities will thus in most cases not be able to revise effective interest rate for the remaining life of the loan in order to avoid an impact on profit or loss upon a loan modification. The Group is currently assessing the impact of the amendments on its consolidated financial statements.

**Amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures"** (issued on 12 October 2017 and effective for annual periods beginning on or after 1 January 2019). The amendments clarify that reporting entities should apply IFRS 9 to long-term loans, preference shares and similar instruments that form part of a net investment in an equity method investee before they can reduce such carrying value by a share of loss of the investee that exceeds the amount of investor's interest in ordinary shares. The Group does not expect a material impact of the amendments on its financial statements.

### 3 New Accounting Pronouncements (Continued)

**Annual Improvements to IFRSs 2015-2017 cycle - amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 (issued on 12 December 2017 and effective for annual periods beginning on or after 1 January 2019).** The narrow scope amendments impact four standards. IFRS 3 was clarified that an acquirer should remeasure its previously held interest in a joint operation when it obtains control of the business. Conversely, IFRS 11 now explicitly explains that the investor should not remeasure its previously held interest when it obtains joint control of a joint operation, similarly to the existing requirements when an associate becomes a joint venture and vice versa. The amended IAS 12 explains that an entity recognises all income tax consequences of dividends where it has recognised the transactions or events that generated the related distributable profits, eg in profit or loss or in other comprehensive income. It is now clear that this requirement applies in all circumstances as long as payments on financial instruments classified as equity are distributions of profits, and not only in cases when the tax consequences are a result of different tax rates for distributed and undistributed profits. The revised IAS 23 now includes explicit guidance that the borrowings obtained specifically for funding a specified asset are excluded from the pool of general borrowings costs eligible for capitalisation only until the specific asset is substantially complete. The Group is currently assessing the impact of the amendments on its financial statements.

**Amendments to IAS 19 “Plan Amendment, Curtailment or Settlement” (issued on 7 February 2018 and effective for annual periods beginning on or after 1 January 2019).** The amendments specify how to determine pension expenses when changes to a defined benefit pension plan occur. When a change to a plan—an amendment, curtailment or settlement—takes place, IAS 19 requires to remeasure net defined benefit liability or asset. The amendments require to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Before the amendments, IAS 19 did not specify how to determine these expenses for the period after the change to the plan. By requiring the use of updated assumptions, the amendments are expected to provide useful information to users of financial statements. The Group is currently assessing the impact of the amendments on its financial statements.

**Amendments to the Conceptual Framework for Financial Reporting (issued on 29 March 2018 and effective for annual periods beginning on or after 1 January 2020).** The revised Conceptual Framework includes a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance - in particular the definition of a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

**Definition of a business – Amendments to IFRS 3 (issued on 22 October 2018 and effective for acquisitions from the beginning of annual reporting period that starts on or after 1 January 2020).** The amendments revise definition of a business. A business must have inputs and a substantive process that together significantly contribute to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present, including for early stage companies that have not generated outputs. An organised workforce should be present as a condition for classification as a business if there are no outputs. The definition of the term ‘outputs’ is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets. An entity can apply a ‘concentration test’. The assets acquired would not represent a business if substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets). The amendments are prospective and the Group will apply them and assess their impact from 1 January 2020.

**Definition of materiality – Amendments to IAS 1 and IAS 8 (issued on 31 October 2018 and effective for annual periods beginning on or after 1 January 2020).** The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The Group is currently assessing the impact of the amendments on its financial statements.

Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the Group’s consolidated financial statements. Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the Group’s consolidated financial statements.

#### **4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies**

##### ***Accounting for property, plant and equipment***

Financial Center - a subsidiary of JSC "KEGOC" (national grid and the national operator of the unified power system of the RoK) acts as the agent who buys the entire volume of electricity produced by companies producing electricity from renewable energy sources and resells it to stations producing electricity from coal and hydrocarbons. The entire volume of electricity is purchased at the station at a specified rate above the market rate, which is annually adjusted to the inflation.

According to the IASB (IFRIC) 4 contracts of this nature may contain signs of the lease. Management has assessed the requirements of the IASB (IFRIC) 4 and concluded that the contract is an operating lease in which PVES and Kapchagai SES represent lessors. Therefore, proceeds from the sale of electric power stations, were included in the income from the rental power plants.

Based on the measurement of fair value of investment property as of 31 March 2019 the Group has not identified impairment indicators of investment property (31 December 2018: no indicators).

##### ***Recognition of revenue from electricity sales***

The Group recognises revenue when the electricity is supplied according to the meter readings of the electricity consumers. The meter readings are provided by the customers on a monthly basis and checked by the Group for correctness on a sample basis. Since the procedures for invoicing of the consumed electricity have a cycle nature, the Group sold the significant volume of electricity at the end of the reporting period, for which invoices have not been issued to the customers. The Group recognises revenue for electricity sold from the moment of the last meter reading taking to the end of the reporting period on the basis of estimate. According to the Group's approach, the daily amount of purchased electricity consumed but not invoiced is determined as at the end of the reporting month which is then multiplied by the selling price.

##### ***Useful lives of property, plant and equipment***

The estimation of the useful lives of items of property, plant and equipment is a matter of judgment based on the experience with similar assets. The future economic benefits embodied in the assets are consumed principally through use. However, other factors, such as technical or commercial obsolescence and wear and tear, often result in the diminution of the economic benefits embodied in the assets. Management assesses the remaining useful lives in accordance with the current technical conditions of the assets and estimated period during which the assets are expected to earn benefits for the Group. The following primary factors are considered: (a) expected usage of the assets; (b) expected physical wear and tear, which depends on operational factors and maintenance programme; and (c) technical or commercial obsolescence arising from changes in market conditions.

##### ***Settlement agreement with Akimat***

In 2009 "Alatau Zharyk Kompaniyasy" LLP (AZhK) was involved in litigation with Akimat of Almaty city, a City administration ("Akimat"). On 14 February 2014 AZhK and Akimat signed an amicable agreement on the procedure for settling the liabilities of AZhK. To settle the liabilities, among other procedures, AZhK should accept power lines that are in the communal ownership and trust management of the Akimat. After deduction of all payments made during previous years as part of the amicable agreement, the amount of liabilities of AZhK as of 31 March 2019 equalled Tenge 5,841,514 thousand (31 December 2018: 5,841,514 thousand).

As of 31 December 2018 the adoption of power lines was not completed. The Group will cease recognising this liability when it is exempt from payment, at the moment of execution of all actions by the parties of the amicable agreement, namely at the moment of acceptance in the property of electric networks from Akimat. At the same time, the Group recognises a gain on derecognising the obligation for Tenge 5,841,514 thousand.

#### **5 Balances and Transactions with Related Parties**

Related parties are defined in IAS 24, Related Party Disclosures. Parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. The Company's parent entity and ultimate controlling party are disclosed in Note 1.

**5 Balances and Transactions with Related Parties (Continued)**

The related parties include the companies under control of Samruk-Kazyna. The Kazakhstani state has significant influence over the Group. The Group decided to apply the exemption from disclosure of individually insignificant transactions and balances with the government and parties that are related to the entity because the Kazakhstan state has control, joint control or significant influence over such party.

The Group purchases from and sells goods to a large number of government related entities. Such purchases and sales are individually insignificant and are generally entered into on an arm's length basis. Transactions with the state also include taxes which are detailed in Note 24.

The nature of relations with those related parties with whom the Group entered into transactions or had balances outstanding at 31 March 2019 and 31 December 2018 is detailed below.

At 31 March 2019 the outstanding balances with related parties were as follows (including balances of disposal group):

<i>In thousands of Kazakhstan Tenge</i>	<b>Companies under common control</b>	<b>JVs and associates of Samruk-Energy</b>	<b>JVs and associates of Samruk-Kazyna</b>	<b>Shareholder</b>	<b>Government related entities</b>
Trade and other receivables	3,162,105	167,055	2,053	-	5,382,919
Cash and cash equivalents	56,924	-	-	-	585,996
Loans provided	-	103,985	-	-	-
Other current assets	843,592	31,536	-	69,156,000	-
Asset intended in favor of Shareholder	-	-	-	1,184,095	-
Borrowings and obligations under finance lease	539,517	-	4,794	61,252,610	17,847,967
Trade and other payables	2,600,006	2,169,556	-	72,026	341,434
Other payables	83,985	3,331	-	69,591,295	5,844,143

At 31 December 2018 the outstanding balances with related parties were as follows (including balances of disposal group):

<i>In thousands of Kazakhstan Tenge</i>	<b>Companies under common control</b>	<b>JVs and associates of Samruk-Energy</b>	<b>JVs and associates of Samruk-Kazyna</b>	<b>Shareholder</b>	<b>Government related entities</b>
Trade and other receivables	2,106,146	75,624	273	-	9,274,043
Cash and cash equivalents	5,477	-	-	-	64,995
Asset intended in favor of Shareholder	-	-	-	1,184,095	-
Loans provided	-	-	-	-	-
Other current assets	133,564	421	-	69,156,000	6,514,628
Borrowings	-	-	4,888	62,293,718	19,777,041
Trade and other payables	1,586,595	2,572,376	-	69,205,788	270,983
Other payables	60,289	-	-	-	5,841,513
Liability intended in favor of Shareholder	-	-	-	-	-

**5 Balances and Transactions with Related Parties (Continued)**

The income and expense items with related parties for the period ended 31 March 2019 were as follows (including results of discontinued operations):

<i>In thousands of Kazakhstan Tenge</i>	<b>Companies under common control</b>	<b>JVs and associates of Samruk-Energy</b>	<b>JVs and associates of Samruk-Kazyna</b>	<b>Shareholder</b>	<b>Government related entities</b>
Revenue	8,931,296	306,572	7,328	-	7,858,187
Cost of sales	9,314,919	7,957,496	-	-	4,006,471
General and administrative expenses	88,950	-	-	-	-
Selling expense	1,260,109	-	-	-	-
Other expenses	127,439	12,560	-	19,855	-
Other income	128,261	-	-	-	200,000
Finance costs	791	-	-	1,617,260	332,763
Finance income	-	12,262	-	-	-
Loss on foreign exchange	-	5	-	-	122,348

The income and expense items with related parties for the period ended 31 March 2018 were as follows (including results of discontinued operations):

<i>In thousands of Kazakhstan Tenge</i>	<b>Companies under common control</b>	<b>JVs and associates of Samruk-Energy</b>	<b>JVs and associates of Samruk-Kazyna</b>	<b>Shareholder</b>	<b>Government related entities</b>
Revenue	6,995,440	663,192	8,927	-	10,298,345
Cost of sales	9,054,061	19	-	-	661,900
General and administrative expenses	90,653	-	-	-	-
Selling expense	4,613,613	-	-	-	-
Other expenses	108,592	402,924	-	21,923	-
Other income	112,137	-	-	-	-
Finance costs	-	-	-	1,499,493	325,734
Finance income	-	11,447	-	-	133,417
Loss on foreign exchange	975	-	-	-	-

As of the 31 March 2019, Group has following outstanding guarantees from Related Parties:

- Corporate guarantee from Samruk-Kazyna in the amount of USD 50,000,000 for loan arrangement with state development bank of China (2018: USD 50,000,000)
- Corporate guarantee from Samruk-Kazyna in the amount of Tenge 12,285,000 thousands for outstanding loan to Development Bank of Kazakhstan JSC (2018: Tenge 12,285,000 thousand)
- Governmental guarantee in the amount of USD 25,000,000 for outstanding loan to Development Bank of Kazakhstan JSC (2018: USD 25,000,000)
- Corporate guarantee from Samruk-Kazyna to the amount of Tenge 91,412,308 thousands for outstanding loan to Eurasian development bank (2018: Tenge 91,412,308 thousand)

Key management personnel compensation represents the salaries, bonuses and other short-term employee benefits. Key management personnel as at 31 March 2019 include 5 persons (31 December 2018: 7 persons).

**5 Balances and Transactions with Related Parties (Continued)**

Key management compensation is presented below:

<i>In thousands of Kazakhstan Tenge</i>	<b>31 March 2019</b>	<b>31 March 2018</b>
Key management compensation	26,676	31,059
<b>Total key management compensation</b>	<b>26,676</b>	<b>31,059</b>

Key management personnel compensation represents the salaries, bonuses and other short-term employee benefits. Key management personnel as at 31 March 2019 include 7 persons (31 March 2018: 8 persons).

Transactions with related parties are made on terms agreed between the parties that do not necessarily correspond to market rates, with the exception of regulated services that are provided on the basis of the tariffs proposed for related parties.

**6 Property, Plant and Equipment**

Movements in the carrying amount of property, plant and equipment were as follows:

<i>In thousands of Kazakhstan Tenge</i>	<b>Buildings and constructions</b>	<b>Machinery and equipment</b>	<b>Other</b>	<b>Construction in progress</b>	<b>Total</b>
Cost at 1 January 2019	236,541,756	629,058,355	14,508,909	120,489,901	1,000,598,921
Accumulated depreciation and impairment	(60,729,555)	(174,485,865)	(5,988,521)	(2,941,359)	(244,145,300)
<b>Carrying amount at 1 January 2019</b>	<b>175,812,201</b>	<b>454,572,490</b>	<b>8,520,388</b>	<b>117,548,542</b>	<b>756,453,621</b>
Additions	1,407,394	252,951	3,199,620	8,403,570	13,263,535
Transfers	616,530	2,841,480	13,613	(3,471,623)	-
Change in accounting estimates	80,505	-	2,083	-	82,588
Depreciation	(2,844,119)	(10,415,657)	(291,159)	-	(13,550,935)
Impairment recovery	-	-	-	163,158	163,158
Disposal	(2,972)	(5,453)	(4,827)	(52,148)	(65,400)
<b>Carrying amount at 31 March 2019</b>	<b>175,069,539</b>	<b>447,245,811</b>	<b>11,439,718</b>	<b>122,591,499</b>	<b>756,346,567</b>
Cost at 31 March 2019	238,643,212	632,147,333	17,719,398	125,369,700	1,013,879,646
Accumulated depreciation and impairment	(63,573,673)	(184,901,522)	(6,279,680)	(2,778,201)	(257,533,077)
<b>Carrying amount at 31 March 2019</b>	<b>175,069,539</b>	<b>447,245,811</b>	<b>11,439,718</b>	<b>122,591,499</b>	<b>756,346,567</b>

Additions for the period ended 31 March 2019 include capitalised borrowing costs in the amount of Tenge 462,523 thousand (2018: Tenge 1 975 145 thousand).

As at 31 March 2019 the property, plant and equipment with carrying value of Tenge 5,641,431 thousand (31 December 2018: Tenge 5 556 024 thousand) were pledged as collateral for borrowings received by the Group from Development Bank of Kazakhstan JSC.

Depreciation charge is allocated to the following items of profit and loss for the period:

<i>In thousands of Kazakhstan Tenge</i>	<b>3 months ended 31 March 2019</b>	<b>3 months ended 31 March 2018</b>
Cost of sales	13 330 764	11,663,046
General and administrative expenses	216 954	179,946
Other expense	3 217	3,261
<b>Total depreciation charges</b>	<b>13 550 935</b>	<b>11,846,253</b>



## 7 Intangible Assets

<i>In thousands of Kazakhstan Tenge</i>	<b>Licenses</b>	<b>Computer software</b>	<b>Other</b>	<b>Total</b>
Cost at 1 January 2019	396,786	4,879,188	2,078,806	7,354,780
Accumulated amortisation	(287,983)	(1,673,474)	(625,690)	(2,587,147)
<b>Carrying amount at 1 January 2019</b>	<b>108,803</b>	<b>3,205,714</b>	<b>1,453,116</b>	<b>4,767,633</b>
Additions	-	-	168,586	168,586
Disposals	-	(2,026)	-	(2,026)
Transfers	(7,796)	(109,094)	(37,025)	(153,915)
Amortisation charge	-	-	-	-
Cost at 31 March 2019	366,761	,716,838	2,200,415	7,284,014
Accumulated amortisation	(265,754)	(1,622,244)	(615,738)	(2,503,736)
<b>Carrying amount at 31 March 2019</b>	<b>101,007</b>	<b>3,094,594</b>	<b>1,584,677</b>	<b>4,780,278</b>

**8 Investments in Joint Ventures and Associates**

The table below summarises the movements in the carrying amount of the Group's investment in joint ventures and associates.

<i>In thousands of Kazakhstan Tenge</i>	Joint venture		Associates	Total
	EGRES-2	Forum Muider B.V.	BTPP	
<b>Balance at 1 January 2018</b>	<b>22,264,624</b>	<b>30,623,596</b>	-	<b>52,888,220</b>
Impairment of investments	(3,411,721)	13,162,336	-	9,751,872
Share of profit/(loss) for the year	-	(6,778,335)	-	(6,778,335)
Dividends received			-	
<b>Balance at 31 December 2018</b>	<b>18,852,903</b>	<b>37,007,597</b>		<b>55,860,500</b>
Share of profit/(loss) for the period	1,185,398	4,447,464	-	5,632,862
Dividends received	-	5	-	5
<b>Balance at 31 March 2019</b>	<b>20,038,301</b>	<b>41,455,066</b>	-	<b>61,493,367</b>

As of 31 March 2019, The Group has interests in the following jointly controlled entities:

- EGRES-2 – 50%. The remaining 50% interest is owned by Inter-RAO UES OJSC.
- Forum Muider B.V. – 50%. The remaining 50% is owned by UC RUSAL.

100% of shares of EGRES-2 valued as of the date of the Guarantee contract in the amount of Tenge 10,582,636 thousand were pledged as collateral for the loan of EGRES-2 JSC taken from Eurasian Development bank.

The Group has shares in associated company: BTPP (50% - 1 share), the entity registered in the RoK and established by the Group in 2008 for the construction of the Balkhash thermal power plant. Entity's shareholders are Samsung C&T and Company, share participation of 50% + 1 shares and 50% - 1 share, respectively, as of 31 March 2019 (2018: 50% and 50 %, respectively). As at 31 December 2017, the Group recognized a loss from the impairment of the investment in BTPP of Tenge 27,570,523 thousand. (Note 4).

The only reconciling difference between the above amounts and the carrying amount of the investments in associates and joint ventures is the elimination of the ownership interest held by the other investors in the associates and joint ventures.

Presented below is summarised financial information of joint ventures and associate at 31 March 2019 and 31 December 2018 and for the years then ended:

**SAMRUK-ENERGY JSC**
**Notes to the Condensed Consolidated Interim Financial Statements – 31 March 2019**
**8 Investments in Joint Ventures and Associates (continued)**

<i>In thousands of Kazakhstani Tenge</i>	<b>EGRES-2</b>		<b>Forum Muider</b>		<b>BTPP</b>	
	<b>31 March 2019</b>	<b>31 December 2018</b>	<b>31 March 2019</b>	<b>31 December 2018</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
Total current assets incl. Cash and cash equivalents	16,728,479 9,015,759	13,235,441 4,613,012	24,269,198 7,134,873	26,797,255 6,392,803	424,468 -	- -
Total non-current assets	129,045,026	137,397,564	92,615,969	76,504,960	69,318,211	-
Total current liabilities incl. Current financial liabilities excluded Trade and other payables and provision)	(46,473,632) (41,318,674)	(112,168,736) (101,079,598)	(21,304,930) (5,866,853)	(16,309,094) (3,480,318)	(24,898,467) -	(21,929,041) -
Total non-current liabilities incl. Non-current financial liabilities excluded Trade and other payables and provision)	(59,223,271) (58,460,659)	(758,463) (434,156)	(12,670,106) (10,464,891)	(12,977,928) (10,781,585)	- -	- -
<b>Net assets</b>	<b>40,076,602</b>	<b>37,705,806</b>	<b>82,910,132</b>	<b>74,015,193</b>	<b>44,844,212</b>	<b>(21,929,041)</b>
<b>Group's share</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>49.99%</b>	<b>49.99%</b>
<b>Group's share in net assets</b>	<b>20,038,301</b>	<b>18,852,903</b>	<b>41,455,066</b>	<b>37,007,597</b>	<b>22,417,622</b>	<b>(10,962,328)</b>
Revenue	13,417,851	11,155,949	32,028,453	31,027,129	-	-
Depreciation and amortization of PP&E and intangible assets	(970,113)	(324,084)	(1,361,153)	(1,219,305)	-	-
Interest income	104,625	6,629	255,535	185,884	-	-
Interest expense	-	(2,416,930)	(66,414)	(114,679)	-	-
Income tax	(2,795,602)	(133,640)	(2,334,807)	(2,163,628)	-	-
<b>Profit/(loss) before tax</b>	<b>2,370,796</b>	<b>5,558,309</b>	<b>8,894,928</b>	<b>8,395,274</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss)</b>	<b>2,370,796</b>	<b>5,558,309</b>	<b>8,894,928</b>	<b>8,395,274</b>	<b>-</b>	<b>-</b>

**9 Other Non-Current Assets**

<i>In thousands of Kazakhstan Tenge</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
Long-term receivables	9,888,757	9,936,270
Bonds	2,216,117	2,543,159
Less: provision for impairment	-	(288,944)
<b>Total financial other non-current assets</b>	<b>12,104,874</b>	<b>12,190,485</b>
Prepayments for non-current assets	1,586,874	1,418,506
Non-current VAT recoverable	549,366	549,366
Other	123,408	124,637
<b>Total other non-current assets</b>	<b>14,364,522</b>	<b>14,282,994</b>

As of March 31, 2019, the financial debt is not overdue. Financial other long-term assets as at March 31, 2019 and are fully expressed in Tenge (December 31, 2018: not overdue and fully expressed in Tenge). Long-term receivables are expressed in Tenge. As of March 31, 2019, these receivables are not impaired and not overdue.

The remaining part consists of bonds with a coupon rate of 8% per annum with the maturity date in 2023 of MREK JSC.

*Prepayments for non-current assets*

Gross amount of other non-current assets includes advances and prepayments for the following types of construction and property, plant and equipment:

<i>In thousands of Kazakhstan Tenge</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
Construction and reconstruction of substations in Almaty and Almaty region	1,149,336	934,240
Modernisation of Shardara GES	437,539	484,266
Other	-	-
<b>Total prepayments for non-current assets</b>	<b>1,586,874</b>	<b>1,418,506</b>

**10 Inventories**

<i>In thousands of Kazakhstan Tenge</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
Auxiliary production materials	5,037,214	5,241,855
Fuel	4,936,189	4,040,060
Spare parts	733,969	739,976
Raw materials	498,627	24,854
Other materials	24,589	320,730
Less: provision for write down to net realisable value and provision for slow-moving and obsolete inventories	(999,525)	(993,814)
<b>Total inventories</b>	<b>10,231,062</b>	<b>9,373,661</b>

Presented below is movement in the Group's inventory provision:

<i>In thousands of Kazakhstan Tenge</i>	<b>2019</b>	<b>2018</b>
Provision, 1 January	993,814	1,026,184
Provision reversed	(5,507)	(201,230)
Accrual of provision	11,219	169,837
Inventories written off during the year	-	(977)
<b>Provision for impairment at 31 March</b>	<b>999,525</b>	<b>993,814</b>

**11 Trade and Other Receivables**

<i>In thousands of Kazakhstan Tenge</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
Trade receivables	22,579,302	24,538,649
Less: impairment provision	(1,116,861)	(1,170,314)
<b>Total financial trade receivables</b>	<b>21,462,441</b>	<b>23,368,335</b>
Other receivables	4,593,200	4,122,563
Less: impairment provision	(4,032,019)	(3,577,484)
<b>Total trade and other receivables</b>	<b>22,023,622</b>	<b>23,913,414</b>

As of 31 March 2019 the receivable from Maikuben West LLP was fully impaired for the amount of Tenge 3,477,982 thousand (2018: Tenge 3,477,982 thousand).

**12 Other Current Assets**

<i>In thousands of Kazakhstan tenge</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
Restricted cash	13,473,176	13,853,678
Term deposits	69,156,000	69,156,000
Other receivables	1,420,830	2,286,731
Dividends receivable	5,067,294	5,171,414
Other	416	421
Less: impairment provision	213,985	104,228
<b>Total financial other current assets</b>	<b>87,268,547</b>	<b>89,379,559</b>
Advances to suppliers	1,184,095	1,184,095
Assets held for the benefit of the Shareholder	1,179,162	1,377,916
VAT recoverable and prepaid taxes	2,482,154	1,011,092
Other	2,266,647	1,084,366
Less: impairment provision	(363,148)	(363,652)
<b>Total other current assets</b>	<b>94,017,457</b>	<b>93,673,376</b>

Restricted cash represents cash received from electricity sales placed to the pledge account according to the loans agreement with the Development Bank of China with credit rating BB+ in the amount of Tenge 6,348,391 thousand (31 December 2018: Tenge 6,514,628 thousand). Management believes that it will be able to use this cash not only for the repayment of loans and interest, but also for covering its operating expenses. Restricted cash balances in the amount of Tenge 6,348,391 thousand are denominated in US dollars. Amount is neither past due nor impaired. Carrying amount of restricted cash approximates its fair value.

**13 Cash and Cash Equivalents**

<i>In thousands of Kazakhstan tenge</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
Deposits on demand	11,551,400	4,075,646
Cash at current bank accounts	5,522,783	9,509,200
Cash on hand	12,834	19,489
<b>Total cash and cash equivalents</b>	<b>17,087,017</b>	<b>13,604,335</b>

Term deposits and current deposits have contractual maturity terms less than three months or are available on demand. Cash and cash equivalents balances are denominated in the following currencies:

<i>In thousands of Kazakhstan tenge</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
Kazakhstani Tenge	16,423,992	12,003,955
US Dollar	566,290	1,493,875
Other currencies	96,735	106,505
<b>Total cash and cash equivalents</b>	<b>17,087,017</b>	<b>13,604,335</b>

**14 Non-current Assets Held for Sale and Disposal Groups**

In November 2016, the Board of Directors of Samruk Energy JSC approved the privatization plan for some subsidiaries in accordance with the state assets privatization program and these companies were classified as intended for sale in the consolidated financial statements of Samruk Energy JSC, respectively.

All companies from this group have already been implemented with the exception of Tegis Munai LLP (“TM”) and its subsidiary Mangyshlak Munai LLP (“MM”).

The main reasons for not selling the TM are circumstances beyond the control of the Group, in particular, complex corporate rules for the sale of assets, as well as an agreement for gas production at the Pridorozhnoe field with the Ministry of Energy of the Republic of Kazakhstan that was signed only on July 30, 2018.

Management remains committed to the sale of the subsidiary in accordance with the privatization program and is actively seeking investors. According to the Management, the sale of TM is expected during 2019.

Since the operations of MM and TM represent separate major types of the Group’s operations, these disposal groups are presented as discontinued operations in the consolidated financial statements.

Major classes of assets classified as disposal group are as follows:

<i>In thousands of Kazakhstan tenge</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
Property, plant and equipment	15,608,231	15,480,616
Other non-current assets	622,510	621,948
Inventory	3,239	4,457
Other current assets	9,015	3,920
Cash and cash equivalents	3,859	19,830
<b>Total assets classified as or disposal groups</b>	<b>16,246,854</b>	<b>16,130,771</b>
Прочие обязательства	1,910,806	1,900,120
Обязательства по финансовой аренде	80,357	-
Кредиторская задолженность	94,196	118,562
<b>Total liabilities directly associated with disposal groups classified as held for sale</b>	<b>2,085,339</b>	<b>2,018,682</b>

The results of discontinued operations for the year ended March 31, 2019 are presented in the form of revenues and expenses of Tegis Munai LLP, in the amount of 216 thousand Tenge and 50,084 respectively.

## 15 Equity

At 31 March 2019 5,601,687 issued common shares were fully paid (31 December 2018: 5,601,687 shares fully paid) and owned by Samruk Kazyna (as at December 31, 2018: Samruk Kazyna). Each ordinary share carries one vote. The Company does not have any preference shares. Number of authorized shares is 8,602,187.

### Other reserves

<i>In thousands of Kazakhstan Tenge</i>	Merger reserve	Results of transactions with shareholders	Other comprehensiv e loss	Total
<b>Balance at 1 January 2018</b>	<b>37,282,287</b>	<b>90,607,549</b>	<b>(343,706)</b>	<b>127,546,130</b>
Прочий совокупный убыток	-	-	(133,221)	(133,221)
<b>Balance at 31 December 2018</b>	<b>37,282,287</b>	<b>90,607,549</b>	<b>(476,927)</b>	<b>127,412,909</b>
Прочий совокупный убыток	-	-	99,804	99,804
<b>Balance at 31 March 2019</b>	<b>37,282,287</b>	<b>90,607,549</b>	<b>(377,123)</b>	<b>127,512,713</b>

### Merger reserve and results of transactions with shareholders

The merger reserve represents the difference between the carrying amount of net assets of subsidiaries transferred under common control, as well as the difference between fair value of consideration transferred and non-controlling interest in acquisition of non-controlling interest from minority shareholders.

### Results of transactions with shareholders

The result of operations with a shareholder is the income from initial recognition of loans from Samruk-Kazyna, which acted as a shareholder, at a rate below the market.

## 16 Borrowings

<i>In thousands of Kazakhstan Tenge</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
<b>Non-current portion</b>		
Bank term loans	175,392,299	164,318,418
Loans from Samruk-Kazyna	58,523,832	59,693,110
Bonds issued	41,658,202	41,648,019
Loans from customers	1,276,197	1,299,563
<b>Total non-current borrowings</b>	<b>276,850,530</b>	<b>266,959,110</b>
<b>Current portion</b>		
Bank term loans	30,497,096	38,961,930
Loans from Samruk-Kazyna	2,728,776	2,600,608
Bonds issued	433,755	707,043
Loans from customers	1,092,692	1,134,078
Notes payable	-	-
<b>Total current borrowings</b>	<b>34,752,319</b>	<b>43,403,659</b>
<b>Total borrowings</b>	<b>311,602,849</b>	<b>310,362,769</b>



**17 Other Non-Current Liabilities**

<i>In thousands of Kazakhstan Tenge</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
Trade payables	2,766,070	2,805,502
Obligations under finance lease	4,177,043	401,393
<b>Total financial other non-current liabilities</b>	<b>6,943,113</b>	<b>3,206,895</b>
Deferred income	1,233,761	1,300,278
Other	335,654	336,363
<b>Total other non-current liabilities</b>	<b>8,512,528</b>	<b>4,843,536</b>

Trade payable of the amount of Tenge 2,766,070 thousand represents the Group's non-current payable to contractors for modernisation of Shardarinskaya HPP JSC. Trade payable is denominated in Euro as of 31 March 2019 and as of 31 December 2018.

Deferred income represents the difference between the nominal value of loans from customers received by AZhK for construction and reconstruction of power transmission lines and infrastructure to connect to electricity transmission lines and the fair value of these loans at initial recognition. The associated deferred income is subsequently recognised in profit or loss over the useful lives of property, plant and equipment.

Presented below is movement of deferred income:

<i>In thousands of Kazakhstan Tenge</i>	<b>AZhK</b>
Balance at 1 January 2018	1,849,314
Change in the carrying amount of loans from customers adjusted against deferred income	(240 817)
Recognition of income	(308 219)
<b>Balance at 31 December 2018</b>	<b>1,300,278</b>
Change in the carrying amount of loans from customers adjusted against deferred income	(1 504)
Recognition of income	(63 013)
<b>Balance at 31 March 2019</b>	<b>1,233,761</b>

**18 Trade and Other Payables**

<i>In thousands of Kazakhstan Tenge</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
Trade payables	12,209,169	14,048,376
Liabilities ahead of Samsung C&T on BTPP	68,495,168	69,156,000
Payable to Almaty Akimat (Note 4)	5,841,513	5,841,513
Dividends payable	834,686	834,849
Other financial payables	696,647	144,244
<b>Total financial trade payables</b>	<b>88,862,188</b>	<b>91,147,706</b>
Advances received from customers	1,856,072	1,941,232
Accrued provisions for unused vacations	2,120,495	1,861,398
Other payables	1,099,171	2,099,050
Salaries payable	1,173,472	1,667,526
Other distributions to shareholder	1,184,095	1,184,095
<b>Total trade and other payables</b>	<b>96,295,493</b>	<b>99,901,007</b>

**19 Revenue**

<i>In thousands of Kazakhstan Tenge</i>	<b>1 quarter 2019</b>	<b>1 quarter 2018</b>
Sale of electricity	49,210,953	59,858,565
Sale of heat energy	7,380,263	9,798,652
Income from lease of renewable energy power plants	1,493,532	1,243,207
Income from services to maintain the availability of electrical power	1,424,201	-
Electricity transmission	972,527	1,559,762
Income from lease of investment property	972,546	858,518
Sale of chemical water	367,963	432,398
Other	239,309	18,991
<b>Total revenue</b>	<b>62,061,294</b>	<b>73,740,093</b>

**20 Cost of Sales**

<i>In thousands of Kazakhstan Tenge</i>	<b>1 quarter 2019</b>	<b>1 quarter 2018</b>
Fuel	13,879,795	18,469,127
Depreciation of property, plant and equipment and amortisation of intangible assets	13,450,409	11,743,155
Payroll and related expenses	6,161,740	6,034,027
Electricity transmission and other services	2,067,075	2,492,362
Cost of purchased electricity	5,742,376	1,859,798
Taxes other than on income	2,187,645	2,416,147
Third party services	1,307,821	1,877,025
Water supply	954,270	1,087,991
Repairing and maintenance	612,992	798,828
Materials	374,824	531,074
Security services	263,915	254,959
Rent services	15,777	47,045
Electricity losses on transmission	331,491	20,356
Accrual/(reversal) of provision on obsolete and slow-moving inventories	-	(180,186)
Other	610,254	675,104
<b>Total cost of sales</b>	<b>47,960,385</b>	<b>48,126,812</b>

**21 General and Administrative expenses**

<i>In thousands of Kazakhstan Tenge</i>	<b>1 quarter 2019</b>	<b>1 quarter 2018</b>
Payroll and related expenses	1,523,753	1,379,358
Consulting and other professional services	241,732	545,565
Depreciation of property, plant and equipment and amortisation of intangible assets	277,003	260,606
Rent expense	24,257	162,143
Taxes other than on income	101,772	174,244
Bank charges	18,836	21,961
Security services	117,892	65,553
Business trips and representative expenses	61,898	40,926
Materials	46,573	39,869
Repair and maintenance	34,351	39,539
Communication expenses	27,797	29,417
Insurance	23,333	25,384
State duties	9,748	18,708
Transportation	6,205	4,919
Recovery/(charge) of provision for impairment of trade and other receivables and other current assets	(49,357)	180,211
Other	357,335	224,312
<b>Total general and administrative expenses</b>	<b>2,823,128</b>	<b>3,212,715</b>

**22 Finance Income**

<i>In thousands of Kazakhstan Tenge</i>	<b>1 quarter 2019</b>	<b>1 quarter 2018</b>
Foreign exchange gains less losses	706,971	2,672,092
Interest income on bank deposits	453,963	426,784
Interest income on bonds	-	-
Amortization of discount on accounts receivable	182,735	200,119
Other	77,080	46,795
<b>Total finance income</b>	<b>1,420,749</b>	<b>3,258,568</b>

**23 Finance Costs**

<i>In thousands of Kazakhstan Tenge</i>	<b>1 quarter 2019</b>	<b>1 quarter 2018</b>
Interest expense on borrowings	6,328,902	4,893,085
Interest expense on bonds	1,258,614	654,203
Unwinding of the present value of discount:		
- loans and financial aids from shareholders	-	1,106,947
- ash dump restoration provision	40,881	38,005
- loans from customers	-	62,077
- employee benefit	27,611	31,581
- notes payable	10,184.00	-
- bonds issued	272,945	-
Impairment of bank deposits	-	2,123,685
Dividends on preference shares of subsidiaries	-	35,277
Other	191,929	453,616
<b>Total finance costs</b>	<b>8,166,343</b>	<b>9,398,476</b>

**24 Taxes**

<i>In thousands of Kazakhstan Tenge</i>	<b>1 quarter 2019</b>	<b>1 quarter 2018</b>
Current income tax expense	1,758,863	2,732,831
Deferred income tax expense	(674,863)	480,301
<b>Total income tax expense</b>	<b>1,084,000</b>	<b>3,213,132</b>

**24 Taxes (continued)**

Reconciliation between the expected and the actual taxation charge is provided below:

<i>In thousands of Kazakhstan Tenge</i>	<b>1 quarter 2019</b>	<b>1 quarter 2018</b>
<b>Profit before tax from under IFRS</b>	<b>10,150,946</b>	<b>15,957,260</b>
Theoretical tax expense at statutory rate of 20% (2018: 20%)	2,030,130	3,191,452
Adjustments for:		
Share in profit of joint ventures and associates not subject to income tax	(1,126,572)	(1,390,202)
Other non-deductible expenses	13,178,958	110,980
Adjustment of prior years income tax	25,958	-
Withholding tax	38,272	21,950
Temporary differences that will be recognised upon termination of investment contract	(69,851)	66,025
Loss of Moinak HPS exempted from income tax	(177,443)	(578,059)
Changes in unrecognised deferred income tax assets	(12,815,452)	1,790,986
<b>Total income tax expense</b>	<b>1,084,000</b>	<b>3,213,132</b>

**Taxes payable**

<i>In thousands of Kazakhstan Tenge</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
Income tax	827,235	2,139,275
<b>Income tax payable</b>	<b>827,235</b>	<b>2,139,275</b>
Environmental taxes	1,081,756	1,188,388
VAT	2,272,776	1,856,039
Individual income tax	172,177	169,110
Social tax	155,914	143,236
Other taxes	55,415	91,088
<b>Taxes payable other than income tax</b>	<b>3,738,038</b>	<b>3,447,861</b>
<b>Total taxes payable</b>	<b>4,565,273</b>	<b>5,587,136</b>

## **25 Contingencies, Commitments and Operating Risks**

### ***Political and economic situation in the Republic of Kazakhstan***

On 20 August 2015, the National Bank and the Government of the Republic of Kazakhstan made a resolution about discontinuation of supporting the exchange rate of tenge and implementation of the new monetary policy, which is based on an inflation targeting regime, cancellation of exchange rate trading band and start transition to a free floating exchange rate. However at the same time, the National Bank's exchange rate policy allows it to intervene permits interventions to prevent dramatic sharp fluctuations of in the tenge exchange rate and to ensure financial stability.

On 20 August 2015, the National Bank and the Government of the Republic of Kazakhstan made a resolution about discontinuation of supporting the exchange rate of Tenge and implementation of the new monetary policy, which is based on an inflation targeting regime, cancellation of exchange rate trading band and start transition to a free floating exchange rate. However at the same time, the National Bank's exchange rate policy allows it to intervene permits interventions to prevent dramatic sharp fluctuations of in the Tenge exchange rate and to ensure financial stability.

As at the date of this report the official exchange rate of the National Bank of the Republic Kazakhstan was Tenge 380.58 per USD 1, compared to Tenge 380,04 per USD 1 as at 31 March 2019 (31 December 2018: Tenge 384,20 per USD 1). Therefore, uncertainty exists in relation to exchange rate of Tenge, future action of the National Bank and the Government of the Republic of Kazakhstan, and the impact of the factors on the economy of the Republic of Kazakhstan.

In September 2018 Standard & Poor's the international rating agency affirmed Standard & Poor's confirmed the long-term foreign and local currency sovereign credit ratings of Kazakhstan - "BBB for obligations in foreign and national currencies at the level of "BBB-" and the short-term ratings of Kazakhstan for obligations in foreign and local currency sovereign credit ratings - "national currencies at the level of "A-3", and the Kazakhstan" national scale - "rating - kzAAA". . The outlook is stable (for long-term ratings). is stable. The stable outlook is supported confirmed by the government's strong presence of positive balance sheet, built on past budgetary surpluses accumulated in indicators, formed from additional revenues to the National Fund of the Republic of Kazakhstan and also by liquid , as well as low public debt, the aggregate amount of which will not exceed the external liquid assets exceeding relatively low government debt over the next of the state within two years.

Increase Growth in oil production and firm the sustainability of oil prices, low unemployment and rising wages supported a modest wage growth of the economy contributed to moderate economic growth in 2018. This operating Such an economic environment has a significant impact on the Company's Company's operations and financial position. Management is taking takes all necessary measures to ensure the sustainability of the Company's Company's operations. However, the future effects consequences of the current economic situation are difficult to predict, and management's current expectations and management estimates could may differ from actual results.

Additionally, the energy sector in the Republic of Kazakhstan is still impacted by political, legislative, fiscal and regulatory developments. The prospects for future economic stability in the Republic of Kazakhstan are largely dependent upon the effectiveness of economic measures undertaken by the Government, together with legal, controlling and political developments, which are beyond the Group's control. Management has assessed the potential impairment of long-term assets of the Group, taking into account the current economic situation and its prospects (Note 4). Future economic situation and regulatory environment may differ from the current expectations of management.

The management is not in a position to foresee either the extent or the duration of changes in the Kazakhstani economy or assess their possible impact on the Company's financial position in the future. The management is confident that it is taking all the necessary measures to maintain the stability and growth of the Company's activities in the current circumstances.

The group is of strategic importance for the Republic of Kazakhstan, as it unites enterprises of the electric power complex, which provide electricity to the population and industrial enterprises. The Government of the Republic of Kazakhstan has adopted a long-term program for the development of the energy sector of the economy, providing for the construction of new and reconstruction of existing power plants. Management expects that the Group will receive the support of the Government of the Republic of Kazakhstan, since the electric power industry is a strategically important part of the country's economy.

To assess expected credit losses, the Company uses confirmed forward-looking information, including forecasts of macroeconomic indicators. However, as in any economic forecast, the assumptions and the likelihood of their realization are inevitably associated with a high level of uncertainty, and, therefore, actual results may differ significantly from the predicted ones.

## **25 Contingencies, Commitments and Operating Risks (continued)**

### ***Tax legislation***

The tax conditions in the Republic of Kazakhstan are changeable and subject to inconsistent application, and interpretation. Discrepancies in the interpretation of Kazakh laws and regulations by the Group and Kazakhstan's authorized bodies may result in imposition of additional taxes, fines and penalties.

Kazakhstani tax legislation and practice is in a state of continuous development and therefore is subject to varying interpretations and frequent changes, which may be retroactive. Further, the interpretation of tax legislation by tax authorities as applied to the transactions and activities of the Company may not coincide with that of management. As a result, transactions may be challenged by tax authorities and the Company may be assessed additional taxes, penalties and interest. Tax periods remain open to retroactive review by the tax authorities for five years. In some cases tax reviews might cover the period of more than five years.

The Group's management believes that its interpretation of the relevant legislation is appropriate and the Group's tax, currency legislation and customs positions will be sustained. In the opinion of the Group's management, no material losses will be incurred in respect of existing and potential tax claims in excess of provision that have been made in these consolidated financial statements.

### ***Legal cases***

The Group participates in other litigations arising in the ordinary course of business. Management believes that at present there are no ongoing litigation or outstanding claims, the results of which could have a material adverse effect on the future financial standing of the Group.

### ***Insurance***

The insurance market in the RoK is at the stage of early development, and many types of insurance that are widespread in other countries are not available in Kazakhstan. The Group does not have full insurance protection with respect to its production premises, losses caused by stoppage of operations or liabilities payable to third parties due to damage caused to real estate or environment as a result of accident or Group's operations. Unless the Group has a full insurance coverage, there is a risk that loss or damage of particular assets might have material adverse effect on the Group's operations and financial position.

### ***Environmental matters***

The enforcement of environmental regulation in the RoK is evolving and the enforcement posture of government authorities is continually being reconsidered. The Group periodically evaluates its obligations under environmental regulations. As obligations are determined, they are recognised immediately. Potential liabilities, which might arise as a result of changes in existing regulations, civil litigation or legislation, cannot be estimated but could be material. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental damage in addition to the amounts already accrued and recorded in these consolidated financial statements that could adversely affect operational results or financial position of the Group.

### ***Provision for liquidation of ash dump***

In accordance with the environmental regulations the Group has a legal obligation to liquidate ash dumps that are disposal polygons of waste of operations of the Group. At 31 March 2019 the carrying amount of ash dump liquidation provision was 2,909,373 thousands tenge (31 December 2018: 2,891,877 thousands tenge)

Ash dump liquidation provision is estimated based on the Group's interpretation of current environmental legislation in the RoK supported by the feasibility study and engineering researches in accordance with the existing rehabilitation standards and techniques. This estimate may change upon completion of subsequent environmental investigation works and revision of the existing restoration and reclamation programmes.

**26 Non-Controlling Interest**

The following table provides information about each subsidiary that has non-controlling interest that is material to the Group:

<i>In thousands of Kazakhstan Tenge</i>	Place of business (and country of incorporation if different)	Proportion of non- controlling interest	Proportion of non- controlling interest's voting rights held	Profit or loss attributable to non- controlling interest	Accumulated non- controlling interest in the subsidiary	Dividends paid to non- controlling interest during the year
<b>Period ended 31 March 2019</b>						
Bukhtarminskaya HPS	Казахстан	10%	10%	56,889	916,819	-
Shulbinskaya HPS	Казахстан	7,86%	7,86%	(259)	27,599	-
Ust-Kamenogorskaya HPS	Казахстан	10,01%	10,01%	(120)	3,684	-
<b>TOTAL</b>				<b>183,952</b>	<b>891,592</b>	<b>-</b>
<b>Year ended 31 December 2018</b>						
Bukhtarminskaya HPS	Казахстан	10%	10%	185,371	859,929	224,584
Shulbinskaya HPS	Казахстан	7,86%	7,86%	(990)	27,858	-
Ust-Kamenogorskaya HPS	Казахстан	10,01%	10,01%	(429)	3,804	-
<b>TOTAL</b>				<b>183,952</b>	<b>891,592</b>	<b>224,584</b>

<i>In thousands of Kazakhstan Tenge</i>	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/ (loss)	Total compre- hensive income	Cash flows
<b>Period ended 31 March 2019</b>								
Bukhtarminskaya HPS	2,527,465	1,222,535	419,818	154,736	972,912	569,263	569,263	1,416,943
Shulbinskaya HPS	-	-	550,133	7,680	-	(3,297)	(3,297)	-
Ust-Kamenogorskaya HPS	150	-	108,813	7,508	-	(1,200)	(1,200)	-
<b>TOTAL</b>	<b>2,527,615</b>	<b>1,222,535</b>	<b>1,078,764</b>	<b>169,924</b>	<b>972,912</b>	<b>564,766</b>	<b>564,766</b>	<b>1,416,943</b>
<b>Year ended 31 December 2018</b>								
Bukhtarminskaya HPS	1,690,182	1,194,857	416,758	154,916	3,540,975	2,511,669	2,637,620	(885,480)
АО «Шульбинская ГЭС»	150	-	547,154	7,512	-	(12,599)	(12,599)	-
Ust-Kamenogorskaya HPS	150	-	107,933	7,338	-	(4,285)	(4,285)	-
<b>TOTAL</b>	<b>1,690,482</b>	<b>1,194,857</b>	<b>1,071,845</b>	<b>169,766</b>	<b>3,540,975</b>	<b>2,494,785</b>	<b>2,620,736</b>	<b>(885,480)</b>

**27 Principal Subsidiaries, Associates and Joint Venture**

<b>Name</b>	<b>Nature of business</b>	<b>Percentage of voting rights</b>	<b>Percentage of ownership</b>	<b>Country of registration</b>
<b>Subsidiaries:</b>				
<i>Alatau Zharyk Company JSC ("AZhK")</i>	Electricity transmission and distribution in Almaty and the Almaty region	100%	100%	Kazakhstan
<i>Almaty Power Stations JSC ("ALES")</i>	Production of electricity, heat energy and hot water in Almaty and the Almaty region	100%	100%	Kazakhstan
<i>AlmatyEnergoSbyt LLP ("AlmatyEnergoSbyt")</i>	Sale of electricity in Almaty city and region	100%	100%	Kazakhstan
<i>Shardara HPS JSC ("Shardara HPS")</i>	Production of electricity on the basis of water resources in the Southern Kazakhstan	100%	100%	Kazakhstan
<i>Moinak HPS JSC ("Moinak HPS")</i>	Production of electricity on hydropower station	100%	100%	Kazakhstan
<i>Ekibastuzskaya GRES-1 named after Bulat Nurzhanov ("EGRES-1")</i>	Production of electricity and heat energy on the basis of coal	100%	100%	Kazakhstan
<i>Bukhtarminskaya HPS JSC ("Bukhtarminskaya HPS")</i>	Owner of Bukhtarminskaya hydropower station transferred under lease arrangement	90%	90%	Kazakhstan
<i>Ust-Kamenogorskaya HPS JSC and Shulbinskaya HPS JSC (together referred to as "Hydropower companies")</i>	Owners of Ust-Kamenogorskaya and Shulbinskaya hydropower stations transferred under concession agreement. From the moment of transfer of the hydropower stations to concession, these entities are dormant	90%	90%	Kazakhstan
<i>Samruk Green Energy LLP</i>	Development of renewable electricity	100%	100%	Kazakhstan
<i>First Wind Turbine LLP</i>	Development of renewable electricity. Production of electricity on wind farm.	100%	100%	Kazakhstan
<i>Ereymentau Wind Power LLP</i>	Construction of a wind plant.	100%	100%	Kazakhstan
<i>KazGidroTekhEnergo LLP</i>	Development of renewable electricity	100%	100%	Kazakhstan
<i>TeploEnergoMash LLP</i>	Development of renewable electricity	100%	100%	Kazakhstan
<i>Energy Solutions Center LLP</i>	Transportation and other services	100%	100%	Kazakhstan
<b>Associates:</b>				
<i>Balkhashskaya TES</i>	Construction of Balkhash thermal power station	50% -1 share	50% -1 share	Kazakhstan
<i>Energiya Semirechiya LLP ("ES")</i>	Finalized construction of Solar plant near Almaty	25%	25%	Kazakhstan
<b>Joint ventures:</b>				
<i>Stantciya Ekibastuzskaya GRES-2 JSC ("EGRES-2")</i>	Production of electricity and heat energy on the basis of coal	50%	50%	Kazakhstan
<i>Forum Muiderv BV («Forum Muiderv»)</i>	Company holding 100% charter in <i>Bogatyr Komir</i> (Company involved in production of power generating coal) and a range of companies incorporated in the Russian Federation and the Republic of Cyprus, and not engaged in significant operations	50%	50%	Netherlands
<b>Discontinued</b>				
<i>Tegis Munai LLP and Mangyshlak Munai LLP</i>	Gas field exploration and development activities	100%	100%	Kazakhstan



**28 Fair Value of Financial Instruments**

**Fair value estimation**

The results of the fair value measurement are analyzed and distributed according to the levels of the fair value hierarchy as follows: (i) Levels are estimates for market quotations (uncorrected) in active markets for identical assets or liabilities, (ii) to Level 2 - in which all the significant inputs used are observable for the asset or liability directly (i.e., for example, prices) or indirectly (i.e., for example, derivatives of the price), and (iii) Level 3 estimates are estimates that are not based on observable market data (i.e. based on unobservable inputs). When assigning financial instruments to a category in the fair value hierarchy, management uses judgments. If the observable data are used in estimating fair value, which require significant adjustments, then it refers to Level 3. The significance of the data used is assessed for the entirety of the fair value measurement.

Fair values analysed by level in the fair value hierarchy and the carrying value of assets and liabilities not measured at fair value are as follows:

<i>In thousand Kazakh Tenge</i>	December 31, 2018 r.				December 31, 2018 r.			
	Tier 1 Fair value	Tier 2 Fair value	Tier 3 Fair value	Balance value	Tier 1 Fair value	Tier 2 Fair value	Tier 3 Fair value	Balance value
<b>Assets</b>								
Cash and cash equivalent	-	17,087,016	-	17,087,016	-	13,604,335	-	13,604,335
Restricted cash	-	13,473,176	-	13,473,176	-	13,529,949	-	13,529,949
Fixed-term deposits	-	1,420,831	-	1,420,831	-	2,255,927	-	2,255,927
Financial receivables	-	34,514,459	416	36,291,466	-	23,368,335	-	23,368,335
Other financial receivables	-	82,792,156	-	82,792,156	-	73,015,816	-	73,459,585
Non-current receivables	-	9,426,545	-	9,888,757	-	9,255,653	-	9,709,486
Dividends due	-	-	-	-	-	-	421	421
Loans	-	-	213,985	213,985	-	-	104,228	104,228
Bonds	1,055,710	-	1,112,241	2,280,816	1,136,872	-	1,311,150	2,510,448
<b>Total financial assets</b>	<b>1,055,710</b>	<b>158,714,183</b>	<b>1,326,642</b>	<b>163,448,203</b>	<b>1,136,872</b>	<b>135,030,015</b>	<b>10,495,996</b>	<b>138,971,448</b>
<b>Liabilities</b>								
Loans	-	335,247,498	-	311,602,849	-	334,848,802	-	310,362,769
Financial receivables	-	90,931,611	-	90,931,611	-	91,147,706	-	91,147,706
Non-current receivables	-	-	2,766,070	2,766,070	-	-	2,805,502	2,805,502
Financial lease	-	-	563,051	545,636	-	-	563,051	545,637
<b>Total financial liabilities</b>	<b>-</b>	<b>426,179,109</b>	<b>3,329,121</b>	<b>405,846,166</b>	<b>-</b>	<b>425,996,508</b>	<b>3,368,553</b>	<b>404,861,614</b>

**28 Fair Value of Financial Instruments (continued)**

The fair value measurement at Level 2 and Level 3 of the fair value hierarchy was performed using a discounted cash flow model. The fair value of financial instruments with floating interest rates that do not have quotations in an active market was adopted at an equal book value. The fair value of fixed interest instruments that do not have quotations in an active market is based on a discounted cash flow model using existing interest rates in the borrowing market for new instruments that involve a similar credit risk and a similar maturity.

**Financial assets carried at amortised cost.** The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Discount rates used depend on the credit risk of the counterparty. The carrying amounts of cash and cash equivalents, term deposits, restricted cash, bonds and financial receivables approximate to their fair values.

**Financial liabilities carried at amortised cost.** The estimated fair value of level 3 fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Due to the short-term nature of trade payables, their carrying amount approximates their fair value.

**29 Events Occurring After the Reporting Period**

On April 5, 2019 Ekibastuz GRES-1 LLP received 1,000,000 thousand tenge loan in Halyk Bank of Kazakhstan JSC for the replenishment of working capital at 11.5% per annum.

During the period from April 1 to May 3, ALES JSC received tranche in the amount of 2,700,000 thousand tenge in Halyk Bank of Kazakhstan JSC to replenish working capital at 11.5% per annum within the current credit line No. KS 02-14 -39 dated November 26, 2014.

April 10, 2019 in the trading system of the Kazakhstan Stock Exchange specialized trades were held on partially-early redemption of bonds within the first bond program (KZ2C00003986, SNRGb2), which resulted in Samruk-Energo JSC making payments to the amount of 17,942 210 thousand tenge, including the principal debt (total nominal value of bonds) in the amount of 17,655,846 thousand tenge and a coupon interest in the amount of 286,364 thousand tenge.

**30 Earnings / (loss) per share**

Base profit / (loss) per share is calculated as the ratio of profit or loss attributable to the Group's shareholders to the weighted average number of ordinary shares outstanding during the period.

The Group has no dilutive potential ordinary shares, therefore, the diluted earnings per share coincides with the basic earnings per share.

	1 quarter 2019	1 quarter 2018
<b>Profit/loss from continued operations during the year due to the owners of the Group (in thousand Kazakh Tenge)</b>	9,066,650	12,744,129
Profit/loss from continued operations during the year due to the owners of the Group (in thousand Kazakh Tenge)	9,010,140	12,686,627
Average weighted number of ordinary shares tradable	5,601,687	5,601,687
<b>Basic and diluted profit loss per share from the continued operations due to the owners of the Group (rounded to Tenge)</b>	<b>1,619</b>	<b>2,275</b>
<b>Basic and diluted profit loss per share from the continued operations due to the owners of the Group (rounded to Tenge)</b>	<b>1,608</b>	<b>2,265</b>