



**International Financial Reporting Standards  
Condensed Separate Interim Financial Statement (unaudited)**

**30 June 2016**

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### REPORT ON REVIEW OF CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS

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## ***Report on Review of Condensed Separate Interim Financial Statements***

To the Board of Directors and shareholders of JSC Samruk-Energy

We have reviewed the accompanying condensed separate interim financial statements of JSC Samruk-Energy, which comprise the condensed separate interim statement of financial position as at 30 June 2016 and the condensed separate interim statements of profit or loss and other comprehensive income for three and six months period then ended, changes in equity and cash flows for six-month period then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed separate interim financial statements in accordance with International Accounting Standards (IAS) 34 "Interim financial reporting". Our responsibility is to express an opinion on these condensed separate interim financial statements based on our review.

### *Scope of Review*

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

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed separate interim financial statements are not presented fairly, in all material respects in accordance with International Accounting Standard (IAS) 34 "Interim financial reporting".

*PricewaterhouseCoopers LLP*

Almaty, Kazakhstan  
3 August 2016

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**SAMRUK-ENERGY JSC**  
**Condensed Separate Interim Statement of Financial Position**

<i>In thousands of Kazakhstani Tenge</i>	Note	30 June 2016 (unaudited)	31 December 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	693,149	839,024
Intangible assets		1,045,354	1,102,744
Investments in subsidiaries, joint ventures and associates	6	565,250,527	552,345,214
Loans issued	7	42,310,869	48,608,373
Other non-current assets	8	3,100,116	3,118,461
<b>Total non-current assets</b>		<b>612,400,015</b>	<b>606,013,816</b>
<b>Current assets</b>			
Trade and other receivables	9	644	2,103,822
Inventories		16,665	29,905
Loans issued	7	20,117,654	16,339,333
Other current assets	10	18,333,574	30,467,842
Cash and cash equivalents	11	7,861,327	6,635,292
Non-current assets held for sale		154,717	-
<b>Total current assets</b>		<b>46,484,581</b>	<b>55,576,194</b>
<b>TOTAL ASSETS</b>		<b>658,884,596</b>	<b>661,590,010</b>
<b>EQUITY</b>			
Share capital	12	366,614,888	355,650,405
Other reserves		91,668,501	91,668,501
Uncovered loss		(44,568,263)	(39,940,758)
<b>TOTAL EQUITY</b>		<b>413,715,126</b>	<b>407,378,148</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	13	233,183,112	234,201,959
Long-term financial guarantee	14	1,753,322	1,644,699
<b>Total non-current liabilities</b>		<b>234,936,434</b>	<b>235,846,658</b>
<b>Current liabilities</b>			
Borrowings	13	3,593,304	14,299,257
Trade and other payables and accrued liabilities	15	3,382,735	2,826,048
Liability for the benefit of the Shareholder	16	3,215,065	1,174,065
Other taxes payable		41,932	65,834
<b>Total current liabilities</b>		<b>10,233,036</b>	<b>18,365,204</b>
<b>TOTAL LIABILITIES</b>		<b>245,169,470</b>	<b>254,211,862</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>658,884,596</b>	<b>661,590,010</b>

Signed on behalf of management on 3 August 2016

Kairat B. Maksutov  
 Managing Director on Economics and  
 Finance

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

The accompanying notes on pages 5 to 16 are an integral part of these separate financial statements.

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

<i>In thousands of Kazakhstani Tenge</i>	<b>Note</b>	<b>Six months ended 30 June 2016 (unaudited)</b>	<b>Six months ended 30 June 2015</b>	<b>Three months ended 30 June 2016 (unaudited)</b>	<b>Three months ended 30 June 2015 (unaudited)</b>
Dividend income		3,837,016	13,100,535	2,456,785	9,772,240
Income from sale of shares in subsidiaries, joint ventures and associates		-	2,469,307	-	2,469,307
Other income		3,654	415,797	3,088	219,928
Other expenses		(138,747)	(596)	(132,347)	(103)
General and administrative expenses	17	(3,020,358)	(2,390,217)	(1,685,278)	(1,413,698)
<b>Profit from main activity</b>		<b>681,565</b>	<b>13,594,826</b>	<b>642,248</b>	<b>11,047,674</b>
Finance income	18	7,082,424	2,617,457	2,581,526	1,216,164
Finance costs	19	(10,913,314)	(8,281,075)	(4,901,614)	(4,311,628)
Gain / (loss) from exchange rate differences, net		717,966	(1,201,153)	1,931,743	(190,338)
<b>(Loss)/profit before income tax</b>		<b>(2,431,359)</b>	<b>6,730,055</b>	<b>253,903</b>	<b>7,761,872</b>
Income tax expense	20	(155,146)	(120,910)	(80,177)	(53,030)
<b>(Loss)/profit for the period</b>		<b>(2,586,505)</b>	<b>6,609,145</b>	<b>173,726</b>	<b>7,708,842</b>
<b>Total comprehensive (loss)/income for the period</b>		<b>(2,586,505)</b>	<b>6,609,145</b>	<b>173,726</b>	<b>7,708,842</b>

The accompanying notes on pages 5 to 16 are an integral part of these separate financial statements.

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

<i>In thousands of Kazakhstani Tenge</i>	<b>Note</b>	<b>Share capital</b>	<b>Other reserves</b>	<b>Retained earnings / (Uncovered loss)</b>	<b>Total equity</b>
<b>Balance at 1 January 2015</b>		<b>355,364,386</b>	<b>19,086,598</b>	<b>2,767,227</b>	<b>377,218,211</b>
Profit for the period		-	-	6,609,145	<b>6,609,145</b>
Total comprehensive income for the period		-	-	6,609,145	<b>6,609,145</b>
Dividend payment		-	-	(4,781,073)	<b>(4,781,073)</b>
<b>Balance at 30 June 2015</b>		<b>355,364,386</b>	<b>19,086,598</b>	<b>4,595,300</b>	<b>379,046,284</b>
<b>Balance at 1 January 2016</b>		<b>355,650,405</b>	<b>91,668,501</b>	<b>(39,940,758)</b>	<b>407,378,148</b>
Loss for the period		-	-	(2,586,505)	<b>(2,586,505)</b>
Total comprehensive loss for the period		-	-	(2,586,505)	<b>(2,586,505)</b>
Increase of share capital		10,964,483	-	-	<b>10,964,483</b>
Dividend payment		-	-	(2,041,000)	<b>(2,041,000)</b>
<b>Balance at 30 June 2016 (unaudited)</b>		<b>366,614,888</b>	<b>91,668,501</b>	<b>(44,568,263)</b>	<b>413,715,126</b>

The accompanying notes on pages 5 to 16 are an integral part of these separate financial statements.

**SAMRUK-ENERGY JSC**  
**Condensed Separate Interim Statement of Cash Flows**

<i>In thousands of Kazakhstani Tenge</i>	Note	6 months ended 30 June 2016 (unaudited)	6 months ended 30 June 2015
<b>Cash flows from operating activities:</b>			
(Loss)/profit before income tax		(2,431,359)	6,730,055
Adjustments for:			
Dividend income		(3,837,016)	(13,100,535)
Impairment of investment		131,302	-
Depreciation and amortisation		175,504	175,477
Finance costs	19	10,913,314	8,281,075
Finance income	18	(7,082,424)	(2,617,457)
Foreign exchange gain		(717,966)	1,201,153
Other proceeds		-	427,267
<b>Operating cash flows before working capital changes:</b>		<b>(2,848,645)</b>	<b>1,097,035</b>
Decrease / (Increase) in inventories		10,761	(9,288)
Decrease / (Increase) in other current assets		28,613	(3,252,089)
Increase in accounts payable		496,771	45,761
Decrease in other taxes payable		(80,633)	(258,865)
<b>Cash used in operating activities</b>		<b>(2,393,133)</b>	<b>(2,377,446)</b>
Dividends received		3,587,170	3,648,803
Interest paid		(5,457,693)	(7,270,150)
Income tax paid		(155,146)	(120,910)
<b>Net cash used in operating activities</b>		<b>(4,418,802)</b>	<b>(6,119,703)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment and intangible assets		(123,852)	(259,410)
Contribution to the share capital of subsidiaries		(482,161)	(3,187,788)
Acquisition of shares in associated companies		(12,483,260)	(7,556,910)
Proceeds from sales of shares in subsidiaries and joint ventures		2,194,110	370,396
Borrowings and financial aid provided to subsidiaries and related companies		(3,513,009)	(1,152,606)
Acquisition of debt instruments		-	(9,661,412)
Withdrawal of bank deposits, net		12,250,258	2,637,433
Proceeds from sale of financial instruments		6,150,675	2,069,000
Repayment of financial aid provided to subsidiaries and related companies		470,996	930,996
Other		-	2,297
Interest received		2,398,510	1,940,793
<b>Net cash received from / (used in) investing activities</b>		<b>6,862,267</b>	<b>(13,867,211)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	12	10,964,483	-
Proceeds of loans from banks		-	34,500,000
Repayment of loans from Samruk-Kazyna	13	(2,381,109)	(2,381,109)
Repayment of loans from banks	13	(10,098,000)	(13,818,000)
Repayment of loans from subsidiaries / jointly controlled entities		-	(725,000)
Dividends paid		-	(4,781,073)
Other payment to shareholder		(33,064)	-
<b>Net cash flows (used in) / received from financial activities</b>		<b>(1,547,690)</b>	<b>12,794,818</b>
Foreign exchange difference effect on cash and cash equivalents		330,260	114,200
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1,226,035</b>	<b>(7,077,896)</b>
Cash and cash equivalents at the beginning of the year	11	<b>6,635,292</b>	<b>9,280,080</b>
<b>Cash and cash equivalents at the end of the period</b>	11	<b>7,861,327</b>	<b>2,202,184</b>

The accompanying notes on pages 5 to 16 are an integral part of these separate financial statements.

## **1 Company and Its Operations**

Samruk-Energy JSC (the “Company”) was incorporated on 18 April 2007 and registered on 10 May 2007. The Company is a joint stock company set up in accordance with regulations of the Republic of Kazakhstan.

The Company’s sole shareholder is Samruk-Kazyna National Welfare Fund JSC (“Samruk-Kazyna”), owing 100% of the Company. The Company’s ultimate controlling party is the Government of the Republic of Kazakhstan.

### ***Principal activity***

The Company is a holding company (the “Company”), including a number of companies (Note 6), whose principal activities are production of electricity and 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 hydro and heat power stations, and lease of property of hydro power stations.

### ***Address and place of activity***

Registered address and place of business: 15A, Kabanbay Batyr Avenue, Astana, Republic of Kazakhstan.

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

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

These separate condensed interim financial statements for the six months ended June 30, 2016 prepared in accordance with IFRS (IAS) 34 "Interim Financial Reporting" based on the principle of historical cost, adjusted for initial recognition of financial instruments at fair value. The following are the significant accounting policies that have been used in preparing these condensed interim separate financial statements and are consistent with the accounting policies used in the preparation of reports for the last fiscal year, with the exception of income tax. These separate condensed interim financial statements is subject to familiarization with the annual separate financial statements of the Company as at 31 December 2015, prepared in accordance with IFRS. The accounting policies used in preparing these condensed separate interim financial statements comply with the accounting policies that were applied in the previous financial year.

The Company has prepared these separate condensed interim financial statements for management. In addition, the Company has prepared these separate condensed interim financial statements in accordance with IFRS (IAS) 34 "Interim Financial Reporting" in relation to the Company. In the separate condensed interim financial statements the operations of subsidiaries, defined as companies in which the Company owns more than half of the voting shares directly or indirectly or in relation to which the Company has the ability to otherwise control their financial and operating policies, are fully consolidated. The separate condensed interim financial statements of the Company may be received in Company’s office at the following address: 15 A, Kabanbai Batyr Avenue, Astana, Republic of Kazakhstan.

The separate condensed interim financial statements should be read in conjunction with the consolidated financial statements for the period ended 30 June 2016, to obtain full information about financial position, operating results and changes in Company’s financial position as a whole.

### ***Exchange rates***

At 30 June 2016 the exchange rate used for translation of foreign currency balances was 1 US Dollar = Tenge 338.87 (31 December 2015: 1 US Dollar = Tenge 340.01).

### ***New accounting pronouncements***

New and amended standards and interpretations should be applied in the preparation of the first interim financial statements issued after their effective date. There are no new IFRSs or IFRICs that are effective for the first time for this interim period and that would be expected to have a material impact on the Company, presentation of Financial Statements, and on assessment of its transactions and balances.

A set of new standards, amendments to standards and interpretations is not effective as at 30 June 2016. The requirements of these amended standards have not been considered for the preparation of these condensed interim financial statements. The Company plans to adopt these standards as they become effective. Currently, the Company has not yet completed the analysis of potential effect of these standards on its financial statements.



### 3 Critical Accounting Estimates, and Judgements in Applying Accounting Policies

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

Applied critical accounting estimates and judgments correspond to the accounting estimates and judgments applied in the preparation of the annual separate financial statements for the year ended December 31, 2015.

### 4 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.

The related parties include the companies under control of Samruk-Kazyna. Transactions with the state owned entities are not disclosed when they are entered into in the ordinary course of business with terms consistently applied to all public and private entities i) when they are not individually significant, ii) if the Company's services are provided on the standard terms available for all customers, or iii) where there is no choice of supplier of such services as electricity transmission services, telecommunications and etc.

The nature of relations with those related parties with whom the Company entered into transactions or had balances outstanding at 30 June 2016 and 31 December 2015 is detailed below.

At 30 June 2016 the outstanding balances with related parties were as follows:

<i>In thousands of Kazakhstani Tenge</i>	<b>Note</b>	<b>Shareholder</b>	<b>Companies under common control</b>	<b>Subsidiaries, joint ventures and associates</b>
Loans issued to subsidiaries		-	-	11,455,348
Financial aid provided to subsidiaries and jointly controlled entities		-	-	674,514
Trade and other receivables		-	-	780,706
Other current assets	10	1,050,861	-	-
Interest receivable on loans issued		-	3,086	2,908,292
Rewards on loan receivables		-	-	98,612
Related party securities		223,491	6,798,346	43,178,212
Other trade and other payables and accrued liabilities		3,215,066	8,057	93,203
Borrowings	13	56,592,148	-	-

At 31 December 2015, the outstanding balances with related parties were as follows:

<i>In thousands of Kazakhstani Tenge</i>	<b>Note</b>	<b>Shareholder</b>	<b>Companies under common control</b>	<b>Subsidiaries and JVs</b>
Loans issued to subsidiaries		-	-	8,358,091
Financial aid provided to subsidiaries and jointly controlled entities		-	-	365,000
Other current assets		-	2,400	709,535
Other distributions to shareholders		988,786	-	-
Other Current Assets		-	-	525,409
Interest receivable on loans issued		-	-	89,794
Dividends receivable		-	-	2,634,314
Related party securities		223,491	6,825,446	49,177,793
Other trade and other payables and accrued liabilities		-	5,887	-
Liability to shareholder		1,174,065	-	-
Borrowings	13	57,537,093	-	-

**SAMRUK-ENERGY JSC**  
**Notes to the Separate Financial Statements – 30 June 2016**

**4 Balances and Transactions with Related Parties (continued)**

The income and expense items with related parties for the period ended 30 June 2016 were as follows:

	<b>Shareholder</b>	<b>Companies under common control</b>	<b>Subsidiaries, joint ventures and associates</b>
<i>In thousands of Kazakhstani Tenge</i>			
Dividend income	-	320,873	3,516,143
Finance income	6,479	156,352	6,054,991
Finance costs	2,776,020	-	3,945,569
General and administrative expenses	-	46,057	56,661
Other income	-	(4,816)	-

The income and expense items with related parties for the period ended 30 June 2015 were as follows:

	<b>Shareholder</b>	<b>Companies under common control</b>	<b>Subsidiaries, joint ventures and associates</b>
<i>In thousands of Kazakhstani Tenge</i>			
Dividend income	-	-	13,100,535
Finance income	6,479	-	1,845,803
Finance costs	5,564,020	-	105,970
General and administrative expenses	-	34,020	-
Other income	410	-	412,875

Key management personnel compensation represents the salaries, bonuses and other short-term employee benefits. Key management personnel compensation for the period ended 30 June 2016, including salaries, bonuses and other short-term benefits to employees is Tenge 59,714 thousand (for the period ended 30 June 2015: Tenge 59,714 thousand). Key management personnel at 30 June 2016 consists of 7 persons (2015: 8 persons).

**SAMRUK-ENERGY JSC**  
**Notes to the Separate Financial Statements – 30 June 2016**

**5 Property, Plant and Equipment**

Movements on carrying values of property, plant and equipment are as follows:

<i>In thousands of Kazakhstani Tenge</i>	<b>Other</b>	<b>Construction in progress</b>	<b>Total</b>
Cost at 1 January 2015	906,356	505,468	1,411,824
Accumulated depreciation and impairment	(251,564)	-	(251,564)
<b>Carrying amount at 1 January 2015</b>	<b>654,792</b>	<b>505,468</b>	<b>1,160,260</b>
Additions	26,880	55,285	82,165
Transfers	5,652	-	5,652
Depreciation	(92,410)	-	(92,410)
Disposals	-	-	-
<b>Carrying amount at 30 June 2015</b>	<b>594,914</b>	<b>560,753</b>	<b>1,155,667</b>
Cost at 30 June 2015	968,971	560,753	1,529,724
Accumulated depreciation and impairment	(374,057)	-	(374,057)
<b>Carrying amount at 30 June 2015</b>	<b>594,914</b>	<b>560,753</b>	<b>1,155,667</b>
Cost at 1 January 2016	941,624	325,097	1,266,721
Accumulated depreciation and impairment	(427,697)	-	(427,697)
<b>Carrying amount at 1 January 2016</b>	<b>513,927</b>	<b>325,097</b>	<b>839,024</b>
Additions	360	-	360
Transfers	-	-	-
Depreciation	(95,716)	-	(95,716)
Disposals	(50,519)	-	(50,519)
<b>Carrying amount at 30 June 2016</b>	<b>368,052</b>	<b>325,097</b>	<b>693,149</b>
Cost at 30 June 2015	873,614	325,097	1,198,711
Accumulated depreciation and impairment	(505,562)	-	(505,562)
<b>Carrying amount at 30 June 2016</b>	<b>368,052</b>	<b>325,097</b>	<b>693,149</b>

**SAMRUK-ENERGY JSC**  
**Notes to the Separate Financial Statements – 30 June 2016**

**6 Investments in Subsidiaries, Joint Ventures and Associates**

On 30 June 2016 the Company has classified its subsidiary of LLP "Karagandagiproshaht and K" as assets held for sale. On 8 July 2016 the Company has entered into a transaction to sell the asset for the amount of Tenge 154,716 thousand.

At 30 June 2016 the carrying amount of investment was as follows:

Note	Date of acquisition	Country of registration	Carrying amount of investments at 30 June 2016, in thousands of tenge	Ownership percentage at 30 June 2016
<i>a) Investments to subsidiaries</i>				
Ekibastuzskaya GRES-1 named after Bulat Nurzhanov LLP				
	31.10.2012	Kazakhstan	338,272,063	100%
Alatau Zharyk Company JSC				
	29.07.2009	Kazakhstan	46,501,110	100%
Almaty Power Stations JSC				
	26.07.2011	Kazakhstan	30,212,480	100%
Moinak HPS JSC				
	04.01.2008	Kazakhstan	21,864,616	100%
Tegis Munai LLP				
	29.12.2012	Kazakhstan	15,117,034	100%
The First Wind Power Plant LLP				
	28.05.2015	Kazakhstan	9,099,043	100%
Samruk-Green Energy LLP				
	13.06.2012	Kazakhstan	2,739,234	100%
Shulbinskaya HPS JSC				
	04.01.2008	Kazakhstan	1,230,658	92%
Bukhtarminskaya HPS JSC				
	04.01.2008	Kazakhstan	1,050,790	90%
Shardara HPS JSC				
	03.06.2011	Kazakhstan	1,387,806	100%
Ust-Kamenogorskaya HPS JSC				
	04.01.2008	Kazakhstan	465,019	90%
Ereymenau Wind Power LLP				
	28.05.2015	Kazakhstan	1,140,478	100%
AlmatyEnergoSbyt LLP				
	26.07.2011	Kazakhstan	136,003	100%
Kazhydrotechenergo LLP				
	31.03.2014	Kazakhstan	144,917	100%
Aktobe CHP JSC				
	11.12.2015	Kazakhstan	7,176,726	100%
EKREC JSC				
	31.03.2012	Kazakhstan	7,723,741	100%
MEDC JSC				
	04.01.2008	Kazakhstan	785,297	77%
Energia Semirechia LLP				
	28.05.2015	Kazakhstan	15,319	51%
Energy Solutions Center LLP				
	19.05.2016	Kazakhstan	52,997	100%
New Light Energy LLP				
	28.05.2015	Kazakhstan	151	100%
<i>b) Investments to joint ventures</i>				
Forum Muider B.V.				
	23.12.2008	The Netherlands	41,759,543	50%
Stantciya Ekibastuzskaya GRES-2 JSC				
	04.01.2008	Kazakhstan	8,725,133	50%
<i>c) Investments to associates</i>				
Balkhashskaya TES JSC				
	24.06.2008	Kazakhstan	32,085,281	49,99%
<i>Less:</i>				
Impairment of investments			(2,434,912)	
<b>Total investments</b>			<b>565,250,527</b>	

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**6 Investments in Subsidiaries, Joint Ventures and Associates (continued)**

At 31 December 2015 the carrying amount of investments was as follows:

	<b>Date of acquisition</b>	<b>Country of registration</b>	<b>Carrying amount of investments at 31 December 2015, in thousands of tenge</b>	<b>Ownership percentage at 31 December 2015</b>
<i>a) Investments to subsidiaries</i>				
Ekibastuzskaya GRES-1 named after Bulat Nurzhanov LLP	31.10.2012	Kazakhstan	338,272,063	100%
Alatau Zharyk Company JSC (AZhC)	29.07.2009	Kazakhstan	46,501,110	100%
Almaty Power Stations JSC	26.07.2011	Kazakhstan	30,212,480	100%
Moinak HPS JSC	04.01.2008	Kazakhstan	21,864,616	100%
Tegis Munai LLP	29.12.2012	Kazakhstan	14,835,069	100%
First Wind Turbine LLP	28.05.2015	Kazakhstan	9,092,563	100%
East-Kazakhstan regional electricity distribution company (VKREC)	31.03.2012	Kazakhstan	7,723,741	100%
Aktobe Thermal Power Station JSC	03.12.2015	Kazakhstan	7,176,726	100%
Samruk-Green Energy LLP	13.06.2012	Kazakhstan	2,739,234	100%
Shulbinskaya HPS JSC	04.01.2008	Kazakhstan	1,230,658	92%
Bukhtarminskaya HPS JSC	04.01.2008	Kazakhstan	1,050,790	90%
Shardara HPS JSC	03.06.2011	Kazakhstan	1,221,089	100%
Ust-Kamenogorskaya HPS JSC	04.01.2008	Kazakhstan	465,019	90%
Ereymenau Wind Power LLP	28.05.2015	Kazakhstan	968,807	100%
Mangistau Electricity Distribution Company JSC (MEDC)	04.01.2008	Kazakhstan	785,297	77%
KaragandaGiproShaht and K LLP	15.06.2015	Kazakhstan	286,019	90%
AlmatyEnergSbytt LLP	26.07.2011	Kazakhstan	136,003	100%
Kazhydrotechenoergo LLP	31.03.2014	Kazakhstan	116,675	100%
Energiya Semirechiya LLP	28.05.2015	Kazakhstan	15,319	51%
New Light Energy LLP	28.05.2015	Kazakhstan	152	100%
<i>b) Investments to joint ventures</i>				
Forum Muider B.V.	23.12.2008	The Netherlands	41,759,543	50%
Stantciya Ekibastuzskaya GRES-2 JSC	04.01.2008	Kazakhstan	8,725,133	50%
<i>c) Investments to associates</i>				
Balkhashskaya TES JSC	24.06.2008	Kazakhstan	19,602,020	37.92%
<i>Less:</i>				
Impairment of investments			(2,434,912)	
<b>Total investments</b>			<b>552,345,214</b>	

Transactions and balances with subsidiaries and joint ventures are disclosed in note 4.

The Company increased shares in JSC "Balkhash Thermal Power Plant" to 50% minus one share, where the controlling party is the Samsung C&T.

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**7 Loans issued**

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2016</b>	<b>31 December 2015</b>
<i>Non-current portion</i>		
Almaty Power Stations JSC bonds	24,731,000	31,148,000
Alatau Zharyk Company JSC bonds	10,043,515	10,043,515
Loan issued to Alatau Zharyk Company JSC	3,545,909	3,408,643
Loan to First Wind Turbine LLP	2,063,535	1,828,288
MEDC JSC bonds	1,194,919	1,191,941
Loan issued to EKREC JSC	511,991	767,986
Samruk-Kazyna SWF JSC bonds	220,000	220,000
<b>Total loans issued – non-current portion</b>	<b>42,310,869</b>	<b>48,608,373</b>
<i>Current portion</i>		
Kazakhstan Engineering JSC bonds	6,747,518	6,800,200
Almaty Power Stations JSC bonds	6,249,500	6,187,402
Loan issued to Almaty Power Stations JSC	4,713,531	1,568,883
Interest accrued on bonds	1,013,597	635,673
Loan issued to EKREC JSC	661,991	511,991
Loan issued to Energiya Semirechiya LLP	317,514	65,000
Loan issued to Aktobe TES JSC	285,000	450,000
Interest accrued on loans issued to Alatau Zharyk Company JSC	69,689	69,689
Financial aid provided to Ust-Kamenogorskaya HPS JSC	30,390	30,390
Interest accrued on loans issued to Almaty Power Stations JSC	28,924	20,105
Loans issued to Zhambylskaya GRES named after T.I. Baturov JSC	5,442	5,442
Other	-	-
<i>Less: impairment on loans issued</i>	(5,442)	(5,442)
<b>Total loans issued – current portion</b>	<b>20,117,654</b>	<b>16,339,333</b>

**8 Other Non-current Assets**

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2016</b>	<b>31 December 2015</b>
Advanced paid for non-current assets	2,200,000	2,200,000
Financial guarantee to First Wind Turbine LLP	780,706	704,977
Other non-current assets	119,410	213,484
<b>Total Other non-current assets</b>	<b>3,100,116</b>	<b>3,118,461</b>

**9 Trade and Other Receivables**

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2016</b>	<b>31 December 2015</b>
Trade and other receivables from LLP "Taraz-Energo 2005"	-	2,098,911
Other trade and receivables	644	4,911
<b>Total financial trade and other receivables</b>	<b>644</b>	<b>2,103,822</b>

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**10 Other Current Assets**

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2016</b>	<b>31 December 2015</b>
Short-term deposits	14,069,843	26,626,827
Dividends receivable	2,910,876	2,634,314
Assets held for the benefit of the Shareholder	1,050,861	952,481
Advanced paid	193,970	85,380
Other taxes prepaid	70,936	52,903
Receivables from employees	27,578	48,065
Deferred expenses	5,898	23260
Other	3,612	44,612
<b>Total other current assets</b>	<b>18,333,574</b>	<b>30,467,842</b>

Short-term deposits of the Company as at 30 June 2016 and 31 December 2015 are denominated in US Dollar.

**11 Cash and cash equivalents**

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2016</b>	<b>31 December 2015</b>
Cash on bank accounts – USD	7,433,886	5,897,312
Cash on bank accounts – KZT	90,346	558,565
Cash on bank accounts – EUR	2,426	28,122
Cash on bank accounts – RUB	2	116
Cash on hand	1,667	1,177
Cash on time deposits– KZT	333,000	150,000
<b>Total cash and cash equivalents</b>	<b>7,861,327</b>	<b>6,635,292</b>

**12 Equity**

**Share capital**

	<b>Issue date</b>	<b>Number of declared and issued shares</b>	<b>Value, KZT</b>	<b>Share capital, 000'KZT</b>
<b>Balance at 1 January 2015</b>		<b>5,585,437</b>		<b>355,364,386</b>
14 <sup>th</sup> issue of shares	15 July 2015	286	1,000,065	286,019
<b>Balance at 31 December 2015</b>		<b>5,585,723</b>		<b>355,650,405</b>
15 <sup>th</sup> Issue of shares	1 April 2016	10,964	1,000,044	10,964,483
<b>Balance at 30 June 2016</b>		<b>5,596,687</b>		<b>366,614,888</b>

On 30 June 2016, 5,596,687 the issued ordinary shares were fully paid (2015: 5,585,723 shares). Each ordinary share gives a right of one vote. The Company does not have preference shares.

On 30 June 2016, NWF Samruk-Kazyna is a 100% shareholder of the Company (2015: 100%).

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**13 Borrowings**

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2016</b>	<b>31 December 2015</b>
<b>Long-term portion</b>		
Eurobonds	169,208,160	169,846,110
Borrowings from Samruk-Kazyna	53,974,952	54,355,849
Bank loans	10,000,000	10,000,000
<b>Total borrowings – long-term portion</b>	<b>233,183,112</b>	<b>234,201,959</b>
<b>Short-term portion</b>		
Bank loans	600,000	10,698,000
Borrowings from Samruk-Kazyna	2,381,110	2,381,110
Interest accrued – borrowings from Samruk-Kazyna	236,087	800,135
Interest accrued – Eurobonds	194,024	194,797
Interest accrued – bank loans	182,083	225,215
<b>Total short-term portion</b>	<b>3,593,304</b>	<b>14,299,257</b>
<b>Total borrowings</b>	<b>236,776,416</b>	<b>248,501,216</b>

*Banks*

The Company repaid short-term loans from ATF Bank and Halyk Bank in the amount of Tenge 4,506,589 thousand and Tenge 5,598,000 thousand, respectively.

**14 Financial Guarantees**

On 30 June 2016, the Company has a guarantee issued for the loan received by The First Wind Power Plant LLP and Shardarinskaya GES JSC. The fair value on initial recognition was determined as the sum resulting from applying an interest rate to the guaranteed amount, representing a difference between the interest rate at which the borrower received the loan guaranteed by the Company and the interest rate, which would be applied if the Company did not issue the guarantee. The cost of the guarantee is regarded as an investment in a subsidiary.

**15 Trade and Other Payables and Accrued liabilities**

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2016</b>	<b>31 December 2015</b>
Payables to suppliers and contractors	596,995	345,448
Guarantee obligation for tender participation from suppliers and contractors	2,279,267	2,264,065
Other payables	506,473	216,535
<b>Total financial payables</b>	<b>3,382,735</b>	<b>2,826,048</b>

**16 Liability for the benefit of the Shareholder**

On behalf of the Shareholder, the Company made a commitment for the construction of a kindergarten in Astana for the amount of Tenge 1,174,065 thousand, which was recorded as other distribution to shareholders. The Company has accrued liability for the estimated amount of construction for amount of Tenge 1,174,065 thousand as other distributions to shareholder. As at 30 June 2016, the Company incurred expenses associated with the construction of a kindergarten of Tenge 1,050,861 thousand. These actually incurred expenses are recorded as current assets held for the benefit of shareholders, as it is expected that these assets will be transferred to the shareholder during 2016 as the distribution of income to the shareholder pursuant to the Protocol of the meeting with the participation of the President of Kazakhstan on 27 November 2013.

On 22 April 2016, the Company declared dividends to be paid to the sole shareholder in the amount of Tenge 2,041,000 thousand.



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**17 General and Administrative expenses**

<i>In thousands of Kazakhstani Tenge</i>	<b>Six months ended 30 June 2016</b>	<b>Six months ended 30 June 2015</b>	<b>Three months ended 30 June 2016</b>	<b>Three months ended 30 June 2015</b>
Salaries and related costs	1,228,028	1,418,414	572,667	897,056
Consulting and other services	917,591	152,936	721,187	120,994
Rent expenses	173,786	178,742	85,407	90,969
Depreciation and amortization	175,504	153,731	89,934	79,160
Membership fees	140,531	64,287	-	4,504
Taxes	124,088	83,990	44,495	19,684
Business trip expenses	47,806	64,535	24,640	35,422
Staff training and related costs	23,627	34,058	13,667	18,905
Medical insurance	20,456	14,918	9,406	7,491
Communication costs	18,152	13,148	9,092	6,833
Sponsorship	-	50,000	-	50,000
Other	150,789	161,458	114,783	82,680
<b>Total general and administrative expenses</b>	<b>3,020,358</b>	<b>2,390,217</b>	<b>1,685,278</b>	<b>1,413,698</b>

**18 Finance Income**

<i>In thousands of Kazakhstani Tenge</i>	<b>Six months ended 30 June 2016</b>	<b>Six months ended 30 June 2015</b>	<b>Three months ended 30 June 2016</b>	<b>Three months ended 30 June 2015</b>
Interest income on bonds	5,423,533	1,325,593	1,800,409	736,804
Interest income on bank deposits	750,954	673,296	325,580	335,768
Interest income on financial aid issued	472,766	149,689	281,392	75,642
Amortization of discount on financial aid issued	147,209	127,235	78,533	66,488
Other	287,962	341,644	95,612	1,462
<b>Total finance income</b>	<b>7,082,424</b>	<b>2,617,457</b>	<b>2,581,526</b>	<b>1,216,164</b>

**19 Finance Costs**

<i>In thousands of Kazakhstani Tenge</i>	<b>Six months ended 30 June 2016</b>	<b>Six months ended 30 June 2015</b>	<b>Three months ended 30 June 2016</b>	<b>Three months ended 30 June 2015</b>
Forex Loss	3,945,570	-	1,579,944	-
Interest expense on debt securities	3,221,531	1,829,219	1,565,875	916,798
Amortization of discount of present value on loans and financial aid from shareholders	2,037,262	773,688	1,019,847	410,989
Interest expense on borrowings	1,708,951	5,438,963	735,948	2,877,850
Other	-	239,205	-	105,991
<b>Total finance costs</b>	<b>10,913,314</b>	<b>8,281,075</b>	<b>4,901,614</b>	<b>4,311,628</b>

**20 Income Tax**

Income tax is the income tax withheld from payments on deposits. The Company does not expect the future taxable income.

## **21 Contingencies and Commitments and Operating Risks**

Except for the information prescribed below, as of 30 June 2016 there were no contingent and contractual obligations and operational risks other than those which have been disclosed in the separate financial statements for the year ended 31 December 2015.

## **22 Financial Risk Management**

### ***Financial risk factors***

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow fair value interest rate risk), credit risk and liquidity risk.

The condensed separate interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the annual financial statements as at 31 December 2015.

As at 30 June 2016, there have been no changes in the risk management policies since the year end.

### ***(a) Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to liquidity management consists in ensuring, to the extent possible, constant availability of the Company's liquid funds sufficient to repay its liabilities on time under both ordinary and stress conditions, preventing unacceptable losses and not compromising the Company's reputation. In accordance with the Company policy on formation and monitoring of development plans the Company manages the liquidity risk using short-term (one month) forecasts and also mid-term forecast for the next five years. In addition, the Company develops and approves development strategy for the next ten years (currently until 2022). In planning cash flows the Company also accounts for income from temporary excess cash using the bank deposits.

## **23 Fair Value of Financial Instruments**

### ***Fair value measurement***

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Fair value measurements are analyzed by level in the fair value hierarchy as follows: (i) level 1 are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level 2 measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level 3 measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs).

All the Company's financial instruments are carried at amortized cost. Their fair values in level 3 of fair value hierarchy were estimated using the discounted cash flows valuation technique.

### ***Financial assets carried at amortized value***

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 credit risk of the counterparty. Due to the short-term nature of financial receivables, their carrying amounts approximate fair values.

### ***Financial liabilities carried at amortized cost***

The estimated fair value of fixed interest rate instruments with stated maturity, for which a quoted market price is not available, was estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Due to the short-term nature of financial payables, their carrying amounts approximate fair values.

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

Below there is an analysis of Fair Value as per Hierarchy levels and carrying value of Assets and Liabilities, that are not measured at Fair Value:

<i>In thousands of Kazakhstani tenge</i>	30 June 2016				31 December 2015			
	Level 1 fair value	Level 2 fair value	Level 3 fair value	Carrying value	Level 1 fair value	Level 2 fair value	Level 3 fair value	Carrying value
<b>ASSETS</b>								
Cash and cash equivalents	-	-	7,861,327	7,861,327	-	-	6,635,292	6,635,292
Term deposit	-	-	14,069,843	14,069,843	-	-	26,626,827	26,626,827
Financial receivables	-	-	644	644	-	-	2,103,822	2,103,822
Dividends receivable	-	-	2,910,876	2,910,876	-	-	2,634,314	2,634,314
Short term loans	-	-	55,461,005	55,461,005	-	-	57,927,506	57,927,506
Bonds	6,876,433	-	-	6,967,518	6,835,820	-	-	7,020,200
<b>Total Financial assets</b>	<b>6,876,433</b>	<b>-</b>	<b>80,303,695</b>	<b>87,271,213</b>	<b>6,835,820</b>	<b>-</b>	<b>95,927,761</b>	<b>102,947,961</b>
<b>LIABILITIES</b>								
Borrowings	170,079,792	-	55,905,025	236,776,416	164,224,827	-	69,059,547	248,501,216
Financial receivables	-	-	3,382,735	3,382,735	-	-	2,826,048	2,826,048
Financial guarantees	-	-	1,753,322	1,753,322	-	-	1,644,699	1,644,699
<b>Total Financial liabilities</b>	<b>170,079,792</b>	<b>-</b>	<b>61,041,082</b>	<b>241,912,473</b>	<b>164,224,827</b>	<b>-</b>	<b>72,530,294</b>	<b>252,971,963</b>

**24 Subsequent events**

On July 14, 2016 JSC “Samruk-Energo” made the placement of authorized shares in the amount of 2,239 shares of common stock for Tenge 3,000,260 thousand in order to raise funds for the project “Load Transfer” PS-220/110/10kV, #131A “Mountain Giant” for PS-220/110/10-10 kV 160A “Ermensay” through networks of 110 kV with further dismantling of SS-131A.