

Company No. LL04433



**INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023
(Unaudited)
(In United States Dollars)**

Company No. LL04433

STEPPE CEMENT LTD

(Incorporated in Labuan FT, Malaysia under the Labuan Companies Act, 1990)

AND ITS SUBSIDIARY COMPANIES

INTERIM FINANCIAL STATEMENTS (UNAUDITED)

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STEPPE CEMENT LTD

(Incorporated in Labuan FT, Malaysia under the Labuan Companies Act, 1990)

AND ITS SUBSIDIARY COMPANIES

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE PERIOD ENDED 30 JUNE 2023 (UNAUDITED)**

	Note	The Group 6 months ended		The Company 6 months ended	
		30 June 2023 USD'000	30 June 2022 USD'000	30 June 2023 USD'000	30 June 2022 USD'000
Revenue	7	36,882	43,125	683	670
Cost of sales		<u>(27,405)</u>	<u>(23,148)</u>	<u>-</u>	<u>-</u>
Gross profit		9,477	19,977	683	670
Selling expenses		(6,154)	(5,285)	-	-
General and administrative expenses		<u>(3,421)</u>	<u>(3,183)</u>	<u>(176)</u>	<u>(165)</u>
Operating (loss)/profit		(98)	11,509	507	505
Interest income		93	266	-	-
Finance costs	8	(483)	(435)	-	-
Net foreign exchange (loss)/gain		(14)	(246)	18	3
Other income, net		<u>563</u>	<u>940</u>	<u>-</u>	<u>-</u>
Profit before income tax		61	12,034	525	508
Income tax expense	9	<u>(9)</u>	<u>(1,831)</u>	<u>-</u>	<u>-</u>
Profit for the period		<u>52</u>	<u>10,203</u>	<u>525</u>	<u>508</u>
Attributable to shareholders of the Company		<u>52</u>	<u>10,203</u>	<u>525</u>	<u>508</u>
Earning per share:					
Basic and diluted (cents)	10	<u>0.1</u>	<u>4.7</u>		

The accompanying notes form an integral part of the Condensed Financial Statements.

Company No. LL04433

STEPPE CEMENT LTD

(Incorporated in Labuan FT, Malaysia under the Labuan Companies Act, 1990)

AND ITS SUBSIDIARY COMPANIES

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2023 (UNAUDITED)**

	The Group		The Company	
	6 months ended		6 months ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	USD'000	USD'000	USD'000	USD'000
Profit for the period	52	10,203	525	508
Other comprehensive income/ (loss):				
<i>Item that may not be reclassified subsequently to profit or loss</i>				
Exchange differences arising on translation of foreign operations	48	(4,941)	-	-
Total comprehensive income for the period	<u>100</u>	<u>5,262</u>	<u>525</u>	<u>508</u>
Attributable to shareholders of the Company	<u>100</u>	<u>5,262</u>	<u>525</u>	<u>508</u>

The accompanying notes form an integral part of the Condensed Financial Statements.

STEPPE CEMENT LTD

(Incorporated in Labuan FT, Malaysia under the Labuan Companies Act, 1990)

AND ITS SUBSIDIARY COMPANIES**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023 (UNAUDITED)**

	Note	The Group		The Company	
		Unaudited 30 June 2023 USD'000	Audited 31 Dec 2022 USD'000	Unaudited 30 June 2023 USD'000	Audited 31 Dec 2022 USD'000
Assets					
Non-Current Assets					
Property, plant and equipment	11	49,822	49,362	-	-
Right-of-use assets		3	5	-	-
Investment in subsidiary companies		-	-	36,200	36,200
Loan to subsidiary company		-	-	30,040	30,050
Other assets	12	196	1,531	-	-
Total Non-Current Assets		<u>50,021</u>	<u>50,898</u>	<u>66,240</u>	<u>66,250</u>
Current Assets					
Inventories	13	21,190	20,646	-	-
Trade and other receivables	14	1,938	2,045	3,461	2,372
Other assets	12	2,409	1,082	-	-
Income tax receivable		1,421	603	-	-
Loans and advances to subsidiary companies		-	-	60	60
Advances and prepaid expenses		8,687	8,577	16	7
Cash and cash equivalents	15	6,002	4,144	652	1,240
Total Current Assets		<u>41,647</u>	<u>37,097</u>	<u>4,189</u>	<u>3,679</u>
Total Assets		<u><u>91,668</u></u>	<u><u>87,995</u></u>	<u><u>70,429</u></u>	<u><u>69,929</u></u>

(Cont'd)

STEPPE CEMENT LTD

(Incorporated in Labuan FT, Malaysia under the Labuan Companies Act, 1990)

AND ITS SUBSIDIARY COMPANIES**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023 (UNAUDITED)**

	Note	The Group		The Company	
		Unaudited 30 June 2023 USD'000	Audited 31 Dec 2022 USD'000	Unaudited 30 June 2023 USD'000	Audited 31 Dec 2022 USD'000
Equity and Liabilities					
Capital and Reserves					
Share capital		73,761	73,761	73,761	73,761
Revaluation reserve		1,747	1,793	-	-
Translation reserve		(125,804)	(125,852)	-	-
Retained earnings / (Accumulated losses)		115,476	115,378	(3,695)	(4,220)
Total Equity		<u>65,180</u>	<u>65,080</u>	<u>70,066</u>	<u>69,541</u>
Non-Current Liabilities					
Borrowings	16	5,104	3,914	-	-
Deferred taxes		2,460	3,267	-	-
Deferred income		2,700	2,713	-	-
Provision for site restoration		182	178	-	-
Total Non-Current Liabilities		<u>10,446</u>	<u>10,072</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables		10,402	7,348	-	-
Accrued and other liabilities		3,568	2,251	148	144
Amount due to a subsidiary company		-	-	215	244
Borrowings	16	1,651	2,814	-	-
Lease liabilities		421	59	-	-
Taxes payable		-	371	-	-
Total Current Liabilities		<u>16,042</u>	<u>12,843</u>	<u>363</u>	<u>388</u>
Total Liabilities		<u>26,488</u>	<u>22,915</u>	<u>363</u>	<u>388</u>
Total Equity and Liabilities		<u>91,668</u>	<u>87,995</u>	<u>70,429</u>	<u>69,929</u>

The accompanying notes form an integral part of the Condensed Financial Statements.

Company No. LL04433

STEPPE CEMENT LTD

(Incorporated in Labuan FT, Malaysia under the Labuan Companies Act, 1990)

AND ITS SUBSIDIARY COMPANIES

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2023 (UNAUDITED)**

The Group	Share capital USD'000	Non-distributable Revaluation reserve USD'000	Translation reserve USD'000	Distributable Retained earnings USD'000	Total USD'000
As at 1 January 2023	73,761	1,793	(125,852)	115,378	65,080
Profit for the period	-	-	-	52	52
Other comprehensive income	-	-	48	-	48
Total comprehensive income for the period	-	-	48	52	100
Transfer of revaluation reserve relating to property, plant and equipment through use	-	(46)	-	46	-
As at 30 June 2023	<u>73,761</u>	<u>1,747</u>	<u>(125,804)</u>	<u>115,476</u>	<u>65,180</u>

(Cont'd)

Company No. LL04433

STEPPE CEMENT LTD

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AND ITS SUBSIDIARY COMPANIES

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2023 (UNAUDITED)**

The Group	Non-distributable			Distributable	Total
	Share capital	Revaluation reserve	Translation reserve	Retained earnings	
	USD'000	USD'000	USD'000	USD'000	USD'000
As at 1 January 2022	73,761	2,068	(120,438)	110,190	65,581
Profit for the period	-	-	-	10,203	10,203
Other comprehensive loss	-	-	(4,941)	-	(4,941)
Total comprehensive (loss)/income for the period	-	-	(4,941)	10,203	5,262
Transfer of revaluation reserve relating to property, plant and equipment through use	-	(137)	-	137	-
As at 30 June 2022	<u>73,761</u>	<u>1,931</u>	<u>(125,379)</u>	<u>120,530</u>	<u>70,843</u>

Company No. LL04433

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2023 (UNAUDITED)**

The Company	Share capital	Accumulated losses	Total
	USD'000	USD'000	USD'000
As at 1 January 2023	73,761	(4,220)	69,541
Total comprehensive income for the period	<u>-</u>	<u>525</u>	<u>525</u>
As at 30 June 2023	<u>73,761</u>	<u>(3,695)</u>	<u>70,066</u>
As at 1 January 2022	73,761	(5,606)	68,155
Total comprehensive income for the period	<u>-</u>	<u>508</u>	<u>508</u>
As at 30 June 2022	<u>73,761</u>	<u>(5,098)</u>	<u>68,663</u>

STEPPE CEMENT LTD

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AND ITS SUBSIDIARY COMPANIES

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2023 (UNAUDITED)**

	The Group		The Company	
	6 months ended		6 months ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	USD'000	USD'000	USD'000	USD'000
OPERATING ACTIVITIES				
Profit before income tax	61	12,034	525	508
Adjustments for:				
Depreciation of property, plant and equipment	2,837	3,203	-	-
Depreciation of right-of-use assets	3	823	-	-
Other non-cash items	578	218	(1,088)	(1,090)
Operating Profit/(Loss) Before Working Capital Changes	3,479	16,278	(563)	(582)
(Increase)/Decrease in:				
Inventories	345	(2,922)	-	-
Trade and other receivables, advances and prepaid expenses	(22)	(6,444)	(9)	(12)
Loans and advances from subsidiary companies	-	-	(20)	(24)
Increase in:				
Trade and other payables, accrued and other liabilities	3,622	3,494	4	56
Cash Generated From/(Used In) Operations	7,424	10,406	(588)	(562)
Income tax paid	(1,777)	(1,785)	-	-
Interest paid	(483)	(198)	-	-
Net Cash Generated From/(Used In) Operating Activities	5,164	8,423	(588)	(562)

(Cont'd)

	The Group		The Company	
	6 months ended		6 months ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	USD'000	USD'000	USD'000	USD'000
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(2,721)	(2,870)	-	-
Purchase of other assets	(24)	(18)	-	-
Interest received	93	267	-	1,550
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Cash (Used In)/Generated From Investing Activities	<u>(2,652)</u>	<u>(2,621)</u>	<u>-</u>	<u>1,550</u>
FINANCING ACTIVITIES				
Proceeds from borrowings	1,703	3,346	-	-
Repayment from borrowings	(1,980)	(2,815)	-	-
Payment of lease liabilities	(363)	(1,090)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Cash Used In Financing Activities	<u>(640)</u>	<u>(559)</u>	<u>-</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS				
	1,872	5,243	(588)	988
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES				
	(14)	(685)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD				
	<u>4,144</u>	<u>10,136</u>	<u>1,240</u>	<u>614</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (NOTE 15)				
	<u><u>6,002</u></u>	<u><u>14,694</u></u>	<u><u>652</u></u>	<u><u>1,602</u></u>

The accompanying notes form an integral part of the Condensed Financial Statements.

STEPPE CEMENT LTD

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AND ITS SUBSIDIARY COMPANIES

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

1. GENERAL INFORMATION

Steppe Cement Ltd (“the Company”) is incorporated and domiciled in Malaysia. The Company’s and its subsidiaries’ (“the Group”) principal place of business is located at Aktau village, Karaganda region, Republic of Kazakhstan. The Company’s shares are listed on the AIM Market of the London Stock Exchange plc.

The registered office of the Company is located at Brumby Centre, Lot 42, Jalan Muhibbah, 87000 Labuan FT, Malaysia.

2. BASIS OF PREPARATION OF CONDENSED INTERIM FINANCIAL STATEMENTS

Basis of presentation

The condensed interim financial statements of the Group and the Company are unaudited and have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the audited financial statements for the year ended 31 December 2022.

The condensed interim financial statements of the Group and the Company were authorised for issue by the Board of Directors on 19 September 2023.

Use of estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Due to the inherent uncertainty in making those estimates, actual results reported in future periods could differ from such estimates.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and the Company have been prepared under the historical cost convention except the revaluation of land and building to fair values in accordance with IAS 16 “Property, Plant and Equipment” (Note 11).

The accounting policies adopted are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023.

The adoption of these Amendments did not have an impact on the Group’s condensed consolidated interim financial statements.

The principal closing rates used in translation of foreign currency amounts are as follows:

	USD
1 Pound Sterling	1.2714
1 Ringgit Malaysia	0.2144
1 Euro Dollar	1.0878
1 Kazakhstan Tenge (“KZT”)	<u>0.0022</u>
	KZT
1 US Dollar	<u><u>454.13</u></u>

4. REVIEW OF RESULTS FOR THE PERIOD

During the six-month period to 30 June 2023, the Group posted revenue of USD36.9 million, a decline of 14% from USD43.1 million in the corresponding period in 2022. The decline was mainly attributable to the 11% lower sales volume. The drop was concentrated in the first few months of the year when cement prices were maintained. Consequently the Company decided to adjust pricing to recover the volumes.

The average sales price was USD50 (KZT22,665) per tonne compared with USD52 (KZT23,391) per tonne in the corresponding period in 2022.

The gross margin was reduced to 26% in the six-month period to 30 June 2023 compared with 46% in the same period last year due to the combination of higher production costs, lower volumes and a lower selling price. Selling expenses increased by USD0.9 million or 16% to USD6.2 million, while general and administration expenses increased 7% by USD0.2 million to USD3.4 million

The Group posted a small net profit for the period of USD0.1 million compared with USD10.2 million profit after tax in the same period in 2022.

5. SEASONAL OR CYCLICAL FACTORS

The Group's revenue is closely linked to the construction sector which experiences seasonal, significant slow-down in construction activities due to extreme, cold temperature especially during the months of December, January and February in most parts of Kazakhstan. Each year, the Group's sales improve after winter and typically peak during the summer months.

6. SEGMENTAL REPORTING

No industry and geographical segmental reporting are presented as the Group's primary business is in the production and sale of cement which is located in Karaganda region, Republic of Kazakhstan.

7. **REVENUE**

	The Group		The Company	
	6 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2023	2022	2023	2022
	USD'000	USD'000	USD'000	USD'000
Sales of manufactured goods	36,865	43,120	-	-
Transmission and distribution of electricity	17	5	-	-
Net interest income	-	-	683	670
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>36,882</u>	<u>43,125</u>	<u>683</u>	<u>670</u>

8. **FINANCE COSTS**

	The Group	
	6 months ended	
	30 June	30 June
	2023	2022
	USD'000	USD'000
Interest expense on:		
- bank loans	298	200
- lease liabilities	-	96
Other finance costs	185	134
Unwinding of discount	-	5
	<hr/>	<hr/>
Total	<u>483</u>	<u>435</u>

9. INCOME TAX EXPENSE

	The Group		The Company	
	6 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2023	2022	2023	2022
	USD'000	USD'000	USD'000	USD'000
Income tax expense	-	1,850	-	-
Deferred tax benefit/(expense)	9	(19)	-	-
	<u>9</u>	<u>1,831</u>	<u>-</u>	<u>-</u>

10. EARNINGS PER SHARE

	The Group	
	6 months ended	6 months ended
	30 June 2023	30 June 2022
	USD'000	USD'000
Profit attributable to ordinary shareholders	<u>52</u>	<u>10,203</u>
	6 months ended	6 months ended
	30 June 2023	30 June 2022
	'000	'000
Number of ordinary shares in issue at beginning and at end of period	<u>219,000</u>	<u>219,000</u>
Weighted average number of ordinary shares at beginning and at end of period	<u>219,000</u>	<u>219,000</u>
Earnings per share, basic and diluted (cents)	<u>0.1</u>	<u>4.7</u>

The basic earnings per share is calculated by dividing the consolidated profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the financial period.

There are no dilutive instruments in issue as at 30 June 2023 and 30 June 2022.

11. PROPERTY, PLANT AND EQUIPMENT, NET

The Group	Freehold land and land improvement	Buildings	Machinery and equipment	Railway Wagons	Other assets	Stand-by equipment and major spare parts	Construction in progress	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cost								
At 1 January 2023	1,614	20,276	63,369	5,969	11,502	2,897	8,020	113,647
Additions	4	-	(374)	-	459	303	2,329	2,721
Transfers	-	218	4,595	89	(140)	(80)	(4,682)	-
Disposals	-	-	(8)	-	(176)	(11)	-	(195)
Reclassification from inventories	-	-	-	-	-	(284)	41	(243)
Exchange differences	31	379	2,467	112	215	54	162	3,420
At 30 June 2023	1,649	20,873	70,049	6,170	11,860	2,879	5,870	119,350
Accumulated depreciation								
At 1 January 2023	-	15,153	41,017	2,504	5,611	-	-	64,285
Charge for the period	-	425	1,912	154	346	-	-	2,837
Disposals	-	-	(7)	-	(176)	-	-	(183)
Exchange differences	-	282	2,156	46	105	-	-	2,589
At 30 June 2023	-	15,860	45,078	2,704	5,886	-	-	69,528
Net Book Value								
At 30 June 2023	1,649	5,013	24,970	3,466	5,974	2,879	5,870	49,822
At 31 December 2022	1,614	5,123	22,352	3,465	5,891	2,897	8,020	49,362

12. OTHER ASSETS

	The Group		The Company	
	As at 30 June 2023 USD'000	As at 31 Dec 2022 USD'000	As at 30 June 2023 USD'000	As at 31 Dec 2022 USD'000
VAT recoverable – non-current	2,409	1,742	-	-
Site restoration fund	190	162	-	-
Others	6	708	-	-
Total	2,605	2,612	-	-
Less: non-current portion of other assets	(196)	(162)		
VAT recoverable	-	(1,369)		
Current portion	2,409	1,082	-	-

13. INVENTORIES

	The Group		The Company	
	As at 30 June 2023 USD'000	As at 31 Dec 2022 USD'000	As at 30 June 2023 USD'000	As at 31 Dec 2022 USD'000
Finished goods	3,239	3,647	-	-
Spare parts	12,241	8,152	-	-
Work in progress	683	3,917	-	-
Raw materials	2,680	1,779	-	-
Other materials	3,742	4,573	-	-
Packing materials	691	625	-	-
Total	23,276	22,693	-	-
Less: Provision for obsolete inventories	(2,086)	(2,047)	-	-
Net	21,190	20,646	-	-

No additional provision for obsolete inventories is necessary based on current conditions as at 30 June 2023.

14. **TRADE AND OTHER RECEIVABLES**

	The Group		The Company	
	As at 30 June 2023 USD'000	As at 31 Dec 2022 USD'000	As at 30 June 2023 USD'000	As at 31 Dec 2022 USD'000
Trade receivables	2,576	2,691	-	-
Less: Loss allowances	(1,189)	(1,167)	-	-
Net	1,387	1,524	-	-
Other receivables:				
Receivable from employees	160	166	-	-
Others	391	355	-	-
Interest receivable	-	-	3,461	2,372
Total	<u>1,938</u>	<u>2,045</u>	<u>3,461</u>	<u>2,372</u>

The Company enters into sales contracts with trade customers on cash terms. Some customers with good payment history are granted certain credit periods on their cement purchases which are secured against bank guarantee or other credit enhancements.

The recoverability of trade accounts receivable depends to a large extent on the Group's customers' ability to meet their obligations and other factors which are beyond the Group's control. The recoverability of the Group's trade accounts receivable is determined based on conditions prevailing and information available as at reporting date. The directors have reviewed the trade receivables and considered no further loss allowances for trade receivables is necessary based on conditions prevailing and available information as at 30 June 2023.

15. **CASH AND CASH EQUIVALENTS**

	The Group	
	As at 30 June 2023 USD'000	As at 31 Dec 2022 USD'000
Cash in hand and at banks	5,341	4,060
Short-term deposit	<u>661</u>	<u>84</u>
Total	<u>6,002</u>	<u>4,144</u>

16. **BORROWINGS**

	The Group	
	As at 30 June 2023 USD'000	As at 31 Dec 2022 USD'000
Current portion:		
Bank loans	1,651	2,814
Non-current portion:		
Bank loans	<u>5,104</u>	<u>3,914</u>
Total borrowings	<u>6,755</u>	<u>6,728</u>

Undrawn loan amounts

As at 30 June 2023, the Group has USD3.9 million in working capital facilities available for drawdown under the Halyk Bank JSC short-term loan facilities.

17. RELATED PARTIES

Related parties include shareholders, directors, affiliates and entities under common ownership, over which the Group has the ability to exercise a significant influence.

Other related parties include entities which are controlled by a director, which a director of the Group has ownership interests and exercises significant influence.

Balances and transactions between the Company and its subsidiary companies, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

The transactions between a related party and the Group included in the condensed consolidated income statement and condensed statement of financial position are as follows:

	The Group	
	Purchase of services	
	30 June 2023	30 June 2022
	USD'000	USD'000
Other related party		
Office rental	4	4
	<hr/>	<hr/>
	Payable to related parties	
	30 June 2023	30 June 2022
	USD'000	USD'000
Other related party		
Office rental	-	-
	<hr/>	<hr/>

Compensation of key management personnel

Included in the staff costs are remuneration of directors and other members of key management during the financial period as follows:

	The Group		The Company	
	30 June 2023 USD'000	30 June 2022 USD'000	30 June 2023 USD'000	30 June 2022 USD'000
Short-term benefits	429	416	75	60

The remuneration of directors and key executives is determined by the remuneration committees of the Company and subsidiary companies having regard to the performance of individuals and market trends.

18. FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The operations of the Group are subject to various financial risks which include foreign currency risk, credit risk and liquidity risk.

The condensed interim financial statements of the Group do not include all financial risk management information and disclosures required in the annual financial statements. There has been no change in the financial risk management objectives and policies since the previous financial year ended 31 December 2022. The Group continuously manages its exposures to risks and/or costs associated with the financing, investing and operating activities of the Group.

Fair Value of Financial Assets and Financial Liabilities

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market condition regardless of whether that price is directly observable or estimated using another valuation technique. As no readily available market exists for a large part of the Group's financial instruments, judgement is necessary in arriving at fair value, based on current economic conditions and specific risks attributable to the instrument. The fair value of the instruments presented herein is not necessarily indicative of the amounts the Group could realise in a market exchange from the sale of its full holdings of a particular instrument.

The following methods and assumptions were used by the Group to estimate the fair value of financial instruments:

Cash and cash equivalents

The carrying value of cash and cash equivalents approximates their fair value due to the short-term maturity of these financial instruments.

Trade and other receivables and payables and accrued and other liabilities

For assets and liabilities with maturity less than twelve months, the carrying value approximate fair value due to the short-term maturity of these financial instruments.

Borrowings

The fair values of the borrowings are estimated by discounting expected future cash flows at market interest rates prevailing at the end of the relevant period with similar maturities adjusted by credit risk.

As at 30 June 2023 and 2022, the fair values of financial assets and short-term financial liabilities approximate their carrying values.

19. **CONTINGENCIES**

There are no significant changes in the contingencies since the financial year ended 31 December 2022.