Megastroy ltd Limited Liability Partnership

(*registered as a Limited Liability Partnership under the laws of the Republic of Kazakhstan with registered number BIN 070240003251*)

KZT6,100,000,000 coupon bonds due in March 31, 2022

The KZT 6,100,000,000 (six billion one hundred million) aggregate nominal amount of 18% bonds due in March 31, 2022 (the "Bonds" and each a "Bond") of Limited Liability Partnership Megastroy ltd (the "Issuer") are issued in accordance with the Acting law of the Astana International Financial Centre (the "AIFC") in the denomination of KZT 1,000 each.

This document constitutes the prospectus of the Bonds (the "Prospectus") described herein and has been prepared by the Issuer pursuant to Rule 1.3 of the AIFC Market Rules (AIFC Rules No. FR0003 of 2017) (the "MAR Rules"). Full information on the Issuer and the offer of the Bonds is only available on the basis of this Prospectus and final Offer Terms (the "Offer Terms"). This Prospectus has been published on the website of the Astana International Exchange Ltd. (the "AIX") at https://www.aix.kz Application has been made for the Bonds to be admitted to the Official List of the AIX and to be admitted to trading on the AIX (the "Admission"). In order for Bonds to be admitted to the Official List of the AIX and to be admitted to trading by the AIX this Prospectus and the Offer Terms will be delivered to the AIX for approval before the date of admission to the Official List of the Bonds.

The AIX does not guarantee that the Bonds will be admitted to the Official List of the AIX. The AIX reserves the right to grant admission of the Bonds to the Official List of the AIX only where it is satisfied that such admission is in accordance with the AIX Markets Listing Rules.

The Issuer did not seek independent legal advice with respect to listing the Bonds on the AIX in accordance with this Prospectus.

The AIX and its related companies and their respective directors, officers and employees do not accept responsibility for the content of this Prospectus including the accuracy or completeness of any information or statement included in it. Liability for the Prospectus lies with the Issuer and other persons such as experts whose opinions are included in the Prospectus with their consent. Nor has AIX, its directors, officers or employees assessed the suitability of the Bonds for any particular investor or type of investor. If you do not understand the content of this Prospectus or are unsure whether the Bonds are suitable for your individual investment objectives and circumstances, you should consult an authorized financial advisor.

No action has been or will be taken in any jurisdiction by the Financial Advisor or the Issuer that would permit a public offering of the Bonds in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Prospectus (in preliminary, proof or final form) or any amendment or supplement thereto or any other offering or publicity material relating to the Bonds, may be distributed in or from, or published in any country or jurisdiction, except under circumstances that will result to the best of the Financial Advisor's knowledge and belief in compliance with any applicable securities laws or regulations.

Under no circumstances shall this Prospectus constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction or under any circumstances in which such offer, solicitation or sale is not authorised or would be unlawful. Recipients of this Prospectus who intend to subscribe for or purchase the Bonds are reminded that any subscription or purchase may only be made on the basis of the information contained in the Prospectus.

All subsequent references in this Prospectus to "Bonds" are to the Bonds which are subject of the relevant Offer Terms. All capitalised terms that are not defined in this Prospectus will have the meaning given to them in the relevant Offer Terms.

No action has been or will be taken in any jurisdiction by the Issuer that would permit a public offering of the Bonds in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Prospectus (in preliminary, proof or final form) or any amendment or supplement thereto or any other offering or publicity material relating to the Bonds, may be distributed in or from, or published in any country or jurisdiction, except under circumstances that will result to the best of the Issuer's knowledge and belief in compliance with any applicable securities laws or regulations. Under no circumstances shall this Prospectus constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds in any jurisdiction or under any circumstances in which such offer, solicitation or sale is not authorized or would be unlawful. Recipients of this Prospectus who intend to subscribe for or purchase the Bonds are reminded that any subscription or purchase may only be made on the basis of the information contained in the final Prospectus. These Bonds constitute debt instruments. An investment in the Bonds involves risks. By subscribing to the Bonds, investors lend money to the Issuer who undertakes to pay interest on a quarterly basis and to reimburse the principal on the Maturity Date. In case of bankruptcy or default by the Issuer, the investors may not recover the amounts they are entitled to and risk losing all or part of their investment. The Bonds are intended for investors who are capable of evaluating the interest rates in light of their knowledge and financial experience. An investment decision must solely be based on the information contained in the Prospectus. Before making any investment decision, the investors must read the Prospectus in its entirety (and, in particular, "Risk factors" clauses of Registration Document and the Securities Note sections of the Prospectus). Each potential investor must investigate carefully whether it is appropriate for this type of investor to invest in the Bonds, taking into account his or her knowledge and experience and must, if needed, obtain professional advice.

AN INVESTMENT IN BONDS INVOLVES A HIGH DEGREE OF RISK.
SEE "*RISK FACTORS*" FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE BONDS ISSUED.

The date of this Prospectus is 26 March 2021.

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PROSPECTUS SUMMARY

1. INTRODUCTION

Prospectus summary should be read as an introduction to the Prospectus.

Any decision to invest in the Bonds should be based on a consideration of the Prospectus as a whole by the investor. These Bonds constitute debt instruments. An investment in the Bonds involves risks. By investing in the Bonds, investors lend money to the Issuer who undertakes to pay interest on a semi-annual basis and to reimburse the principal debt on the Maturity Date.

In case of a bankruptcy or in case the Issuer defaults on its outstanding obligations investors may redeem the full amount from the Bond guarantee. In case of bankruptcy or default by the Guarantor which has provided a guarantee to secure the Issuer's obligations to the bondholders, the investors may not recover the amounts they are entitled to and risk losing all or part of their investment, and the investors' liability might not be limited to the amount of the investment. Civil liability attaches only to those Persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Bonds.

Issuer	Megastroy ltd Limited Liability Partnership
Bonds	KZT 6,100,000,000 (six billion one hundred million) secured bonds due in March 31, 2022; with 18% coupon rate, ISIN KZX000000666
Contact details of the Issuer	Republic of Kazakhstan, 010000 Nur-Sultan, Esil District, E-10 Street, building 17M
Bond guarantor	BI-Holding Limited Liability Partnership
Contact details of the Bond guarantor	Republic of Kazakhstan, 010000 Nur-Sultan, Esil District, E-10 Street, building 17M and its telephone number is: +7 777 255 3936; info@bi.group
Approval of the Prospectus	This Prospectus was approved by the AIX on March 26, 2021. Terms and conditions of the Bonds were approved by the Issuer's authorised body on March 1, 2021 The contact details of the AIX are: 55/19 Mangilik El st., block C 3.4. Nur-Sultan, Republic of Kazakhstan, Z05T3C4 and its telephone number is +7 717 223 5366.

2. KEY INFOMRATION ON THE ISSUER

2.1. The Issuer of the Bonds

Issuer	Megastroy ltd Limited Liability Partnership registered in the Republic of Kazakhstan, operating under the laws of Republic of Kazakhstan. Business identification number (BIN) of the Issuer is 070240003251.
Address	Republic of Kazakhstan, 010000 Nur-Sultan, Esil District, E-10 Street, building 17M
Principle activities	The Issuer carries out the following activities: — construction and installation works; — construction and repair works; — construction of business centres, shopping and entertainment complexes, housing, cultural and social facilities; — investment in construction.
Shareholders	— **Limited liability partnership "BI-Development"** [holding 99% of the Issuer's shares] BIN 09124000107, , date of initial registration November 26, 2009, legal address: Republic of Kazakhstan, Nur-Sultan, Yesil district, E 10 street, building 17M.

	— **Limited liability partnership "Global Build"** [holding 1% of the Issuer's shares] BIN 111040007021, , date of initial registration October 11, 2011, legal address: Republic of Kazakhstan, Nur-Sultan, Yesil district, E 10 street, building 17M.
The Issuer's Supervisory Board	— Mussinov Serik Khuttubayevich. Year of birth – 1981. Graduated from Higher School of Law Adilet (Lawyer) in 2000, in 2003 he received the qualification of Financier from Almaty Academy of Economics and Statistics. He held management positions at Dans-Stroy LLP, Nova City Development, ModeX Almaty LLP, SPS BI-Finance LLP, Stroy InzhService LLP, Esil Residence INC, and other companies. — Tulebaev Serik Koshkarbayevich. Year of birth – 1968. Graduated from Akmola State Pedagogical Institute named after S. Seifullin (teacher of mathematics and computer science) in 1994, graduated from Akmola College of Finance and Economics (taxation financier) in 1998, in 2016 obtained IPMA C Certificate. He held management positions at BI - Group LLP, Bild Investments Group LLP, ABK Kurylys-2 LLP, Kazakhdorstroy LLP, SCHF Kazakhdorstroy LLP, Kazakhdorstroy Shchuchinsky Branch LLP, KAZPACO LLP, ZholKurylys NK LLP, BI GROUP-ENGINEERING LLP, BI-Holding LLP, and other companies. — Chernyshov Maksim Valerievich. Year of birth – 1982. Graduated from Modern University for the Humanities (Bachelor of Law) in 2004, graduated from International Academy of Business Management (Master of Business Administration) in 2008, in 2016 obtained IPMA C Certificate and in 2017 obtained IPMA B Certificate. He held management positions at ABK-Kurylys 2 LLP, BI Group LLP, Arman Kala 21st Century LLP, BI Development Holding, BI Build LLP, and other companies. — Shayakhmetov Kairat Kabibollovich. Year of birth – 1976. Graduated from Kazakh Agrotechnical University named after Saken Seyfullin (Accountant Economist) in 1998, graduated from Karaganda State Technical University (Civil Engineer) in 2020, in 2016 obtained IPMA D Certificate, in 2017 obtained IPMA C Certificate, in 2018 obtained IPMA Layer B Certificate. He held management positions at Agrarian Credit Corporation JSC, KazAgroFinance JSC, Kazagromarketing JSC, Division MLK-Premium, BI-Development LLP, and other companies. — Salimgereev Salimzhan Salimgereiuly. Year of birth – 1977. Graduated from Turan University of Astana (Economist) in 2004 and graduated from Karaganda Technical University (Civil Engineer), in 2018 obtained BIG En Level 2 Certificate. He held management positions at Arman Kala 21st century LLP, BUILD INVESTMENT CITY LLP, Invest Land LLP, BI Group LLP, BI Civil Construction LLP, BIGLOBAL, and other companies. — Kudaibergenov Marlen Toganovich. Year of birth – 1986. Graduated from State Akmola College of Finance and Economics (auditor accountant) in 2005 and graduated from Kokshetau University named after A.Myrzakhmetov (Bachelor of Accounting and Auditing) in 2009, in 2020 obtained BI Group MBA degree. He held management positions at BI Premium Astana LLP, House Stroy KZ LLP, Global Build LLP, Nur Service NA LLP, Milan-Astana LLP, BI Capital, BUILD INVESTMENT CITY LLP, Zhərdem-2007 LLP, Kudaibergenov IP, SPS BI-Finance LLP, and other companies.
The Issuer's Director	— Aitzhanov Kuanysh Temirtassovich. Year of birth – 1979. Graduated from Toraigyrov Pavlodar State University (Civil Engineer) in 2001, in 2015 obtained IPMA C Certificate. He held management positions at BI EXPO CITY LLP, Gross House Group Ltd, AS Parking Ltd, Nomad Invest NS, and other companies.
Auditor	— Ar-Audit LLP audit organization. Republic of Kazakhstan, 010000 Nur-Sultan, Tauelsizdik avenue, 24. Website: https://araudit.kz/en/; Telephone number: +7 7172 360257

2.2. Key financial information regarding the Issuer

Financial position of the Issuer

mln KZT	September 30, 2020 (unaudited)	September 30, 2019 (unaudited)	December 31, 2019 (audited)	December 31, 2018 (audited)
Cash and cash equivalents	7,034	2,187	3,475	0.3
Short-term financial assets measured at amortized cost	12,911	4,898	3	0
Other assets	2,514	1,797	6,614	3,006
Total assets	**22,459**	**8,885**	**10,092**	**3,006**
Short-term trade and other payables	1,491	2,451	1,617	563
Other liabilities	22,465	6,571	8,723	2,360
Share capital	93	93	93	93
Retained earnings	-1,590	-229	-341	-9
Total equity and liability	**22,459**	**8,885**	**10,092**	**3,006**

Result of financial operation of the Issuer

mln KZT	9m 2020 (unaudited)	9m 2019 (unaudited)	2019 (audited)	2018 (audited)
Revenue	5,041	5,233	7,580	3,519
Cost of goods sold	-6,251	-5,281	-7,686	-3,530
Administrative expenses	-100	-19	-36	-2
Other income	342	20	74	4
Other expenses	-281	-99	-189	-1
Net income/loss	**-1,248**	**-146**	**-258**	**-9**

The Issuer incurred losses for several years because according to its policy the Issuer was engaged only in construction and then sold the constructed real estates to affiliated companies, that were involved in sales, at the minimal cost. Thus, all the margin from the sales is shown on the financial statement of affiliated companies. Since 2021 the Issuer would like to change a policy and sell constructed real estates with some margin.

The independent auditor Ar-Audit LLP issued qualified independent auditor's report in respect of the Issuer's audited financial statements as at and for the year ended 31 December 2019. The basis for qualified opinion were the fact that auditors did not monitor the inventory of stocks and fixed assets as of December 31, 2019, as this date had preceded the date they were hired as auditors. Unaudited financial statements for nine months ended 30 September 2020, audited financial statements for the years ended 31 December 2019, 31 December 2018 and 31 December 2017 are represented in Schedule 4 to the Prospectus , in compliance with the AIFC Market Rules.

2.3. Key risks that are specific to the Issuer

The Issuer believes that the risks described below represent the principle risks inherent in investing in the Bonds, but the inability of the Issuer to pay interest, principal or other amounts on, or in connection with the Bonds may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Bonds are exhaustive. The risks provided below are inherent to the Guarantor as well.

Reduction of construction activity in the Republic of Kazakhstan, particularly residential new build, could have a material adverse effect on the Issuer.
Demand for the Issuer's products is closely correlated with residential construction, comprising the new build sector and commercial construction activities in the country. The level of new build and construction activity, and therefore demand for the Issuer's products, is influenced by, and sensitive to, a number of macroeconomic factors. Downturns in the construction industry could have an adverse effect on demand for the Issuer's products. These factors also impact the business of the Issuer's customers and suppliers and the industry. The Issuer's growth prospects depend, to a significant extent, on the degree to which conditions in the residential new build and commercial construction markets in the Republic of Kazakhstan develop in the future, which may not be sustained. If the Kazakhstani housebuilding industry does not increase its production capacity, it may not grow as forecasted.

The growth currently being experienced in the residential construction market in the Republic of Kazakhstan may not be sustained.
The Issuer's growth prospects depend, to a significant extent, on continued growth in the residential new build market in the Republic of Kazakhstan. The current growth in the residential construction market may not continue or the market may again contract.

Potential reduction of mortgage lending or other reductions in the availability of consumer credit could have a material adverse effect on the Issuer.
Most home purchases in the Republic of Kazakhstan are financed through mortgages or other available credit. The financial crisis might affect the financial position of consumers and led financial institutions to tighten their lending criteria, each of which may contribute to a reduction in credit available to consumers. The mortgage lending industry also may experience significant instability because of, among other factors, a decline in residential property values and an increase in mortgage delinquencies, defaults and foreclosures.

Any change in, or failure of, certain of the Kazakhstani housebuilding and home buying incentive schemes and programmes could materially affect the Issuer.
The Kazakhstani government has recognised that there are not enough homes to meet the needs of the growing and ageing population and has implemented a number of initiatives aimed at increasing the number of new homes built. Any unexpected change in incentive schemes and programmes could result in reduced residential construction activity, which could, in turn, negatively affect the demand for the Issuer's products and have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

2.4. Key information on the Bonds

Main features of the Bonds:

Type of the Bonds/ISIN	Guaranteed Coupon bonds/ISIN KZX000000666
Issue price	The Issue price of the Bonds is 100% of the nominal value of the Bonds
Number of the Bonds and the nominal value of the Bond	6,100,000 (six million one hundred thousand) bonds with the nominal value of each Bond in the amount of KZT 1,000 (one thousand tenge)
Total amount of the issue	KZT 6,100,000,000 (six billion one hundred million)
Coupon rate	The Bonds will bear interest at the rate of 18% per annum and is payable on semi-annual basis
Guarantee	Written guarantee of BI-Holding LLP (the "Guarantee"). The guarantee agreement is given in Schedule 3 of the Prospectus.
Restrictions on the free transferability	The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in accordance with the rules and regulations of the AIX applicable from time to time

Rights granted to the bondholders:
- the right to receive a nominal value upon redemption of the Bonds in the manner and terms provided for by Prospectus;
- the right to receive a fixed interest on the Bonds from their nominal value in the time and amount stipulated by Prospectus;
- the right to receive information about the Issuer's activities and its financial condition in accordance with and in the manner prescribed by AIFC and AIX Rules and legislation of the Republic of Kazakhstan;
- the right to satisfy their claims in respect of the Bonds in cases and in the manner prescribed by AIFC and AIX Rules and legislation of the Republic of Kazakhstan;
- the right to declare all or part of the Bonds for repurchase in cases established by Prospectus;
- the right to freely sell and otherwise dispose of the Bonds;
- the right to demand redemption of the Bonds by the Issuer in cases provided for by Prospectus;
- the right to demand repayment of the Issuer's debts from the Guarantor under the Guaranteed Liabilities;
- the right to apply to the court in case of non-fulfillment of the Guaranteed Liabilities by the Guarantor, demanding the repayment of the Issuer's debts independently or as part of a collective action, sent by the Representative of the Bondholders on behalf of the Bondholders;
- other rights arising from the ownership of the Bonds in cases and in the manner prescribed by AIFC and AIX Rules and legislation of the Republic of Kazakhstan.

The Bonds' trading:
Application has been made for Admission to the AIX and it is expected that Admission will become effective and that dealings for normal settlement of the Bonds will commence at open of trading on the AIX on March 31, 2021 under the ticker "MGSTR.0322".

The guarantee of the Bonds:
The Guarantor (BI- Holding LLP) assumes full joint and several liability to each/ any Bondholder in case of failure to fulfill and/ or improper performance by the Issuer of its obligations under the Bonds by issuing the Guarantee (the written full joint guarantee of March 26, 2021). Guarantee ensures the liabilities of the Issuer on the Bonds, as follows: 1) payment in full of the principal debt on the Bonds on their redemption or repurchase (within the limits of the nominal value of each Bond) and the coupon payment in the terms stipulated by this Prospectus; 2) Penalties accrued in favour of the Bondholders in accordance with the terms of this Prospectus and payable in connection with the late performance of the Issuer's liabilities on payment of the principal debt on the Bonds on their redemption and/ or coupon payment (the "Guaranteed Liabilities"). The Guarantee is valid until the debt to the Bondholders under fully paid Guaranteed Liabilities. The Guarantee is given in Schedule 3 to this Prospectus.

Brief description of the guarantor, including its LEI:

BIN/LEI of the Guarantor	BIN 111240006195/ LEI has not been assigned
The Guarantor's contact details	Republic of Kazakhstan, 010000 Nur-Sultan, Esil District, E-10 Street, building 17M and its telephone number is: +7 777 255 3936; info@bi.group
The Guarantor's principle activities	The Guarantor acts as a managing company within the group of companies, which are engaged in building high-rise residential estates, commercial real estate and construction of roads of regional and international importance and of other industrial and civil facilities.
Information on the Guarantor's participants	BI Support LLP (9.15%), Kurmanbayev S.N. (13.0%), Mergalimov R.B. (0.4%), Tulebayev S.K. (0.2%), Chernyshov M.B. (0.5%), Omarov A.G. (2.1%), Sarsembekova S.K. (64%), Kairzhanova A.B. (9%), Mukanova E.T. (1.3%), Mukatayeva D.H. (0.35%).
Guarantor's Auditor	KPMG Audit LLC, address: 180 Dostyk Avenue, Almaty, A25D6T5, Kazakhstan

Key financial information about the Guarantor:
The full Financial Statement Report represented in the Schedule 5 of the Prospectus

Statement of financial position

000 KZT	December 31, 2020 (unaudited)	December 31, 2019 (audited)	December 31, 2018 (unaudited)
Property, plant and equipment	40,628,763	40,156,625	33,682,194
Intangible assets	2,064,030	1,431,494	861,452
Investment property	25,190,204	17,899,107	10,508,667
Equity accounted investees	5,705,479	2,522,427	0
Trade and other receivables	1,021,695	1,923,272	4,173,417
Loans issued	2,082,144	902,355	61,915
Prepayments	728,257	2,773,452	14,230,390
Bank deposits	7,233,524	23,064,904	16,918,629
Deferred tax assets	5,635,675	6,622,370	4,205,658
Other non-current assets	871,295	1,168,268	1,478,198
Non-current assets	91,161,066	98,464,274	86,120,520
Inventories	269,360,798	237,043,364	163,218,073
Contract assets	41,219,183	11,452,921	12,622,199
Trade and other receivables	77,705,231	63,619,063	73,106,702
Loans issued	29,884,487	61,428,861	45,160,849
Prepayments	35,216,797	30,528,386	21,966,706
Income tax prepaid	1,166,878	396,094	294,183
Bank deposits	54,877,536	30,943,049	25,100,956
Cash and cash equivalents	102,726,243	37,551,797	21,127,138
Other current assets	14,984,773	8,567,196	4,263,520
Current assets	627,141,926	481,530,731	366,860,326
Total assets	**718,302,992**	**579,995,005**	**452,980,846**
Charter capital	151	5,888,601	8,375,073
NCI	66,839	0	0

000 KZT	December 31, 2020 (unaudited)	December 31, 2019 (audited)	December 31, 2018 (unaudited)
Retained earnings	138,823,265	97,884,999	98,960,961
Total equity	138,890,255	103,773,600	107,336,034
Loans and borrowings	52,097,636	52,631,854	36,553,321
Trade and other payables	320,614	462,929	2,924,558
Contract liabilities	263,250	249,930	0
Lease liabilities	1,075,056	1,004,751	2,480,339
Guarantee retentions	7,417,038	5,595,308	4,696,987
Provisions	9,104,182	7,883,783	9,475,087
Deferred tax liabilities	2,039,415	2,790,348	1,475,755
Other non-current liabilities	1,537,695	1,679,533	4,367
Non-current liabilities	73,854,886	72,298,436	57,610,414
Loans and borrowings	33,672,559	57,835,497	71,340,243
Trade and other payables	45,818,695	71,381,914	66,185,955
Contract liabilities	308,200,970	251,924,748	131,773,338
Advances received	64,408,567	165,554	86,379
Lease liabilities	2,259,379	1,857,385	2,279,917
Guarantee retentions	5,346,090	4,623,244	3,676,502
Provisions	2,984,385	4,282,140	3,847,846
Income tax payables	8,241,020	3,697,369	3,369,848
Dividends payables	7,351,394	2,654,420	210,000
Other current liabilities	27,274,792	5,500,698	5,264,370
Current liabilities	505,557,851	403,922,969	288,034,398
Total liabilities	579,412,737	476,221,405	345,644,812
Total liabilities and equity	**718,302,992**	**579,995,005**	**452,980,846**

Statement of Profit or Loss and Other Comprehensive Income Information

000 KZT	2020 (unaudited)	2019 (audited)
Revenues	575,857,609	344,441,650
Cost of goods sold and services rendered	449,738,950	289,205,850
Gross Margin	**126,118,659**	**55,235,800**
Other income	8,367,841	4,580,028
Income on disposal of assets	1,125,354	0
Selling expenses	5,463,677	2,945,138
Administrative expenses	34,349,704	33,944,067
Impairment loss on financial assets	10,257,444	2,365,976
Impairment income on non-financial assets	7,050,156	0
Other expenses	16,089,009	6,414,967
Results from operating activities	**76,502,176**	**14,145,680**
Finance income	7,838,300	7,196,216
Finance costs	7,587,579	8,128,281
Foreign exchange gain/loss	1,466,338	0
Share of profit of equity accounted investees	0	1,012,498
Profit before income tax	**78,219,235**	**14,226,113**
Income tax expense	13,715,916	3,548,841
Profit for the year	**64,503,319**	**10,677,272**

Cash Flow Statement

000 KZT	2020 (unaudited)	2019 (audited)
Receipt and advances from customers	724,608,312	478,891,666
Other receipts	2,966,528	5,606,100
Payment and advances to supplier of goods and services	-525,517,870	-371,005,866

000 KZT	2020 (unaudited)	2019 (audited)
Payment of wages and salaries and related taxes	-25,322,729	-26,845,188
Taxes and other payments to the budget	-21,273,769	-30,249,415
Corporate income tax paid	-10,843,168	-4,425,350
Cash flows from operating activities	*144,617,304*	*51,971,947*
Acquisition of property, plant and equipment, investment property and intangible assets	-14,923,216	-11,854,196
Transfer from restricted cash	-311,057	55,049
Placement of bank deposits	-604,323,470	-154,449,570
Withdrawal of bank deposits	605,481,311	142,481,752
Interest income on bank deposits	3,503,075	4,622,235
Interest income on loan issued	25,404	20,584
Issuance of loans	-45,802,631	-95,793,560
Proceed from repayment of loans issued	47,407,245	90,096,857
Proceed from sale of other investment	-511,819	161,169
Investment in associates	-1,719,648	-95,663
Cash flows from investing activities	*-11,174,806*	*-24,755,343*
Proceeds from loans and borrowings	51,816,703	137,461,978
Repayment of loan borrowings	-92,159,080	-127,351,126
Payment of interest on loans and borrowings	-7,038,516	-5,966,995
Payment of lease liabilities and interest	-1,997,810	-2,991,488
Dividends paid	-19,179,459	-10,908,251
Other distribution to founders - financial aid to the related party granted for free	0	-1,035,150
Acquisition of entities under common control	0	-787,859
Contribution to charter capital	33	582
Cash flows from financing activities	*-68,558,129*	*-10,790,450*
Net increase in cash and cash equivalents	64,884,369	16,426,154
Cash and cash equivalents at the beginning	37,551,797	21,127,138
Cash and cash equivalents at the end	102,726,243	37,551,797

2.5. Key information on the admission to trading

Terms and conditions for investing into the Bond

Admission to trading	The Bonds will be admitted to trading on the Astana International Exchange Ltd. on March 31, 2021 under the trading symbol MGSTR.0322
Plan for distribution	Public offering. The Bonds will be offered in or from AIFC to a wide range of investors in Kazakhstan
Offering method	Offering of the Bonds will be made through the trading system of the AIX in accordance with the AIX Rules and regulations and relevant AIX market notice. Trading will be carried out by direct bidding. The Issuer will sell the Bonds by submitting a sale order, while brokerage companies, including the financial adviser, will submit a counter-bid, on a behalf of investors, for a successful direct bidding.
Selling restrictions	The offering and sale of the Bonds is subject to applicable laws and regulations, including the AIX Market Listing Rules. The Bonds may not be sold in other jurisdictions, including without limitation the United States, the United Kingdom and the European Economic Area. The Bonds have not and will not be registered under the U.S. Securities Act of 1933 or the securities laws of any state of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.
Notification process for investors	Prior to the start of the offering process the Issuer will communicate the information relating to an offering by means of Offer Terms. The Offer Terms will be published on AIX Regulatory Announcement Service at www.aix.kz. Dealings in the Bonds shall not commence prior to Admission to trading of the Bonds by the AIX or prior to the said notification.

Estimated Expenses	All fees associated with admission of the Bonds to the Official List, to trading on the AIX, third-parties services, and fees to the financial adviser are expected to be no more than 2% of the total amount of the issue. The Issuer will not charge investors any commissions. The investor must independently (or together with his/ her consultant or broker) evaluate the commission costs that the investor will incur due to buying the Bonds.
Financial Advisor	Jusan Invest JSC, 24 Syganak str., Nur-Sultan, Z05K7B0, Kazakhstan +7 7172 644 000, info@jysaninvest.com. The Issuer also appointed Jusan Invest JSC as a book-runner in connection with the offering of the Bonds.

2.6. The purpose of the Prospectus

Reasons for the Admission	This Prospectus has been produced in connection with the offer of the Bonds and the Admission. The Issuer is seeking the Admission and will be using proceeds of the issue of the Bonds for general corporate purposes.
Total amount of the issue	KZT 6,100,000,000 (six billion one hundred million)
Estimated net amount of proceeds	Not less than KZT 5,978 ,000,000 (five billion nine hundred seventy-eight million)
Use of proceeds	The proceeds from the issuance of the Bonds will be used for general corporate purposes, including the financing of the Issuer's main activities: – for construction and installation works: KZT 5,158 mln; – overhead costs: KZT 481 mln; – transport and machinery services: KZT 404 mln. Anticipated proceeds will be sufficient to fund all the proposed uses, no additional funds will be required. The Issuer is planning to use proceeds from the issue in the ordinary course of business, with no intention to acquire assets other than in the ordinary course of business, to finance announced acquisitions of other businesses, or to discharge, reduce or retire indebtedness of the Issuer.
Conflict of interest	To the best of the Issuer's and Guarantor's knowledge there are no material conflicts of interest were indicated related to the Admission to trading.

REGISTRATION DOCUMENT

1. INFORMATION ABOUT THE ISSUER

1.1. General Information

The full legal and commercial name of the Issuer

	Full name in accordance with the Charter	Short name in accordance with the Charter
In the Kazakh (state) language	«Мегастрой лтд» жауапкершілігі шектеулі серіктестігі	«Мегастрой лтд» ЖШС
In Russian language	Товарищество с ограниченной ответственностью «Мегастрой лтд»	ТОО «Мегастрой лтд»
In English language	Limited liability Partnership "Megastroy Ltd"	LLP "Megastroy Ltd"

Legal form of the Issuer:

Limited Liability Partnership

Data on the state and other registration of the Issuer

— The Issuer was incorporated and registered in the Republic of Kazakhstan on 9th of February 2007. The Issuer remains a registered legal entity from this date. The term of state registration as a legal entity is not limited. The Issuer was assigned a business identification number (BIN) 070240003251 during initial state registration
— State re-registration of the Issuer was made on 22nd of January 2020 due to changes in the Issuer's membership
— The liability of the Issuer's participants is limited by the Civil Code of the Republic of Kazakhstan, the Law of the Republic of Kazakhstan "On limited and Additional Liability Partnerships" and the Charter
— The Issuer doesn't have subsidiaries and (or) dependent legal entities. The Issuer does not own ten or more percent of the authorized capital of any legal entities

The address and telephone number of the Issuer's registered office

Building 17M, E10 street, Yesil district, Nur-Sultan, Republic of Kazakhstan, 010000

Telephone number +7 777 110 3008

1.2. Investments

There were no substantial investment activities carried out by the Issuer during 2018,2019, and 2020.

2. OPERATIONAL FINANCIAL OVERVIEW

2.1. Actual and Proposed Business Activities

(a) The History of The Issuer

The Issuer was initially established in February of 2007. The Issuer is part of the large construction group "BI-Holding", which is the leader in the real estate market of Kazakhstan and operates under the "BI Group" brand. As of the date of approval of this Prospectus, the Issuer's Participants are "BI Development" LLP (99%) and "Global Build" LLP (1%).

The Participants of "BI Development" LLP are BI Support LLP (9.15%), Kurmanbayev S.N. (13.0%), Mergalimov R.B. (0.4%), Tulebayev S.K. (0.2%), Chernyshov M.B. (0.5%), Omarov A.G. (2.1%), Sarsembekova S.K. (64%), Kairzhanova A.B. (9%), Mukanova E.T. (1.3%), Mukatayeva D.H. (0.35%).

The sole Participant of "Global Build" LLP is "BI Development" LLP.

In 2018-2020 the Issuer was the general contractor of the following projects:

No.	Residential Complex	Number of apartments	Completion Date
1	Vivat Promenade	159	November 19, 2018
2	Vremena Goda (Leto) 1-1 (15 floors)	98	October 5, 2018
3	Vremena Goda (Leto) 1-2 (24 floors)	180	April 8, 2019

No.	Residential Complex	Number of apartments	Completion Date
4	Vremena Goda (Leto) 2-1 (15 floors)	98	August 31, 2018
5	Akbulak Life	188	July 31, 2019
6	Ray Residence 22 floors – 1	158	June, 2020
7	Ray Residence 6 floors – 1	5	June, 2020
8	Vremena Goda (Leto) 2-2 (24 floors)	180	June, 2020
9	Mangilik – 2	235	February, 2020
10	Only Sun 1st phase	235	July, 2020
11	Atlant 3rd phase	262	December, 2020

(b) Description of The Principle Activities and Business of The Issuer

The Issuer operates in Kazakhstan and carries out the following activities:

- construction and installation works;
- construction and repair works;
- construction of business centres, shopping and entertainment complexes, housing, cultural and social facilities;
- investment in construction.

The principle activity of the Issuer is providing construction and installation works. To carry out its activities, the Company has a state license of II category ГСЛ №0000430 dated December 02, 2016 for construction and installation works. The date of initial issue of the license is May 22, 2007.

Construction and Installation Works License (License)
According to the Law of the Republic of Kazakhstan dated July 16, 2001 No. 242-II "On architectural, urban planning and construction activities in the Republic of Kazakhstan" (with amendments and additions as of January 26, 2021):

To implement the project activities, construction and installation work in the field of architecture, urban planning and construction individual and legal entities are divided into the following categories:

> **I category** - carry out the activities specified in this paragraph at facilities of all levels of responsibility within the framework of the existing license;
>
> **II category** - carry out the activities specified in this paragraph at facilities of the second and third levels of responsibility, as well as work at facilities of the first level of responsibility within the framework of the existing license under subcontracting agreements;
>
> **III category** - carry out the activities specified in this paragraph at facilities of the second technically simple and third levels of responsibility, as well as work at facilities of the first and second levels of responsibility within the framework of the existing license under subcontracting agreements.

The assignment of individuals and legal entities to a certain category is carried out by the licensor when issuing a license in accordance with the qualification requirements for design activities and construction and installation work in the field of architecture, urban planning and construction, and is indicated in the special conditions of the license.

The Issuer's II category License grants the right to conduct the following subtype(s) of the licensed type of activities:

- Arrangement of engineering networks and systems, including overhaul and reconstruction, including:
  - Power supply networks and outdoor electric lighting devices, internal electric lighting and electric heating systems
  - Networks of cold and hot water supply, heat supply, centralized sewerage of household, industrial and storm drains, devices of internal water supply systems, heating and sewerage
  - Gas supply networks of high and medium pressure, domestic and industrial gas supply of low pressure, internal gas supply systems
- Construction of roads and railways, including overhaul and reconstruction, including:
  - Bases and coatings of runways of airfields and helipads
  - Foundations and coatings, protective structures and arrangement of highways of III, IV and V technical categories, as well as the carriageway of streets of settlements that are not mainstream
  - Bases and coatings, protective structures and arrangement of highways of I and II technical categories, as well as intra-city main roads of high-speed and regulated traffic, carriageways of main streets of city-wide significance of continuous and controlled traffic

- Special construction and installation work for the laying of linear structures, including overhaul and reconstruction, including:
  - Republican and international communication lines and telecommunications
  - Trunk power lines with voltages up to 35 kV and up to 110 kV and above
  - Field and main networks of oil pipelines, gas pipelines, as well as main networks of oil product pipelines
- Special work in soil, including:
  - Drilling work in the ground
  - The device of the bases
- Construction of load-bearing and (or) enclosing structures of buildings and structures (including bridges, overpasses, tunnels and overpasses, other artificial structures), including overhaul and reconstruction of facilities, including:
  - Chimneys, silos, cooling towers, head shafts
  - Installation of monolithic, as well as installation of prefabricated concrete and reinforced concrete structures, laying piece elements of walls and partitions and filling openings
- Construction of load-bearing and (or) enclosing structures of buildings and structures (including bridges, transport overpasses, tunnels and overpasses, other artificial structures), including overhaul and reconstruction of facilities, including:
  - Roofing
  - Installation of metal structures
  - Installation of building structures of tower and mast type, chimneys
  - Hydraulic and mudflow protection structures, dams, dams

Description of, and key factors relating to, the nature of the Issuer's operations and its principle activities, specifying the main categories of products sold and/or services performed for each financial year for the period covered by the historical financial information

The Issuer provides its services under the state license for construction and installation works. An inability to maintain the license by the Issuer could have a material adverse effect on the Issuer's business.

The Issuer's main activities as of September 30, 2020 were as follows:

(000 KZT)	**2018**	**2019**	**For 9 months ended September 30, 2019 (unaudited)**	**For 9 months ended September 30, 2020 (unaudited)**
Construction and Installation Works	3,519,100	7,579,696	5,232,921	5,040,773

Description of the principle markets in which the Issuer operates, including a breakdown of total revenues by category of activity and geographic market for each financial year for the period covered by the historical financial information

The Issuer operates exclusively in Kazakhstan. 100% of revenues for the financial years 2018, 2019 and 9 months of 2020 came from Kazakhstani market.

	2018		**2019**		**For 9 months ended September 30, 2019 (unaudited)**		**For 9 months ended September 30, 2020 (unaudited)**	
	000 KZT	in % of total revenue	*000 KZT*	in % of total revenue	*000 KZT*	in % of total revenue	*000 KZT*	in % of total revenue
Total Revenue, incl.	3,519,100		7,579,696		5,232,921		5,040,773	
Revenue from construction and installation works	*3,519,100*	*100%*	*7,579,696*	*100%*	*5,232,921*	*100%*	*5,014,586*	*100%*

	2018		2019		For 9 months ended September 30, 2019 (unaudited)		For 9 months ended September 30, 2020 (unaudited)	
	000 KZT	in % of total revenue	*000 KZT*	in % of total revenue	*000 KZT*	in % of total revenue	*000 KZT*	in % of total revenue
Financial income	-		58,331		,15,967		260,987	
Other income	4,278		15,782		3,630		81,164	

100% of Total Revenues were earned in the Issuer's main activity – construction and installation works.

Details of any major customers, suppliers or other material dependencies of the Issuer

The Issuer is part of the large construction holding "BI Group" (or "Group"). The Issuer does not have any major customers, since the sale of apartments is carried out to individuals by the Group's Sales Office under the brand of "BI Group", which is the leader in the real estate market.

The Issuer is free of material dependencies and does not have any major suppliers. However, there are affiliated companies among the Issuer's suppliers, the largest of which are presented in the table below and constitute 10% of cost of goods sold:

- Suppliers for construction and installation works:

  AK-Zhol– 2006 LLP
  Omega Story Inzhiniring LLP
  Smart Remont LLP
  Ihsan 2020 LLP
  KZ Story 2050 LLP
  Zhetysu LLP
  Samruk Kurylyz KZ LLP
  Elit Stroy 2014 LLP
  ALTYN ORDA GROUP KZ LLP
  Stroy company 2018 LLP
  Nur-Aimak LLP
  SALBEN Astana LLP
  Nur-Sultan Group Company LLP
  Elekro Set LLP
  Aliyans-Astana SP
  Astana-Zholbarys LLP
  Caspian Life LLP
  Nur-Kairat HC LLP

- Transport and machinery services:

  Shik K LLP
  Kaz service SP
  Elvira SP
  Berkut SP
  Tehnika KZ LLP
  Nosenko A. Anatoliy SP
  Shik K LLP
  Kaidarov S. Bakhytzhan SP
  Sattybaldina Zhanar SP
  Service Technology Construction LLP
  Smirnov K. Sergey SP
  Agjol logistic SP
  Elvira SP
  Nosenko A. Anatoliy SP

The major customers of the Issuer are the companies from the Group (see 3.2 for more details).

If material to the Issuer's business or profitability, a summary of the extent to which the Issuer is dependent on any patents or licenses, industrial, commercial or financial contracts or new manufacturing processes

The Issuer is authorized to do construction and installation works in Kazakhstan. The Issuer holds the state license of the II category ГСЛ №0000430 dated December 02, 2016 for construction and installation works (initial license was issued on May 22, 2007). Considering that 100% of the Issuers revenues were made in construction and installation works, the Issuer is fully dependent on its license for construction and installation works.

2.2. Risk Factors

Investing in the Bonds involves a high degree of risk, which investors should ensure they fully understand. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. These include considering factors that may affect the Issuer's ability to fulfil its obligations under or in connection with Bonds issued and factors which are material for assessing the market risks associated with Bonds issued.

The factors that may affect the ability of the Issuer to fulfil its obligations under the Bonds are categorized as follows:

A. OPERATIONAL RISKS RELATING TO THE ISSUER AND ITS BUSINESS
B. FINANCIAL RISKS RELATING TO THE ISSUER AND ITS BUSINESS
C. COUNTRY RISKS

These risk factors are not listed in any order of priority regarding their severity, significance or probability.

A. OPERATIONAL RISKS RELATING TO THE ISSUER AND ITS BUSINESS

The Issuer's operations are subject to a variety of risks, some of which are not within its control. These include risks relating to changes in interest rates and foreign exchange rates, declines in liquidity and decrease in the purchasing power of the population.

The Issuer's Assets and Operations are in Kazakhstan

As at 30 September 2020, 100% of the Issuer's operations are located principally in Kazakhstan. Accordingly, The Issuer is exposed to the risks of an adverse event occurring in Kazakhstan. All of the Issuer's costs are incurred in Kazakhstan. Since the majority of the Issuer's expenses are denominated in Tenge, inflationary pressures in Kazakhstan are a significant factor affecting the Issuer's expenses. Any adverse change in economic or political conditions in Kazakhstan could negatively affect the Issuer's income and profitability ratios. Any such adverse changes could also negatively impact the Issuer's involvement in new projects, thereby reducing its ability to grow.

The Kazakhstan market, being an emerging market, is subject to greater risk than more developed markets, including in some cases significant legal, economic and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate.

The Issuer is subject to Regulatory Restrictions on its Activities

The Issuer's operations are regulated by the Law of the Republic of Kazakhstan dated July 16, 2001 No. 242-II "On Architectural, Urban Planning And Construction Activities in the Republic of Kazakhstan", the Law of the Republic of Kazakhstan "About Permissions and Notifications", the Law of the Republic of Kazakhstan "On Shared Participation In Housing Construction", The Issuer's Charter dated 17 January 2020 and other relevant laws and regulations. The company has a perpetual license for construction and installation work and acts as a general contractor in projects for the construction of houses under shared participation agreements. But there can be no assurance that the current regulatory regime will not change or that the Government will not implement other regulations or policies, or adopt new or modified legal interpretations of existing regulations or policies, relating to or affecting taxation, interest rates, inflation or exchange controls, or otherwise take action that could have a material adverse effect on the Issuer's business, prospects, financial condition, cash flows or results of operations.

There may be a Shortage of Qualified Personnel

Although the holding "BI Group", of which the Issuer is a part (hereinafter together referred as a 'Group'), established a corporate institute in 2012, to form qualified personnel for the Group, there is still a considerable shortage of adequately qualified personnel in Kazakhstan's engineering and construction sector, particularly in areas such as mechanics, estimation, electronics and green technologies. If the shortage of adequately qualified personnel persists, the Group's ability to offer the desired volume and quality of services may be affected which may, in turn, have a material adverse effect on the Issuer's business, prospects, financial condition, cash flows or results of operations. In addition, a shortage of adequately qualified personnel may force the Group to offer additional financial and other incentives to retain existing personnel and recruit additional personnel, which would increase operating expenses.

The Risk of Overheating the Housing Market

The Ministry of Industry and Infrastructure Development has approved the rules for the use of pension savings by citizens of Kazakhstan to improve their living conditions. The document is published on the department's website, comes into force from the day of its first official publication and applies to relations that arose from January 1, 2021. The document contains a mechanism: the applicant must receive information from the Unified Accumulative Pension Fund of the Republic of Kazakhstan (hereinafter referred to as UAPF) about the available amount of a one-time pension payment, log in to the authorized operator's Internet resource and open a personal account, through which apply to open a special account. One can open a special account in another way, established by the internal document of the authorized operator. After that, one need to fill out an electronic application indicating the number of the special account, the purpose of using the funds, the available amount, methods of withholding and transferring individual income tax.

Lump-sum retirement benefits can be used to:

1) full settlement under civil law transactions related to the acquisition of a dwelling into ownership under contracts of purchase and sale, privatization, payment by installments, exchange (exchange) of a dwelling, under agreements on shared participation in housing construction, provided there is a guarantee in accordance with the legislation on shared participation in housing construction or when concluding an agreement on the transfer of a share in an apartment building in accordance with the legislation on shared participation in housing construction, as well as for the construction of an individual residential building (including the acquisition of a land plot with a designated purpose - individual housing construction or personal subsidiary farming);

2) making an initial payment to obtain a mortgage housing loan for the purchase of a dwelling place and (or) a dwelling with repairs under one bank loan agreement, partial or full repayment of debt on a mortgage housing loan for the purchase of a dwelling and (or) a dwelling with repairs as part of one bank loan agreement, refinancing of a housing mortgage loan;

3) receiving, partial or full repayment of debt, refinancing a mortgage housing loan for the purchase of a dwelling and (or) a dwelling with repairs under one bank loan agreement, construction of an individual residential house (including the acquisition of a land plot with a designated purpose - individual housing construction or personal subsidiary farming) according to the system of housing construction savings;

4) the acquisition of a dwelling place within the framework of financing by an Islamic bank, partial, full repayment of debt as part of the financing by an Islamic bank of a transaction on the acquisition of a dwelling place;

5) partial or full repayment of debt under long-term lease agreements for dwellings with the right to purchase, provided under housing construction programs and anti-crisis programs.

Those who already own real estate can also use part of their pension savings to improve their living conditions. If the amount of lump-sum pension payments is insufficient, the use of own funds is allowed.

The opportunity given to Kazakhstani citizens to withdraw part of their pension savings for buying a home will certainly have an impact on the real estate market in 2021-2022. According to the National Bank of Kazakhstan, as of February 1, 2021, the total portfolio of mortgage loans in Kazakhstan amounted to 2,4 trillion tenge, which is 1,7% more than on January 1, 2021. It is expected that the volume of mortgage lending in 2021 will continue to grow, which in turn will support the trend of rising prices in the housing market. To meet such demand, construction will be necessary, so it is expected that 2021 will pass under the flag of a boom in the construction industry, unprecedented housing commissioning, new records in the volume of mortgages, continuing price increases, and all this will lead to a serious overheating of the market already in 2022. As for the forecast of housing prices for the next six months, according to the expert, prices for apartments in new buildings will grow by 0,5-1% per month until March, and from the second quarter of 2021, active seasonal growth will begin, supported by demand and market factors.

Cost Increase Risk

From December 2020 to February 2021, rebar prices have risen greatly. The growth was 50%. The cost of any metal products increased significantly - not only fittings, but also aluminium structures. The Committee for Construction and Housing and Communal Services of the Ministry of Industry and Infrastructural Development of the Republic of Kazakhstan noted that this situation has developed in all countries. Metals are traded on international exchanges, and their value is pegged to the dollar. Accordingly, the sales price even for domestic consumers is growing.

With the rise in the cost of building materials, special difficulties arise during construction under government contracts. The fact is that projects that have passed the state examination are not launched immediately.

Often, the terms specified in the design and estimate documentation and the actual start of construction differ by one and a half to two years. During this time, the cost of construction, naturally, grows, but this is not taken into account in state funding. Every year Kazakh Research and Design Institute of Construction and Architecture develops estimates for each region. The prices for materials purchased by builders should not be higher than those indicated in the collection, but due to the rise in the cost of materials, builders cannot meet these price ranges.

In addition, volatility in exchange rate movements may have a material adverse effect on the Issuer's business, prospects, financial condition, cash flows or results of operations. The main risks are likely to be that a project will not be completed within the agreed timeframe, or on budget, or that it may fail altogether.

Risks relating to the Bonds

The Issuer will need to maintain the listing of its Bonds on the AIX Official list in order for holders of the Bonds to enjoy the tax exemptions provided under the Constitutional Statute of the Republic of Kazakhstan on the Astana International Financial Centre (the Law on AIFC)

Under the Law on AIFC, interests and dividends paid on the securities and capital gains derived from sale of the securities will be exempt from taxation in Kazakhstan until 1 January 2066 provided that such securities are included on the Official List of the AIX at the time the dividends and interests are accrued and at the date of their sale. The provisions of the Law on AIFC in terms of tax benefits are broader than the provisions of the Tax Code, which provides more flexibility and advantages to holders of the securities. Accordingly, if the Bonds are delisted from the AIX Official List for any reason, the holders of the Bonds will lose the tax benefits under the Law on AIFC. If the Bonds are delisted from the AIX, the holders of the Bonds will have to follow the common practice established by the Tax Code. But given that the bonds have a one-year circulation period, the probability of securities delisting during the circulation period is low.

B. FINANCIAL RISKS RELATING TO THE ISSUER AND ITS BUSINESS

Credit Risk

Credit risk is the risk of financial loss occurring as a result of default by a borrower or counterparty on their obligation to the Issuer. This risk is mainly associated with the accounts due from customers and clients.

Trade and other receivables

Funds are deposited with financial institutions that, at the time of account opening, have a minimal risk of default. Assets for which potential credit risk arises are mainly represented by accounts receivable from buyers and customers. The Issuer has developed procedures to minimize the risk of nonpayment. The carrying amount of receivables is the maximum exposure to credit risk. The Issuer has no significant concentration of credit risk. Although the rate of settlement of accounts receivable is influenced by economic factors, management believes that there is no significant risk of depreciation of accounts receivable. The Issuer does not require any security in respect of its trade and other receivables.

Credit risk concentration

The maximum exposure to credit risk is generally reflected in the carrying amounts of financial assets in the consolidated statement of financial position and unrecognized contractual commitment amounts.

Maximum credit risk at the reporting date:

Line Item	2018	2019	For 9 months ended September 30, 2020 (unaudited)
Short-term receivables	24,648	428,060	720,791
Cash	365	3,475,160	7,034,199
Total	25,013	3,903,220	7,754,990

Liquidity Risk

Liquidity risk is the risk that the Issuer will not be able to meet its financial obligations when they fall due. The Issuer's approach to liquidity management is to ensure, to the extent possible, that the Issuer has sufficient liquidity at all times to meet its liabilities on time (both under normal circumstances and in non-standard situations), without creating unacceptable losses or risk of corporate damage to Issuer's reputation. Liquidity risk is the risk that the Issuer may encounter difficulty in raising funds to meet its financial obligations as they fall due.

Entity's liquidity is the Issuer's ability to convert its assets into cash to cover all required payments as they fall due. The task of analyzing the balance liquidity arises in connection with the need to assess the Issuer's solvency, i.e. its ability to timely and fully settle all of its obligations.

The Issuer ensures that it has readily available cash in place in an amount sufficient to cover expected operating expenses for a period of 30 days, including servicing of financial obligations; however, the potential impact of cases of emergency such as natural disasters that cannot be reasonably predicted is not considered.

Information is provided below about the contractual maturity of financial obligations, including the estimated amount of interest payments and excluding the effect of set-off agreements.

000 KZT

For 9 months ended September 30, 2020 (unaudited)	On call & less than 1 month	1-3 months	From 3 months to 1 year	1-5 years	Total
Loans					17,550
Trade payables					1,491,661
Total					**1,509,211**

000 KZT

2019	On call & less than 1 month	1-3 months	From 3 months to 1 year	1-5 years	Total
Loans	-	-	-	-	-
Trade payables	1,616,669	-	-	-	1,616,669
Total	**1,616,669**	**-**	**-**	**-**	**1,616,669**

000 KZT

2018	On call & less than 1 month	1-3 months	From 3 months to 1 year	1-5 years	Total
Loans	155,401	-	-	-	155,401
Trade payables	562,600	-	-	-	562,600
Total	**718,001**	**-**	**-**	**-**	**718,001**

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will adversely affect the profit of the Issuer or the value of the financial instruments it holds. The objective of market risk management is to manage the Company's exposure to market risk and to ensure that it is within acceptable limits, while optimizing the amount of return on risky assets.

Currency risk

The Issuer imports goods from other countries and is therefore exposed to currency risk. Currency exchange rates can be particularly volatile in times of national or global financial instability, such as the recent period of economic turmoil and economic downturn caused by a pandemic COVID-19. Assets and liabilities denominated in foreign currencies give rise to potential currency risk. Accordingly, any future changes in such rates could have a material adverse effect on the Issuer's business, prospects, financial condition, cash flows or results of operations. The Issuer does not hedge currency risks associated with its transactions.

Currency risk is associated with the fact that the financial performance of the Issuer will be negatively affected by changes in the USD/KZT exchange rate. As of September 30, 2020, the Issuer has no assets and liabilities denominated in foreign currency.

Interest rate risk

The Issuer has no significant interest-bearing assets and liabilities; therefore, it is not exposed to interest rate risk.

Fair value

The Issuer's management believes that the fair values of financial assets and liabilities approximate their carrying amounts.

The fair value of trade and other receivables is calculated as the present value of future cash flows, discounted at the market rate of remuneration at the reporting date.

For trade receivables and payables maturing in less than six months, the fair value does not materially differ from the carrying amount as the impact of the value of money over time is insignificant.

Capital management

The Issuer's management is committed to ensuring a sustainable capital base to maintain creditor and market confidence and ensure future business development. Management monitors the return on capital. The Company strives to maintain a balance between the possible increases in income that can be achieved with higher levels of borrowing, and the benefits and security of a strong capital position.

The Issuer has not changed its approach to capital management during the year. The Issuer is not subject to external regulatory requirements in respect of its capital.

C. COUNTRY RISKS

Political, Economic and Related Considerations

The Issuer is a Kazakhstani-based construction company and a part of “BI Group” holding, a leading developer in real estate. 100% of the Issuer’s operations are carried out in Kazakhstan, but “BI Group” holding operates in foreign countries, though its majority of activities are carried out in Kazakhstan as well. Accordingly, the Issuer in particular, and “BI Group” holding in general, are affected by political and economic events in Kazakhstan.

Kazakhstan became an independent sovereign state in 1991 as a result of the dissolution of the former Soviet Union. Since then, Kazakhstan under two presidents, Nursultan Nazarbayev and, from June 2019, Kassym-Jomart Tokayev, has experienced significant changes as it has emerged from a centrally controlled command economy to a market-oriented economy. The transition was initially marked by political uncertainty and tension, a stagnant economy marked by high inflation, instability of the local currency and rapid, but incomplete, changes in the legal environment. However, Kazakhstan actively pursued a program of economic reform designed to establish a free market economy through privatisation of government-owned enterprises and deregulation and it is more advanced in this respect than some other countries of the former Soviet Union. Under President Nazarbayev’s leadership, Kazakhstan has moved toward a market-oriented economy. In March 2019, President Nursultan Nazarbayev officially stepped down as president following almost 30 years in power, thereby beginning a process of political transition in Kazakhstan.

On 9 June 2019, an early presidential election took place with Kassym-Jomart Tokayev receiving approximately 71% of the votes. Mr. Tokayev was inaugurated on 12 June 2019 as Kazakhstan’s new president. Mr. Nazarbayev continues to hold many important political positions and still wields considerable power within Kazakhstan and inside his political party, Nur-Otan. The results of the political transition currently underway are still somewhat unclear and the government is undergoing a major change in personnel that introduces uncertainty to the oil and gas industry and has resulted in slowdowns in the government’s decision-making process.

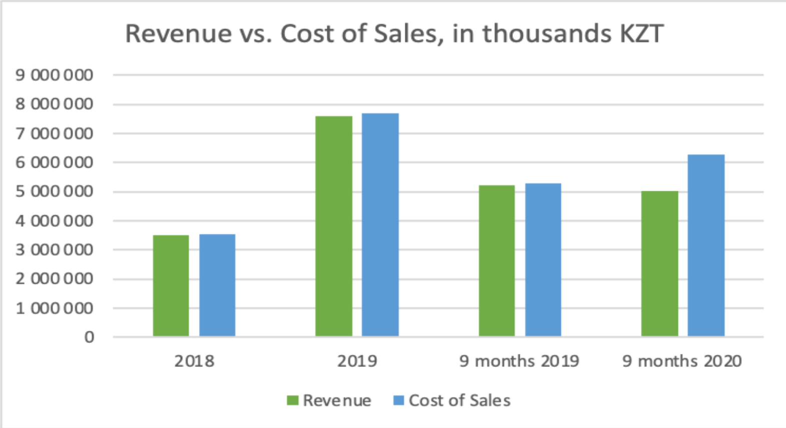
If the current administration changes its outlook, the economy in Kazakhstan could be adversely affected. Changes to Kazakhstan’s economy, including in property, tax or regulatory regimes or other changes could have a material adverse effect on the Issuer’s business, prospects, financial condition, cash flows or results of operations.

2.3. Sales Trend

The Issuer's revenue was received from construction and installation works. The revenue vs. cost of sales for 2018-2020 is shown on the graph.

As seen from the graph, the Issuer's revenue for 9 months of 2020 ended on September 30, 2020 slightly decreased (by 4.2%, according to unaudited financial statement of the Issuer for 9 months of 2020 ended on September 30, 2020) compared to revenue for the same period in 2019. Since the audited financial statements for the year ended December 31, 2020 are not yet ready, there is no confirmed data to be used to analyze the decrease in revenue. However, one can state for sure that lockdown restrictions imposed by COVID-19 pandemic, which led to a decline in almost all sectors of the country’s economy, had their negative impact on the Issuer’s activities as well. As for the Guarantor’s revenue the lockdown restrictions due to COVID-19 pandemic did not adversely affected it due to the fact that the Guarantor’s business is more diversified and that Guarantor does not conduct construction and installation works itself. Also, the price for housing square meters in Kazakhstan in 2020 increased in comparison with 2019, which allowed the Guarantor to improve its financial performance despite COVID-19 pandemic.

The government’s program on using pension funds for the purposes of buying real estate by citizens of the country, which came into force in the beginning of 2021 and applies to relations that arose from January 1, 2021, most likely had a positive impact on the Issuer’s revenue since the end of the last financial year to the date of the Registration of this Prospectus.



The Issuer incurred losses for several years because according to their policy the Issuer was engaged only in construction and then sold the constructed real estates to affiliated companies, that were involved in sales, at the minimal cost. Thus, all the margin from the sales is shown on the financial statement of affiliated companies. Since 2021 the Issuer would like to change a policy and sell constructed real estates with some margin.

The Issuer's cost of sales increased by more than 18.5% in the first 9 months of 2020 compared to the cost of sales for the same period of 2019, according to unaudited financial statement of the Issuer for 9 months of 2020 ended on September 30, 2020. Since the audited financial statements for the year ended December 31, 2020 are not yet ready, there is no confirmed data to be used to analyze the incerase in cost of sales. But it is likely that the rise in the cost of building materials contributed to the Issuer's cost of sales. The global downturn and border closures will continue to drive up the prices of imported building materials.

There has been no material adverse change relating to the information referred to in this section since the date of its last published financial statements except information described above

3. CONSTITUTION AND ORGANISATIONAL STRUCTURE

3.1 Constitution

Issuer's objectives and purpose and where they can be found in the constitution

The Charter was approved by the General Meeting of Participants of the limited liability partnership "Megastroy Ltd." on January 17, 2020. Article 3 of the Issuer's Charter provides that the Issuer's purpose is to make a profit by, among other activities, providing construction and installation works.

The rights, preferences and restrictions attaching to each class of the existing Securities

The Shares of all Participants in the property of the Issuer are proportional to their contributions to the authorized capital and are expressed as part of the whole as a percentage. In case of further replenishment of the Issuer's authorized capital, the contribution to the authorized capital may be money, securities, things, property rights, including the right to land use and the right to the results of intellectual activity and other property. It is not allowed to make a contribution in the form of personal non-property rights and other intangible benefits.

According to the decision of the Participants, the amount of the authorized capital can be changed.

The Rights of Participants of the Issuer

The rights of the Participants of the limited liability partnership are defined by the Law of the Republic of Kazakhstan "On Limited and Additional Liability Partnerships" dated April 22, 1998 and the Charter of the Issuer.

Participants of the Issuer have the right:

1) to participate in the management of the Issuer's Affairs in person or through their representatives;
2) to get information about the activities of the Issuer and get acquainted with its accounting and other documentation;
3) to receive income from the activities of the Issuer in accordance with the founding documents of the Issuer and decisions of the General meeting of Participants;
4) to receive in case of liquidation of the Issuer the value of part of the property remaining after settlements with creditors, or by agreement of all Participants of the Issuer, part of this property in kind;
5) to terminate participation in the limited liability partnership by alienating its share in the manner prescribed by law and the constituent documents;

6) to require an extraordinary General meeting of Participants when the interests of the Issuer require such a meeting to be convened;
7) to use the right to purchase a Participants' share or part of it, which is pre-emptive to third parties, when it is sold by one of the Participants;
8) to challenge in court decisions of the Issuer that violate their rights under this Law and (or) the Charter of the Issuer.

What action is necessary to change the rights of holders of the Securities, indicating where the conditions are more significant than is required by any law applicable to the Issuer

The rights of holders of securities (shares in the Issuer's property) are stipulated by the Law of the Republic of Kazakhstan "On Limited and Additional Liability Partnerships" dated April 22, 1998 and the Charter of the Issuer (as above).

The conditions governing the way annual general meetings and extraordinary general meetings of holders of Securities are called including the conditions of admission to the meeting

According to the Law of the Republic of Kazakhstan "On Limited and Additional Liability Partnerships", the supreme body of a limited liability partnership (general meeting) is convened as a regular or extraordinary general meeting of participants.

The next General meeting of the Participants of the Issuer is convened by the Executive body of the Issuer at least once a year. A meeting to approve the Issuer's annual financial statements must be held no later than three months after the end of the reporting financial year.

An extraordinary General meeting of Participants of the Issuer shall be convened in cases provided for by Law, as well as in any other cases Participants the interests of the Issuer require such a meeting to be convened. An extraordinary General meeting of Participants convened by the Executive body of the Issuer on their own initiative, and the creation of the Supervisory and Regulatory authorities – at the request of the Supervisory Board or the auditing Committee (auditor) of the Issue or at the initiative of any of the Participants of the Issue. If, despite the requirements of the Supervisory Council, auditing Commission (auditor) or any of the Issuer Participants, the Executive body shall convene an extraordinary General meeting, it may be convened by the Supervisory Board, the audit Commission (auditor) or Participant of the Issuer alone.

The body or person(s) calling an extraordinary General meeting of Participants of the Issuer must notify each Participant of the Issuer in writing or orally at the address specified in the register of Participants maintained by the Executive body of the Issuer no later than fifteen days before the opening of the meeting. The notification must indicate the time and place of the meeting, as well as proposed agenda.

Any provisions in the constitution, governing the ownership threshold above which shareholder ownership must be disclosed

A person who independently or jointly with its affiliated persons owns, uses, disposes of ten or more percent of voting shares (participatory interest in the authorized capital) of legal entities falling within definition of an affiliate as specified in subparagraphs 1), 4), 5), 6), 7), 8), 9) and 11) of paragraph 2 of Article 12-1 of the Law of the Republic of Kazakhstan "On Limited and Additional Liability Partnerships", is considered an affiliate of the Issuer.

A person who, independently or jointly with his affiliated persons, intends to acquire in the aggregate fifty or more percent of the shares in the authorized capital of the limited liability partnership, sends a notice to all participants in the partnership of his intention

The conditions imposed by the constitution governing changes in the capital, where such conditions are more stringent than is required by law applicable to the Issuer

The Charter does not provide for any such provisions that are more stringent than is required by law applicable to the Issuer. Under the Charter, the amount of the authorized capital of the Issuer may be changed according to the decision of the Participants. Pursuant to the Law of the Republic of Kazakhstan "On Limited and Additional Liability Partnerships", an increase in the charter capital of a limited liability partnership is allowed after its full payment and a decrease in the charter capital of a limited liability partnership can be carried out by proportionally reducing the contributions of the participants in the partnership or by fully or partially repaying the shares of individual participants.

Any arrangements by which a single investor or group of investors may exercise significant influence over the Issuer

There are no such arrangements

3.2 Group Structure

The Group structure is as follows:

- The Issuer is a member of the Group comprising of BI-Holding LLP and its subsidiaries and other entities, which are not legally related, but are under common management control of the BI-Holding LLP
- The Issuer's direct Participants are "BI Development" LLP (99%) and "Global Build" LLP (1%)
- Participants of "BI Development" LLP are "BI-Holding" LLP (99%) and "BI Support" LLP (1%)
- The Participants of BI-Holding" LLP are BI Support LLP (9.15%), Kurmanbayev S.N. (13.0%), Mergalimov R.B. (0.4%), Tulebayev S.K. (0.2%), Chernyshov M.B. (0.5%), Omarov A.G. (2.1%), Sarsembekova S.K. (64%), Kairzhanova A.B. (9%), Mukanova E.T. (1.3%), Mukatayeva D.H. (0.35%).
- The sole Participant of "BI Support" LLP is "BI-Holding" LLP (100%).
- The sole Participant of "Global Build" LLP is "BI Development" LLP

The ultimate controlling parties of the Group are individuals, the citizens of the Republic of Kazakhstan: Mr. Aidyn Rakhimbayev, Mr. Baurzhan Issabayev, Mr. Askhat Omarov.

The Group is engaged in building high-rise residential estates, commercial real estate and construction of roads of regional and international importance and of other industrial and civil facilities. The Group is also engaged in manufacturing and sale of building materials, managing commercial and real estate, and building and repair work. The BI-Holding LLP acts as a managing company within the Group.

The Group's companies are divided into 4 segments by specific lines of business, namely:

- BI-Development – building and sale of high-rise residential estates and further management and maintenance of thereof;
- BI Construction & Engineering – construction of industrial and civil facilities;
- BI Infra Construction – construction of roads and road infrastructure of regional and international importance, and manufacturing of building materials;
- BI Property – construction, sale and management of commercial real estate

The Group's operations are primarily located in the Republic of Kazakhstan. The Group's manufactured products are primarily sold in the Republic of Kazakhstan.

No.	Name of the company	Segment	Effective ownership	Share for combination
1	KAZPACO LLC	BI Construction & Engineering	-	100%
2	BI-Industrial LLP	BI Construction & Engineering	99%	100%
3	KazInvest Stroy Group LLP	BI Construction & Engineering	-	100%
4	BI Urban Construction LLP	BI Construction & Engineering	99%	100%
5	U-Con One LLP	BI Construction & Engineering	100%	100%
6	U-Con Two LLP	BI Construction & Engineering	51%	100%
7	U-Con Three LLP	BI Construction & Engineering	51%	100%
8	BI Construction Turkestan LLP	BI Construction & Engineering	100%	100%
9	BI Civil Construction LLP	BI Construction & Engineering	100%	100%
10	BiGlobal LLP	BI Construction & Engineering	100%	100%
11	BI Group-Engineering LLP	BI Construction & Engineering	-	100%
12	TENGRY CONSTRUCTION LLP	BI Construction & Engineering	100%	100%
13	ATM Turkistan Hospital LLP	BI Construction & Engineering	55%	55%
14	BI Civil Construction LLP	BI Construction & Engineering	100%	100%
15	BI-Development LLP	BI-Development	99%	100%
16	Milan-Astana LLP	BI-Development	100%	100%
17	Kaz industrial group LLP	BI-Development	100%	100%
18	BI EXPO CITY LLP	BI-Development	100%	100%
19	ZHAGA NS LLP	BI-Development	100%	100%
20	Mereke Service NS LLP	BI-Development	99%	100%
21	Kompaniya Industriya Stroitelstva LLP	BI-Development	100%	100%

No.	Name of the company	Segment	Effective ownership	Share for combination
22	Kiyeli tylsym LLP	BI-Development	100%	100%
23	Broker and K LLP	BI-Development	100%	100%
24	Megastroy LTD LLP	BI-Development	1%	100%
25	SALT LLP	BI-Development	-	100%
26	BI City Stroy LLP	BI-Development	100%	100%
27	BI Stroy LLP	BI-Development	-	100%
28	KazStroy-Z LLP	BI-Development	100%	100%
29	Stroy InzhService LLP	BI-Development	-	100%
30	Adali-Astana LLP	BI-Development	100%	100%
31	Nova Group Stroy LLP	BI-Development	100%	100%
32	Family Village NS LLP	BI-Development	100%	100%
33	Amanat Stroy LLP	BI-Development	100%	100%
34	Build SYSTEM-Atyrau LLP	BI-Development	100%	100%
35	Ideal Invest Group LLP	BI-Development	100%	100%
36	Light House NS LLP	BI-Development	100%	100%
37	A2ZH group LLP	BI-Development	100%	100%
38	Sauran Towers LLP	BI-Development	100%	100%
39	Orynbor Towers LLP	BI-Development	100%	100%
40	Zhas Kurylys NS LLP	BI-Development	100%	100%
41	Midvest LLP	BI-Development	100%	100%
42	AS Parking LLP	BI-Development	100%	100%
43	Headliner KZ LLP	BI-Development	100%	100%
44	Premier Palace LLP	BI-Development	100%	100%
45	Arna-Trade LLP	BI-Development	100%	100%
46	Master Construction LLP	BI-Development	100%	100%
47	TEK Resurs LLP	BI-Development	100%	100%
48	Altyn Dala Astana LLP	BI-Development	100%	100%
49	Esil Kurylys IZH LLP	BI-Development	100%	100%
50	BI-Village Deluxe LLP	BI-Development	100%	100%
51	TH Rakhmet-3 LLP	BI-Development	100%	100%
52	Arnau-Tower LLP	BI-Development	100%	100%
53	Home Group Astana LLP	BI-Development	100%	100%
54	NURA ESIL ASTANA LLP	BI-Development	100%	100%
55	Astana Kurylys Montazh NS LLP	BI-Development	100%	100%
56	Dream city LLP	BI-Development	100%	100%
57	Arnau City LLP	BI-Development	100%	100%
58	Grand Arnau LLP	BI-Development	100%	100%
59	AZAT-M LLP	BI-Development	100%	100%
60	Pokolenie 1 LLP	BI-Development	100%	100%
61	Arnay City LLP	BI-Development	100%	100%
62	Triumph Towers LLP	BI-Development	100%	100%
63	TsES Real Estate LLP	BI-Development	100%	100%
64	London NS LLP	BI-Development	100%	100%
65	Esil Park LLP	BI-Development	100%	100%
66	Bereke Stroy LLP	BI-Development	100%	100%
67	Oil Extraction Company LLP	BI-Development	100%	100%
68	Family Village LLP	BI-Development	100%	100%
69	Astana Mineral LLP	BI-Development	100%	100%

No.	Name of the company	Segment	Effective ownership	Share for combination
70	Tsesinstroy LLP	BI-Development	100%	100%
71	Noviy Park LLP	BI-Development	100%	100%
72	Astana Realty Plus LLP	BI-Development	100%	100%
73	AlmaTauStroy LLP	BI-Development	100%	100%
74	Altyn sapa NS LLP	BI-Development	100%	100%
75	ASK Prestige LLP	BI-Development	100%	100%
76	Sarmat Group LLP	BI-Development	100%	100%
77	Sarmat Construction Company LLP	BI-Development	100%	100%
78	BI Realty Almaty LLP	BI-Development	100%	100%
79	SK Akbulak LLP	BI-Development	100%	100%
80	SK Akbulak-2 LLP	BI-Development	100%	100%
81	Zhan Sai Group LLP	BI-Development	100%	100%
82	BI Shymkent Projects LLP	BI-Development	100%	100%
83	BCD Group LLP	BI-Development	100%	100%
84	AsiaInvestGroup LLP	BI-Development	100%	100%
85	Sairan Stroy LLP	BI-Development	100%	100%
86	Stroy Park LLP	BI-Development	100%	100%
87	Temir Construction LLP	BI-Development	100%	100%
88	4YOU-2 LLP	BI-Development	100%	100%
89	BI Group Almaty LLP	BI-Development	100%	100%
90	Sarmat Group-2 LLP	BI-Development	100%	100%
91	LUXOR.KZ COMPANY LLP	BI-Development	100%	100%
92	Luxor LLP	BI-Development	100%	100%
93	Turan City LLP	BI-Development	100%	100%
94	Otau Invest NS LLP	BI-Development	100%	100%
95	Tengri House Astana LLP	BI-Development	100%	100%
96	Kamal Center Astana LLP	BI-Development	100%	100%
97	Salamat Stroy LLP	BI-Development	100%	100%
98	Sezim Arena LLP	BI-Development	100%	100%
99	Esil Town LLP	BI-Development	100%	100%
100	NC-16 LLP	BI-Development	100%	100%
101	NC-21 LLP	BI-Development	100%	100%
102	NC-22 LLP	BI-Development	100%	100%
103	Nova City Company LLP	BI-Development	-	100%
104	Gross House Group LLP	BI-Development	100%	100%
105	Kenn Dala LLP	BI-Development	100%	100%
106	Asyll Dala LLP	BI-Development	100%	100%
107	Crystal LLP	BI-Development	100%	100%
108	BI-Village Comfort LLP	BI-Development	-	100%
109	Gimarat NS LLP	BI-Development	100%	100%
110	Build Group NS LLP	BI-Development	100%	100%
111	Adai kurylys-2004 LLP	BI-Development	100%	100%
112	Turan Towers LLP	BI-Development	100%	100%
113	Arnau Building LLP	BI-Development	100%	100%
114	Alem Stroy NS LLP	BI-Development	100%	100%
115	River City LLP	BI-Development	100%	100%
116	Stone Group Company LLP	BI-Development	100%	100%
117	Golf Country LLP	BI-Development	100%	100%

No.	Name of the company	Segment	Effective ownership	Share for combination
118	Astana Village LLP	BI-Development	100%	100%
119	Town House LLP	BI-Development	100%	100%
120	Grand Park Avenue LLP	BI-Development	100%	100%
121	Golf Club Residence LLP	BI-Development	100%	100%
122	ShygysMontazh-Stroy LLP	BI-Development	100%	100%
123	IsMi LLP	BI-Development	50%	100%
124	Technologii Renovatsii LLP	BI-Development	100%	100%
125	SK Bazar LLP	BI-Development	100%	100%
126	KAZSilicate LLP	BI-Development	100%	100%
127	Invest Land LLP	BI-Development	100%	100%
128	SK TASTEMIR LLP	BI-Development	100%	100%
129	AsBuildStroy LLP	BI-Development	-	100%
130	Capital Park LLP	BI-Development	50%	100%
131	BI-Group LLP	BI-Development	100%	100%
132	Zarya Vostoka NS LLP	BI-Development	100%	100%
133	AlmatyTechComplect LLP	BI-Development	100%	100%
134	Estate Platinum LLP	BI-Development	100%	100%
135	ModeX Astana LLP	BI-Development	100%	100%
136	BI-Beton LLP	BI-Development	100%	100%
137	Zavod ABK-Beton LLP	BI-Development	100%	100%
138	Invest City LLP	BI-Development	100%	100%
139	Lean Astana LLP	BI-Development	100%	100%
140	BI Almaty Projects LLP	BI-Development	-	100%
141	Global Build LLP	BI-Development	100%	100%
142	Nur Service NS LLP	BI-Development	100%	100%
143	Dream Village LLP	BI-Development	-	100%
144	ModeX Almaty LLP	BI-Development	-	100%
145	Garant Service NS LLP	BI-Development	-	100%
146	BI Capital LLP	BI-Development	-	100%
147	CFC BI-Finance LLP	BI-Development	100%	100%
148	Kaztime LLP	BI-Development	-	100%
149	BI Infra Construction LLP	BI Infra Construction	99%	100%
150	Kazakhdorstroy LLP	BI Infra Construction	-	100%
151	ABK-Autodor NS LLP	BI Infra Construction	-	100%
152	BI Astana Roads LLP	BI Infra Construction	100%	100%
153	Karatas Mining LLP	BI Infra Construction	100%	100%
154	Bi PetroService LLP	BI Infra Construction	100%	100%
155	Zhol kurylys NC LLP	BI Infra Construction	100%	100%
156	BI-Bridge Company LLP	BI Infra Construction	100%	100%
157	BI Property LLP	BI Property	-	100%
158	BI Business Solution LLP	BI Property	-	100%
159	BI Business LLP	BI Property	-	100%
160	Bekturly Operating LLP	BI Property	-	100%
161	Tses Realty LTD LLP	BI Property	-	100%
162	Essil Invest LLP	BI Property	-	100%
163	South Side LLP	BI Property	-	100%
164	New Park LLP	BI Property	-	100%
165	BI Retail LLP	BI Property	-	100%

No.	Name of the company	Segment	Effective ownership	Share for combination
166	BI TECHNOPARK LLP	BI Property	90%	100%
167	BI Healthcare LLP	BI Property	-	100%
168	BI Leisure LLP	BI Property	-	100%
169	Baby Village LLP	BI Property	-	100%
170	Shanyrak Platinum LLP	BI Property	99%	100%
171	Business Centre Turan LLP	BI Property	-	100%
172	Consolidate Management Company LLP	BI Property	-	100%
173	BI Property Alatau LLP	BI Property	-	100%
174	Hospitality Management Group LLP	BI Property	-	100%
175	Green-Hall LLP	BI Property	100%	100%
176	BI-Holding LLP	Holding companies	7.74%	100%
177	Profi Time Astana LLP	Holding companies	100%	100%
178	BI Support LLP	Holding companies	-	100%
179	BI Digital LLP	Holding companies	43.37%	100%
180	BI Innovations LLP	Holding companies	100%	100%
181	Park Technologies LLP	Holding companies	100%	100%
182	BeInTech US LLP *	Holding companies	100%	100%
183	VASCO Qazaqstan LLP	Holding companies	98.52%	100%
184	RP Karaganda LLP	Holding companies	100%	100%
185	RP Aktobe LLP	Holding companies	100%	100%
186	RP Atyrau LLP	Holding companies	100%	100%
187	RP Astana LLP	Holding companies	100%	100%
188	RP Shymkent LLP	Holding companies	100.00%	100%
189	A-Land LLP	Holding companies	100%	100%
190	Arman Kala 21 Vek LLP	Holding companies	-	100%

* BeInTech US LLP is incorporated in the United States of America.

4. ASSETS

4.1 Material contracts

The Issuer or any Participant of the company had no material contracts: (i) within the two years immediately preceding the date of this document and which is, or may be, material; or (ii) which contains any provision under which any Participant of the company has any obligation or entitlement which is material to the Issuer as at the date hereof. There are affiliated companies among the Issuer's suppliers, the largest of which are presented in the table below and constitute 10% of cost of goods sold:

- Suppliers for construction and installation works:

  AK-Zhol– 2006 LLP
  Omega Story Inzhiniring LLP
  Smart Remont LLP
  Ihsan 2020 LLP
  KZ Story 2050 LLP
  Zhetysu LLP
  Samruk Kurylyz KZ LLP
  Elit Stroy 2014 LLP
  ALTYN ORDA GROUP KZ LLP
  Stroy company 2018 LLP
  Nur-Aimak LLP
  SALBEN Astana LLP
  Nur-Sultan Group Company LLP

Elekro Set LLP
Aliyans-Astana SP
Astana-Zholbarys LLP
Caspian Life LLP
Nur-Kairat HC LLP

- Transport and machinery services:

Shik K LLP
Kaz service SP
Elvira SP
Berkut SP
Tehnika KZ LLP
Nosenko A. Anatoliy SP
Shik K LLP
Kaidarov S. Bakhytzhan SP
Sattybaldina Zhanar SP
Service Technology Construction LLP
Smirnov K. Sergey SP
Agjol logistic SP
Elvira SP
Nosenko A. Anatoliy SP

5. CAPITAL

5.1 Authorized capital

The authorized capital of the Issuer is KZT 93,070,200 (ninety-three million seventy thousand two hundred), which is fully formed at the time of state registration:

- LLP “BI-Development” – 92,139,498 (ninety-two million one hundred and thirty-nine thousand four hundred and ninety-eight) tenge, which is 99% of the authorized capital
- LLP “Global Build” – 930,702 (nine hundred and thirty thousand seven hundred and two) tenge, which is 1% of the authorized capital

In case of further replenishment of the Issuer’s authorized capital, the contribution of the authorized capital may be money, securities, things, property rights, including the right of the land use and the right to the results of the intellectual activity and other property. It is not allowed to make a contribution in the form of personal non-property rights and other intangible benefits. The amount of authorized capital may be changed.

6. MANAGEMENT OF THE ISSUER

6.1. Details relating to directors and senior managers

Supervisory Board is responsible for the following issues:

- Approval of the Issuer’s strategy and development plans;
- Approval of the budget, as well as changes and additions to it;
- Consideration and adoption of decisions on concluding transactions in the amount of more than 15% (fifteen) percent, but not more that 25% (twenty-five) percent of the authorized capital, as well as making changes and additions to them;
- Decisions to pledge 50% (fifty) percent or more of the total property;
- Approval of documents regulating the internal activities;
- Approval of accounting policy;
- Preliminary approval of annual financial statement;
- Preliminary approval of annual report;
- Approval of the total amount of employees and the structure of the central office;
- Approval of the internal risk management procedures;
- Approval of risk management policy;
- Appointment of an audit organization;

— Other issues stipulated by the legislation of the Republic of Kazakhstan and the Charter.

Name, Business address	Functions and principle activities
Mussinov Serik Khuttubayevich, Chairman of the Supervisory Board *Nur-Sultan, Esil District, E-10 Street, building 17M*	— Approval of the Issuer's strategy and development plans; — Approval of the budget, as well as changes and additions to it; — Consideration and adoption of decisions on concluding transactions in the amount of more than 15% (fifteen) percent, but not more that 25% (twenty-five) percent of the authorized capital, as well as making changes and additions to them; — Decisions to pledge 50% (fifty) percent or more of the total property; — Approval of documents regulating the internal activities; — Approval of accounting policy; — Preliminary approval of annual financial statement; — Preliminary approval of annual report; — Approval of the total amount of employees and the structure of the central office; — Approval of the internal risk management procedures; — Approval of risk management policy; — Appointment of an audit organization; — Other issues stipulated by the legislation of the Republic of Kazakhstan and the Charter.
Chernyshov Maksim Valerievich, Member of the Supervisory Board *Nur-Sultan, Esil District, E-10 Street, building 17M*	— Approval of the Issuer's strategy and development plans; — Approval of the budget, as well as changes and additions to it; — Consideration and adoption of decisions on concluding transactions in the amount of more than 15% (fifteen) percent, but not more that 25% (twenty-five) percent of the authorized capital, as well as making changes and additions to them; — Decisions to pledge 50% (fifty) percent or more of the total property; — Approval of documents regulating the internal activities; — Approval of accounting policy; — Preliminary approval of annual financial statement; — Preliminary approval of annual report; — Approval of the total amount of employees and the structure of the central office; — Approval of the internal risk management procedures; — Approval of risk management policy; — Appointment of an audit organization; — Other issues stipulated by the legislation of the Republic of Kazakhstan and the Charter.
Shayakhmetov Kairat Kabibollovich, Member of the Supervisory Board *Nur-Sultan, Yesil District, E-10 Street, building 17M*	— Approval of the Issuer's strategy and development plans; — Approval of the budget, as well as changes and additions to it; — Consideration and adoption of decisions on concluding transactions in the amount of more than 15% (fifteen) percent, but not more that 25% (twenty-five) percent of the authorized capital, as well as making changes and additions to them; — Decisions to pledge 50% (fifty) percent or more of the total property; — Approval of documents regulating the internal activities; — Approval of accounting policy; — Preliminary approval of annual financial statement; — Preliminary approval of annual report; — Approval of the total amount of employees and the structure of the central office; — Approval of the internal risk management procedures; — Approval of risk management policy; — Appointment of an audit organization;

Name, Business address	Functions and principle activities
	— Other issues stipulated by the legislation of the Republic of Kazakhstan and the Charter.
Salimgereev Salimzhan Salimgereiuly, Member of the Supervisory Board *Nur-Sultan, Yesil District, E-10 Street, building 17M*	— Approval of the Issuer's strategy and development plans; — Approval of the budget, as well as changes and additions to it; — Consideration and adoption of decisions on concluding transactions in the amount of more than 15% (fifteen) percent, but not more that 25% (twenty-five) percent of the authorized capital, as well as making changes and additions to them; — Decisions to pledge 50% (fifty) percent or more of the total property; — Approval of documents regulating the internal activities; — Approval of accounting policy; — Preliminary approval of annual financial statement; — Preliminary approval of annual report; — Approval of the total amount of employees and the structure of the central office; — Approval of the internal risk management procedures; — Approval of risk management policy; — Appointment of an audit organization; — Other issues stipulated by the legislation of the Republic of Kazakhstan and the Charter.
Kudaibergenov Marlen Toganovich, Member of Supervisory Board *Nur-Sultan, Yesil District, E-10 Street, building 17M*	— Approval of the Issuer's strategy and development plans; — Approval of the budget, as well as changes and additions to it; — Consideration and adoption of decisions on concluding transactions in the amount of more than 15% (fifteen) percent, but not more that 25% (twenty-five) percent of the authorized capital, as well as making changes and additions to them; — Decisions to pledge 50% (fifty) percent or more of the total property; — Approval of documents regulating the internal activities; — Approval of accounting policy; — Preliminary approval of annual financial statement; — Preliminary approval of annual report; — Approval of the total amount of employees and the structure of the central office; — Approval of the internal risk management procedures; — Approval of risk management policy; — Appointment of an audit organization; — Other issues stipulated by the legislation of the Republic of Kazakhstan and the Charter.

Director is responsible for the following issues:

- Acts on behalf of the Issuer without a power of attorney;
- Issue a power of attorney for the right to represent the Issuer, including a power of attorney with the right to transfer trust;
- In relation to employees of the Issuer, issue orders for the appointments, transfer and dismissal, determines the system of remuneration, sets the size of official salaries and personal allowances, decides on bonuses, takes incentives and imposes disciplinary penalties;
- Performs other powers that are not within the exclusive competence of the general meeting of Participants of the Issuer;

Name, Business address	Functions and principle activities
Aitzhanov Kuanysh Temirtassovich Director,	— Acts on behalf of the Issuer without a power of attorney; — Issue a power of attorney for the right to represent the Issuer, including a power of attorney with the right to transfer trust;

Name, Business address	Functions and principle activities
Nur-Sultan, Yesil District, E-10 Street, building 17M	— In relation to employees of the Issuer, issue orders for the appointments, transfer and dismissal, determines the system of remuneration, sets the size of official salaries and personal allowances, decides on bonuses, takes incentives and imposes disciplinary penalties; — Performs other powers that are not within the exclusive competence of the general meeting of Participants of the Issuer;

Conflict of interest:

To the best of the Issuer's knowledge there are no conflict of interests between the personal interests of any key person mentioned above and that of the duties such persons owed to the Issuer or interests of the Issuer.

6.2. Other information relating to key persons:

The Issuer is not obliged to form committees in accordance with the legislation of the Republic of Kazakhstan regulating the activities of legal entities operating in the form of limited liability partnerships.

7. FINANCIAL INFORMATION

7.1. Historical financial information about the Issuer

The tables below set out summary financial information of the Issuer as at and for 30 September 2020, and the years ended 31 December 2019 and 2018 prepared in accordance with IFRS. The summary financial information has been extracted from the financial statements of the Issuer without material adjustment. Rounding differences may occur. Historically there were qualified opinion for YER 2017 and YER2019. Reason for qualified opinion in 2019:

— the auditors did not observe the inventory process of fixed assets as of December 31, 2019

— in the reporting period, the Issuer provided an interest-free loan to a related party in the amount of KZT 1,961,509 thousand for a period of two years. This loan was reflected in the financial statements at the nominal value, which does not comply with IFRS 9. According to IFRS 9, such assets should be accounted at the present value of future payments using a discount rate which reflects time value of money and the risks inherent for this asset.

Statement of financial position

000 KZT	September 30, 2020 (unaudited)	2019 (audited)	2018 (audited)
Short-Term Assets	22,394,149	10,074,776	2,912,228
Cash and cash equivalents	7,034,199	3,475,160	365
Short-term financial assets measured at the depreciable cost	12,910,773	-	-
Short-term loans granted		4,372,226	2,362,310
Other short-term financial assets	-	2,864	-
Short-term trade and other receivables	761,489	428,060	24,648
Current income tax	39,653	505	0
Inventory	382,641	39,474	7,969
Other short-term assets	1,265,394	1,756,487	516,936
Long-Term Assets	64,469	17,185	93,870
Long-term trade and other receivables	7,058	7,457	-
Fixed assets	57,356	9,728	92,961
Intangible assets	55	-	-
Deferred tax assets	-	-	909
Total assets	*22,458,618*	*10,091,961*	*3,006,098*
Short-Term Liabilities	23,723,877	10,266,777	2,922,327
Short-term financial liabilities measured at the depreciable cost	17,550	-	155,401
Short-term estimated liabilities	-	12,554	-
Short-term trade and other accounts payable	1,490,776	1,616,668	562,600
Short-term estimated liabilities	31,052	-	-
Current income tax liabilities	-	1,636	-

000 KZT	September 30, 2020 (unaudited)	2019 (audited)	2018 (audited)
Staff remuneration	23,290	9,177	599
Other short-term liabilities	22,161,209	8,628,378	2,202,091
Long-Term Liabilities	231,461	73,418	26
Long-term estimated liabilities	231,461	73,418	-
Other long-term liabilities	-	-	26
Equity	-1,496,720	-248,234	83,745
Registered (share) capital	93,070	93,070	93,070
Retained earnings (retained loss)	-1,589,791	-341,304	-9,325
Total equity and liabilities	*22,458,618*	*10,091,961*	*3,006,098*

Statement of Profit or Loss and Other Comprehensive Income Information

000 KZT	September 30, 2020 (unaudited)	2019 (audited)	2018 (audited)
Revenues	5,040,773	7,579,696	3,519,100
Cost of goods sold and services rendered	6,250,820	7,686,313	3,529,947
Gross Margin	**-1,210,047**	**-106,617**	**-10,847**
Sales expenses	17,257	13,938	1,999
Administrative expenses	100,100	36,069	1,645
Total Operational Profit (Loss)	**-1,327,404**	**-156,624**	**-14,491**
Financial gains	261,106	58,331	0
Financial expenses	-	12,168	0
Other receipts	81,059	15,782	4,278
Other costs	263,232	154,826	21
Income (Loss) before Taxation	**-1,248,472**	**-249,505**	**-10,234**
Costs (-) (receipts (+)) under income tax	-15	-8,244	909
Income (Loss) after Taxation from Continuing Operations	**-1,248,487**	**-257,749**	**-9,325**

Cash Flow Statement

000 KZT	September 30, 2020 (unaudited)	2019 (audited)	2018 (audited)
I. Cash Flow from Operating Activities	**12,080,442**	**5,652,887**	**2,207,165**
Total cash receipts	*25,018,308*	*15,704,822*	*8,273,901*
sale of products and services	748,406	13,940,538	881,398
other revenues	-	8,318	7,392,503
Advance payments received from purchasers and customers	22,107,277	1,709,249	-
interest received	224,703	-	-
other receipts	1,937,922	46,717	-
Total cash outflow	*12,937,866*	*10,051,935*	*6,066,736*
payments made to suppliers for goods and services	7,407,033	5,502,040	688,919
advance payments made to suppliers of goods and services	780,988	4,350,277	3,184,438
wages paid	251,387	94,302	8,963
income tax and other payments to the budget	80,323	81,003	1,562
other payments	4,418,135	24,313	2,182,854
II. Cash Flow from Investing Activities	**-**	**-4,100,229**	**-**
Total cash flow	-	*5,130,796*	-
repayment of loans granted	-	5,130,796	-
Total cash outflow	-	*9,231,025*	-
Loans granted	-	9,231,025	-
III. Cash Flow from Financing Activities	**-8,521,403**	**1,922,137**	**-2,206,800**
Total cash flow	*4,463,888*	*3,060,272*	*2,653,327*
issuance of shares and other financial instruments	-	-	109
loan received	-	3,060,272	-
other receipts	4,463,888	-	2,653,218

000 KZT	September 30, 2020 (unaudited)	2019 (audited)	2018 (audited)
Total cash outflow	*12,985,291*	*1,137,423*	*4,860,127*
loan repayment	-	1,137,423	-
other payments	12,985,291	-	4,860,127
Cash and cash equivalents at the beginning of the reporting period	**3,475,160**	**365**	**-**
Cash and cash equivalents at the end of the reporting period	**7,034,199**	**3,475,160**	**365**

Historical financial statements for years 2018 ended December 31, 2018 and 2019 ended December, 31 2019 are audited; financial statements for 9 months of 2020, ended September, 30 2020 are unaudited.

Interim financial information covering the first nine months of the financial year 2020 is unaudited.

There were no significant change in the financial or trading position of the Issuer which has occurred since the end of the last financial period for which audited financial information and interim financial information have been presented.

The full Financial Statement Report of the Issuer is presented in Schedule 4.

7.2. Profit forecast

A forecast of the Issuer's future cash flows is shown in the table below. The Issuer used to sell the constructed real estate to affiliated companies at minimal cost. Since 2021 the Issuer would like to change a policy and sell constructed real estates with some margin. According to the Issuer's forecast, it is planned that revenue will grow during the course of the Bonds circulation mainly for three reasons: 1) an increase in the number of projects under construction; 2) the Issuer's intention to sell constructed real estate with some margin and 3) the growth of the price for housing square meters in Kazakhstan.

The increase of the number of Issuer's projects is due to the growth in demand for housing, which is to some extent caused by the government's program on using pension funds for the purposes of buying real estate by citizens of the country. This program also contributed to the growth of the price for housing square meters, which gives an opportunity to increase margin for companies in construction business.

The Issuer's composition of costs remain unchanged – most of the expenses are due to construction and installation works, followed by transport expenses, overhead expenses and administrative expenses. Though the rise of construction materials will definitely affect the cost of sales, one should consider the Issuer as a part of large construction group, which gives an opportunity to reduce the prices of materials through bulk purchases. However, one can assess that the Issuer's forecasted positive cash flows are due to increase in its revenue rather than the decrease in costs.

mln KZT	March 2021	April 2021	May 201	June 2021	July 2021	Aug 2021	Sept 2021
Revenue	311	518	316	837	828	836	1,110
Construction and installation work expenses, and transport expenses	-629	-716	-513	-718	-1,180	-1,327	-1,146
Overhead costs	-57	-64	-73	-69	-69	-150	-115
Administrative expenses	-3	-28	-8	-6	-6	-7	-51
Taxes	-15	,	,	,	,	,	,
Loan (bond)	6,100	,	,	,	,	,	-549
Cash flow for the period	5,707	-289	-277	44	-427	-648	-751
Cumulative cash flow	5,707	5,418	5,140	5,185	4,758	4,110	3,359

mln KZT	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	March 2022	**Total**
Revenue	1,625	2,537	2,791	3,070	3,377	3,715	**21,873**
Construction and installation work expenses, and transport expenses	-537	-847	-1,242	-1,917	-2,588	-3,588	**-16,948**
Overhead costs	-109	-90	-155	-118	-262	-228	**-1,559**

mln KZT	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	March 2022	**Total**
Administrative expenses	-20	-902	-20	-41	-11	-17	**-1,120**
Taxes	,	,	,	,	,	,	**-15**
Loan (bond)	,	,	,	,	,	-6,649	**-1,098**
Cash flow for the period	959	698	1,374	994	516	-6,767	**1,133**
Cumulative cash flow	4,318	5,016	6,391	7,384	7,900	1,133	**65,820**

8. OTHER INFORMATION

8.1. Information about auditors

The independent auditor of the Issuer is Ar-Audit LLP, a company was founded in 1999. The state license for carrying out an audit activity No. 0000020 was issued by the Ministry of Finance of the Republic of Kazakhstan in December 27, 1999. The company is a member of the Chamber of Auditors of the Republic of Kazakhstan and Association of taxpayers of Kazakhstan and as well as the member of International auditing and consulting networks The address of the auditor is Nur-Sultan city, 24, Tauelsizdik street, 3-rd floor.

The independent auditor of the Guarantor is KPMG Audit LLC. The company is a global network of professional firms providing Audit, Tax and Advisory services, operating in 147 countries with more than 219,000 people working in member firms around the world. KPMG Audit LLC is address is: 180 Dostyk Avenue, Almaty, A25D6T5, Kazakhstan.

8.2. Legal and other proceedings against the Issuer

To the best of the Issuer’s knowledge there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened and of which the Issuer is aware) which may have, or have had during the 12 months prior to the date of this Prospectus, a significant effect on the Issuer’s financial position of profitability.

8.3. Other significant matters

As of the date of this Prospectus there are no other significant matters that investors would reasonably require in relation to the Issuer and the Issuer’s jurisdiction

9. RESPONSIBILITY FOR THE CONTENT OF THE PROSPECTUS

9.1. Responsibility Statement

A Responsibility Statement is included in the Schedule 1 of this Prospectus

9.2. Third Party Information

Statistical data and other information appearing in this Prospectus relating to the Kazakhstan have, unless otherwise stated, been extracted from documents and other publications released by the Ministry of Finance of Kazakhstan, the National Bank of the Republic of Kazakhstan and other public sources in Kazakhstan, as well as from Kazakhstan press reports and publications, edicts and resolutions of the Government and estimates of the Issuer (based on its management’s knowledge and experience of the markets in which the Issuer operates). In the case of the presented statistical information, similar statistics may be obtainable from other sources, although the underlying assumptions and methodology, and consequently the resulting data, may vary from source to source. Any discussion of matters relating to Kazakhstan in this Prospectus is, therefore, subject to uncertainty due to concerns about the completeness or reliability of available official and public information. The Issuer confirms that, where information included in the Prospectus has been sourced from a third party, the source is identified, that information has been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

9.3. Signing of the Prospectus by directors of the Issuer

The Prospectus was signed by Kuanysh T. Aitzhanov, a Director of the Issuer, and Mussinov K. Serik, Chairman of the Supervisory Board, on March 26, 2021 based on the resolution of Extraordinary General Meeting of Participants dated March 01, 2021

9.4. Expert opinions included in a prospectus

The Issuer extracted most of the information contained in this Prospectus from 2018 Annual Financial Statements and 2019 Annual Financial Statements, 30 September 2020 Interim Unaudited financial statements. Information on Auditors described in the clause 8.1. of the Registration Document. There are no other expert opinions having been obtained.

10. DOCUMENTS ON DISPLAY

Copies of the following documents may be inspected at, and are available from, the office of the Issuer at Republic of Kazakhstan, 010000 Nur-Sultan, Yesil District, E-10 Street, building 17M, during normal business hours on any weekday (except for Saturdays, Sundays and public holidays), so long as the Bonds are listed on the AIX:

— this Prospectus, Offer Terms and any supplements thereto;

— the Charter;

— audited financial statements of the Issuer as at and for the year ended 31 December 2019, 31 December 2018 andunaudited financial statements for 9 months ended 30 September 2020.

— audited financial statements of the Guarantor as at and for the year ended 31 December 2018, 31 December 2019, and unaudited financial statements for 12 months ended 31December 2020.

SECURITIES NOTE

1. KEY INFORMATION

1.1 Risk factors material to the Securities

Prior to making an investment decision, prospective purchasers of Bonds should carefully consider, along with the other matters referred to in this Prospectus, the following risks associated with investment in Bonds issued by the Issuer (risk factors are not listed in any order of priority regarding their severity, significance or probability):

Risk of Default of the Guarantor

By subscribing to the Bonds, investors lend money to the Issuer who undertakes to pay interest on a semi-annual basis and to redeem the principal on the Maturity Date. In case of the Issuer's bankruptcy or default, the investors may redeem the full amount of their investments, which comprises of (a) the principal debt on the Bonds on their redemption, (b) the coupon payment in the terms stipulated by this Prospectus and (c) penalties accrued in favour of the Bondholders in accordance with the terms of this Prospectus and payable in connection with the late performance of the Issuer's liabilities on payment of the principal debt on the Bonds on their redemption and/ or coupon payment (the "Guaranteed Liabilities", see Schedule 3) from the Guarantor (BI- Holding LLP). The Guarantee is valid until the debt to the Bondholders under fully paid Guaranteed Liabilities.

However, in case of the Guarantor's bankruptcy or default, investors may not recover the amounts they are entitled to and risk losing all or part of their investment.

Risk of delisting

The Issuer will need to maintain the listing of its Bonds on the AIX Official list in order for holders of the Bonds to enjoy the tax exemptions provided under the Law on Law

Under the Law on AIFC , interests and dividends paid on the securities and capital gains derived from sale of the securities will be exempt from taxation in Kazakhstan until 1 January 2066 provided that such securities are included on the official scurrilities list of the AIX at the time the dividends and interests are accrued and at the date of their sale. The provisions of the AIFC Law in terms of tax benefits are broader than the provisions of the Tax Code, which provides more flexibility and advantages to holders of the securities. Accordingly, if the Bonds are delisted from the official securities list of the AIX for any reason, the holders of the Bonds will lose the tax benefits under the AIFC Law. If the Bonds are delisted from the AIX, the holders of the Bonds will have to follow the common practice established by the Tax Code. But given that the bonds have a one-year circulation period, the probability of securities delisting during the circulation period is extremely low.

Risk of change in government programmes for home buying

Any change in, or failure of, certain of the Kazakhstani housebuilding and home buying incentive schemes and programmes could materially affect the Issuer. The Kazakhstani government has recognised that there are not enough homes to meet the needs of the growing and ageing population and has implemented a number of initiatives aimed at increasing the number of new homes built. Any unexpected change in incentive schemes and programmes could result in reduced residential construction activity, which could, in turn, negatively affect the demand for the Issuer's services and have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Exchange rate risk

The Issuer imports goods from other countries and is therefore exposed to currency risk. Currency exchange rates can be particularly volatile in times of national or global financial instability, such as the recent period of economic turmoil and economic downturn caused by a pandemic COVID-19. Assets and liabilities denominated in foreign currencies give rise to potential currency risk. Accordingly, any future changes in such rates could have a material adverse effect on the Issuer's business, prospects, financial condition, cash flows or results of operations. The Issuer does not hedge currency risks associated with its transactions.

Currency risk is associated with the fact that the financial performance of the Issuer will be negatively affected by changes in the USD/KZT exchange rate.

Risk of contraction of construction market

The Issuer's growth prospects depend, to a significant extent, on continued growth in the residential new build market in the Republic of Kazakhstan. The current growth in the residential construction market may not continue or the market may again contract.

It is expected that the volume of mortgage lending in 2021 will continue to grow, which in turn will support the trend of rising prices in the housing market. To meet such demand, construction will be necessary, so it is expected that 2021 will pass under the flag of a boom in the construction industry, unprecedented housing commissioning, new records in the volume of mortgages, continuing price increases, and all this will lead to a serious overheating of the market already in 2022.

1.2 Reasons for the Offer

Use of proceeds

The proceeds from the issuance of the Bonds will be used for general corporate purposes, including the financing of the Issuer's main activities:

- for construction and installation works: KZT 5,158 mln
- overhead costs: KZT 481 mln
- transport and machinery services: KZT 404 mln

Anticipated proceeds will be sufficient to fund all the proposed uses, no additional funds will be required. The Issuer is planning to use proceeds from the issue in the ordinary course of business, with no intention to acquire assets other than in the ordinary course of business, to finance announced acquisitions of other businesses, or to discharge, reduce or retire indebtedness of the Issuer.

1.3 Creditworthiness of the Issuer

Debt service coverage ratio

The debt service coverage ratio is provided to demonstrate how well an Issuer is able to pay its entire debt service. Debt service includes all principal and interest payments due to be made. The ratio is defined as net operating income divided to total debt service.

According to the Issuer's financial statements, earnings coverage ratios were equal to -0,052x and -0,025x for 30 September 2020 and 31 December 2019, respectively.

Relevant credit ratings

The Issuer does not have credit ratings

Risk factors that may affect the Issuer's ability to fulfill its obligations under the Securities to investors

For a discussion of certain investment considerations relating to Kazakhstan and the Bonds that prospective investors should carefully consider prior to making an investment in the Bonds, see paragraph 2.2 (Risk Factors) of the Registration Document and paragraph 1.1 (Risk factors material to the Securities) of this Securities Note.

2. INFORMATION RELATING TO THE SECURITIES OFFERED/ADMITTED TO TRADING

2.1 General information relating to Securities

The Bonds and any non-contractual obligations, arising out of, or in connection with, the Bonds shall be governed by, and construed in accordance with the laws of the AIFC. The Issuer has agreed herein the conditions in favor of the Bondholders that any claim, dispute or discrepancy of any nature arising out of, or in connection with the Bonds (including claims, disputes or discrepancies regarding the existence, termination thereof, or any non-contractual obligations arising out of, or in connection with the Bonds) shall be brought to, and finally resolved by the Court of the AIFC in accordance with the rules thereof, currently in effect, such rules shall be deemed incorporated herein.

Form of the Bonds	The bonds will be issued in fully registered dematerialised form under the Acting Law of the AIFC.
Governing law, jurisdiction and arbitration	The Bonds and any non-contractual obligations arising out of, or in connection with, the Bonds shall be governed by, and construed in accordance with, the laws of the AIFC. The Issuer has agreed herein the conditions in favor of the Bondholders that any claim, dispute or discrepancy of any nature arising out of, or in connection with, the Bonds (including claims, disputes or discrepancies regarding the existence, termination thereof, or any non-contractual obligations arising out of, or in connection with, the Bonds) shall be

	brought to, and finally resolved by, the Court of the AIFC in accordance with the rules thereof.
Registrar	AIX Registrar, a company incorporated in AIFC under company identification number 180840900010 with its registered office at Mangilik El Avenue, building 15, Nur-Sultan, Kazakhstan. AIX Registrar maintains the central registry of holders of securities, issued in AIFC.
Depository	Astana International Exchange Central Securities Depository Limited (AIX CSD) is a private company incorporated under the Acting law of the AIFC responsible for daily cash and securities settlement and depositary activities .
Admission to listing and trading	Application has been made to list the Bonds described in this Prospectus on the Official List of the AIX and for trading on the AIX. The Issuer, at its own discretion, may apply for Bonds issued to be admitted to the "Bonds" category of the "Debt Securities" sector of the "Alternative" platform of the official list of the KASE, subject to the rules of such other stock exchange and applicable law.
Type of the Bonds Ranking	Senior, secured coupon bonds (book-entry form) The Bonds shall constitute direct, general and unconditional obligations of the Issuer which will rank *pari passu* among themselves and rank *pari passu*, in terms of payment rights, with all other current or future unsubordinated and unsecured obligations of the Issuer, except for liabilities mandatorily preferred by applicable law.
ISIN	KZX000000666
Principal amount of the Bonds	KZT 6,100,000,000 (six billion one hundred million)
Currency	Kazakhstani tenge
Nominal value	KZT 1,000 per one Bond
Issue Date	March 31, 2021
Maturity Date	March 31, 2022
Bonds Circulation Term	12 months from the beginning date of the Bond's circulation
Day Count Fraction	30/360 Coupon payments on the Bonds shall be calculated on the basis of a year of 360 days.
The maturity date and arrangements	The Bonds will be redeemed during the period from April 01, 2022 to April 14, 2022 (inclusive) Payments on the redemption of the principal debt on the Bonds are made simultaneously with the coupon payment on the last coupon period. Redemption of the principal debt will be carried out by transferring money to the bank accounts of the Bondholders, who have the right to receive the specified payment and have been registered as the Bondholders by AIX Registrar and AIX CSD as of close of business on the Record Date. In case of nominee holding interest and principal debt could be paid to the banking account provided by Bondholder's broker or custodian acting as a nominal holder of securities.
Rights granted to the Bondholder	1) The right to receive a nominal value upon redemption of the Bonds in the manner and terms provided for by Prospectus; 2) The right to receive a fixed interest on the Bonds from their nominal value in the time and amount stipulated by Prospectus; 3) The right to receive information about the Issuer's activities and its financial condition in accordance with and in the manner prescribed by AIFC and AIX Rules and legislation of the Republic of Kazakhstan;

	4) The right to satisfy their claims in respect of the Bonds in cases and in the manner prescribed by AIFC and AIX Rules and legislation of the Republic of Kazakhstan; 5) The right to declare all or part of the Bonds for repurchase in cases established by Prospectus; 6) The right to freely sell and otherwise dispose of the Bonds; 7) The right to demand redemption of the Bonds by the Issuer in cases provided for by Prospectus; 8) Other rights arising from the ownership of the Bonds in cases and in the manner prescribed by AIFC and AIX Rules and legislation of the Republic of Kazakhstan.
Restrictions on the free transferability	The Bonds are freely transferable.
Miscellaneous	For purposes of any calculation specified herein, a value shall be accurate to two decimal places.

2.2 Coupon Rate and Yield

Date from which the calculation of interest on the Bonds begins	The accrual of interest on the Bonds will commence March 31, 2021. The interest is accrued throughout the entire period of the Bonds circulation and ends on March 31, 2022, which is the last day of the Bonds circulation period and the last day of calculation of the Bond's interest.
The limit on the validity of claims to the Coupon Rate and redemption of principal	The requirements in respect of the coupon payment are valid until the expiry of the period of the Bond's circulation. Requirements in respect of payment of accrued coupon payment and nominal value of the Bonds at their repurchase or redemption are effective until the Issuer fully performs the liability on these payments.
Coupon rate	The Bonds will bear a fixed interest rate of 18% per annum from the Offer Date. The first coupon payment will be made within 15 (fifteen) calendar days following September 30,2021; the second and last coupon payment will be made simultaneously with redemption of the principal debt, within 15 (fifteen) calendar days following March 30. 2022.
Yield	The yield on the Bonds is expected to be 18%.

3. TERMS AND CONDITIONS OF THE OFFER

3.1 Main terms and conditions

Number of Bonds offered	6,100,000 Bonds
Categories of potential investors	The Bonds will be publicly offered to a wide range of investors in Kazakhstan in compliance with the applicable laws of the AIFC and the AIX rules.
Conflict of interest	No person involved in the offering has any interest in the offering, which is material to the offering.
Offering method	Public offering
The offer period opening and closing date	March 31, 2021
The Settlement date	March 31, 2021
Advisors to the Issuer	Jusan Invest JSC is a financial advisor to the Issuer
Authorisations	In accordance with Extraordinary General Meeting of the Issuer's participants dated March 01, 2021 it was decided to increase liabilities by issuing short-term bonds in the amount not exceeding KZT 10,000,000,000 (ten billion).

Clearing and settlement	The payment and settlement will be made through the settlement system of the AIX CSD in accordance with the rules and regulations of the AIX CSD (the “AIX CSD Rules”), in particular delivery of the Bonds through the system of the AIX CSD. The Bonds will be held on behalf of investors in the relevant AIX Trading Member’s custodial account at AIX CSD.
Notification process for investors	Investors will be notified about offering process via corporate website of Jusan Invest JSC, the Issuer’s financial advisor, at https://jysaninvest.kz/. All other notifications to investors will be posted by the Issuer via AIX Regulatory Announcement Service.
Paying agent	The Issuer did not appoint a Paying agent for the Bonds
Underwriter	Jusan Invest JSC is an underwriter to the Issuer
Placement agent	The placement agent is not provided
Methods of payment for the Bonds	The Bonds are paid in KZT according to bank details of the Issuer. Payment for the purchased Bonds must be made in full. Partial payment of the Bonds as well as payment by installments is not allowed.
Depository	Astana International Exchange Central Securities Depository Limited (AIX CSD)
Guarantor	BI-Holding Limited Liability Partnership

3.2 Schedule of payments of Interest

Coupon period sequence number	Coupon period commencement date	Coupon period expiry date	Register closing date	Interest payment commencement date	Interest payment expiry date
1	March 31, 2021	September 30, 2021	September 30, 2021	October 01, 2021	October 15, 2021
2	October 01, 2021	March 30, 2022	March 30, 2022	March 31, 2022	April, 14 2022

4. OTHER INFORMATION

4.1 Payment of interest on the Bonds

The interest on the Bonds is paid to persons who have been registered as the Bondholders by the AIX Registrar on close of business on the Record Date. When the Settlement date falls in between Record Date and Coupon (or Maturity) Date, the settlement shall be made between buyer and seller on a case by case basis.

The coupon payment will be made within 15 (fifteen) calendar days following September 30, 2021 and March 30, 2022.

The amount of interest payable to each Bondholder at the payment date is calculated as the product of the nominal value of the placed Bonds owned by the respective Bondholder and the quarterly coupon rate (the Coupon rate divided by two).

Coupon payment for the last coupon period is made simultaneously with the payment of the principal debt on the Bonds.

4.2 Redemption of the Bonds

The Bonds will be redeemed within 15 (fifteen) calendar days from March 31, 2022 to April 14, 2022 (inclusive).

Payments on the redemption of the principal debt on the Bonds are made simultaneously with the coupon payment on the last coupon period.

Redemption of the principal debt will be carried out by transferring money to the bank accounts of the Bondholders, who have the right to receive the specified payment and have been registered as the Bondholders by the AIX Registrar as close of business on the Record Date.

4.3 Penalty

The Issuer shall pay a penalty to the Bondholders for each day, on which any amount payable under the Bonds remains due and unpaid (the "Unpaid Amount"), at the rate equal to the Coupon Rate. The amount of penalty payable per any Unpaid Amount in respect of any Bonds shall be equal to the product of the Coupon Rate, the Unpaid Amount and the number of calendar days on which any such Unpaid Amount remains due and unpaid divided by 360, rounding the resultant figure to the nearest cent, half of any such cent being rounded upwards.

4.4 Covenants

During the period of circulation of the Bonds, established by current Prospectus, the Issuer must comply with the following conditions:

1) not to alienate the property included in the Issuer's assets in an amount exceeding twenty-five percent of the total value of the Issuer's assets as of the date of alienation;

2) prevent the facts of non-fulfillment of obligations not related to the Issue of bonds of the Issuer by more than ten percent of the total value of the assets of this Issuer as of the date of state registration of the issue of bonds;

3) not to make changes to the constituent documents of the Issuer, providing for changes in the main types of activities of the Issuer;

4) not to change the organizational and legal form;

5) The Issuer shall comply with all obligations applicable to it due the Bonds being listed on the Official List of the AIX and whose breach is reasonably likely to cause delisting of the Bonds from the Official List of the AIX.

In case of violation by the Issuer of the conditions stipulated by this clause, the Issuer is obliged to redeem the bonds at the request of the Bondholders at a price corresponding to the par value of the Bonds, taking into account the accumulated interest.

4.5 Events of Default

If any one or more of the below events (each an "Event of Default") shall occur, the Bondholder may give written notice to the Issuer at its registered office that such Bonds are immediately repurchased, at its principal amount together with accrued interest (if any) to the date of payment.

(a) Non-payment: the Issuer fails to pay the principal debt of any of the Bonds when the same becomes due and payable either at maturity, by declaration or otherwise or the Issuer is in default with respect to the coupon payment or additional amounts on any of the Bonds and such default in respect of interest or additional amounts continues for a period of five calendar days

(b) Breach of other obligations (Covenants): the Issuer is in default in the performance, or is otherwise in breach, of any covenant, obligation, undertaking or other agreement under the Bonds and such default or breach is not remedied within 30 calendar days after notice thereof has been given to the Issuer, as the case may be, by the Bondholders. So long as the Bonds remain outstanding, other obligations include:

(i) The Issuer will not (i) declare, make or pay any dividend or other distribution (or interest on any unpaid dividend or other distribution) or repay or distribute any reserve constituting part of total equity, in cash or otherwise, or make any other distributions (whether by way of redemption, retirement, acquisition or otherwise) in respect of the Issuer's authorized capital, or (ii) pay any management, advisory or other fee to or to the order of the Participants, or (iii) directly or indirectly voluntarily purchase, redeem or otherwise retire for value of authorized capital of the Issuer (any such action in (i), (ii) or (iii) being, a "Restricted Payment") at any time when an Event of Default has occurred and is continuing or would result therefrom;

(ii) the Issuer will maintain the listing of the Bonds in the Official List;

(iii) the Issuer will not initiate a termination of the activity;

(iv) the Issuer shall pay any penalty due to any Bondholder in accordance with Condition "Penalty" above.

(c) Cross default:

(i) any indebtedness for Borrowed Money of the Issuer (a) becomes due and payable prior to the due date for payment thereof by reason of default by the Issuer or (b) is not repaid at maturity as extended by the period of grace

(d) Bankruptcy:

(i) any Person shall have instituted a proceeding or entered a decree or order for the appointment of a receiver, administrator or liquidator in any insolvency, rehabilitation, readjustment of debt, marshalling of assets and liabilities, moratorium of payments or similar arrangements involving the Issuer or all or substantially all of its respective properties and such proceeding, decree or order shall not have been vacated or shall have remained in force undischarged or unstayed for a period of 45 days; or

(ii) the Issuer shall institute proceedings under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect to be adjudicated a bankrupt or shall consent to the filing of a bankruptcy, insolvency or similar proceeding against it or shall file a petition or answer or consent seeking reorganization under any such law or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver, administrator or liquidator or trustee or assignee in bankruptcy or liquidation of the Issuer, as the case may be, or in respect of its property, or shall make an assignment for the benefit of its creditors or shall otherwise be unable or admit its inability to pay its debts generally as they become due

(e) Material compliance with applicable laws: the Issuer fails to comply in any respect with any applicable laws or regulations (including any foreign exchange rules or regulations) of any governmental or other regulatory authority for any purpose to enable the Issuer lawfully to exercise its rights or perform or comply with its obligations under the Bonds or to ensure that those obligations are legally binding and enforceable or to ensure that all necessary agreements or other documents are entered into and that all necessary consents and approvals of, and registrations and filings with, any such authority in connection therewith are obtained and maintained in full force.

(f) Invalidity or Unenforceability:

(i) the validity of the Bonds is contested by the Issuer or the Issuer shall deny any of its obligations under the Bonds (whether by a general suspension of payments or a moratorium on the payment of debt or otherwise) or

(ii) it is or becomes unlawful for the Issuer to perform or comply with all or any of its obligations set out in the Bonds or

(iii) all or any of the Issuer's obligations set out in the Bonds, shall be or become unenforceable or invalid.

(g) Government Intervention:

(i) all or any substantial part of the undertaking, assets and revenue of the Issuer is condemned, seized or otherwise appropriated by any Person acting under the authority of any national, regional or local government or

(ii) the Issuer is prevented by any such Person from exercising normal control over all or any substantial part of its undertaking, assets, revenue.

4.6 Meetings of Bondholders

The Issuer may from time to time call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of this Prospectus require the approval of a Bondholders' meeting.

A meeting of the Bondholders shall be called by the Director by giving all Bondholders listed on the register of the Bondholders and the Representative of the Bondholders as at a date being not more than 30 days preceding the date scheduled for the meeting, not less than 14 days' notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the terms of the Bonds that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. Following a meeting of the Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this section at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.

The amendment or waiver of any of the provisions of and/ or conditions contained in this Securities Note, or in any other part of the Prospectus related to the terms of the Bonds, may only be made with the approval of the Issuer and of the Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.

A meeting of the Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, at least two Bondholders present, in person or by proxy, representing not less than 50% of the principal debt on the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within 30 minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Director to the Bondholders present at that meeting. The Issuer shall within 2 days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than 7 days, and not later than 15 days, following the original meeting. At an adjourned meeting: the number of the Bondholders present, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting

Once a quorum is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting the directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.

The voting process shall be managed by a secretary appointed on the meeting.

The proposal placed before a meeting of Bondholders shall only be considered approved if the Bondholders in person or by proxy, representing at least 75% of the principal debt on the Bonds then outstanding, present at the meeting at the time when the vote is being taken and shall have voted in favour of the proposal.

If the proposal placed before a meeting of Bondholders relate to any of the items indicated below, in this case an Extraordinary Resolution is required:

(i) interest rate, methods of payment on the Bonds;
(ii) the conditions and procedure redemption, repurchasing of the Bonds;
(iii) Events of Default, covenants;
(iv) The Security;
(v) Use of proceeds;
(vi) Rights of the Bondholders.

4.7 Notices

To the Bondholders

All notices to the Bondholders shall be deemed to have been duly given if, so long as the Bonds are in the Official List and so long as the rules of the AIX so require, by publication (i) via AIX Regulatory Announcement Service at www.aix.kz or (ii) otherwise in accordance with the regulations of the AIX. If the Bonds are excluded from the Official List, any notice shall be sent to the Bondholders by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the register, and any such notice shall be deemed to have been given on the fourth day after the date of mailing.

To the Issuer

Notices to the Issuer will be deemed to be validly given if delivered to the Issuer at Building 17M, E10 street, Yesil district, Nur-Sultan, Republic of Kazakhstan, 010000 and will be deemed to have been validly given when delivered.

Notices to the Guarantor will be deemed to be validly given if delivered to the Guarantor at Building 17M, E10 street, Yesil district, Nur-Sultan, Republic of Kazakhstan, 010000 and will be deemed to have been validly given when delivered.

4.8 Terms and conditions of the Bond’s repurchase

(1) repurchase of the Bonds at the option of the Issuer

The Issuer is obliged to announce the repurchase of Bonds in the organised or unorganised markets within the circulation time.

Bonds repurchase price determined by the Issuer:

− the implementation of foreclosures on the organized securities market - at a price, established as a result of trading on the AIX on the date of repurchase;

− upon repurchase in an unorganized market - at a price agreed by the Issuer and the Bonds holder planning to sell the Bonds owned by him upon repurchasing by the Issuer.

The Issuer is obliged to inform the Bondholders about the repurchase by posting the appropriate information message via AIX Regulatory Announcement Service. Published information should contain the following information:

- the number of repurchasing Bonds;
- the date of repurchase of the Bonds;
- method of repurchasing of the Bonds including market (organized or unorganized);
- method of submitting applications by the Bondholders who wish to sell their Bonds to the Issuer.
-

Repurchase of the placed Bonds by the Issuer is carried out on the day determined in the Issuer's announcement.

Bonds repurchase in organized and/ or unorganized markets will not be deemed redeemed and the Issuer is entitled to sell back its repurchased Bonds in organized and unorganized securities markets during the entire term of their circulation.

(2) redemption of the Bonds in case of the Event of Default

The Issuer, within 3 (three) Business Days following the day of any of the Events of Default, is obliged to inform the Bondholders about this Event of Default with a detailed description of the reasons for the announcement of the Event of Default. Bringing this information to the notice of the Bondholders is carried out by posting the corresponding information via AIX Regulatory Announcement Service.

The Bondholders have the right to submit to the Issuer, and the Issuer is obliged to accept written claims for the redemption of their Bonds indicating the number of Bonds declared for redemption within 15 (fifteen) calendar days following the first publication of information about the violation by the Issuer of any of the covenants.

The Participants must make relevant corporate decisions and take necessary actions to execute received claims within 30 (thirty) calendar days following the last day of the period of acceptance of the written redemption claims in the event that at least one written claim for the redemption of the Bonds is received.

The Issuer is obliged at the request of the Bondholders to redeem the Bonds at the highest of the following prices:

- the price corresponding to the nominal value of the Bonds, taking into account the accumulated interest;

- fair market price of the Bonds.

Bondholders who have not submitted a claim for redemption are entitled to redeem their Bonds at the end of their circulation period specified in this Prospectus.

4.9 Taxation

The following is a general description of certain material tax considerations relating to the Bonds. This summary is based upon the laws, regulations, decrees, rulings, income tax conventions (treaties), published administrative practice and judicial decisions in effect at the date hereof. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming that could alter or modify the statements and conclusions set out herein. Any such changes or interpretations may be retroactive and could affect the tax consequences of ownership of the Bonds by Bondholders. This summary does not purport to be a legal opinion or contain a complete analysis of all tax considerations relating to the Bonds. Prospective investors in the Bonds should consult their tax advisers as to which countries' tax laws could be relevant to their acquiring, holding and disposing of the Bonds and receiving payments of interest, principal and/ or other amounts under the Bonds and the consequences of such actions under the tax laws of those countries.

The information and analysis contained within this section are limited to taxation issues, and prospective investors should not apply any information or analysis set out below to other areas, including (but not limited to) the legality of transactions involving the Bonds.

Also, prospective investors should note that an appointment by an investor in the Bonds, or any Person (as defined in the Conditions) through which an investor holds Bonds, of a custodian, collection agent or similar person in relation to such Bonds in any jurisdiction may have tax implications. Prospective investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.

Republic of Kazakhstan Taxation

The following is a general summary of Kazakhstan tax consequences as at the date hereof in relation to payments of interest made under the Bonds and in relation to the sale or transfer of the Bonds. It is not exhaustive, and purchasers are urged to consult their professional advisers as to the tax consequences to them of holding or transferring Bonds.

Interest

Payment of interest on the Bonds to residents of Kazakhstan or to non-residents who either have a registered branch or representative office in Kazakhstan or maintain a permanent establishment in Kazakhstan (together, "Kazakhstan Holders"), other than to individuals (who are exempt) and Kazakhstan investment funds and certain other entities, will be subject to Kazakhstan withholding tax according to Tax Code of the Republic of Kazakhstan.

The withholding tax on interest mentioned above would not apply if the Bonds are included, as at the date of accrual of interest, in the official list of Astana International Exchange. See "Risk Factors – Risks Relating to the Bonds - Delisting of the Bonds from the official list of the Astana International Exchange may subject interest payments on the Bonds to tax in the Republic of Kazakhstan".

Gains

Any gains realized by Kazakhstan Holders in relation to the Bonds which are included, as at the date of sale, in the official list of Astana International Exchange and sold through open trades on Astana International Exchange are not subject to Kazakhstan income tax. See "Risk Factors – Risks Relating to the Bonds - Delisting of the Bonds from the official list of the Astana International Exchange may subject interest payments on the Bonds to tax in the Republic of Kazakhstan".

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR PURCHASER. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE BONDS IN LIGHT OF THE PURCHASER'S OWN CIRCUMSTANCES.

4.10 Other information

Audit and source of information including use of expert reports

Audited financial statements for the year ended 31 December 2019 prepared by the Issuer's auditor Ar-Audit LLP and unaudited financial statements of the Issuer for 9 months of 2020, ended 30 September 2020;

Audited combined financial statements of the Guarantor – BI-Holding LLP for the year ended 31 December 2019 prepared by the Guarantor's auditor KPMG Audit LLC and unaudited financial statements of the Guarantor for 12 months of 2020, ended 31 December 2020.

Responsibility for the preparation of the audited financial statements, as well as for ensuring the internal control system necessary for the preparation of financial statements that do not contain material misstatements, rests with the Issuer's management.

5. ADMISSION TO TRADING

5.1 Key dates of admission to trading

Admission to the Official List – March 30, 2021

Admission to trading on AIX – March 31 2021

Trading of Bonds under "public" Admission type shall commence on the date of publication of this Prospectus on AIX website

5.2 Estimation of the total expenses related to the admission to trading

All fees associated with admission of the Bonds to the Official List, to trading on the AIX, third-parties services, and fees to the financial adviser are expected to be no more than 2% of the total amount of the issue. The Issuer will not charge investors any commissions. The investor must independently (or together with his/ her consultant or broker) evaluate the commission costs that the investor will incur due to buying the Bonds.

GLOSSARY OF FREQUENTLY USED DEFINED TERMS

"Admission"	has the meaning given to it on the title page of this Prospectus.
"AIFC"	means Astana International Financial Center.
"AIX"	means Astana International Exchange.
"AIX CSD"	means Astana International Exchange Central Depository.
"AIX Registrar"	means Astana International Exchange Registrar.
"Bondholder"	means a holder of the Bond.
"Bonds" or "Securities"	means the bonds issued by the Issuer under the Programme.
"Business Day"	means a day on which banks and exchange markets are open for business in Nur-Sultan and Almaty.
"Charter"	means the charter of the Bank approved by the decision of the sole shareholder on 1 August 2014 (as amended from time to time).
"Earnings coverage ratio"	equals to consolidated net income applicable to common shareholders plus income taxes, interest on long-term and short-term debt, divided by interest on long-term and short-term debt.
"Event of Default"	has the meaning given to it in paragraph 4.5 (*Events of Default*) of the Securities Note.
"Financial Advisor"	"Jusan Invest" JSC as financial advisor to the Issuer.
"Government"	means the Government of the Republic of Kazakhstan.
"Group"	means BI-Holding LLP and its subsidiaries and other entities, which are not legally related, but are under common management control of the BI-Holding LLP.
"IFRS"	means International Financial Reporting Standards as issued by the International Accounting Standards Board.
"Issue Date"	means the date of issue of relevant Bonds.
"Issuer"	"Megastroy Ltd." LLP
"KASE"	means JSC "Kazakhstan Stock Exchange".
"Kazakhstan"	means the Republic of Kazakhstan.
"KZT" or "Tenge"	means Kazakh Tenge, lawful currency of the Republic of Kazakhstan.
"Maturity Date"	means the date on which relevant Bonds mature which is March 31, 2022.
"NBK"	means the National Bank of the Republic of Kazakhstan.
"Person"	means any individual, company, corporation, firm, partnership, joint venture, association, organization, state or agency of a state or other legal entity, whether or not having separate legal personality.
"Prospectus"	means this prospectus

SCHEDULE 1

Responsibility Statement

The Issuer, having taken all the reasonable enquiries, accepts responsibility for this Prospectus (in accordance with Section 69 of the AIFC Financial Services Framework Regulations №18 of 2017 and Part 1 of the AIFC Market Rules №FR0003 of 2017) and confirms that this Prospectus complies with the requirements set out in Section 69 of the AIFC Financial Services Framework Regulations №18 of 2017 and Part 1 of the AIFC Market Rules №FR0003 of 2017 and contains all information which is material in the context of the issue and offering of the Bonds, that the information contained in this Prospectus is correct to the best of their knowledge and that no material facts or circumstances have been omitted.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Bonds shall in any circumstances create any implications that there has been no adverse change, or any event reasonably likely to involve an adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Prospectus.

On behalf of the Issuer, the Director of the Issuer confirms that this Prospectus complies with the requirements set out in Section 69 of the AIFC Framework Regulations №18 of 2018 and Part 1 of the AIFC Market Rules and contains all information which is material in the context of the issue and offering of the Bonds, that the information contained in this Prospectus is correct to the best of his knowledge and that no material facts or circumstances have been omitted.

The Issuer's Supervisory Board is responsible for the information contained in the Prospectus, which to any extent relates to the Issuer's financial activity and financial statements.

The persons responsible for the content of this Prospectus are those responsible for the content of this Prospectus in accordance with clauses (a) and (b) of this Schedule and MAR 1.9.1.

Signature:____________________
By: Kuanysh T. Aitzhanov
Title: Director
Date: March 26, 2021

Signature:____________________
By: Serik K. Mussinov
Title: Chairman of the Supervisory Board
Date: March 26, 2021

SCHEDULE 2

Form of Offer Terms

Set out below is the form of Offer Terms of the Bonds issued.

MEGASTROY LTD LIMITED LIABILITY PARTNERSHIP OFFER TERMS

OF THE KZT 6,100,000,000 BONDS DUE MARCH 31, 2022 (ISIN: KZX000000666)

The Bonds will be constituted by and have the benefit of a KZT 6,100,000,000 12-months coupon bond issuance established by Megastroy ltd Limited Liability Partnership (the "**Issuer**")**.** The Bonds have been issued in accordance with the Acting Law of the Astana International Financial Center (the "**AIFC**") (the **"Bonds**")**.** Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the Prospectus dated March 26,2021 (the "**Prospectus")**. This document constitutes the final Offer Terms of the Bonds (the "**Offer Terms**") described herein. This document is prepared for the purposes of the AIFC rules and must be read in conjunction with the Prospectus. Full information on the Issuer and the offer of the Bonds is only available on the basis of the combination of these Offer Terms and the Prospectus. The Offer Terms and the Prospectus have been published on the website of the Astana International Exchange (hereinafter the "**AIX**") at https://www.aix.kz.

The AIX and its related companies and their respective directors, officers and employees do not accept responsibility for the content of the information included in this document including the accuracy or completeness of any information or statements included in it. Liability for this document lies with the issuer of this document and other persons such as Experts whose opinions are included in this document with their consent. Nor has the AIX, its directors, officers or employees assessed the suitability of the securities to which this document relates for any particular investor or type of investor. If you do not understand the contents of this document or are unsure whether the securities are suitable for your individual investment objectives and circumstances, you should consult an authorised financial advisor.

Terms defined in the Prospectus have the same meanings in these Offer Terms unless they are expressly defined herein.

Issuer	Megastroy ltd Limited Liability Partnership
Guarantor	BI-Holding Limited Liability Partnership
Type and name	Public offering for coupon bonds of Megastroy ltd Limited Liability Partnership
ISIN	KZX000000666
Specified currency	KZT
Denomination	KZT 1,000
Total nominal amount of Bonds	KZT 6,100,000,000 (six billion one hundred million)
Issue date	March 31, 2021
Maturity date	March 31, 2022
The offer period opening date	March 31, 2021
The offer period closing date	March 31, 2021
Settlement date	March 31, 2021
Estimated net amount of proceeds	Not less than KZT 5,978,000,000 (five billion nine hundred seventy-eight million)
Use of proceeds	The proceeds from the issuance of the Bonds will be used for general corporate purposes, including the financing of the Issuer's main activities: – for construction and installation works: KZT 5,158 mln; – overhead costs: KZT 481 mln; – transport and machinery services: KZT 404 mln. Anticipated proceeds will be sufficient to fund all the proposed uses, no additional funds will be required. The Issuer is planning to use proceeds from the issue in the ordinary course of business,

	with no intention to acquire assets other than in the ordinary course of business, to finance announced acquisitions of other businesses, or to discharge, reduce or retire indebtedness of the Issuer.
Coupon rate	18%
Offer price	100% of the par value at the Issue Date
Potential investors	The Bonds will be publicly offered to a wide range of investors in Kazakhstan in compliance with the applicable laws of the AIFC and the AIX rules
Financial Advisor	Jusan Invest JSC
Clearing systems	AIX CSD

SCHEDULE 3

Guarantee Agreement

SCHEDULE 3.

Guarantee Agreement №MGS/ПР/Общ/1107

GUARANTEE	**ГАРАНТИЯ**
among **BI-Holding Limited Liability Partnership (BI-Holding)** and **Megastroy ltd. Limited Liability Partnership** in favour of **Bondholders of Megastroy ltd. Limited Liability Partnership**	между **Товариществом с ограниченной ответственностью BI-Holding** и **Товариществом с ограниченной ответственностью Мегастрой лтд** в интересах **Держателей облигаций Товарищества с ограниченной ответственностью «Мегастройлтд»**
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This deed is dated26.03.2021	***Дата гарантии: 26.03.2021***
Parties (1) BI- Holding Limited Liability Partnership BIN 111240006195, Republic of Kazakhstan, 010000 Nur-	**Стороны** (1) Товарищество с ограниченной ответственностью «BI- Holding» БИН

Sultan, Esil District, E-10 Street, building 17M
. KZ80914398416BC08702
Sberbank JSC, SWIFT SABRKZKA
at Beneficiary Code 17(hereinafter referred to as a «**Guarantor**»);
(2) Megastroy ltd Limited Liability Partnership
Republic of Kazakhstan, 010000 Nur-Sultan, Esil District, E-10 Street, building 17M
BIN 070240003251, Acc. KZ21914012203KZ007UU
Sberbank JSC
SWIFT SABRKZKA
at Beneficiary Code 17 (hereinafter to as an «**Issuer**»).

Background

(A) The Issuer plans to issue and place the Bonds, as they are defined below, at Astana International Exchange.

(B) The Guarantor undertakes to be jointly and severally liable with the Issuer for the full performance of the Issuer's obligations for the Bonds to the Bondholders.

Agreed terms and conditions

1. Definitions and interpretation
The following definitions apply in this guarantee:

Astana International Exchange (hereinafter referred to as "**AIX**"): a legal entity that provides organizational and technical support for trading in financial instruments at Astana International Financial Centre.

Bondholder: Each/any individual entity, whose title to the Bonds is confirmed by an extract from the register maintained by AIX Registrar, as it is defined below.

Bonds: issue of the Issuer's KZT denominated debt securities with a total nominal value of KZT 6,100,000,000 for a period of one year, with assigned ISIN KZX000000666.

Prospectus: Bonds issue prospectus made due to issue of the Bonds in accordance with AIX requirements and approved by AIX on March 26, 2021.

Business Day: the weekdays, when days are considered business ones within Astana International Financial Centre other than a Saturday, Sunday or public holidays in accordance with the regulations in force and/or applicable within Astana International Financial Centre.

111240006195Республика Казахстан, г. Нур-Султан, Есильский район, улица Е10, 17М
ИИК KZ80914398416BC08702 в ДБ АО Сбербанк
БИК SABRKZKA (далее — «Гарант»);
(2) Товарищество с ограниченной ответственностью «Мегастрой Лтд» Республика Казахстан, г. Нур-Султан, Есильский район, улица Е10, 17М
БИН 070240003251, KZ21914012203KZ007UU в ДБ АО Сбербанке
БИК SABRKZKA
Кбе 17
(далее – «**Эмитент**»);

Основание

(A) Эмитент планирует осуществить размещение Облигаций, как они определены ниже, на выпуск в Astana International Exchange.

(B) Гарант обязуется солидарно с Эмитентом отвечать за исполнение обязательств по облигациям Эмитента перед Держателями облигаций.

Согласованные условия

1. Определения и толкование
В настоящей гарантии применяются следующие определения:

Astana International Exchange (далее – "**AIX**"): юридическое лицо, осуществляющее организационное и техническое обеспечение торгов финансовыми инструментами в Международном финансовом центре «Астана».

Держатель облигаций: Каждое любое физическое или юридическое лицо, чье право собственности Облигации подтверждается выпиской реестра, который ведет Регистратор AIX, определенный ниже.

Облигации: выпуск долговых ценных бумаг Эмитента, номинированных в тенге KZT, общей номинальной
стоимостью 6 100 000 000 KZT сроком на 1 год, которым присвоен ISIN KZX000000666.

Проспект: проспект выпуска Облигаций, составленный в связи с выпуском облигаций в соответствии с требованиями AIX и утвержденный 26 марта 2021 года.

Рабочий день: дни недели, когда дни считаются рабочими на территории Astana International Financial Centre, кроме субботы, воскресенья или

Guaranteed Obligations: obligations of the Issuer on the Bonds, namely 1) payment in full of the principal debt on the Bonds on their redemption or repurchase (within the nominal value of each Bond) and coupon interest in the time periods stipulated in the Prospectus; 2) Penalty accrued for the benefit of the Bondholders in accordance with the terms and conditions of the Prospectus drawn up at the issuance of the Bonds and to be paid due to the late performance of obligations by the Issuer on payment of the nominal value of the Bonds on their redemption or repurchase and/or paying the coupon interest . **Obligor**: The Issuer or the Guarantor. **Rights**: any security or other right or benefit whether arising by set-off, counterclaim, subrogation, indemnity proof in liquidation or otherwise and whether from contribution or otherwise. **In this guarantee:** (a) clause and paragraph headings shall not affect the interpretation of this guarantee; (b) a reference to a person shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having legal personality) and that person's personal representatives, successors, permitted assigns and permitted transferees; (c) unless the context otherwise requires, words in the singular shall include the plural and, in the plural, shall include the singular; (d) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders; (e) a reference to Bondholder shall include the Bondholder's successors permitted assigns and permitted transferees;	государственных праздников в соответствии с нормативными правовыми актами, действующими и/ или распространяющимся в Astana International Financial Centre. **Гарантированные обязательства**: обязательства эмитента по Облигациям, а именно 1) выплата в полном объеме основного долга по Облигациям по их погашению или выкупу (в пределах номинальной стоимости каждой Облигации) и купонных процентов в сроки, предусмотренные Проспектом; 2) Неустойка, начисленная в пользу Держателей облигаций в соответствии с условиями Проспекта, составленного при выпуске Облигаций и подлежащая уплате в связи с несвоевременным исполнением обязательств Эмитентом по выплате номинальной стоимости Облигаций по их погашению или выкупу и (или) уплате купонных процентов. **Должник**: Эмитент или Гарант. **Права**: любое обеспечение или другое право, или выгода, возникшая в результате зачета, встречного иска, суброгации, доказательства возмещения ущерба при ликвидации или иным образом, а также в результате взноса или иным образом. **В настоящей гарантии:** а) пункты и заголовки пунктов не влияют на толкование настоящей гарантии; (b) ссылка на лицо включает ссылку на физическое лицо, фирму, компанию, корпорацию, партнерство, неинкорпорированный орган лиц, правительство, государство или агентство государства или любого объединения, траст, совместное предприятие или консорциум (независимо от того, имеют ли они правосубъектность) и личных представителей, правопреемников, разрешенных цессионариев и разрешенных цессионариев этого лица; (с) если контекст не требует иного, слова в единственном числе включают множественное число, а во множественном числе включают единственное число; d) если контекст не требует иного, ссылка на один пол включает ссылку на другой пол; (е) ссылка на Держателя облигаций включает правопреемников Держателя облигаций, разрешенных цессионариев и разрешенных получателей;

(f) a reference to a statute or law is a reference to it as amended, extended or re-enacted from time to time;	(f) ссылка на статут или закон является ссылкой на него с внесенными в него поправками, продлениями или периодически повторяющимися;
(g) a reference to a statute or law shall include subordinate legislation made from time to time under that statute or statutory provision;	g) ссылка на статут или закон включает подзаконные акты, периодически принимаемые в соответствии с этим статутом или законодательным положением;
(h) a reference to writing or written includes fax and email;	(h) ссылка на письменную или письменную информацию включает факс и электронную почту;
(i) a reference to this guarantee (or any provision of it) or any other agreement or document referred to in this guarantee is a reference to this guarantee , that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this guarantee);	(i) ссылка на настоящую гарантию (или любое ее положение) или любое другое соглашение или документ, упомянутый в настоящей гарантии, является ссылкой на настоящую гарантию, это положение или такое другое соглашение или документ с поправками (в каждом случае, за исключением нарушения положений настоящей гарантии);
(j) unless the context otherwise requires, a reference to clause or Schedule is to a clause of, or Schedule to, this guarantee and a reference to a paragraph is to a paragraph of the relevant Schedule;	(j) если контекст не требует иного, ссылка на пункт или Приложение является пунктом или Приложением к настоящей гарантии, а ссылка на пункт является пунктом соответствующего Приложения;
(k) any words following the terms including, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;	(k) любые слова, следующие за терминами, включая, в частности, например, или любое аналогичное выражение, должны толковаться как иллюстративные и не должны ограничивать смысл слов, описания, определения, фразы или термина, предшествующих этим терминам;
(l) a reference to an amendment includes a novation, reenactment, supplement or variation (and amended shall be construed accordingly);	(l) ссылка на поправку включает новацию, вступление в силу, дополнение или изменение (и изменения должны толковаться соответствующим образом);
(m) a reference to assets includes present and future properties, undertakings, revenues, rights and benefits of the Guarantor;	(m) ссылка на активы включает текущую и будущую собственность, обязательства, доходы, права и выгоды Гаранта;
(n) a reference to an authorization includes an approval, authorization, consent, exemption filing, license, notarization, registration and resolution;	(n) ссылка на разрешение включает в себя утверждение, разрешение, согласие, подачу документов с изъятиями, лицензию, нотариальное заверение, регистрацию и разрешение;
(o) a reference to determines or determined means, unless the contrary is indicated, a determination made at the discretion of the person making it; and	(o) ссылка на определение или определение означает, если не указано иное, определение, сделанное по усмотрению лица, его делающего; и
(p) a reference to a regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory other authority or organization.	(p) ссылка на положение включает в себя любое положение, правило, официальную директиву, запрос или руководство (имеющее или не имеющее силу закона) любого государственного, межправительственного или наднационального

	органа, учреждения, департамента или регулирующего, саморегулируемого другого органа или организации.
2. Guarantee and indemnity	**2. Гарантия и компенсация**
2.1. In view of the fact that the Bondholder acquires the Bonds under the terms and conditions of the Prospectus at AIX platform , at the discretion of the Bondholder, the Guarantor shall guarantee the Bondholders the payment upon the Guaranteed Obligations and agree with to an undisputable and acceptance-free write-off from the Guarantor's accounts in any second-tier bank of the Issuer's outstanding obligation amount, when the Issuer does not pay on any of the Issuer's Guaranteed Obligations when due.	2.1. Ввиду того, что Держатель Облигаций приобретает Облигации в соответствии с условиями Проспекта на платформе AIX, по усмотрению Держателя облигаций Гарант гарантирует Держателям облигаций выплату по Гарантированным обязательствам и соглашается на бесспорное и безакцептное списание со счетов Гаранта в любом банке второго уровня суммы непогашенных обязательств Эмитента, когда Эмитент не оплачивает какие-либо Гарантированные обязательства Эмитента в срок.
2.2. The Guarantor hereby assumes full joint and several liability to each/ any Bondholder when default and/ or improper performance by the Issuer of its Bond obligations to the Bondholders.	**2.2.** Гарант настоящим принимает на себя полную солидарную ответственность перед каждым/любым Держателем облигаций при неисполнении и/или ненадлежащем исполнении Эмитентом своих обязательств по Облигациям перед Держателями облигаций.
3. Bondholder protections 3.1. This guarantee is a security to cover on time the ultimate balance (required balance) owing to the Bondholders by each Obligor in respect of the Guaranteed Obligations.	**3. Защита прав Держателей облигаций.** 3.1. Настоящая гарантия является обеспечением для своевременного покрытия окончательного остатка (требуемого остатка), причитающегося Держателям облигаций каждым Должником в отношении Гарантированных обязательств.
3.2. The liability of the Guarantor under this guarantee shall not be reduced, discharged or otherwise adversely affected by: (1) any intermediate payment, discharge in whole or in part of the Guaranteed Obligations until full performance of the Issuer's obligations to pay the nominal value of the Bonds and the Bond coupon interests on their redemption or repurchase;	3.2. Ответственность Гаранта в рамках настоящей гарантии не должна уменьшаться, сниматься или каким-либо образом пострадать в результате: (1) любого промежуточного платежа, полного или частичного погашения Гарантированных обязательств до полного исполнения обязательств Эмитента по уплате номинальной стоимости Облигаций и процентов купонного вознаграждения по их погашению или выкупу;
(2) any variation, extension discharge compromise , dealing with, exchange or renewal of any right or remedy which the Bondholder may now or after the date of this guarantee have from or against of the Obligor and any other person in connection with the Guaranteed Obligations; 3) any termination, amendment, variation, novation, replacement or supplement of or to any of the Guaranteed Obligations;	(2) любого изменения, отказа от продления, обмена, или возобновления любого права или средства правовой защиты, которые Владелец облигаций может иметь сейчас или после даты настоящей гарантии от или против Должника и любого другого лица в связи с Гарантированными обязательствами; (3) любого прекращения, изменения, новации, замены или дополнения, или к любому из Гарантированных обязательств;
(4) any grant of time, indulgence, waiver or concession to an Obligor or any other person;	(4) предоставления Должнику или любому другому лицу времени, послабления, отказа от прав или концессии;
(5) any insolvency, bankruptcy, liquidation, incapacity,	(5) неплатежеспособности, банкротства, ликвидации, недееспособности, ограничения,

limitation, disability, the discharge by operation of law, or any change in the constitution, name or style of an Obligor or any other person;	нетрудоспособности, снятие от ответственности по закону или любое изменение устава, имени или стиля Должника, или любого другого лица;
(6) any invalidity, illegality, unenforceability, irregularity or frustration of any actual or purported obligation of an Obligor or any other person in connection with the Guaranteed Obligations:	(6) недействительности, незаконности, неисполнимости, нарушения или нарушения каких-либо фактических или предполагаемых обязательств Должника или любого другого лица в связи с Гарантированными обязательствами:
(7) any claim or enforcement of payment from an Obligor or any other person;	(7) любого требования или принудительного исполнения платежа от Должника или любого другого лица;
(8) any act or omission which would not have discharged or affected the liability of any Guarantor had it been a principal Debtor instead of a Guarantor;	(8) любого действия или бездействия, которые не привели бы к снятию или нарушению ответственности Гаранта, если бы он являлся основным Должником вместо Гаранта;
(9) any other act or omission except an express written release of the Guarantor by the Bondholders from liability under the Guaranteed Obligations.	(9) любого другого действия или бездействия, за исключением прямого письменного освобождения Гаранта Держателями облигаций от ответственности по Гарантированным обязательствам.
3.3. The Bondholder shall not be obliged before taking steps to enforce any of its rights and remedies under this guarantee:	3.3. Держатель облигаций не обязан принимать меры по обеспечению соблюдения своих прав и средств правовой защиты в соответствии с настоящей гарантией:
(1) to take any action or obtain judgment in any court against an Obligor or any other person, excluding actions provided for by the Prospectus if the Issuer or the Guarantor fails fulfill its obligations under the Guaranteed Obligations:	(1) предпринимать какие-либо действия или добиваться судебного решения в отношении Должника или любого другого лица, исключая действия, предусмотренные Проспектом, если Эмитент или Гарант не выполняет свои обязательства по Гарантированным обязательствам:
(2) to make or file any claim in a bankruptcy, liquidation or insolvency of the Obligor except for exercise of the Bondholder's right to appeal to the courts as provided for in the Prospectus:	(2) предъявлять или подавать любые требования о банкротстве, ликвидации или несостоятельности Должника, за исключением осуществления права Держателя облигаций на обращение в суд, как это предусмотрено в Проспекте:
(3) to make demand, enforce or seek to enforce any claim, right or remedy against the Obligor or the Guarantor.	(3) требовать, принудительно исполнять или добиваться принудительного исполнения любого требования, права или средства правовой защиты в отношении Должника или Гаранта.
3.4. The Guarantor warrants to the Bondholder that it has not taken or not received and shall not take any instructions/obligations in respect of/against the Obligor its liquidator, an administrator, co-guarantor or any other person in connection with any liability hereby of, or payment by, a Guarantor under this guarantee but:	3.4. Гарант гарантирует Держателю облигаций, что он не взял или не получил, и не принимает никаких инструкций/обязательств в отношении/против Должника, его ликвидатора, администратора, со-гаранта или любого другого лица в связи с какой-либо ответственностью по настоящему Договору или платежом Гаранта по настоящей гарантии, но:
(1) if any of the rights is taken, exercised or received by the Guarantor, those rights and all monies at any time received or held in respect of those rights shall be held by that Guarantor and may be applied in or towards the discharge of the Guaranteed Obligations under this guarantee;	(1) если какое-либо из прав взято, реализовано или получено Гарантом, эти права и все денежные средства в любое время, полученные или удерживаемые в отношении этих прав, принадлежат этому Гаранту и могут применяться в целях разряда Гарантированных обязательств по настоящей гарантии;

(2) on demands by the Bondholder to the Guarantor it shall promptly transfer, pay to the Bondholder all monies from time to time held by the Guarantor when the Issuer fails to fulfil obligations or fulfills them in part.	(2) по требованию Держателя облигаций к Гаранту, он должен незамедлительно перечислить, выплатить Держателю облигаций все денежные средства, периодически удерживаемые Гарантом, когда Эмитент не исполняет обязательства или частично их исполняет.
4. Interest	**4. Вознаграждение**
4.1. The Guarantor shall pay the Bond coupon interest to the Bondholder in accordance with and on the conditions provided for in the Prospectus on all sums demanded under this guarantee from the date of non-fulfillment or improper fulfillment of obligations by the Issuer and demand by the Bondholders.	4.1. Гарант выплачивает Держателю облигаций проценты по Облигационному купону в соответствии с условиями, предусмотренными в Проспекте, по всем суммам, требуемым по настоящей гарантии с даты неисполнения или ненадлежащего исполнения обязательств Эмитентом и по требованию Держателей облигаций.
4.2. Interests shall accrue as provided for in the Prospectus.	4.2. Проценты начисляются, как предусмотрено в Проспекте.
5. Representations and warranties	**5. Заверения и гарантии**
5.1. The Guarantor makes the representations and warranties set out in this section and clause 3.4 to the Bondholder on the date of Bonds purchase.	5.1. Гарант предоставляет Держателю облигаций заверения и гарантии, изложенные в настоящем разделе и пункте 3.4, на дату приобретения Облигаций.
5.2. Guarantor:	5.2. Гарант:
(1) is a duly incorporated limited liability partnership validly existing under the laws, acting in accordance with jurisdiction and under its jurisdiction of incorporation.	(1) является надлежащим образом зарегистрированным товариществом с ограниченной ответственностью, действительным в соответствии с законодательством, действующим в соответствии с юрисдикцией и под юрисдикцией его учреждения.
(2) has the power to own its assets and carry on its business as it is being conducted.	(2) имеет право владеть своими активами и вести свой бизнес по мере его осуществления.
5.3. The Guarantor has the power to execute and perform its obligations under this guarantee and the transactions contemplated by them.	5.3. Гарант имеет право исполнять и исполнять свои обязательства по настоящей гарантии и предусмотренным ими сделкам.
5.4. The execution and transfer of obligations and transactions contemplated by this guarantee does not and will not contravene any of a Guarantor's documents, any agreement or instrument binding on a Guarantor or its assets, or any applicable law or regulation.	5.4. Подписание и передача обязательств и сделок, предусмотренных настоящей гарантией, не противоречит и не будет противоречить каким-либо документам Гаранта, какому-либо соглашению или инструменту, обязательному для Гаранта или его активов, или любому применимому законодательству или положению.
5.5 The Guarantor has taken all necessary action and obtained all required or desirable consents to enable it to perform its obligations under this guarantee and make this guarantee admissible in evidence in its jurisdiction of incorporation. Any such authorizations are in full force and effect.	5.5 Гарант предпринял все необходимые действия и получил все необходимые или желательные согласия, чтобы позволить ему выполнить свои обязательства по настоящей гарантии и сделать эту гарантию приемлемой в качестве доказательства в его юрисдикции регистрации. Любые такие разрешения имеют полную силу и действие.
5.6. The Guarantor's obligations under this guarantee are, subject to any general principles of law limiting obligations, legal, valid, binding and enforceable or	5.6. Обязательства Гаранта по настоящей гарантии,

	с учетом любых общих принципов законодательства, ограничивающих обязательства, являются законными, действительными, обязательными и подлежащими исполнению или
5.7. No litigation, arbitration or administrative proceedings are taking place, pending or, any Guarantor's knowledge, threatened against it or any of its assets.	5.7. Никакие судебные, арбитражные или административные разбирательства не проводятся, в ожидании или, как известно Гаранту, под угрозой против него или его активов.
5.8. None of the Guarantor's assets is entitled to immunity on any grounds from any legal action or proceeding (including, without limitation, suit, attachment prior to judgment, execution or other enforcement) As exception, the trademarks (the name of the Guarantor) and other information recognized by the Guarantor as a trade secret shall have immunity.	5.8. Ни один из активов Гаранта не имеет права на иммунитет на каких-либо основаниях от каких-либо судебных исков или разбирательств (включая, без ограничения, иск, вложение до суда, исполнение или иное принудительное исполнение).
5.9. No event or circumstance is outstanding which constitutes a default under any deed or instrument which is binding on the Guarantor, or to which its assets are subject, which might have a material adverse effect on a Guarantor's ability to perform its obligations under this guarantee.	5.9. Ни одно событие или обстоятельство не является непогашенным, что представляет собой неисполнение обязательств по какому-либо акту или инструменту, который является обязательным для Гаранта или которому подлежат его активы, что может оказать существенное неблагоприятное воздействие на способность Гаранта выполнять свои обязательства по настоящей гарантии.
5.10. The Guarantor's payment obligations under this guarantee rank at least paripassu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.	5.10. Платежные обязательства Гаранта по настоящей гарантии имеют, по крайней мере, равный статус с требованиями всех его других необеспеченных и несубординированных кредиторов, за исключением обязательств, в обязательном порядке предпочитаемых законодательством, применимым к компаниям в целом.
5.11. Any court decision received within Astana International Financial Centre (in accordance with the Constitutional law of the Republic of Kazakhstan "On Astana International Financial Center dd. December 7 2015) in relation to this guarantee will be recognized and enforced in any jurisdiction of the Guarantor's location and /or its property.	5.11. Любое решение суда, полученное в рамках Астанинского международного финансового центра (в соответствии с Конституционным законом Республики Казахстан "Об Астанинском международном финансовом центре от. 7 2015 декабря) в отношении настоящей гарантии признается и исполняется в любой юрисдикции местонахождения Гаранта и/или его имущества.
5.12. The Guarantor is not required under the laws of its jurisdiction of incorporation to make any deduction for, or on account of, Tax from any payment it may make under this guarantee.	5.12. Гарант не обязан в соответствии с законодательством своей юрисдикции инкорпорации производить какие-либо вычеты для Налога или в счет Налога из любого платежа, который он может произвести по настоящей гарантии.
5.13. Under the laws of the Guarantor's jurisdiction of incorporation, it is not necessary that this guarantee be filed or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar Tax be paid on or in relation to this guarantee or the transactions contemplated by it.	5.13. В соответствии с законодательством, действующим в юрисдикции Гаранта, не обязательно, чтобы эта гарантия была подана или зарегистрирована в каком-либо суде или другом органе в этой юрисдикции, или чтобы была любая печать, уплачен регистрационный или аналогичный налог на эту гарантию или в связи с ней или в связи предполагаемыми сделками.

6. Accounts 6.1. The Guarantor may at any time and from time to time apply all or any monies held in any suspense account in or towards satisfaction of any of the monies, obligations and liabilities as the Guarantor, in its absolute discretion, may conclusively determine.	**6. Счета** 6.1. Гарант может в любое время и время от времени применять все или любые денежные средства, хранящиеся на промежуточном счете или для удовлетворения любых денежных средств, обязательств, которые могут быть окончательно определены Гарантом по его абсолютному усмотрению.
7. Termination 7.1. This guarantee is irrevocable for the Guarantor and shall be in force until the Issuer fully fulfills its Guaranteed obligations.	**7. Истечение срока** 7.1. Настоящая гарантия является безотзывной со стороны Гаранта и действует до полного исполнения Эмитентом Гарантированных обязательств.
8. Discharge conditional 8.1. Any release , discharge or settlement between the Guarantor and the Bondholder in relation to this guarantee shall be conditional on no right, security, disposition or payment to the Bondholder by an Obligor or any other person in respect of the Guaranteed Obligations being avoided, set aside or ordered to be refunded pursuant to any enactment or law relating to breach of obligations by any person , bankruptcy , liquidation , administration , protection from the Bondholders generally or insolvency or for any other reason. 8.2. If any right, security , disposition or payment referred to in clause 8.1 is avoided , set aside or ordered to be refunded , the Bondholder shall be entitled subsequently to enforce this guarantee against the Guarantor as if such release , discharge or payment had not occurred and any such right , security , disposition or payment had not been given or made .	**8. Условное освобождение от ответственности** 8.1. Любое освобождение, исполнение или урегулирование Гарантом в связи с настоящей гарантией не зависит от каких-либо прав, обеспечения, распоряжения или выплаты облигаций со стороны Должника или любого другого лица отношении Гарантированных обязательств, которые были расторгнуты, отменены предписаны к возмещению в соответствии с законодательным актом или законом, касающимся нарушения обязательств любым лицом, банкротства , ликвидации, управления, от Держателей облигаций в целом или неплатежеспособности по любой другой причине. 8.2. Если какое-либо право, обеспечение, распоряжение или платеж, упомянутые в пункте 8.1. избегаются, резервируются или приказываются к возмещению, то Держатель облигаций имеет право впоследствии принудительно исполнить данную гарантию в отношении Гаранта, как если бы такое освобождение, распоряжение или платеж не были осуществлены, а такое право, обеспечение, распоряжение или платеж не были предоставлены или осуществлены.
9. Payments 9.1. All sums payable by the Guarantor under this guarantee shall be paid in full to the Bondholder in the currency in which the Guaranteed Obligations are payable: (1) without any set-off, conditions or counterclaims unless otherwise stipulated in the Bond purchase agreement; (2) free and clear of any deduction or withholding except as may be required by law or regulations which are binding on the Guarantor. 9.2. If the Guarantor is required to make any deduction or withholding by any law or regulation in the Guarantor's jurisdiction from any payment due under this guarantee, the	**9. Выплаты** 9.1. Все суммы, выплачиваемые Гарантом по настоящей гарантии, оплачиваются Держателю облигаций полном объеме в валюте, в которой оплачиваются Гарантированные обязательства: (1) без каких- либо зачетов, условий или встречных претензий, если иное не оговорено договором о покупке Облигаций; (2) без каких-либо вычетов или удержаний, за исключением случаев, предусмотренных законом или нормативными актами, которые являются обязательными для Гаранта. 9.2. Если в соответствии с каким-либо законом или постановлением в юрисдикции Гаранта от какого - либо платежа, причитающегося по настоящей

payment due from the Guarantor shall be increased to an amount which (after making any deduction or withholding) leaves an amount equal to the payment which would have been due if no deduction or withholding had been required.	гарантии, требуется вычет или удержание, то платеж, причитающий с Гаранта, увеличивается до суммы, которая остается (после вычета или удержания суммы), равную платежу, которая подлежала бы выплате, если бы не было необходимости в вычете или удержании.
9.3. Following any deduction or withholding, or any payment required in connection with that deduction or withholding, the Guarantor shall promptly deliver or procure delivery to the Bondholder evidence reasonably satisfactory to the Bondholder that either a withholding or deduction has been made or any appropriate payment paid to the relevant taxing authority (as applicable).	9.3. После любого вычета или удержания, или любого платежа, необходимого в связи с таким вычетом или удержанием, Гарант должен незамедлительно предоставить или обеспечить доставку Держателю облигаций доказательства, обоснованно удовлетворяющие Владельца облигаций, что либо удержание, либо вычет были произведены, либо любой соответствующий платеж был выплачен соответствующему налоговому органу (в зависимости от обстоятельств).
10. Guarantor's rights and limitations	**10. Права и ограничения Гаранта**
10.1. The Guarantor may not assign any of its rights or transfer any of its obligations under this guarantee or enter into any transactions that would result in any of these rights or obligations passing to another person.	10.1. Гарант не может переуступать какие-либо из своих прав или передавать какие-либо из своих обязательств по настоящей гарантии или заключать какие-либо сделки, в результате которых любое из этих прав или обязательств перейдет к другому лицу.
10.2. Within validity of this guarantee, the Guarantor may enter into any contractual or other relationships with third parties that do not result in violation of the rights of Bondholders provided for in section 3 of this guarantee, including obtaining financing investments, financial assistance, and so on. This Guarantee does not restrict the Guarantor's freedom of business activity.	10.2 Гарант в период действия настоящей гарантии вправе вступать в любые договорные и взаимоотношения с третьими лицами, результатом которых не станет нарушение прав Держателей облигаций, предусмотренное разделом 3 настоящей гарантии, в том числе по вопросам получения финансирования, инвестиций, материальной помощи и так далее. Настоящая Гарантия не ограничивает Гаранта в свободе предпринимательской деятельности.
11 Evidence of amounts and certificates	**11. Подтверждение сумм и прав**
11.1. Extract from the register of Bondholders, indicating the rights of the Bondholder to the Bonds owned and the right of the Bondholder to receive payments on the Bonds and no supporting data from the Issuer on the payment of obligations on any amounts payable under this guarantee is (when no any manifest error) conclusive evidence of the matter to which it relates and shall contain reasonable details of the basis of determination.	11.1. Выписка из реестра Держателей облигаций указанием прав Держателя облигаций на принадлежащие ему Облигации и право на получение Держателем облигаций выплат по Облигациям и отсутствие подтверждающих данных Эмитента об оплате обязательств, по суммам подлежащей уплате по настоящей гарантии, является (при отсутствии явной ошибки) убедительным доказательством вопроса, к которому она относится, и должно содержать разумные основания для определения.
12. Remedies, waivers, amendments and consents	**12. Средства правовой защиты, отказы, поправки и согласия**
12.1. A waiver of any right or remedy under this guarantee or by law, or any consent given under this guarantee, is only effective if given in writing and signed by the waiving or	12.1. Отказ от любого права или средства правовой защиты в соответствии с настоящей гарантией или законом, или любое согласие, данное в соответствии с настоящей гарантией, имеет силу

consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.	только в том случае, если оно дано в письменной форме и подписан отказывающейся или дающей согласие стороной, и не считается отказом от какого-либо другого нарушения или неисполнения обязательств. Оно применяется только в тех обстоятельствах, в которых оно дается, и не препятствует стороне, предоставляющей его, впоследствии полагаться на соответствующее положение.
12.2. A failure or delay by a party to exercise any right or remedy provided under this guarantee or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this guarantee. No single or partial exercise of any right or remedy provided under this guarantee or by law shall prevent or restrict the further exercise of that or any other right or remedy.	12.2. Невыполнение или задержка стороной какого-либо права средства правовой защиты, предусмотренного настоящей гарантией или законом, не представляет собой отказ от того или любого другого права или средства правовой защиты, препятствует или ограничивает любое дальнейшее осуществление этого или любого другого права или средства правовой защиты или представляет собой избрание для подтверждения этой гарантии. Никакое однократное или частичное осуществление любого права или средства правовой защиты, предусмотренного настоящей или законом, не должно препятствовать или ограничивать дальнейшее осуществление этого или любого другого права или средства правовой защиты.
12.3. The rights and remedies provided under this guarantee are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.	12.3. Права и средства правовой защиты, предусмотренные настоящей гарантией, являются совокупными и дополняют, а не исключают любые права и средства правовой защиты, предусмотренные законом.
13. Severance	**13. Удаление**
13.1. If any provision (or part of a provision) of this guarantee is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality validity and enforceability of the rest of this guarantee.	13.1. Если какое-либо положение(или часть положения) настоящей гарантии является становится недействительным, незаконным или исковой силы, оно считается измененным в минимальной степени, необходимой для того, чтобы сделать его действительным, законным и имеющим исковую силу. Если такое изменение невозможно, то соответствующее положение (или часть положения) считается удаленным. Любое изменение или исключение положения (или части положения) в соответствии с настоящим пунктом не влияет на законность, действительность и осуществимость остальной части данной гарантии.
14. Third party rights	**14. Права третьих лиц**
14.1. Except as expressly provided elsewhere in this guarantee a person who is not a party to this guarantee shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any	14.1. За исключением случаев, оговоренных в других положениях данной гарантии, не являющихся стороной данной гарантии, не имеет никаких прав в соответствии с Законом о договорах (правах третьих лиц) от 1999 г. на

term of this guarantee. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.	принудительное исполнение пользования преимуществами по условиям данной гарантии . Это не влияет на любое право и средство правовой защиты третьей стороны, которое существует или доступно, кроме данного Закона.
14.2. The rights of the parties to rescind, terminate or agree any amendment or waiver under this guarantee are not subject to the consent of any other person.	14.2. Права сторон отменять, прекращать или согласовывать любые изменения или отказы в соответствии с настоящей гарантией не зависят от согласия какого-либо другого лица.
15. Counterparts	**15. Дубликаты**
15.1. This guarantee is made as one copy, which original one is kept by the Issuer: Megastroy ltd Limited Liability Partnership Republic of Kazakhstan, 010000 Nur-Sultan, Esil District, E-10 Street, building 17M BIN 070240003251. AIX receive a copy of this guarantee.	15.1. Настоящая гарантия составлена в виде одного экземпляра, оригинал которого хранится у Эмитента: Товарищество с ограниченной ответственностью «Мегастрой Лтд» Республика Казахстан, г. Нур-Султан, Есильский район, улица E10, 17М БИН 070240003251. AIX получает копию оригинала гарантии.
15.2. The Bondholder has the right to receive a copy of this guarantee from the person specified in clause 15.1. without paying any fees, except for the cost of making the corresponding copy of the guarantee.	15.2. Держатель облигаций имеет право получить копию настоящей гарантии от лица, указанного в пункте 15.1. без уплаты каких-либо сборов, за исключением расходов на изготовление соответствующей копии гарантии.
15.3. A copy of this guarantee signed by the Guarantor is an integral part to the Prospectus.	15.3. Копия данной гарантии, подписанная Гарантом, является неотъемлемой частью Проспекта.
16. Notices	**16. Уведомления**
16.1. Delivery	**16.1 Доставка**
Any notice or other communication given to a party under or in connection with this guarantee shall be: (1) in writing; (2) delivered by pre-paid post to the Guarantor's address; (3) sent to: (i) the Guarantor at: Republic of Kazakhstan, 010000 Nur-Sultan, Esil District, E-10 Street, building 17M Attention: A. Omarov, the Chairman of the Board (ii) the Bondholder at the address specified in the register of Bondholders, received by the Guarantor or the issuer from the registrar under the relevant request.	Любое уведомление или другое сообщение, направленное стороне в соответствии с настоящей гарантией или в связи с ней, должно быть: (1) в письменном виде; (2) доставлено почтовой службой с оплаченной доставкой по адресу Гаранта; (3) отправлено: (i) Гаранту: Республика Казахстан , город Нур-Султан, район Есиль, ул. E10, дом 17М Вниманию: Председателю Правления Омаров А.Г. (ii) Держателю облигаций: по адресу, указанному в реестре Держателей облигаций, полученному Гарантом или Эмитентом от регистратора на основании соответствующего запроса.
or to any other address as is notified in writing by one party to the other from time to time.	или на любой другой адрес, о чем время от времени в письменной форме уведомляет сторона другую сторону.
16.2. Receipt	**16.2. Получение** Любое уведомление или другое сообщение,

Any notice or other communication given under or in connection with this guarantee shall be deemed to have been received: (1) if delivered by hand, at the time it is left at the relevant address; (2) if posted by pre-paid post at the Guarantor's address	направленное в соответствии с настоящей гарантией или в связи с ней, считается полученным: (1) если доставлено вручную, то в момент, когда оно доставлено по соответствующему адресу; (2) если доставка осуществляется почтовой службой оплаченной доставкой по адресу Гаранта.
A notice or other communication given as described in clause 16 herein, and has been received after 2 PM local time, shall be deemed to have been received on the next Business Day. For the purposes of this clause, all references to time are to local time in the place of deemed receipt.	Уведомление или другое сообщение, отправленное в соответствии с разделом 16 настоящей гарантии, поступавшие после 14:00 часов местного времени, считается полученным на следующий Рабочий день. Для целей настоящего пункта все ссылки на время относятся к местному времени вместо предполагаемого получения.
16.3. This clause does not apply to the service of any proceedings or other documents in any legal action or where applicable, any arbitration or other method of dispute resolution.	16.3. Настоящий пункт не распространяется на обслуживание каких-либо судебных разбирательств или других документов в рамках каких-либо судебных исков или, где это применимо, любого арбитража или другого метода разрешения споров.
16.4. A notice or other communication giver under or in connection with this guarantee is not valid if sent by email.	16.4. Уведомление или другое сообщение, предоставленное в соответствии с настоящей гарантией или в связи с ней, не является действительным, если оно отправлено по электронной почте.
17. Governing law 17.1. This guarantee and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by, and construed in accordance with the laws in force within Astana International Financial Centre in accordance with the Constitutional Law of the Republic of Kazakhstan "On Astana International Financial Centre " dated 7 December 2015 438-V.	**18. Регулирующий закон.** 18.1.Настоящая гарантия и любые споры или претензии(включая внедоговорные споры или претензии), возникающие из нее или в связи с ней, ее предметом или образованием, регулируются и толкуются в соответствии законодательством, действующим на территории Astana International Financial Centre в соответствии Конституционным законом Республики Казахстан «О Международном финансовом центре «Астана» от 7 декабря 2015 года 438-V.
17.2. The Guarantor irrevocably consents to any process in any proceedings under clause 18 being served on it in accordance with the provisions of this guarantee relating to service of notices. Nothing contained in this guarantee shall affect the right to serve process in any other manner permitted by law.	18.2.Гарант дает безотзывное согласие на любой процесс в рамках любого судебного разбирательства согласно пункту 18 настоящей гарантии, относящимися к вручению уведомлений. Ничто, содержащееся в настоящей гарантии, не должно влиять на право обслуживания процесса любым другим способом, разрешенным законом.
18. Jurisdiction 18.1. Each party irrevocably agrees that, subject as provided below, the courts within Astana International Financial Centre shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes or	**18. Юрисдикция** 18.1. Каждая сторона безоговорочно соглашается с тем ,что, при условии, как это предусмотрено ниже , суды, действующие на территории Astana International Financial Centre, будут иметь

claims) arising out of or in connection with this guarantee or its subject matter or formation. Nothing in this clause shall limit the right of the Bondholder to take proceedings against the Guarantor in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction. This document has been executed as a deed and takes effect on the date stated at the beginning of it.	исключительную юрисдикцию в отношении любого спора или претензии (включая внедоговорные споры или претензии), вытекающие из или в связи с данной гарантией или ее предметом , или образованием. Ничто в настоящем пункте не ограничивает право Держателя облигаций возбуждать разбирательство против Гаранта в любом другом суде компетентной юрисдикции, равно как и возбуждение разбирательства в одной или нескольких юрисдикциях не препятствует возбуждению разбирательства в любых других юрисдикциях , как параллельно, так и не параллельно, в той степени, в какой это разрешено законом такой другой юрисдикции. Настоящий документ оформлен в виде акта и вступает силу с даты, указанной на первой странице.
Guarantor: **BI- Holding Limited Liability Partnership** BIN 111240006195, Republic of Kazakhstan, 010000 Nur-Sultan, Esil District, E-10 Street, building 17M KZ80914398416BC08702 Sberbank JSC, SWIFT SABRKZKA at Beneficiary Code 17 **Omarov A.**__________ «26» March 2021	**Гарант:** **Товарищество с ограниченной ответственностью «BI- Holding»** БИН 111240006195 Республика Казахстан, г. Нур-Султан, Есильский район, улица Е10, 17М ИИК KZ80914398416BC08702 в ДБ АО Сбербанк БИК SABRKZKA **Омаров А.**__________ «26» Марта 2021
Issuer: **Megastroy ltd Limited Liability Partnership** Republic of Kazakhstan, 010000 Nur-Sultan, Esil District, E-10 Street, building 17M BIN 070240003251, Acc. KZ21914012203KZ007UU Sberbank JSC SWIFT SABRKZKA at Beneficiary Code 17 **Aitzhanov K.**__________ «26» March 2021	**Эмитент:** **Товарищество с ограниченной ответственностью «Мегастрой Лтд»** Республика Казахстан, г. Нур-Султан, Есильский район, улица Е10, 17М БИН 070240003251, KZ21914012203KZ007UU в ДБ АО Сбербанке БИК SABRKZKA Кбе 17 **Айтжанов К.**__________ «26» Марта 2021

SCHEDULE 4

FINANCIAL STATEMENTS OF THE ISSUER

"MEGASTROY LTD" LLP

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"Megastroy LTD" LLP
FINANCIAL STATEMENTS
for the year ended December 31, 2019

INDEPENDENT AUDITOR'S REPORT

Nur-Sultan, 2020

"MEGASTROY LTD" LLP

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MANAGEMENT'S STATEMENT OF RESPONSIBILITY
for the preparation and approval of the Financial Statements
for the year ended 31 December 2019

The below statement, which should be read together with the auditor's responsibility stated in the Independent Auditor's Report submitted, is made with a view to distinguishing the respective responsibilities of management and those of the auditors in relation to the Financial Statements of "Megastroy LTD" LLP (hereinafter, the Company) for 2019.

The Company management is responsible for the preparation of the financial statements, that present fairly in all material respects the Company's financial position as at December 31, 2019, and the Company's operating results, cash flows and changes in equity for the year then ended, in accordance with International Financial Reporting Standards ("IFRS").

In preparing the financial statements, the Company management is responsible for:

- selecting suitable accounting principles and applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- stating whether IFRS have been followed, subject to any material departures disclosed and explained in the financial statements;
- preparing the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business for the foreseeable future.

The Company management is also responsible for:

- designing, implementing and maintaining an effective and reliable system of internal controls within the Company;
- maintaining an accounting system that allows at any time to prepare with a sufficient degree of accuracy information on the Company's financial position and ensure that the financial statements comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan;
- taking steps, within its competence, to safeguard the assets of the Company;
- detecting and preventing fraud and other irregularities.

The Company management declares that:

- all transactions and operations have been reflected in the accounting data and financial statements;
- no violations have been committed by management or staff who play an important role in the operation of the accounting and internal control systems; as well as no violations have been committed that could have a material impact on the financial statements;
- they do not have any plans or intentions that may significantly change the book value or classification of assets and liabilities reflected in the financial statements;
- significant assumptions used in preparing the estimates, including those at fair value, are reasonable;
- relations and transactions with related parties have been properly recorded and disclosed in accordance with IFRS requirements;
- for all events after the date of the financial statements for which IFRS requires adjustment or disclosure, appropriate adjustments and disclosures have been duly made.

The financial statements, prepared in accordance with IFRS for the year ended on December 31, 2019, were approved and authorized for issue by the Company management on April 25, 2020.

For and on behalf of "Megastroy LTD" LLP:
General director — K.T.Aitzhanov

«Мегастрой ЛТД»

Approved:

____

B.T. Omarov
General Director
AR-Audit LLP

INDEPENDENT AUDITOR'S REPORT

ATTN: Members and Management
"Megastroy LTD" LLP

Qualified opinion

We have audited the financial statements of "Megastroy LTD" LLP (hereinafter, the Company), which comprise the statement of financial position as at December 31, 2019, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, as well as notes to the financial statements, including a summary of the main provisions of accounting policies.

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2019 and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards (hereinafter, IFRS).

Basis for qualified opinion

We did not monitor the inventory of stocks and fixed assets as of December 31, 2019, as this date had preceded the date we were hired as auditors. Therefore, it was not possible for us to obtain sufficient audit evidence as to these assets.

During the reporting period, the Company granted an interest-free loan to a related party in the amount of KZT 1,961,509 thousand for a period of two years (Note 10). This loan is recognized in the Company's financial statements at the nominal value of cash payments, which does not comply with IFRS 9 "Financial Instruments" in terms of accounting of such assets at the present value of future payments, calculated using a discount rate that reflects the current market view of the time value of money and the risks specific to that particular asset. Since the calculation of the value of financial assets at amortized cost requires accounting estimates, the effect of not applying IFRS 9 "Financial Instruments" has not been determined.

Emphasis of matter

As stated in Notes 9, 10, 13, 18, 20, 23, 24, 25, 26, 33 to the financial statements, all transactions of the Company in 2019 were made with related parties. Our opinion is not modified with respect to this matter.

We have conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are described further in the "*Auditor's Responsibilities for the Audit of the Financial Statements*" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (hereinafter - the IESBA Code) and ethical requirements applicable to our audit of financial statements in the Republic of Kazakhstan, and we have fulfilled other ethical responsibilities in compliance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of management and those charged with corporate governance, for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or cease operations or has no realistic alternative but to do so.

Those charged with corporate governance are responsible for overseeing the Company’s financial reporting process.

Auditor's responsibility for the audit of the financial statements

Our responsibility is to audit the Company's financial statements in accordance with International Standards on Auditing (hereinafter - ISA) and to issue an auditor's report.

We are independent of the Company in accordance with the ethical requirements applicable to our audit of financial statements in the Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in compliance with these requirements.

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may include collusion, forgery, deliberate omissions, misrepresentations or the override of internal control;
- obtain an understanding of internal control that is relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control system;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern assumption, and based on the audit evidence obtained, conclude whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of out auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation of the financial statements, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other things, the planned scope and timing of the audit, and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with all relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current period and, therefore, are key audit matters. We describe these matters in our auditor's report, unless public disclosure of these matters is prohibited by law or regulation, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report, because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Contractor-auditor **V.V. Atentaeva**
Auditor's Certificate of Qualification No. МФ-0000719 dated January 10, 2019

AR-Audit LLP
Legal Entity State License No.0000020 dated December 27, 1999

September 15, 2020
Nur-Sultan, Tauelsizdik Ave., building 24, 3rd floor

"MEGASTROY LTD" LLP

STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2019
(KZT THOUSAND)

	Note	2019	2018
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	5	9 728	92 961
Long-term trade and other receivables	6	7 457	-
Deferred tax assets	7	-	909
Total non-current assets		17 185	93 870
CURRENT ASSETS			
Inventories	8	39 474	7 969
Trade receivables	9	428 060	24 648
Short-term loans granted	10	4 372 226	2 362 310
Current income tax	11	505	-
Other short-term financial assets	12	2 864	-
Other current assets	13	1 756 487	516 936
Cash and cash equivalents	14	3 475 160	365
Total current assets		**10 074 776**	**2 912 228**
TOTAL ASSETS		**10 091 961**	**3 006 098**
EQUITY AND LIABILITIES			
EQUITY			
Authorized capital	15	93 070	93 070
Retained earnings (accumulated loss)	16	(341 304)	(9 325)
Total equity		(248 234)	83 745
NON-CURRENT LIABILITIES			
Long-term estimated liabilities	17	73 418	-
Other non-current liabilities	17	-	26
Total non-current liabilities		73 418	26
CURRENT LIABILITIES			
Trade payables	18	1 616 668	562 600
Tax liabilities	19	-	1 636
Short-term financial liabilities	20	-	155 401
Short-term estimated liabilities	21	12 554	-
Employee benefits	22	9 177	599
Other current liabilities	23	8 628 378	2 202 091
Total current liabilities		10 266 777	2 922 327
TOTAL EQUITY AND LIABILITIES		**10 091 961**	**3 006 098**

K.T.Aitzhanov
Director
Nur-Sultan, April 25, 2020

Chief Accountant
N/A

ЖШС «Мегастрой ЛТД» ТОО

The amounts in the financial statements should be read in conjunction with the Notes on pages 9 - 45, which are an integral part of these financial statements.

"MEGASTROY LTD" LLP

STATEMENT OF COMPREHENSIVE INCOME for the year ended December 31, 2019
(KZT THOUSAND)

	Note	2019	2018
REVENUE	24	7 579 696	3 519 100
COST OF SALES	25	(7 686 313)	(3 529 947)
GROSS PROFIT (LOSS)		(106 617)	(10,847)
Selling expenses	26	(13 938)	(1 999)
Administrative expenses	27	(36 069)	(1,645)
Total operating income / (loss)		(156 624)	(14,491)
Financial income	28	58 331	-
Financial expenses	29	(12 168)	-
Other income	30	15 782	4 278
Other expenses	31	(154 826)	(21)
PROFIT / (LOSS) BEFORE TAX		(249 505)	(10 234)
Income tax savings / (expenses)	32	(8 244)	909
PROFIT / (LOSS) FOR THE PERIOD		(257 749)	(9,325)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD		(257 749)	(9 326)

K.T.Aitzhanov
Director

Chief Accountant
N/A

April 25, 2020
Nur-Sultan,

The amounts in the financial statements should be read in conjunction with the Notes on pages 9 - 45, which are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY AS OF DECEMBER 31, 2019
(KZT THOUSAND)

	Authorized capital	Retained earnings	Total Equity
Balance as of 01 January 2018	109	-	109
Profit (loss) for the period	-	(9 325)	(9 325)
Other comprehensive income	-	-	-
Authorized capital contribution	92 961		92 961
Balance as of 31 December 2018	93 070	(9 325)	83 745
Balance as of 01 January 2019	93 070	(9 325)	83 745
Correcting past period errors	-	(74 230)	(74 230)
Restated balance as of 01 January 2019	93 070	(83 555)	9 515
Profit (loss) for the period	-	(257 749)	(257 749)
Other comprehensive income	-	-	-
Balance as of 31 December 2019	93 070	(341 304)	(248 234)

«Мегастрой лтд» ТОО

K.T.Aitzhanov
Director

Chief Accountant
N/A

April 25, 2020
Nur-Sultan,

The amounts in the financial statements should be read in conjunction with the Notes on pages 9 - 45, which are an integral part of these financial statements.

"MEGASTROY LTD" LLP

STATEMENT OF CASH FLOWS for the year ended December 31, 2019 (direct method)
(KZT THOUSAND)

	2019	2018
Cash flow from operating activities		
Sales of goods and services	13 940 538	881 398
Return of advanced paid	1 709 249	-
Consideration received	46 717	-
Other receipts	8 318	7 392 503
Payments to suppliers for goods and services	(5 502 040)	(688 919)
Advances paid	(4 350 277)	(3 184 438)
Salary paid	(94 302)	(8 963)
Payments to the budget	(81 003)	(1 562)
Other payments	(24 313)	(2 182 854)
Net cash received from operating activities	5 652 887	2 207 166
Cash flow from investing activities		
Repayment of loans granted	5 130 796	-
Other receipts	-	-
Loans granted	(9 231 025)	-
Other payments	-	-
Net cash received from investing activities	(4 100 229)	-
Cash flow from financing activities		
Issue of shares and other financial instruments	-	109
Loans received	3 060 272	-
Other receipts	-	2 653 218
Loans repaid	(1 137 423)	-
Other payments	-	(4 860 127)
Net cash received from financing activities	1 922 137	(2 206 800)
NET INCREASE / (DECREASE) IN CASH	**3 474 795**	**365**
CASH AT THE BEGINNING OF THE YEAR	**365**	-
Effect of exchange rate changes on cash held in a foreign currency	-	-
CASH AT THE END OF THE YEAR	**3 475 160**	**365**

K.T.Aitzhanov
Director

Chief Accountant
N/A

April 25, 2020
Nur-Sultan,

«Мегастрой лтд»
ТОО

The amounts in the financial statements should be read in conjunction with the Notes on pages 9 - 45, which are an integral part of these financial statements.

1. BACKGROUND INFORMATION

Organizational structure and activities

“Megastroy LTD” Limited Liability Partnership (hereinafter, the Company) is a legal entity, resident of the Republic of Kazakhstan, re-registered with the Esil District Office of Justice of the Nur-Sultan Department of Justice on September 11, 2018, BIN 070240003251. Initial state registration date is February 09, 2007.

The Company is a value added tax (VAT) payer, VAT Registration Certificate series 62001 No.1012179 dated June 15, 2018.

Company Members are as follows:

- As of January 01 2019 and December 31 2019:
  - Mrs. Madina Zh. Bagautdinova – 50%;
  - Mr. Kuanysh T. Aitzhanov – 50%
- As of December 31, 2019:
  - BI ASTANA Development LLP (BIN 141040019566, incorporated in Nur-Sultan), share of ownership - 99%;
  - Global Build LLP (BIN 111040007021, incorporated in Nur-Sultan), share of ownership - 1%;
- As of the date of approval of these financial statements:
  - BI-DEVELOPMENT LLP (BIN 091240004107, incorporated in Nur-Sultan) with the share of ownership 99.9%.
  - Global Build LLP (BIN 111040007021, incorporated in Nur-Sultan) , share of ownership -1%.

The Company is engaged in the following activities:

- investment in construction;
- civil engineering;
- sale of building materials;
- trade and purchasing, commercial, intermediary activities;
- other activities not prohibited by the current legislation of the Republic of Kazakhstan.

To carry out their activities, the Company has State License ГСЛ No. 0000430 dated December 2, 2016 for construction and installation work, initial issue date is May 22, 2007.

Company’s legal and actual address: Kazakhstan, 010000, Nur-Sultan, Esil district, E10 street, building 17M.

The Company has no branch or representative offices. Average headcount of employees as of December 31, 2019 is 81 (as of December 31, 2018 - 4).

The Company is a member of a large construction holding “BI Group” (hereinafter, the Holding), a leader in the real estate market in Kazakhstan. The Holding has been operating since 1995 in various fields of construction, development and engineering.

The Holding’s principal activities are as follows:

- construction of residential and commercial real estate;
- construction of regional and transnational highways;
- construction of production and oil-and-gas facilities;
- production of building materials;
- development;
- property management and operation.

The Company is a developer of the following real estate properties:

No.	Residential complex	Number of apartments	Completion date
1	Vivat Promenade	159	November 19, 2018
2	Vremena Goda (Summer) 1-1 (15 floors)	98	October 5, 2018
3	Vremena Goda (Summer) 1-2 (24 floors)	180	April 8, 2019
4	Vremena Goda (Summer) 2-1 (15 floors)	98	August 31, 2018
5	Akbulak Life	188	July 31, 2019
6	Ray Residence 22 floors -1	158	June 2020
7	Ray Residence 6 floors -1	5	June 2020
8	Vremena Goda (Summer) 2-2 (24 floors)	180	June 2020
9	Mangilik – 2	235	February 2020
10	Only Sun – set 1	235	July 2020
11	Atlant – set 3	262	December 2020

Kazakhstan business environment

The Company's business is exposed to insurance risks, which include economic, political and social risks inherent in doing business in Kazakhstan. These risks are determined by factors such as government policy decisions, economic conditions, introduction or amendment of tax requirements and other legal regulations, exchange rate fluctuations and enforceability of contractual rights.

The financial statements reflect management's assessment of the impact that the economic and political conditions of Kazakhstan have on the Company’s operations and financial position. The actual impact of future business conditions may differ from management's assessments.

2. FINANCIAL REPORTING PRINCIPLES

Statement of conformity

The financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter, IFRS) based on the actual cost method. The principal accounting policies applied in preparing these financial statements are set out below. These accounting policies have been applied consistently for all periods presented in the financial statements. These financial statements for the year ended December 31, 2019 were approved by the Company management on April 25, 2020.

Basis for determining the cost

These financial statements have been prepared based on historical (original) cost.

Functional and presentation currency

The national currency of the Republic of Kazakhstan is Kazakhstan Tenge (KZT). This is the functional currency of the Company and is the currency used in these financial statements. All amounts in the financial statements have been rounded to KZT thousand, unless specified otherwise.

Use of professional judgment, estimates and assumptions

In preparing these financial statements in accordance with IFRS, management used professional judgment, assumptions and estimates related to the recognition of assets and liabilities and the disclosure of contingent assets and liabilities. The assumptions and estimates made on their basis are constantly analyzed for the need to change them. Changes in estimates are recognized in the reporting period in which those estimates were revised and in all subsequent periods affected by those changes. Management believes that no significant judgments or significant areas requiring assessment of uncertainty have been observed in the process of applying the accounting policies.

Going concern basis

The accompanying financial statements have been prepared on a going concern basis, which contemplates the provision of services, sale of assets and settlement of liabilities in the ordinary course of business. The Company has neither the intention nor the need to reduce the range of its activities or liquidate.

The Company is able to continue as a going concern. The accompanying financial statements have been prepared on a going concern basis and do not contain any adjustments should the Company be unable to continue as a going concern.

Using estimates*

To prepare these financial statements, management has made estimates and assumptions regarding the reporting of assets and liabilities, as well as the disclosure of contingent assets and liabilities.

Useful lives of intangible assets and fixed assets

Intangible assets and property, plant and equipment are amortized or impaired over their useful lives. Useful lives are determined based on management's estimates of the period over which the assets will be profitable and are periodically reviewed to determine the further suitability of the assets. Due to the duration of useful lives of certain assets, changes in estimates used could lead to material deviations in the carrying amounts.

3. PRINCIPAL ACCOUNTING POLICIES

These financial statements have been prepared in accordance with International Financial Reporting Standards. The principal accounting policies applied by the Company in preparing the financial statements are presented below. These accounting policies have been applied consistently.

Foreign currency transactions

In accordance with IAS 21, transactions carried out by the Company in a currency other than the currency of the primary economic environment in which it operates (functional currency) are recorded at exchange rates at the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates ruling at the balance sheet date. Foreign exchange differences arising on translation are recognized in the statement of profit and losses.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at rates ruling at the date of their origination.

Financial Instruments

Non-derivative financial instruments

Non-derivative financial instruments include trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Cash

Cash and cash equivalents recorded in the Company's financial statements at the end of the reporting period include cash on hand, cash on current bank accounts and other cash.

Accounts receivable

Accounts receivable are the amount of invoices issued for the primary activity, excluding value added tax, less provision for impairment of receivables. A provision for impairment of receivables is recognized when there is evidence that the Company will not be able to collect the amount due within the contractually agreed deadlines.

Current tax assets

According to the tax legislation, property tax, land tax, and transport tax payments are obligatory. In addition, the legislation does not prohibit paying other taxes in advance (by prepayment). Current tax assets (prepaid taxes) are recorded as a current asset, prepaid taxes receivable.

VAT arising from the provision of services from non-core activities is payable to the State budget after the services have been provided to customers.

Classification and measurement

The Company initially measures financial assets at fair value, increased in the case of financial assets not at fair value through profit or loss, by the amount of transaction costs.

Debt financial instruments are subsequently measured:

- at fair value through profit or loss;
- at amortized cost; or
- at fair value through other comprehensive income.

The classification depends on two criteria:

- a business model used by the Company to manage financial assets; and
- whether the contractual cash flows on financial instruments are solely payments for principal and interest on the principal amount outstanding.

The Company classifies and measures debt financial assets as follows:

- debt instruments measured at amortized cost - for financial assets held in a business model whose purpose is to hold financial assets in order to collect contractual cash flows, which are solely payments of principal and interest on the principal amount outstanding. The Company includes trade and other receivables in this category;
- debt instruments measured at fair value through other comprehensive income, profit and loss from changes in the fair value of such instruments are reclassified to profit or loss if they are derecognised. The financial assets that the Company includes in this category are quoted debt instruments, the cash flows of which are solely payments of principal and interest on the principal amount outstanding, but which are held within a business model whose objective is achieved both by collecting contractual cash flows that are solely payments of principal and interest on the principal amount outstanding and by selling them. Under IAS 39, the Company's quoted debt instruments were classified as financial assets available for sale.

The assessment of the Company's business models was made at the date of initial application, January 01, 2019, and then applied retrospectively to those financial assets that were not derecognised as of January 01, 2019. The analysis as to whether the contractual cash flows on debt instruments are solely payments of principal and interest was made based on the facts and circumstances that existed at the time of initial recognition of the assets.

Impairment

IFRS 9 requires the Company to record an expected credit loss allowance on all loans and other debt financial assets not at fair value through profit or loss.

Expected credit losses are calculated as the difference between the contractual cash flows due to the Company and all cash flows that the Company expects to receive. The shortfall is then discounted at a rate that approximates the asset's original effective interest rate.

For trade and other receivables, the Company applied the simplified approach in the standard and calculated lifetime expected credit losses. The Company used a provision matrix based on its historical loss experience, adjusted for borrower-specific forward-looking estimates and general economic conditions.

For other debt financial assets, expected credit losses are calculated over 12 months. 12-month expected credit losses are the portion of lifetime expected credit losses that are expected credit losses that arise from defaults on a financial instrument within 12 months after the reporting date. However, if there has been a significant increase in the credit risk on a financial instrument since initial recognition, the loss allowance is estimated at an amount equal to lifetime expected credit losses.

Inventories

Inventories are stated at the lower of actual cost and net realizable value. The actual cost of inventories is determined on a weighted average basis and includes purchase, production or conversion costs and other costs for delivering the inventory to its current location and condition. With regard to inventories of own production and work in progress, the actual cost also includes the corresponding share of overhead costs, calculated based on the standard production volume with the Company's normal production capacity and in accordance with the rules of production cost accounting and product (work service) cost calculation.

Net realizable value is the estimated selling price of an item of inventories in the Company's ordinary course of business less the estimated costs of completing and selling the item.

Impairment of assets
The carrying amount of the Company's assets, other than inventories, is reviewed at the reporting date to determine whether there is any indication that they are impaired. If any such indication exists, the asset's recoverable amount is calculated.

An impairment loss on assets is recognized when the carrying amount of the asset or cash generating unit exceeds its recoverable amount. The estimated impairment loss on assets is recognized in the statement of profit and loss.

Property, Plant and Equipment (Fixed Assets)

Recognition and measurement
Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

The actual cost includes all costs directly related to the acquisition of the relevant asset.

The actual cost of self-constructed assets includes material costs, direct labor costs, all other costs directly related to bringing the assets into operating state for their intended use, and the costs of dismantling and moving assets and restoring the area they occupy. Purchases of software that is integral to the functionality of the related equipment are capitalized as part of cost of that equipment.

Property, plant and equipment are entered in the books at historical or construction cost. Subsequent capital investments in the acquired fixed assets increase the initial cost if the future economic benefit from their use, estimated at the beginning of the useful life, increases.

Gains and losses from disposal of an item of property, plant and equipment are recognized net in line item "Other income" as part of profit and loss.

In certain cases, mainly due to the insignificance of the initial cost, and taking into account the specifics of certain items, an item that meets the recognition criteria may be appropriate not to be recognized as a fixed asset, but written off to expenses.

If the cost of acquiring an asset per unit at the acquisition price does not exceed 150 times the monthly calculation index (hereinafter, MCI) established by the Republican Budget Law and effective as of the asset recognition date, such assets, regardless of their operating life, are not recognized in the Company's accounting as items of fixed assets, and their cost is at a time written off to expenses of the period. In the future, such assets are recorded on off-balance sheet accounts.

Subsequent costs
Costs associated with the replacement of a part (significant component) of an item of property, plant and equipment are recognized in the carrying amount of that item if it is probable that the future economic benefits associated with that part will flow to the Company and its cost can be measured reliably.

Subsequent capital investments in the acquired property, plant and equipment increase the initial cost if the future economic benefit from their use, estimated at the beginning of the useful life, increases.

Costs for current repairs and maintenance of items of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Each item of property, plant and equipment is depreciated on a straight-line basis over its expected useful life and the depreciation charge is included in profit or loss for the period. For process equipment, the production method of depreciation is applied in proportion to the volume of work performed. Depreciation is charged when the asset is ready for use and ends when the asset is derecognised. Land plots are not depreciated.

The expected useful lives of property, plant and equipment in the current and comparative periods were as follows:

Buildings and structures	5 - 60 years
Machinery and equipment	8 - 15 years
Vehicles	5 - 10 years
Others	3 - 15 years

A gain or a loss from an asset's write-off is included in profit and loss as it is written off.

All assets under construction are classified as "capital work-in-progress" and are not depreciated. They are moved to the category of property, plant and equipment in use upon completion of construction and commissioning, if these assets are used for the Company's own needs.

Depreciation methods, expected useful lives and residual values of property, plant and equipment are re-analyzed at the reporting date.

Intangible assets

Recognition and measurement

Intangible assets with finite useful lives acquired by the Company are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs

Subsequent costs are capitalized in the cost of a certain asset only if they increase the future economic benefits embodied in that asset. All other costs are recognized in profit or loss as incurred.

Depreciation

Depreciation on intangible assets is charged when the assets are ready for use and recognized in profit or loss on a straight-line basis over their respective useful lives. Useful life of intangible assets is 3 to 5 years.

Accounts payable

Accounts payable and other liabilities are recorded at historical cost, which is the amount of cash expected to be paid to settle these liabilities.

Provisions for liabilities

A liability provision is accrued when and only when, as a result of a past event, the Company has a present (legal or constructive) liability that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the liability. The provisions are reviewed at each reporting date and adjusted to reflect the current state. If the effect of changes in the time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the liability.

Income and expenses

Classification and grouping
For financial reporting purposes, the Company uses the following revenue classification:
- Revenue from contracts with customers: sale of high-rise apartment buildings, individual housing construction, office spaces (commercial real estate), parking lots, etc. For these types of items, the Company acts as a developer for customers;
- Construction and installation works;
- Non-operating income:
  1. Finance income:
  - interest received on cash and cash equivalents, amounts due from credit institutions;
  - income from changes in fair value of financial instruments;
  - income from finance lease;
  - other finance income;
  2. Foreign exchange gain;
  3. Income from disposal of investments (subsidiaries or associates);
  4. Other non-operating income.

Expenses are recognized when the related inventory or services are actually received, regardless of when the cash was paid, and are recorded in the financial statements in the period to which they relate.

Accounting principles
Revenue from contracts with customers is recognized by the Company in accordance with IFRS 15 using the five-step model reviewed below.

Other income is measured at fair value of consideration received or receivable. If it is not possible to measure reliably the fair value of the goods received in a barter transaction, the revenue is measured at fair value of the goods or services sold.

Interest received is recognized as income using the effective interest method. Dividends should be recognized when the founders' right to receive payment is established. The procedure for generating income from regulated activities and activities in the field of natural monopolies is in accordance with the Separate Accounting Methodology for income, expenses and assets involved.

Revenue recognition as per the five-step model
The Company recognizes revenue to reflect transfers of promised goods or services to customers in the amount of consideration that the Company expects to be entitled to receive in exchange for the mentioned goods or services.

The Company, upon revenue recognition, takes the following steps:
Step 1 - Identify the contract with a customer;
Step 2 - Identify the performance obligations in the contract;
Step 3 - Determine the transaction price;
Step 4 - Allocate the transaction price to the performance obligations in the contract;
Step 5 - Recognize revenue when (or as) the performance obligation under the contract is satisfied.

Control of goods or services is transferred *over time* if one of the following criteria is met:
1. The Company’s performance creates or enhances an asset that customer controls of as the asset is created or enhanced;

2. The Company's performance does not create an asset with an alternative use to the Company, and the Company has an enforceable right to payment for performance completed to date;
3. The customer receives and consumes the benefits provided by the Company's performance, as the Company performs; if the Company concludes that another entity would not need to re-perform the work that the Company has completed to date, the Company uses the following assumptions:
   a) disregard any potential contractual or practical barriers that would otherwise prevent the Company from transferring the remaining performance obligation to another entity; and
   b) presume that the other entity, in performing the remaining performance obligation, would not benefit from any asset that the Company currently controls and would continue to control were the performance obligation to be transferred to another entity.

If these criteria are not met, then control is transferred at a point in time.

Measuring progress towards complete satisfaction of a performance obligation
The Company uses the input method and the output method in measuring progress.

When applying a method for measuring progress, any services for which the Company has not transferred control to the customer should be excluded from the measure of progress. Conversely, the Company includes services for which the Company has transferred control to a customer when satisfying a performance obligation, in the measure of progress.

The Company does not measure its progress towards complete satisfaction of a performance obligation, if it lacks sufficient reliable information that would be required to apply an appropriate method of measuring progress.

As circumstances change over time, the Company updates its measure of progress to reflect any changes in the outcome of a performance obligation. Such changes to the Company's measure of progress shall be accounted for as a change in accounting estimate in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Performance obligations to be satisfied at a point in time
If a performance obligation is not satisfied over time, the Company satisfies the performance obligation at a point in time.

Recognition
Revenue from the rendering of services is recognized in the accounting period in which these services were rendered by reference to the stage of completion of a particular transaction, determined in proportion to the share of actually rendered services in the total volume of services to be provided under a contract.

In some circumstances (e.g. in the early stages of a contract), it may not be possible to reasonably measure the outcome of a performance obligation, but there may be an expectation that the Company will be able to recover the costs incurred in satisfying the performance obligation. In such circumstances, revenue is recognized only to the extent of the costs incurred until such time that the Company can reasonably measure the outcome of the performance obligation

In applying the outcome method, the Company uses a right to invoice practical expedient The Company recognizes revenue in the amount to which it has the right to invoice, if the Company has the right to consideration from a customer of an amount that relates directly with the value to the customer of the Company's performance to date.

Revenue from the sale of goods is recognized when control of the goods passes to the customer, and the Company satisfies the performance obligation by transferring the promised good or service to the customer.

Employee benefits

Employee benefits are determined by the Company's staffing table, employment agreements and the Labor Code of the Republic of Kazakhstan.

Retirement benefit obligations

The Company settles obligations to employees by monthly withholding 10% of the accrued employee income and transferring the withheld amounts to accumulative pension funds. According to Kazakhstan Legislation, pension contributions are an obligation of employees.

After retirement, all pension payments are made by a pension fund. The Company has no additional retirement benefit plans, nor does it bear additional responsibility to pay extra amounts.

Income tax

Income tax includes current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items of other comprehensive income, or transactions recognized directly in equity, in which case it is also recognized in other comprehensive income or directly in equity.

Current income tax is the tax amount payable on taxable profit for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to income tax payable in respect of previous years.

4. NEW AND REVISED STANDARDS AND INTERPRETATIONS

The accounting principles adopted in the preparation of these financial statements are consistent with those used in the preparation of the Company's financial statements for the year ended December 31, 2018, except for the application of the new standards described below starting from January 01, 2019. The Company has not applied any early but not yet effective standards, interpretations or amendments thereto.

IFRS 16 “Leases”

IFRS 16 replaces IAS 17 “Leases”, IFRIC Interpretation 4 "Determining whether an Arrangement contains a Lease", SIC Interpretation 15 “Operating Leases – Incentives” and SIC Interpretation 27 “Evaluating the Substance of Transactions Involving the Legal Form of a Lease”. The standard establishes principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to record most leases using a single balance sheet accounting model.

Lessor accounting under IFRS 16 remains largely unchanged from IAS 17 however. Lessors will continue to classify leases using the same classification principles as in IAS 17, with two distinct types of lease: operating and financial. Therefore, the application of IFRS 16 did not have an impact on the accounting for leases in which the Company is the lessor.

IFRIC 23 “Uncertainties over Income Tax Treatments”

The Interpretation clarifies the accounting of income taxes in an environment where there is uncertainty over tax treatment that affects the application of IAS 12 "Income taxes". The Interpretation does not apply to taxes or levies that are not within the scope of IAS 12 and does not contain specific requirements for interest and penalties associated with uncertain tax treatment. Specifically, the interpretation addresses the following issues:

– whether an entity considers uncertain tax treatments independently;
– assumptions that an entity makes in relation to examination of tax treatments by the taxation authorities;
– how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates;

An entity determines whether each uncertain tax treatment should be considered independently or together with one or more other uncertain tax treatments, and uses an approach that provides better predictions of the resolution of the uncertainty.

In applying the Interpretation, the Company has assessed whether it has any uncertain tax treatments, especially with regard to transfer pricing. Considering that the Company complies with the requirements of tax legislation, and based on its analysis of the transfer pricing practice it applies, the Company has concluded that it is probable that the taxation authorities will accept its tax treatments. This Interpretation did not have impact on the financial statements of the Company.

Amendments to IFRS 9 “Prepayment Features with Negative Compensation”

Under IFRS 9, a debt instrument can be measured at amortized cost or fair value through other comprehensive income, provided that the contractual cash flows are “solely payments of principal and interest on the principal amount outstanding” (SPPI criterion) and the instrument is held within an appropriate business model that allows this classification. The amendments to IFRS 9 clarify that a financial asset meets the SPPI criterion regardless of what event or circumstance leads to the early termination of the contract, and regardless of which party pays or receives reasonable consideration for the early termination of the contract. These amendments did not have impact on the financial statements of the Company.

Amendments to IAS 19 “Plan Amendment, Curtailment or Settlement”

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during the reporting period. The amendments clarify that if a plan amendment, plan curtailment or settlement occurs during an annual reporting period, an entity shall determine the current service cost for the remainder of the period after the plan amendment, curtailment or full settlement, based on the updated assumptions used to re-measure the net defined benefit liability (asset), reflecting the benefits offered by the plan and the plan assets after the event. The entity shall also determine the net interest for the remainder of the period following the plan amendment, curtailment or full settlement using a net defined benefit liability (asset) reflecting the benefits offered by the plan and the plan assets after the event, and the discount rate used to re-measure that net defined benefit liability (asset). These amendments did not have impact on the financial statements of the Company.

Amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures"
The amendments clarify that an entity must apply IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied, but that, in substance, form part of the net investment in an associate or joint venture (long-term investments). This Interpretation is important as it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarify that in applying IFRS 9, the entity does not take account of the losses incurred by an associate or joint venture, or the net investment impairment losses recognized as adjustments to the net interest in the associate or joint venture arising from the application of IAS 28 "Interests in Associates and Joint Ventures".

These amendments did not have impact on the financial statements of the Company as the Company does not have long-term interests in an associate or joint venture.

Annual Improvements to IFRSs 2015-2017 Cycle

IFRS 3 "Business Combinations"
The amendments clarify that when an entity obtains control of a business that is a joint operation, it must apply the requirements for a business combination achieved in stages, including re-measuring at fair value previously held interests in the assets and liabilities relating to the joint operation. In doing so, the acquirer must re-measure all of its previous interest in the joint operations.

An entity shall apply those amendments for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019. Earlier application is permitted.

These amendments did not have impact on the financial statements of the Company as it does not have any operations in which it obtains joint control.

IFRS 11 "Joint Arrangements"
A party that participates in, but does not have joint control of, a joint operation may obtain joint control of a joint operation that is a business, as defined in IFRS 3. The amendments clarify that in such cases, the previous interests in this joint operation are not re-measured.

An entity shall apply those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019. Earlier application is permitted.

These amendments did not have impact on the financial statements of the Company as it does not have any transactions in which it obtains joint control.

IAS 12 "Income Taxes"
The amendments clarify that the income tax consequences of dividends are more directly liked to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity, according to where the entity originally recognized those past transactions or events.

An entity shall apply those amendments for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted. When an entity first applies those amendments, it shall apply them to the income tax consequences of dividends recognized at or after the beginning of the earliest comparative period.

Since the Company's current policies are in compliance with the requirements of the amendments, their application did not have impact on the financial statements of the Company.

IAS 23 "Borrowing Costs"
The amendments clarify that an entity treats borrowings made specifically to obtain a qualifying asset as part of borrowings for general purposes, when substantially all the work required to get the asset ready for its intended use or sale has been completed.

An entity shall apply those amendments for borrowing costs incurred at or after the beginning of the annual reporting period in which the amendments are first applied. The entity shall apply those amendments for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted.

Since the Company's current policies are consistent with the requirements of the amendments, their application did not have impact on the financial statements of the Company.

Standards issued but not yet effective

The following are the new standards, amendments and interpretations that have been issued but are not yet effective as of the date of publication of the Company's financial statements. The Company intends to apply these new standards, amendments and interpretations, if applicable, after they become effective.

IFRS 17 "Insurance Contracts"
In May 2017, the International Accounting Standards Board (IASB) issued IFRS 17-Insurance Contracts, a comprehensive new financial reporting standard for insurance contracts that addresses recognition and measurement, presentation and disclosure. When IFRS 17 becomes effective, it will replace IFRS 4 "Insurance Contracts", which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e. life insurance and insurance other than life insurance, direct insurance and reinsurance), regardless of the type of issuing entity, as well as to certain guarantees and financial instruments with discretionary participation features.

There are a few exceptions to the scope. The main objective of IFRS 17 is to provide an insurance policy model that is more efficient and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the General Model, supplemented by:

- a specific adaptation for insurance contracts with direct participation features (the Variable Fee Approach)
- a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after January 1, 2021, if comparative figures being required. Early application is permitted, provided an entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The standard is not expected to have impact on the financial statements of the Company.

Amendments to IFRS 3 "Definition of a Business"
In October 2018, the International Accounting Standards Board (IASB) issued amendments to IFRS 3 "Business Combinations" that changed the definition of a business to make it easier for entities to decide whether a group of activities and assets they acquire are a business or not. The amendments clarify the minimum business requirements, exclude the assessment of whether market participants are capable of replacing any missing element, add guidance to help entities assess whether the acquired process is meaningful, narrow the definitions of a business and outputs, and introduce an optional test for the presence of fair value concentration. New illustrative examples were also presented with the amendments.

As the amendments are applied prospectively to transactions or other events that occur on or after the date of initial application, the amendments will not have impact on the Company at the date of transition.

Amendments to IAS 1 and IAS 8 "Definition of Material"
In October 2018, the International Accounting Standards Board (IASB) issued amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" to refine the definition of material in different standards and clarify certain aspects of this definition. According to the new definition "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of a specific reporting entity's general purpose financial statements make on the basis of those financial statements".

The amendments to the definition of material are not expected to have a significant impact on the financial statements of the Company.

"Interest Rate Benchmark Reform": Amendments to IFRS 9, IAS 39 and IFRS 7
The amendments to IFRS 9, IAS 39 and IFRS 7 provide a number of reliefs that apply to all hedging relationships directly affected by interest rate benchmark reform. A hedging relationship will be affected if the reform gives rise to uncertainty about the timing or the amount of interest rate benchmark-based cash flows of the hedged item or of the hedging instrument. The reform may result in uncertainties about the timing and/or the amount of interest rate benchmark-based cash flows of the hedged item or of the hedging instrument in the period before an existing interest rate benchmark is replaced with an alternative substantially risk-free rate. This can lead to uncertainty over the assessment of whether the forecast transaction is highly probable and the assessment of whether the hedging relationship will be highly effective.

The amendments are effective from 01 January 2020, but entities can apply them earlier. The amendments are not expected to have a significant impact on the financial statements of the Company.

(KZT thousand)

5. PROPERTY, PLAND AND EQUIPMENT

	Buildings and structures	Plant and equipment	Total
Initial cost:			
Balance as of 01.01.2018	**-**	**-**	**-**
Authorized capital contribution	92 961	-	**92 961**
Balance as of 01.01.2019	92 961	-	**92 961**
Correction of prior period errors (disposal)	(92 961)	-	**(92 961)**
Initial cost:			
Restated balance as of 01.01.2019	**-**	**-**	**-**
Acquisition	893	9 625	**10 518**
Disposal	-	(377)	**(377)**
Balance as of 31.12.2019	**893**	**9 248**	**10 141**
Accumulated depreciation:			
Balance as of 01.01.2018	**-**	**-**	**-**
Depreciation for the period	-	-	**-**
Correction of prior period errors (disposal)	(1 549)	-	**(1 549)**
Accumulated depreciation of disposed assets	-	-	**-**
Correction of prior period errors (Accumulated depreciation of disposed assets)	1 549		**1 549**
Balance as of 01.01.2019	**-**	**-**	**-**
Accumulated depreciation:			
Balance as of 01.01.2019	**-**	**-**	**-**
Depreciation for the period	(18)	(430)	**(448)**
Accumulated depreciation of disposed assets	-	35	**35**
Balance as of 31.12.2019	**(18)**	**(395)**	**(413)**
Book value:			
As of 31.12.2018	**-**	**-**	**-**
As of 31.12.2019	**875**	**8 853**	**9 728**

(KZT thousand)

Property, Plant and Equipment (Fixed Assets) are as listed below:

Asset description	2019	2018
Non-residential premise, total area 193.6 sq.m, Nur-Sultan, Almaty district, Bauyrzhan Momyshuly avenue, building 2/7, non-residential premise 3	92 961	92 961
Container 40t WK2000768	619	-
Electronic total station	5 267	-
Electronic total station TS06plus 3", as a set	2 967	-
High pressure washer HD 10/25 7Я set 3	875	-
Correction of prior period errors	(92 961)	-
Total net book value	**9 728**	**92 961**

Company’s Property, Plant and Equipment as of December 31, 2019 are not pledged.

According to the Company’s accounting policy, long-term assets at the acquisition price per unit not exceeding 150 MCI are not recognized in accounting as items of Property, Plant and Equipment, and their cost is at a time written off to expenses of the period. During the reporting period, the total amount of acquisition and write-off to expenses on those assets made up KZT 4,150 thousand, including 25 units of office furniture and office equipment.

Correction of prior period errors

The disposal of the asset "Non-residential premise 3, located at: B. Momyshuly avenue, building 2/7" was recognized after the premise was sold to a natural person under the Purchase and Sale Agreement dated October 01, 2018.

6. LONG TERM TRADE AND OTHER LONG TERM RECEIVABLES

Line Item	2019	2018
Real estate loan to Akubasov E.M.	1 848	-
Real estate loan to Amirov V.A.	5 854	-
Allowance for impairment losses on long-term receivables	(245)	-
TOTAL	**7 457**	**-**

7. DEFERRED TAX ASSETS

Line Item	2019	2018
Deferred tax assets	-	909
TOTAL	**-**	**909**

The Company does not expect taxable profit in the coming periods; therefore, management decided not to recognize deferred tax assets in the 2019 financial statements.

(KZT thousand)

8. INVENTORIES

Line Item	2019	2018
Core production	10 229	7 937
Materials put into production	1 927	-
Raw materials and supplies	27 318	32
TOTAL	**39 474**	**7 969**

6. TRADE AND OTHER RECEIVABLES

Line Item	2019	2018
Short-term receivables from buyers and customers	385 361	18 787
Other short-term receivables	43 324	5 861
Reserve for doubtful claims	(725)	-
TOTAL	**428 060**	**24 648**

Short-term trade receivables from buyers and customers summarized as follows:

Line Item	2019	2018
Amanat Stroy LLP	-	18 787
Midvest LLP	9 291	-
Gross House Group LLP	142 871	-
Grand Park Avenue LLP	208 503	-
ModeX Astana LLP	1 536	-
Garant Service NC LLP	22 557	-
Other trade receivables	**385 361**	**18 787**

Other short-term trade receivables summarized as follows:

Line Item	2019	2018
“Orynbor Towers” LLP debt adjustment	2 814	4 279
Short-term debt on loans granted to employees	-	1 487
U-Con Three LLP	1 267	-
BUILD INVEST CITY LLP	30 003	-
Stroysnab RB LLP	7 634	-
Other short-term receivables	1 597	95
TOTAL	**43 324**	**5 861**

(KZT thousand)

10. **SHORT-TERM FINANCIAL ASSETS AT AMORTIZED VALUE**

Line Item	2019	2018
Short-term financial assets at amortized value	4 372 226	2 362 310
TOTAL	**4 372 226**	**2 362 310**

Short-term loans granted

Line Item	Rate	Loan Maturity	2019	2018
BUILD INVESTMENT CITY LLP	-	Within 3 banking days from the date of request	530 108	2 114 310
Kardo NS LLP	-	Within 3 banking days from the date of request	1 880 158	248 000
BI-Development LLP	-	05.10.2021	1 961 509	-
SFK BI-Finance LLP	-	Within 3 banking days from the date of request	451	-
TOTAL			**4 372 226**	**2 362 310**

Short-term interest-free loans were granted to related parties under the following agreements:

– BUILD INVESTMENT CITY LLP, Financial Aid Agreement No. BIC2/МГС/ФП/342 dated 15.02.2018;
- Kardo NS LLP, Financial Aid Agreement No KNS/ФП/2 dated 22.11.2018 and Agreement No. BIH/ДФН/273 dated 27.09.2013;
- BI-Development LLP, Financial Aid Agreement No. BID/ФП/КЦ2/53 dated 19.11.2019;
- SFK BI-Finance LLP, Financial Aid Agreement No. MGS/ФП/ КЦ2/61 dated 22.05.2019.

11. CURRENT INCOME TAX

Line Item	2019	2018
Corporate Income Tax	505	-
TOTAL	**505**	**-**

12. **SHORT-TERM FINANCIAL ASSETS**

Line Item	2019	2018
Short-tern remuneration receivable on deposits with Sberbank JSC, Astana	2 864	-
TOTAL	**2 864**	**-**

(KZT thousand)

10. OTHER CURRENT ASSETS

Line Item	2019	2018
Short-term advances paid-out	1 698 151	516 923
Prepaid expenses	420	-
Subcontractor materials	27 086	-
Other taxes and obligatory payments to the budget	30 830	13
TOTAL	**1 756 487**	**516 936**

Other current assets summarized as follows:

Line Item	2019	2018
Stroysnab RB LLP	122 471	514 323
HOME VIDEO 2016 LLP	-	950
Astana Flagshtok Individual Entrepreneur; Zhunusov Amanzhol Zhakypovich	-	950
Zhusupbekov Zh.T. Individual Entrepreneur	-	700
Gross House Group LLP	929 494	-
A2ZH Group LLP	261 935	-
Global Build LLO	10 470	-
STA-OLIMP LLP	6 586	-
Royal Group 2030 LLP	17 658	-
Garant Service NS LLP	75 000	-
Laminat Center LLP	16 224	-
Torex-Astana LLP	6 674	-
KZ Stroy 2050 LLP	14 000	-
Nur-Aimak LLP	18 147	-
Arnau Building LLP	50 995	-
Sauran Towers LLP	79 939	-
Amanat Stroy LLP	66 445	-
Astana Stroy 2015 LLP	5 000	-
Other short-term advanced paid-out	17 113	-
TOTAL	**1 698 151**	**516 923**

Other taxes and obligatory payments to the budget summarized as follows:

Line Item	2019	2018
Value added tax (deferred accounting)	30 164	-
Property tax	660	-
Other taxes and obligatory payments	6	-
TOTAL	**30 830**	**-**

(KZT thousand)

14. CASH AND CASH EQUIVALENTS

Line Item	2019	2018
Cash on bank settlement accounts in KZT	12 268	365
Cash on short-term deposits	3 463 605	-
Allowance for cash impairment losses	(713)	-
TOTAL	**3 475 160**	**365**

11. EQUITY

Line Item	2019	2018
Authorized capital	93 070	93 070
TOTAL	**93 070**	**93 070**

15. RETAINED PROFIT (LOSS) OF PAST YEARS

Line Item	2019	2018
Profit (loss) of past years	(9 325)	-
Correction of part year errors	(74 230)	-
Profit (loss) of the reporting period	(257 749)	(9 325)
TOTAL	**(341 304)**	**(9 325)**

15. LONG-TERM LIABILITIES

Line Item	2019	2018
Long-term warranty liabilities to contractors and suppliers	73 418	-
Other long-term liabilities	-	26
TOTAL	**73 418**	**26**

10. TRADE AND OTHER PAYABLES

Line Item	2019	2018
Short-term payables to contractors and suppliers	1 577 473	562 051
Other short-term payables	39 195	549
TOTAL	**1 616 668**	**562 600**

(KZT thousand)

Short-term trade and other payables summarized as follows:

Line Item	2019	2018
STROYBATCOM LLP	328 407	488 629
Stroysnab RB LLP	1 033 786	64 839
ABK-Laboratoriya LLP	-	1 324
HS SECURITY" LLP	-	1 195
Imankulov E.E. Individual Entrepreneur	-	1 166
Global Build LLP	4 793	-
Smart Engineering Solutions LLP	9 108	-
Hyundai Elevators LLP	10 824	-
Chernysh N.A. Individual Entrepreneur	7 275	-
Ak Zhol - 2006	7 568	-
Aziyaenergostroy LLP	3 094	-
Elservis Astana LLP	4 740	-
StroyDeLux LLP	5 744	-
North-Eastern Group – 1	5 063	-
Invest City LLP	16 526	-
Leica Geosystems Kazakhstan LLP	6 536	-
Astanalift LLP	4 017	-
Leader Stroy 19 LLP	4 696	-
Shik K LLP	6 032	-
Others	119 264	4 898
TOTAL	**1 577 473**	**562 051**

Other short-term payables summarized as follows:

Line Item	2018	2017
Midvest LLP	-	455
BI Zhuldyzay Corporate Fund	-	5
Meal deductions and other compensation	-	89
Kaz Imdustrial Group LLP	1 181	-
Stroysnab RB LLP	4 296	-
Light House HC LLP	19 491	-
Midvest LLP	8 520	-
Amanat Stroy LLP	5 010	-
Payables to accountable persons	167	-
Others	530	-
TOTAL	**549**	**-**

19. TAX LIABILITIES

Line Item	2018	2017
Individual Income Tax	-	548
Value Added Tax	-	603
Social Tax	-	485
TOTAL	**-**	**1 636**

(KZT thousand)

20. SHORT-TERM FINANCIAL LIABILITIES MEASURED AT AMORTIZED VALUE

Short-term financial liabilities are presented as interest-free loans received from related companies that carry out banking operations without a license from an authorized body.

Line Item	2019	2018
BUILD INVESTMENT CITY LLP	4 372 226	2 362 310
TOTAL	**4 372 226**	**2 362 310**

21. SHORT-TERM PROVISIONS

Line Item	2019	2018
Short-term provisions for employee benefits	12 554	-
TOTAL	**12 554**	**-**

22. EMPLOYEE BENEFITS

Line Item	2019	2018
Employee benefits	9 177	599
TOTAL	**9 177**	**599**

23. OTHER SHORT-TERM LIABILITIES

Line Item	2019	2018
Short-term advances received	8 581 532	2 201 258
Social insurance and pension contribution liabilities	3 234	516
Short-term provisions for employee benefit	-	317
TOTAL	**8 628 378**	**2 202 091**

(KZT thousand)

Short-term advanced received summarized as follows:

Line Item	2019	2018
IsMi LLP	-	1 009 691
A2ZH Group LLP	-	866 084
Azat-M LLP	-	253 280
Gross House Group LLP	-	72 203
Build SYSTEM-Atyrau LLP	1 621 085	-
Ideal Invest Grupp LLP	47 240	-
Azat-M LLP	1 417 635	-
Amanat Stroy LLP	2 375 651	-
Midvest LLP	1 284 653	-
IsMi LLP	119 716	-
NURA ESIL ASTANA LLP	53 600	-
Sauran Towers LLP	1 657 517	-
Bi Village Comfort LLP	2 110	-
Others	2 325	-
TOTAL	**8 581 532**	**2 201 258**

Tax liabilities summarized as follows:

Line Item	2019	2018
Individual income tax	1 581	-
Value added tax	40 772	-
Social tax	1 256	-
Property tax	3	-
TOTAL	**43 612**	**-**

(KZT thousand)

16. INCOME

Line Item	2019	2018
Vivat Promenade Residential Complex	-	913 824
Ak Bulak Town – set 1	-	26 789
7Я – set 3	260 717	-
Only Sun – set 1	821 129	-
Only Sun – set 2	366 532	-
Ray Residence – set 2	350 581	-
Atlant – 1, 2	556 749	-
Vremena Goda (Summer) 3-2 (24 floors + office) – operating activity	60 882	-
Vremena Goda (Summer) – set 2	612 305	-
Vremena Goda (Summer) – set 3	640 099	-
Akbulak Life Residential Complex	1 808 448	-
Ray Residence Residential Complex	1 010 487	-
Mangilik – set 2	1 091 767	-
TOTAL	**7 579 696**	**3 519 100**
Correction of prior period errors (through equity)	33 346	-

Correction of prior period errors

Corrections were made to the following 2018 accounting data:

1) Adjustment to the recognized revenue of 01.10.2018 in Item "Income from the sale of goods and provision of services" in the amount of KZT 26 788 016.96 under the project "AkBulak Town–set 1" from the sale of non-residential premises for KZT 30 002 579.00, incl. VAT - KZT 3 214 562.04. After the adjustments, income from disposal of fixed assets was recognized in Item "Income from disposal of assets" in the amount of KZT 26 788 016.96 and expense from disposal of fixed assets was recognized as other income and expenses in the Statement of Income and Expenses and other Comprehensive Income;
2) Additional recognition of revenue in Item "Income from the sale of products and provision of services" from the completion of project construction and installation works in the amount of KZT 60,133,915.76, was made under the projects as listed below:
   – "Ray Residence – set 2", under Production Services Completion Certificate No. 27 of 31.12.2018 for Construction and Installation Work in the amount of KZT 39,863,500.33, the total amount of KZT 44 647 120.37 payable to the counterparty Build SYSTEM-Atyrau LLP, including VAT payable, reflected in other short-term liabilities totaling KZT 4 783 620.04;
   – "Atlant – set 1", under Production Services Completion Certificate No. 28 of 31.12.2018 for Construction and Installation Work in the amount of KZT 20 270 415.43, the total amount of KZT 22 702 865.28 payable to the counterparty Sauran Towers LLP, including VAT payable, reflected in other short-term liabilities totaling KZT 2 432 449.85.

(KZT thousand)

25. COST

Group Title	2019	2018
erial costs	114 980	3 506 914
roll	118 516	7 593
roll deductions	11 872	725
rhead costs (in-house costs)	210 212	14 715
Third-party services	7 230 733	-
TOTAL		**3 529 947**
Correction of prior period errors (through equity)	37 635	-

Corrections of prior period errors

After adjustments were made in terms of additional revenue recognition under the projects "Ray Residence - set 2", "Atlant – set 1", the cost was adjusted and recognized in the amount of KZT 37 634 922 33, based on invoiced Construction and Installation Works, the balances were adjusted downward in Item “Work in Progress” to the amount of KZT 3,642,831.22.

26. SELLING EXPENSES

Line Item	2019	2018
oration of construction sites	11 614	1 999
Project presentations, Doors Open Days	1 059	-
er expenses	1 265	-
TOTAL	**13 938**	**1 999**

19. ADMINISTRATIVE EXPENSES

Line Item	2019	2018
h management services fee	1 320	96
nsorship and charity	2 620	-
Staff training under Corporate University programs	2 057	-
reciation of fixed assets	403	-
Fuels and lubricants	101	-
Social Medical Insurance deductions 229	229	-
Basic wages	17 887	-
Taxes	3	527
Payroll taxes	1 612	-
Audit services	3 350	-
Water supply and sewerage	3 150	-
er expenses	3 337	1 022
TOTAL	**36 069**	**1 645**
Correction of prior period errors	1 236	-

(KZT thousand)

Correction of prior period errors

1) Additional depreciation was accrued on the fixed asset item "Non-residential premise 3 located at: B. Momyshuly avenue, building 2/7" in the amount of KZT 1 549 350.00 as administrative expenses.
2) Overly accrued property tax expenses were adjusted in the amount of KZT 313,743.00, these tax expenses were adjusted downward from KZT 527,375.00 to KZT 213,632.00; this adjustment had impact on the tax expenses reflected in administrative expenses.

28. FINANCE INCOME

Line Item	2019	2018
uneration income	58 331	-
TOTAL	**58 331**	**-**

29. FINANCE EXPENSES

Line Item	2019	2018
Provision for expected losses on receivables	11 455	-
Provision for expected cash losses	713	-
TOTAL	**12 168**	**-**

30. OTHER INCOME

Line Item	2019	2018
Other income from reimbursement of costs for goods and services	-	1 618
Fines, penalties receivable	-	2600
Gains from reversal of impairment losses on non-financial assets	2 563	-
Foreign exchange gains	27	-
Refundable gains	53	-
er income	13 139	-
TOTAL	**15 782**	**4 278**
Correction of prior period errors (through equity)	26 788	-

Correction of prior period errors

As a result of an incorrectly recorded sales transaction on the fixed asset "Non-residential premise 3 located at: B. Momyshuly avenue, building 2/7", income was recognized in Item "Income from disposal of assets" in the amount of KZT 26 788 016.96.

(KZT thousand)

31. OTHER EXPENSES

Line Item	2019	2018
Fixed asset disposal expenses	342	-
Meals	-	21
Impairment expenses on receivables	945	-
Reimbursable expenses	53	-
Other expenses	153 846	-
TOTAL	**154 826**	**21**
Correction of prior period errors (through equity)	94 584	-

Correction of prior period errors:

1) As a result of additional recognition of the sale of the fixed asset “Non-residential premise 3 located at: B. Momyshuly avenue, building 2/7”, the fixed asset disposal expense was recognized in Item “Expenses on disposal of assets” in the amount of KZT 91 411 650.00;
2) Following the application of IFRS 9 "Financial Instruments", the impairment expenses on short-term financial assets and receivables were recognized in Item "Impairment expenses on financial instruments", as a result allowances were created, the impairment loss of which was recognized through Profit and Loss as other expenses;
3) Impairment expenses on short-term financial assets on the created allowances for impairment losses on short-term loans (short-term financial assets) amounted to KZT 584 062.00, on:
   - a short-term loan granted to the counterparty BUILD INVESTMENT CITY LLP under Agreement No. BIC2/МГС/ФП/342 dated 15.02.2018 in the amount of KZT 522,746.00;
   - a short-term loan granted to the counterparty Kardo HC LLP under Agreement No. KNS/ФП//2 dated 22.11.2018 in the amount of KZT 61 316.00.
4) Impairment expenses on receivables on the created allowances for impairment losses on other short-term receivables amounted to KZT 2 588 812.00, on:
   - other receivables from the counterparty BUILD INVESTMENT CITY LLP under the Purchase and Sale Agreement dated 25.10.2018 in the amount of KZT 23,308.00;
   - other receivables from the counterparty Build SYSTEM-Atyrau LLP under the General Contractor Agreement dated 01.12.2018 in the amount of KZT 2 531 943.00;
   - other receivables from the counterparty Orynbor Towers LLP under setoff of 05.01.2018 in the amount of KZT 3,137.00;
   - other receivables from the counterparty Sauran Towers LLP under the General Contractor Agreement dated 01.12.2018 in the amount of KZT 16 648.00;
   - other receivables from the counterparty Amanat Story LLP under Contract No.АС/ГП/ВГЛ-2/3535 dated 30.10.2017 in the amount of KZT 13,776.00.

(KZT thousand)

32. CORPORATE INCOME TAX EXPENSES

Line Item	2019	2018
Corporate income tax expenses	8 244	-
TOTAL	**8 244**	**-**
Correction of prior period errors (through equity)	(909)	-

Correction of prior period errors:

In connection with the additional recognition of revenue from the completion of project construction and installation works in Item "Income from the sale of products and provision of services" and disposal of the fixed asset “Non-residential premises 3 located at: B. Momyshuly avenue, building 2/7”, the previously recognized deferred tax asset was recalculated and reversed in accordance with IAS 12 “Income Tax” in the amount of KZT 909,000.00.

33. RELATED PARTY TRANSACTIONS

Transactions with related parties are made on terms as agreed between the parties. Amounts due to related parties and amounts due from related parties as at 31 December are as follows:

	Amounts due from related parties		Amounts due to related parties	
	2019	**2018**	**2019**	**2018**
BUILD INVESTMENT CITY LLP	565 395	2 144 313	-	155 401
Orynbor Towers LLP	2 814	4 278	-	-
BI Development LLP	1 963 099	-	1 133	721
Global Build LLP	10 501	-	5 543	31
HS SECURITY LLP	-	-	298	1 195
Profi Time Astana LLP	34	-	2 831	273
ABK Laboratoria LLP	-	-	3 029	1 324
Stroysnab RB LLP	130 114	491 620	1 038 082	109 481
Midvest LLP	9 291	-	1 293 174	455
BI-Zhuldyzay Corporate Fund	-	-	75	5
Gross House Group LLP	1 072 366	-	-	72 203
U-Con Three LLP	1 267	-	-	-
Amanat Stroy LLP	66 505	18 787	2 381 661	-
Broker i K LLP	73	-	-	-
BI Clients LLP	-	-	433	-
BI Digital LLP	-	-	222	-
BI Support LLP	-	-	1 396	-
BI Village Comfort LLP	-	-	2 110	-
Build SYSTEM-Atyrau LLP	-	44 647	1 621 085	-
Invest City LLP	-	-	16 526	-
Kaz Industrial Group LLP	-	-	1 181	-
Light House HC LLP	-	-	19 491	-
AZAT-M LLP	-	-	1 417 660	253 280

(KZT thousand)

ModeX Astana LLP (former SK Arman Dala LLP)	1 536	-	303	-
Sauran Towers LLP	79 939	22 703	1 657 517	-
Arnau Building LLP	50 995	-	-	-
Plant ABK-Beton LLP	-	-	2 736	-
Ideal Invest Group LLP	-	-	47 240	-
Kardo HC LLP	1 885 324	248 000	-	-
SFK BI-Finance LLP	451	-	-	-
TOTAL	**5 839 704**	**2 974 348**	**9 513 726**	**549 369**

Compensation to key managerial staff as of 31 December is presented as follows:

Line Item	2019	2018
Salary and bonuses	30 575	7 906
Reimbursement of travel expenses	-	-
TOTAL	**30 575**	**7 906**

Correction of prior period errors:
Expenses for construction and installation work from the counterparty Stroysnab RB LLP under the Project "Ray Residence 2 site" in 2018 were recorded, which increased the accounts payable to the related party from KZT 64 839 130.47 to KZT 109 480 659.65.

34. CASH FLOW

In preparing the statements, the direct method was applied. Cash for the reporting period increased by **KZT 3,474,795 thousand**, including:

- Increase from operating activities made up KZT **5 652 887.00** thousand;
- Decrease from investing activities made up KZT **4 100 229.00** thousand;
- Increase from financing activities made up KZT **1 922 849.00** thousand;
- Creating a provision for depreciation of money KZT **712.00** thousand.

(KZT thousand)

35. FINANCIAL RISKS MANAGEMENT

Overview

By using financial instruments the Company is exposed to the following risks:

- credit risk,
- liquidity risk;
- market risk.

This Note provides information on the Company's exposure to each of these risks, the Company's objectives, policies and procedures for assessing and managing these risks, and the Company's approaches to capital management.

The Company management bears overall responsibility for establishing and overseeing the Company's risk management framework.

The Company's risk management policy is designed to identify and analyze the risks to which the Company is exposed, to establish acceptable risk limits and associated controls, and to monitor risks and comply with established limits. The risk management policy and systems are regularly reviewed to reflect changes in market conditions and Company's operations. The Company aims to develop an orderly and functional control environment in which all employees understand their roles and responsibilities, through training and implementation of management standards and procedures.

Credit risk

Credit risk is the risk that a financial loss will occur to the Company as a result of default by a buyer or counterparty to a financial instrument in the performance of its contractual obligations. This risk is mainly associated with the accounts due from customers and clients.

Trade and other receivables

Funds are deposited with financial institutions that, at the time of account opening, have a minimal risk of default. Assets for which potential credit risk arises are mainly represented by accounts receivable from buyers and customers. The Company has developed procedures to minimize the risk of nonpayment. The carrying amount of receivables is the maximum exposure to credit risk. The Company has no significant concentration of credit risk. Although the rate of settlement of accounts receivable is influenced by economic factors, management believes that there is no significant risk of depreciation of accounts receivable. The Company does not require any security in respect of its trade and other receivables.

Credit risk concentration

The maximum exposure to credit risk is expressed in terms of the carrying amount of financial assets. Maximum credit risk at the reporting date:

Line Item	2019	2018
Short-term receivables	428 060	24 648
Cash	3 475 160	365
TOTAL	**3 903 220**	**25 013**

(KZT thousand)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they fall due. The Company's approach to liquidity management is to ensure, to the extent possible, that the Company has sufficient liquidity at all times to meet its liabilities on time (both under normal circumstances and in non-standard situations), without creating unacceptable losses or risk of corporate damage to Company's reputation. Liquidity risk is the risk that the Company may encounter difficulty in raising funds to meet its financial obligations as they fall due.

Entity's liquidity is the Company's ability to convert its assets into cash to cover all required payments as they fall due. The task of analyzing the balance liquidity arises in connection with the need to assess the Company's solvency, i.e. its ability to timely and fully settle all of its obligations.

The Company ensures that it has readily available cash in place in an amount sufficient to cover expected operating expenses for a period of 30 days, including servicing of financial obligations; however, the potential impact of cases of emergency such as natural disasters that cannot be reasonably predicted is not considered.

Information is provided below about the contractual maturity of financial obligations, including the estimated amount of interest payments and excluding the effect of set-off agreements.

2019	**On call & less than 1 month**	**1-3 months**	**From 3 months to 1 year**	**1-5 years**	**Total**
Loans	-	-	-	-	-
Trade payables	1 616 669	-	-	-	1 616 669
Total:	**1 616 669**	**-**	**-**	**-**	**1 616 669**

2018	**On call & less than 1 month**	**1-3 months**	**From 3 months to 1 year**	**1-5 years**	**Total**
Loans	155 401	-	-	-	155 401
Trade payables	562 600	-	-	-	562 600
Total:	**718 001**	**-**	**-**	**-**	**718 001**

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will adversely affect the profit of the Company or the value of the financial instruments it holds. The objective of market risk management is to manage the Company's exposure to market risk and to ensure that it is within acceptable limits, while optimizing the amount of return on risky assets.

Currency risk

The Company imports goods from other countries and is therefore exposed to currency risk. Assets and liabilities denominated in foreign currencies give rise to potential currency risk. The Company does not hedge currency risks associated with its transactions.

Currency risk is associated with the fact that the financial performance of the Company will be negatively affected by changes in the USD/KZT exchange rate. As of December 31, 2019, the Company has no assets and liabilities denominated in foreign currency.

Interest rate risk
The Company has no significant interest-bearing assets and liabilities, therefore it is not exposed to interest rate risk.

Fair value
The Company management believes that the fair values of financial assets and liabilities approximate their carrying amounts.

The fair value of trade and other receivables is calculated as the present value of future cash flows, discounted at the market rate of remuneration at the reporting date.

For trade receivables and payables maturing in less than six months, the fair value does not materially differ from the carrying amount as the impact of the value of money over time is insignificant.

Capital management
The Company management is committed to ensuring a sustainable capital base to maintain creditor and market confidence and ensure future business development. Management monitors the return on capital. The Company strives to maintain a balance between the possible increases in income that can be achieved with higher levels of borrowing, and the benefits and security of a strong capital position.

The Company has not changed its approach to capital management during the year.

The Company is not subject to external regulatory requirements in respect of its capital.

23. CONTINGENT LIABILITIES

Insurance
The insurance market in Kazakhstan is in its infancy and many forms of insurance common in other countries of the world are not yet available in the country.

The Company does not have full insurance coverage for its production facilities and equipment, losses caused by production interruptions, or obligations incurred to third parties in connection with damage to real property or the environment as a result of accidents or activities of the Company. Until the Company has adequate insurance coverage, there is a risk that the loss or damage to certain assets could have a material adverse effect on the Company's operations and financial position. To reduce risks and pursuant to the laws, the assets, specifically vehicles, and the civil liability of the employer have been insured.

Tax risks
The tax system in Kazakhstan, while relatively new, is characterized by a wide variety of taxes and frequent changes in legislation, official interpretations and court decisions.

Examinations and investigations into the correctness of tax computation are carried out by several regulatory bodies that are entitled to impose substantial fines and charge penalties. The correctness of tax computation in the reporting period can be verified within the next five calendar years; however, in specific circumstances, this period may be extended.

These circumstances may lead to the fact that tax risks in Kazakhstan will be much higher than in other countries.

The Company's management believes that the tax liabilities are fully reflected based on their understanding of the applicable tax legislation, regulatory requirements and court decisions.

Environmental issues
At present, environmental legislation and the position of Kazakhstan state bodies regarding the observance thereof are being tightened in Kazakhstan. The Company from time to time measures its obligations related to environmental pollution. As obligations are identified, they are immediately recorded on the books. Under the existing control system and penalties for failure to comply with the current environmental legislation, the Company management believes that there are currently no significant obligations associated with environmental damage.

37. EVENTS AFTER THE REPORTING DATE

Events after the reporting date represent ordinary business transactions that do not have an adjusting effect on the financial statements as at 31 December 2019.

1. General Provisions
(a) Organizational Chart and Activities

Megastroy LTD Limited Liability Partnership (hereinafter referred to as the "Organization") is a legal entity, a resident of the Republic of Kazakhstan (hereinafter referred to as the "RK"), Business Identification Number 070240003251, which has been re-registered with the Office of Justice of Yessil District under the Astana City Department of Justice as on September 11, 2018. The date of the initial state registration is February 09, 2007.

The Organization is a payer of value added tax (hereinafter referred to as the "VAT"), VAT payer registration certificate No. 1012179 series 62001 date June 15, 2018.

The Organization's participants are as follows:
- ➢ As on January 1, 2020:
- BI ASTANA DEVELOPMENT LLP (Business Identification Number 141040019566, registered in the city of Astana), whose participation interest equals 99%; and
- Global Build LLP (Business Identification Number 111040007021, registered in the city of Nur-Sultan), whose participation interest equals – 1%.
- ➢ As of September 30, 2020 and as of the date of approving these financial statements:
- BI-DEVELOPMENT LLP (Business Identification Number 091240004107, registered in the city of Nur-Sultan), whose participation interest equals 99%; and
- Global Build LLP (Business Identification Number 111040007021, registered in the city of Nur-Sultan), whose participation interest equals – 1%;

The participants of BI ASTANA DEVELOPMENT LLP are as follows:
- As of January 1, 2020: Stroisnab RB LLP (Business Identification Number 130840015964, registered in the city of Nur-Sultan), whose participation interest equals 99.9%, and Muntayev Kanat Barlykovich, a citizen of the RK, whose participation interest equals 0.1%;
- As of September 30, 2020: Agubayev Batyrkhan Marlenovich, whose participation interest equals 99.9%, and Serikbayeva Ayim Balabekovna, whose participation interest equals 0.1%;

The participants of BI-DEVELOPMENT LLP are as follows:
➢ as of September 30, 2020 and as of the date of approving these financial statements:
• BI-Holding LLP (Business Identification Number 111240006195, registered in the city of Nur-Sultan), whose participation interest equals 99%;
• BI Support LLP (Business Identification Number 081240002317, registered in the city of Nur-Sultan), whose participation interest equals 1%.

The only participant of Global Build LLP as of January 01, 2020, September 30, 2020 and as of the date of approving these financial statements is BI-Development LLP (Business Identification Number 091240004107, registered in Nur-Sultan), Astana), whose participation interest equals 100%.

The Organization carries out the following types of business activities:
- Investments in construction;
- General construction works;
- Sale of construction materials;
- Trading and purchasing, commercial, and intermediary activities;
- Performance of any other types of activities not prohibited by the effective legislation of the RK.

For the purposes of performing its activities, the Organization has its state license GSL No. 0000430 dated December 2, 2016, for conducting construction and assembly works; initially issued on May 22, 2007.

The Organization's registered address and place of business are as follows: E 10 Street, building 17M, Yessil District, the city of Astana, 010000, the Republic of Kazakhstan.
The Organization does not have any branches or representative offices. As of September 30, 2020, its average staff size is 115 employees.

The Organization is a part of the large construction holding named BI Group (hereinafter referred to as the "Holding"), which is a leader at the real estate market of Kazakhstan. The Holding has been working since 1995, and its operations cover various spheres of construction, development, and engineering. The core Holding's activities are:

- Construction of residential and commercial real estate objects;
- Construction of roads of the regional and transnational significance;
- Erection of industrial and oil-and-gas facilities;
- Production of construction materials;
- Development;
- Management and operation of objects.

The Organization is a developer of the following objects:

No.	Residential Complex	Number of Apartments	Completion Date
1	Adal 3	201	April 2021
2	Atlant 1,2	262	May 2021
3	Atlant 3	128	September 2022
4	Besterek 3	169	February 2022
5	Capital Park 3E	320	June 2022
6	Capital Park 5V	573	2022
7	Only Moon 1	170	February 2022
8	Only Moon 2	75	April 2022
9	Only Moon 3	163	May 2022
10	Vremena Goda Leto 4	244	March 2022
11	Arnau 14	144	June 2021
12	Pokolenie Komfort 1	168	May 2022
13	Pokolenie Komfort 2	274	June 2023
14	Dom na Botanicheskom 1	100	May 2022
15	Talan 1	323	December 2021
16	Asyl Mura F	256	May 2022
17	Asyl Mura B	324	July 2022
18	Esil Riverside 1	192	May 2021
19	Esil Riverside 2	140	June 2022
20	FreeDom 2	129	December 2021
21	HeadLiner 2	196	March 2022
22	HeadLiner 3	165	March 2022
23	Nexpo City 1	448	June 2022
24	Park Avenue Exclusive 4	142	April 2021
25	Akbulak Riviera 1	163	September 2022
26	Grand Turan 1	515	March-November 2022
27	Grand Turan 2	461	November 2022
28	Sezim Qala 9	283	November 2021
29	7ya 3	144	May 2020

(b) Terms for Conducting Business Operations in the Republic of Kazakhstan

The Organization's activities are subject to insured risks, including economic, political, and social risks, typical for doing business in Kazakhstan. Those risks are defined by such factors as political decisions of the government, economical environment, introduction of or changes in tax requirements and other regulatory standards, fluctuation of forex rates, and enforceability of contractual rights through legal sanctions.

The financial statements reflect how the managers assess the impact of the economic and political conditions in Kazakhstan on the Organization's operations and financial state. The actual influence of the future conditions of conducting business activities may differ from such estimates made by the management.

2. Core Principles for Preparing Financial Statements

(a) Compliance Statement

These financial statements have been prepared in accordance with the International Financial Reporting Standards (hereinafter referred to as the “IFRS”) on the grounds of the valuation principle based on actual costs, except as specified below. The core provisions of the accounting policy which have been applied when preparing these financial statements are given below. Such provisions of the accounting policy have been consistently applied in regard to all periods reflected in the financial statements. These financial statements cover the year ending on December 31, 2020.

(b) Cost Determination Base

These financial statements have been prepared on the basis of historical (initial) costs.

(c) Functional Currency and Reporting Currency

Kazakhstani Tenge is the national currency of the Republic of Kazakhstan, and this currency is used as the functional one for the Organization, applied for the purposes of these financial statements. All values of items are given in thousands of KZT.

(d) Use of Professional Judgments, Accounting Estimates, and Assumptions

When preparing these financial statements in accordance with the IFRS, the management applied professional judgments, assumptions, and accounting estimates related to the matters of reflecting assets and liabilities, and also to disclosing information on contingent assets and liabilities. All assumptions as well as accounting estimates based thereon are continuously analyzed for any need in their changing. Changes in accounting estimates are recognized in the reporting period when such estimates were revised, and also in all subsequent periods impacted by such changes. According to the management, there have been no any important assumptions or material aspects that would require assessing the uncertainty in the course of applying the provisions of the Accounting Policy.

(e) Principle of Continuity

The attached financial statements have been prepared subject to the principle of continuity, implying that services are rendered, assets are disposed, and liabilities are satisfied in the course of the normal business operations. The Organization neither intends, nor needs to reduce the scale of its activities or, much less, liquidate them.
The Organization is capable of continuing its activities as a going concern. The attached financial statements have been prepared subject to the principle of continuity, and contain no adjustments necessary if the Organization could no longer continue its operations based on the principle of continuity.

(f) Use of Estimates

For the purposes of compiling these financial statements, the management prepared estimates and applied certain assumptions in respect of reflecting assets and liabilities as well as in disclosing its contingent assets and liabilities in the financial statements.

(g) Useful Economic Life of Intangible Assets and Fixed Assets

Intangible assets and fixed assets are amortized or impaired within the entire cycle of their useful life. The term of the useful economic life is defined on the basis of the management’s estimates in respect of the period, when a respective asset will generate profit; and such terms are revised from time to time to define further applicability of the assets. Due to the prolonged service life of certain assets, any changes in the applied estimates can lead to significant deviations in their carrying value.

3. Basic Provisions of the Accounting Policy

These financial statements have been prepared in accordance with the International Financial Reporting Standards. The basic provisions of the accounting policy applied by the Organization for the preparation of the financial statements are described below. Such provisions of the accounting policy have been applied in a consistent manner.

(a) Operations with Foreign Currency

Subject to IAS 21, any operations conducted by the Enterprise in a currency different from the currency of the major economic environment, in which it operates (the functional currency), shall be reflected on the basis of the forex rates effective at moment when such operations were realized. Monetary assets and liabilities expressed in a foreign currency shall be re-calculated according to forex rates effective at the date of preparing the balance sheet. Forex rate differences arising out of such re-calculations shall be recognized in the income statement.
Non-monetary items measured at the historical cost in the foreign currency shall be re-calculated according to the forex rates effective at the initial date of their creation.

(b) Financial Instruments

Non-Derivative Financial Instruments
Non-derivative financial instruments include trade and other receivables, cash, and cash equivalents, arrears under credit facilities and loans, and also trade and other payables.

Cash Resources
Cash and cash equivalents reflected in the Organization's financial statements as of the end of the reporting period include cash on hand, cash in bank, and other cash resources.

Accounts Receivable
Accounts receivable are reflected in the amount of the invoices within core business operations, excluding value-added tax, and minus account receivable reserve. Account receivable reserve is recognized in the presence of evidences that the Organization will not receive its receivable amount within the timeframe stipulated by the respective contract.

Current Tax Assets
Tax legislation requires paying property tax, land tax, and transport tax. In addition, laws do not prohibit paying other taxes in advance as a prepayment. Current tax assets (pre-paid taxes) are reflected as a current asset, being accounts receivable under pre-paid taxes.
Value-added tax (VAT) imposed on the services outside core activities is to be paid to the State budget after such services have been rendered to customers. .

Classification and Evaluation
Initially, the Organization measures financial assets at their fair value to be increased in case financial assets are measured not at the fair value through profit or loss, but at the amount of costs under the respective business transaction.
Debt financial instruments are further measured:
- At fair value through profit or loss;
- At the depreciable cost; or
- At fair value through other comprehensive income.

Classifying depends on two criteria:
- Business model used by the Organization to manage its financial assets; and
- Whether cash flows under the financial instruments envisaged by the contract are solely payments to repay the principal amount and interest.

The Organization classifies and measures its debt financial assets as follows:
- Debt instruments measured at the depreciable cost: for financial assets held within the framework of the business model aimed at holding financial assets to receive cash flows envisaged by the contract, which are solely payments to repay the principal amount and interest on the outstanding portion of the principal debt amount. The Organization includes trade and other receivables into this category;
- Debt instruments measured at fair value through other comprehensive income along with gains and losses from changes in the fair value of such instruments are re-classified within the structure of profit or loss in case they are no longer recognized. Financial assets referred by the Organization to this category include quoted debt instruments, whose cash flows are solely payments to repay the principal amount and interest on the outstanding portion of the principal debt amount, which, however, are held within the framework of the business model realized both through receiving cash flows, being solely payments to repay the principal amount and interest on the outstanding portion of the debt amount, as stipulated by the contract, and by selling such assets. According to IFRS (IAS) 39, quoted debt instruments of the Organization have been classified as financial assets available for sale.

Business models of the Organization had been evaluated at the date of their initial application on January 1, 2019, and retrospective evaluation was carried out in respect of those financial assets which continued being recognized as of January 1, 2019. The analysis of whether contractually stipulated cash flows under debt instruments were solely payments to repay the principal amount and interest was conducted on the basis of facts and circumstances existing at the moment of the initial recognition of those assets.

Impairment

Subject to IFRS 9, the Organization reflects valuation allowance on anticipated credit impairments for all loans and other debt financial assets which are not measured at their fair value through profit or loss.

Anticipated credit impairments are calculated as the difference between the cash flows payable to the Organization under the contract and all cash flows which the Organization expects to receive. The underpayment is further discounted at the rate approximately equaling the initial effective interest rate applied to the given asset.

In respect of the trade and other receivables, the Organization applied a simplified approach stipulated by the standard, and calculated its credit impairments for the entire period. The Organization used the valuation allowance matrix based on its previous experience of having credit losses as adjusted with the consideration of predictable factors, typical for borrowers and general economic conditions.

In case of other debt financial assets, the expected credit losses are calculated for the period of 12 months. Expected twelve-month credit losses form a part of the overall anticipated credit losses that take place due to defaults under the financial instrument, possible within 12 months following the reporting date. However, in case of the credit risk of the financial instrument has increased significantly from the initial recognition, the loss allowance is measured at the amount equaling the anticipated credit losses for the entire period.

(c) Inventories

Inventories are reflected at the least of the two following values: actual prime cost or net value of possible sale. The actual prime cost of the inventories is calculated on the basis of the average weighted method and includes expenses for their acquisition or production, or conversion costs and other expenses related to transporting such inventories to their current location along with bringing them to proper condition. In respect of the inventories of own production and unfinished objects, the actual prime cost also includes a relevant portion of overhead expenses calculated on the basis of the standard production scope under the normal load of the Organization's manufacturing facilities, and also in accordance with the rules for accounting production costs and calculating prime cost of the products (works, services).

The net value of possible sale constitutes an expected price for selling the inventory item under routine business activities of the Organization, minus estimated expenses to complete respective works for such item and sell it.

Assets Impairment

The carrying value of the Organization's assets, different from its inventories, is considered at the reporting date to detect any signs signaling their impairment. In the presence of such signs, the recoverable value of such assets is calculated.

The loss of the asset impairment is recognized when the carrying value of the asset or cash-generating unit exceeds its recoverable value. Having been calculated, the loss of the asset impairment is recognized in the income statement.

(d) Fixed Assets

Recognition and Evaluation

The objects of fixed assets are reflected at their actual cost minus accumulated amounts of their depreciation and impairment losses.

The actual cost includes all expenses directly related to the acquisition of the respective asset.

The actual cost of the assets produced through the Organization's own resources include expenses on the materials, direct labor expenses, any other costs directly related to brining the assets into the serviceable condition to be used as intended, and also expenses on demounting and relocating the assets as well as restoring the site they used to occupy. Expenses on acquiring software products, inseparably associated with the intended function of some equipment, are capitalized within the cost of such equipment.

In some cases, mostly due to the insignificance of the initial cost, and also with the consideration of the specifics of certain objects, it may be reasonable not to recognize the object as a fixed asset, though it meets the recognition criteria, but write it off as expenses.

If the price for acquiring an asset does not exceed 150 monthly calculation indices (MCI), the Organization recognizes such asset as inventories at off-balance account X10.

Fixed assets are registered at the cost of their acquisition or construction. Any subsequent capital investments into the acquired fixed assets increase their initial cost, providing that future economic benefits from their use, as measured at the beginning of their useful lifetime, also increase.

Gains and losses arising at the disposal of a fixed asset are recognized in a net form in the line of 'other revenues' within the profit and loss structure.

Subsequent Costs

Costs related to replacing a part (a material component) of the object of fixed assets are recognized in the carrying value of such object, if the probability for the Organization to receive future economic benefits associated with the said component is high, and its value can be reliably determined.

Subsequent capital investments into the acquired fixed assets include their initial value, providing that future economic benefits from their use, as measured at the beginning of their useful lifetime, also increase.

Costs on current repair and maintenance of the objects of fixed assets are recognized within the profit and loss structure for the period as they occur.

Depreciation

Each object of fixed assets is depreciated on the straight-line basis within the anticipated period of its useful life, and depreciation costs are included into the profit and loss structure of the period. In terms of technological equipment, a production-based method for accruing depreciation is applied in proportion to the scope of accomplished works. Depreciation costs are accrued from the moment of the asset is ready for operation until the cessation of the asset recognition. Land plots are not depreciated.

The expected terms of the useful life of fixed assets in the current and comparative periods were taken as follows:

Buildings and facilities	5 - 60 years
Machinery and equipment	8-15 years
Transport vehicles	5-10 years
Other	3-15 years

Gains or losses from writing assets off from the balance are referred to the financial outcome as they are being written off.

All objects under construction are classified as capital work in progress, and not subject to depreciation. They are switched to the category of fixed assets in use when all works on their construction and commissioning have been completed, if such assets are used for the own needs of the Organization.

Depreciation methods, expected useful life periods, and residual value of the fixed assets are re-analyzed at each reporting date.

(e) Intangible Assets

Recognition and Evaluation

Intangible assets with the limited useful life, acquired by the Organization, are reflected at the actual cost minus accumulated depreciation amounts and impairment losses.

Subsequent Costs

Subsequent costs are capitalized in the value of a specific asset, only if such costs increase future economic benefits of the given asset. All other costs are recognized within the profit and loss structure for the period as they occur.

Depreciation

Depreciation costs on intangible assets are accrued as such assets are ready to be used and are recognized on the straight-line basis within the profit and loss structure for the period during the entire respective terms of their useful life. The duration of the useful life of intangible assets is 3-5 years.

(f) Accounts Payable

Accounts payable and other liabilities are accounted at the initial cost, being the amount of cash to be paid to satisfy such liabilities.

(g) Provisions for Liabilities

Provisions for liabilities are formed if and only if the Organization has some current obligation (legal or constructive) resulted from past events, and there is a high probability that an outflow of economic benefits would be needed to settle such obligation, providing that the amount of such obligation can be rather reliably estimated. The size of the provision is revised under the current conditions at each reporting date and adjusted to reflect the current state. If changes in the time value money have a material impact, the size of the provision is defined on the basis of the present value of costs required to satisfy such obligation.

(h) Revenues and Expenses

Classification and Grouping

For the purposes of preparing its financial statements, the Organization uses the following revenue classification:

Revenues from contracts with customers:

Sale of multi-storied residential complexes of individual residential construction, ready offices (commercial real estate), parking facilities, etc. In respect of such categories of objects, the Organization acts as the developer in relations with customers.

Delivery of construction and assembly works.

Non-operating income;

Financial income;

Earnings as interest received on cash and cash equivalents and other resources placed with credit institutions;

Gains from changes in fair value of financial instruments;

Finance leasing earnings;

Other financial earnings;

Positive forex difference;

Gains from disposal of investments (in subsidiaries or associates);
Other non-operating income.

Expenses are registered when relevant inventories or services are actually delivered, regardless whether monies have been paid or not, and reflected in the financial statements of the period, which they refer to.

Accounting Principles

According to IFRS 15, the Organization's revenues under contracts with customers are recognized on the basis of the five-step model as described below.

The size of other income is determined at the fair value of the interest received or to be received. If it is not possible to reliably measure the fair value of some goods received under a barter deal, the revenue is estimated at the fair value of the respective products or services sold.

Interest receivable is recognized as income, using the effective interest rate basis. Dividends must be recognized when the owner right to receive such payments has been established. The procedure for generating revenues under regulated types of business operations and activities in the field of natural monopolies are to be defined in accordance with the Methodology of the separate accounting of revenues, expenses, and involved assets.

Five-Step Model of Revenue Recognition

The Organization recognizes revenues to reflect that products or services are transferred to customers for the consideration, which the Organization expects to be entitled to in exchange for such products or services.
When recognizing revenues, the Organization performs the following steps:

Step 1 – Identifying the contract with the customer;
Step 2 – Identifying binding contractual obligations;
Step 3 – Determining the price of such business transaction;
Step 4 – Allocating the price of such business transaction among separate obligations to be fulfilled when performing the contract;
Step 5 – Recognizing the revenue at the moment (as in the course) of performing the identified binding contractual obligations.

Control over the products or services is transferred *during the period*, if one of the three following criteria is satisfied:

- The Organization creates or improves the asset, control over which is given to the customer in the course of its creation or improvement;
- The Organization performs its obligations, not leading to the creation of any asset that can be used by the Organization for alternative purposes, providing that the Organization is entitled to receive consideration for the portion of the contractual works which have been accomplished to date;
- The customer receives and enjoys benefits related to the Organization's performance of the said obligation as it is being performed by the Organization
    - No need for another organization to re-do the work which the Organization has accomplished to the current date;
        - No need to consider potential restrictions, which could hinder transferring of the remaining obligation to be performed by another organization;
        - Judge based on the assumption that when performing the remaining portion of the obligation, another organization will not benefit from any asset controlled by the Organization.

If the listed criteria are not met, the control is transferred at the established period of time.

Assessing the Degree of Performing Obligations to be Fulfilled

The Organization uses the resource method and the result-based method when assessing the performance degree.

When applying the method of assessing the performance degree, the Organization excludes the control which has not been transferred to the customer from the assessment of the service performance degree. And vice versa, the Organization includes the control transferred to the customer in the course of performance into the assessment of the performance degree.

The Organization does not apply assessment of the performance degree if it does not quite reliable information required to apply an appropriate method of assessing the performance degree.

In case circumstances change in the course of time, the Organization updates its assessment of the performance degree to reflect the changes within the results of the performance of binding obligations. Such changes in the performance degree are considered by the Organization in accordance with IFRS (IAS) 8 'Accounting Policies, Changes in Accounting Estimates and Errors' as changes in accounting estimates.

Performance Obligations Fulfilled at the Specific Time

If the Organization does not perform its performance obligation within the given period, it, therefore, will perform it within the established period of time.

Recognition

Revenues from the provision of services are recognized in the same accounting period when such periods were rendered, subject to the degree of accomplishment of a given operation measured in proportion to the share of the actually rendered services to the overall scope of services to be delivered under the contract.
Under certain circumstances (for example, at early stages of the contractual performance), the Organization can be incapable of a reasonable assessing of the results of the obligation performance, and yet expect for the reimbursement of the expenses incurred in relation to the performance of such obligation. Should it be the case, until the Organization can reasonably determine results of the obligation performance, the Organization recognizes revenues within the incurred expenses only.

When applying the result-based method, the Organization uses a practical simplification approach in respect of the ‘right to issue invoices’. The Organization recognizes revenues in the amount, in which it is entitled to issue invoices, if the Organization has a right to be compensated by the customer in the amount immediately corresponding to the outcomes of the Organizations’ activities in favor of the customer up to the current date.

Revenues from selling goods are recognized at the time when the control over such goods is transferred to the customer, and, therefore, the Organization fulfills its performance obligation to transfer the promised product or service to the customer.

(i) Staff Remuneration

Staff remuneration is defined by the staff schedule of the enterprise as well as employment agreements and Labor Code of the Republic of Kazakhstan.

(j) Pension Liabilities

The Partnership’s settlement of its obligations to employees is carried out through the monthly deduction of 10% of the accrued income of its employees to be further transferred to the accumulation pension funds. According to the legislation of the RK, pension contributions lie under the obligation of the employees.

Once an employee is retired, all pension payments are made by his/her pension fund.

The Organization has no additional schemes of pension provision and assumes no additional obligations in paying additional amounts.

(k) Income Tax

Income taxation includes the income tax of the current period as well as deferred tax. The income tax is reflected in the profit and loss structure, except for the part referred to the articles of the other comprehensive income or operations recognized directly in the capital structure. Should it be the case, it is to be recognized in the structure of the other comprehensive income or directly in the capital structure.
The current income tax constitutes the tax amount payable in respect of the taxable profit for the year, calculated on the basis of the tax rates effective, or substantially effective, at the reporting date, along with all adjustments of the size of the obligation to be paid as the income tax for previous years.

4. Long-Term Assets

Group Description	As of 30.09.2020	As of 01.01.2020
High pressure apparatus HD 10/25 7ya 3 line	377	619
PCT Box 800x840x2300	1 488	
Diesel generator engine facility AD510 KVA engine DV 15-OOG09412352	1 567	
Diesel generator engine facility of the silent operation mode D825 D5	7 594	
Diesel generator	1 432	
Pre-fabricated set of buildings, made of 6 modules	9 707	
40-ton container	120	
40-ton container,,,,,	120	
40-ton container	230	

12-m container for construction site supervisor	339	
12-m container/1 for construction site supervisor, Talan	339	
20-ton container Talan for site supervisor	302	
20-ton container /1 Talan, Sems	265	
40-ton container, Erm export	176	
40-ton container	230	
40-t container /China, with elevators/ Number 1 Talan, for warehouse	365	
40-t container /China, with elevators/ Number 2 Talan, for warehouse	365	
40-t container /China, with elevators/ Number 3 Talan, for warehouse	365	
40-ton container/1 Talan	301	
40-ton container/11 Talan, warehouse	329	
40-ton container/12 Talan, warehouse	329	
40-ton container/13 Talan, warehouse	329	
40-ton container/2 Talan, command center	333	
40-ton container/3 Talan, command center	333	
40-ton container/4 Talan, production technology department	333	
40-ton container/5 Talan, production technology department	333	
40-ton container/6 Talan, safety and labor protection	339	
40-ton container/7 Talan, entry checkpoint	399	
40-ton container	327	
40-ton container (director cubicle)	281	
40-ton container	575	
40-ton container (7ya 3 line)	1 786	
40-ton container (Sezim Qala 9 line)	575	
40-ton container	492	
40-ton container WK2000768	795	875
Packaged transformer substation with transformer for 1000 kVa SGN000022	738	
Outdoor packaged transformer substation 630 kVA 10-0.4 kV BIK000064 Talan	1 471	
Outdoor packaged transformer substation 630/10-0.4 kV (VV/KV) BIK000020 Talan	910	
Laminar box with biological safety II	2 595	
Laminar box with biological safety II	2 633	
Talan Oxp modular euro-type cabin	528	
Pump station	0	
Laptop HP	408	
Access control system	558	
Automated steam sterilizer VKa-75PZ	2 132	
Traverse 2UDC 3B-5.0/6.0 (2)	448	
Traverse 2UDC 3B-5.0/6.0	439	
Transformer TMG-630/10-0.4 kV Y/Yн-0 Talan	1 090	
Transformer TMO No.1 SGN000025	327	
Transformer TMTO-80/0.38-Y1, 0.38/0.095/0.042 kV Y/D/D-11	406	
Outdoor packaged transformer substation KTPN-630*10-0.4 kV Y1 (KV/KV), dead-end type, high voltage indicator with loadbreak VNA-10/630	432	
Electric total station	4 382	5 266
Electric total station TS06plus 3" as a set	2 139	2 967
Electric total station as a set	1 876	
Electric total station as a set TS02	275	
Total Net Carrying Value	**57 356**	**9 728**

5. Long-Term and Other Long-Term Receivables

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
Real estate loan to Akubasov Ye.M.	1 449	1 848
Real estate loan to Amirov V.A.	5 854	5 854
Valuation allowance for losses from impairment of long-term receivables	(245)	(245)
Total:	**7 058**	**7 457**

6. Intangible Assets

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
Software Windows Pro 10 (rus) oem 64 bit (FQC-08906)	55	-
Total:	**55**	**-**

7. Inventories

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
Main production	-	10 229
Materials in progress	87 819	1 927
Raw materials and supplies	294 822	27 318
Total:	**382 641**	**39 474**

8. Short-Term Trade and Other Receivables

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
Short-term accounts receivable from buyers and customers	597 058	385 361
Other short-term receivables	165 038	43 424
Reserve for doubtful claims	(607)	(725)
Total:	**761 489**	**428 060**

Short-term trade receivables from buyers and customers are given as follows:

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
Midvest LLP	-	9 291
Gross House Group LLP	40 532	142 871
Grand Park Avenue LLP	72 802	208 503
ModeX Astana LLP	-	1 536
Garant Service NS LLP	111 631	22 557
Salt LLP	51 164	
BI-Industrial LLP	9 737	
Zherdem-2007 LLP	302 156	
VASCO Qazaqstan LLP	5 550	
Other Trade Receivables	3 486	603
Total:	**597 058**	**385 361**

Other short-term receivables are given as follows:

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
Orynbor Towers LLP	2 814	2 814
U-Con Three LLP		1 267
BUILD INVESTMENT CITY LLP	30 003	30 003
TOWN HOUSE LLP	87 265	
KZ Stroy 2050 LLP	25 724	
Stroysnab RB LLP	7 643	7 643
CENTER ASTANA CITY LLP	6 750	
Other short-term receivables	4 839	1 697
	165 038	**43 424**

9. Short-Term Financial Assets Measured at Depreciable Cost

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
Short-term financial assets measured at depreciable cost	12 910 773	4 372 226
Total:	**12 910 773**	**4 372 226**

Short-term financial assets measured at depreciable cost**:**

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
BUILD INVESTMENT CITY LLP	430 322	530 108
Kardo NK LLP	1 447 657	1 880 158
BI-Development LLP	11 030 935	1 961 509
SFK BI-Finance LLP	451	451
IsMi LLP	1 360	
BI CityStroy LLP	48	
Total:	**12 910 773**	**4 372 226**

10. Current Income Tax

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
Corporate Income Tax	39 653	505
Total:	**39 653**	**505**

11. Other Short-Term Financial Assets

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
Short-term interest to be received under deposits in Sberbank in Astana	-	2 864
Total:	**-**	**2 864**

12. Other Short-Term Assets

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
Short-term advances paid	1 069 061	1 698 151
Expenses of future periods	919	420
Materials of subcontractors	122 559	27 086
Other taxes and other compulsory payment to budget	72 855	30 830
Total:	**1 265 394**	**1 756 487**

Other short-term assets are given as follows:

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
Stroysnab RB LLP	133 071	122 471
Gross House Group LLP	63 511	929 494
A2ZH Group LLP	187 307	261 935
Global Build LLP	10 453	10 470
STA-OLIMP LLP	8 290	6 586
Royal Group 2030 LLP	-	17 658
Garant Service NS LLP	110 000	75 000
Laminat Center LLP	-	16 224
Toreks-Astana LLP	-	6 674
KZ Stroy 2050 LLP	-	14 000
Nur-Aimak LLP	-	18 147
Arnau Bilding LLP	-	50 995
Sauran Towers LLP	-	79 939
Amanat Stroy LLP	-	66 445
Astana Stroy 2015 LLP	-	5 000

Smart Remont LLP	51 132	
Nur-Sultan Group Company LLP	71 285	
ALTYN ORDA GROUP KZ LLP	10 000	
Zhərdem-2007 LLP	10 191	
Light House HC LLP	174 823	
Kieli tylsym LLP	205 648	
PanoramaKZ LLP	9 960	
Other short-term assets given	23 390	17 112
Total:	**1 069 061**	**1 698 151**

Other taxes and other compulsory payment to budget are given as follows:

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
Value-added tax	1 622	
Value-added tax (deferred approval for set-off)	11 732	30 164
Value-added tax under the expense accrual method	57 937	
Property tax	661	660
Other taxes and other compulsory payment to budget	903	6
Total:	**72 855**	**30 830**

13. Cash and Cash Equivalents

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
Cash on bank accounts in tenge	123 693	12 268
Cash under short-term deposits	9 749	3 463 605
Other cash resources	6 901 469	
Valuation allowance for losses from cash impairment	(712)	(713)
Total:	**7 034 199**	**3 475 160**

14. Equity

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
Registered capital	93 070	93 070
Total:	**93 070**	**93 070**

15. Retained Profit (Loss) from Previous Years

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
Retained profit (loss) from previous years	(341 304)	(9 325)
Correction of errors from previous years		(74 230)
Retained profit (loss) of the reporting year	(1 248 487)	(257 749)
Total:	**(1 589 791)**	**(341 304)**

16. Debt Obligations

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
Long-term guarantee obligations to contractors and suppliers	231 461	73 418
Other long-term liabilities		
Total:	**231 461**	**73 418**

17. Short-Term Trade and Other Accounts Payable

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period

Short-term accounts payable to suppliers and contractors	836 508	1 577 473
Contingent accounts payable to suppliers and contractors	564 336	
Other short-term accounts payable	89 932	39 195
Total	**1 490 776**	**1 616 668**

Short-term trade and other accounts payable are given as follows:

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
STROJBATKOM LLP	51 300	328 407
Stroysnab RB LLP	134 924	1 033 786
Global Build LLP	8 281	4 793
Smart engineering solutions LLP		9 108
Hyundai Elevators LLP	-	10 824
Chernysh Nina Aleksandrovna Individual Entrepreneur	1 514	7 275
Ak ZHol - 2006	7 605	7 568
Aziyaenergostroy LLP	215	3 094
Elservice Astana LLP	-	4 740
StroyDeLyuks LLP	488	5 744
Severo-Vostochnaya Gruppa - 1	-	5 063
Invest City LLP	26 793	16 526
Leica Geosystems Kazakhstan LLP	-	6 536
Astanalift LLP	99	4 017
Lider Stroy 19 LLP	9 024	4 696
Shik K LLP	3 840	6 032
Caspian Construction Company Limited LLP	97 357	
Gradeks KZ LLP	19 351	
Smart Remont LLP	12 398	
Kaz Stroy Montazh-2030 LLP	21 288	
Abdusamad LLP	13 187	
SK Granit LLP	11 286	
STAL'NOJ DVOR - ASTANA LLP	32 742	
Balgyn-Stroy LLP	16 744	
CSGKZ LLP	13 203	
Kieli tylsym LLP	15 191	
BI CityStroy LLP	14 478	
Ikhsan 2020 LLP	9 617	
SK KATOK LLP	6 596	
StroyTrejdInvest LLP(former SovremennyeTeplovyeIdei)	12 743	2 014
Liri Design LLP	4 822	
Center ZUS LLP	4 379	
Broker & K LLP	12 316	
Other	274 727	117 107
Total	**836 508**	**1 577 473**

Other short-term accounts payable are given as follows:

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
Kaz Industrial Group LLP	1 181	1 181
Stroysnab RB LLP	2 391	4 296
Light House NS LLP	75	19 491
Midvest LLP	8 838	8 521
Amanat Story LLP	57 724	5 010
Debt to accountable persons	2	167
BI CityStroy LLP	11 505	
Other	8 216	530
Total	**89 932**	**39 195**

Contingent accounts payable to suppliers and contractors:

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
Stroy Company 2018 LLP	17 891	
BNR GRUPP LLP	7 640	
Nur-Sultan Group Company LLP	60 001	
Ak Zhol - 2006	15 060	
Elektro Set' LLP	8 414	
Sadak-Astana LLP	13 764	
Astanalift LLP	6 216	
Elit Stroy 2014	7 906	
Birlik Kurylys 1 LLP	13 860	
KOMFORT PLAST ASTANA LLP	11 112	
StroyDeLyuks LLP	11 191	
Stroy Partner Grupp LLP	15 998	
PanoramaKZ LLP	6 411	
Ikhsan 2020 LLP	7 144	
ALTYN ORDA GROUP KZ LLP	24 000	
Aqua Systems Technology LLP	15 594	
Astana-Zholbarys LLP	10 128	
Nur-Ajmak LLP	10 538	
Anush - Kokshe LLP	30 187	
SK MANYZ-1 LLP	20 000	
Stroy Opt LLP	74 667	
Other	176 614	
Total	**564 336**	

18. Short-Term Financial Liabilities Measured at Depreciable Cost

Short-term financial liabilities are represented in the form of loans received from organizations that conduct banking operations under no license from a competent authority

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
BI-Development LLP	17 500	-
Total	**17 500**	**-**

19. Short-Term Estimated Liabilities

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
Short-term estimated liabilities on staff remuneration	31 052	12 554
Total	**31 052**	**12 554**

20. Staff Remuneration

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
Staff remuneration	23 290	9 177
Total	**23 290**	**9 177**

21. Other Short-Term Liabilities

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
Short-term advance payments received	22 134 175	8 581 532
Liabilities under social insurance and pension contributions	5 021	3 234
Tax liabilities	22 013	43 612
Total	**22 161 209**	**8 628 378**

Short-term advance payments received are given as follows:

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
Build SYSTEM-Atyrau LLP	1 323 929	1 621 085
Ideal Invest Grupp LLP	28 590	47 240
Azat-M LLP	1 216 322	1 417 635
Amanat Stroy LLP	7 466 136	2 375 651
Midvest LLP	4 628 025	1 284 653
IsMi LLP	118 376	119 716
NURA ESIL' ASTANA LLP	65 763	53 600
Sauran Towers LLP	2 369 496	1 657 517
Bi Village Comfort LLP	3 820	2 110
Other	4 913 718	2 325
Total	**22 134 175**	**8 581 532**

Tax liabilities are given as follows:

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
Individual Income Tax	1 604	1 581
Value Added Tax	19 324	40 772
Social Tax	1 079	1 256
Property Tax	6	3
Total	**22 013**	**43 612**

22. Revenue

Income is recognized when the LLP faces a probability of obtaining economic benefits related with the business transaction, and the size of such income can be reliably evaluated. Income from services provided is recognized upon their provision.

Project Names by Revenues from Sale of Construction and Assembly Works	For the Reporting Period	For the Previous Period
7ya 3 line	150 146	
Only Sun 1 line	323 540	638 283
Only Sun 2 line	512 594	124 675
Ray Residence-2 line	424 157	271 803
Atlant -1,2	1 056 696	180 172
Vremena Goda-Leto 2 line	1 706	414 975
Vremena Goda-Leto 3 line	334 940	387 141
AKBULAK LIFE Residential Complex		1 729 997
RAY RESIDENCE Residential Complex		724 324
Mangilik 2 line	4 118	761 551
Adal 3	359 906	
Capital Park 5B - 1	45 333	
Only SUN - 3	434 719	
TALAN 1	118 344	
Atlant -3	70 830	
RAY RESIDENCE Residential Complex	205 735	
Sezim Qala 11 line Residential Complex	31 343	
Sezim Qala 9 line Residential Complex	35 923	
Arnau 14 line Residential Complex	245 206	
Vremena Goda. Leto 4,5 line Residential Complex	415 755	
Laboratory on Zhansugurova street	269 782	
Total:	**5 040 773**	**5 232 921**

23. Prime Costs for Periods are Given as Follows:

Group Name	For the Reporting Period	For the Previous Period
Prime cost	6 250 820	5 280 886
Total:	**6 250 820**	**5 280 886**

24. Sale Expenses

Indicator Description	For the Reporting Period	For the Previous Period
Construction site arrangement	12 107	5 819
Presentation of objects, Doors Open events	50	157
Repair of buildings, facilities, offices, equipment, and other fixed assets (services)	986	
Printing services (production of brochures, leaflets, stickers, business cards, notebooks, and other paper products)	8	
Renewal of flags and banners; placement of advertising banners (on fences, cranes)	3 781	
Object technical sheets, signage for entrance units	95	
Production of video- and audio clips	50	
Other expenses	45	
Maintenance of equipment and other fixed assets (services)	135	
Total	**17 257**	**5 976**

25. Administrative Expenses

Administrative expenses for the periods are given as follows:

Indicator Description	For the Reporting Period	For the Previous Period
Cash management and payment services fee	1 731	717
Sponsorship and charity	45 543	
Staff training under Corporate University programs	566	965
Fixed assets depreciation	922	104
Fuel and lubricants	90	81
Compulsory social health insurance contributions	390	171
Basic wages	35 406	10 866
Taxes	50	
Payroll taxes	3 139	1 004
Audit services	2 750	3 350
Water supply and sewerage	245	75
Other expenses	9 268	1 663
Total	**100 100**	**18 996**

26. Financial Income

Indicator Description	As of the End of the Reporting Period	For the Previous Period
Interest earnings	260 987	15 967
Revenues from financial assets impairment loss recovery	119	
Total:	**261 106**	**15 967**

27. Other Earnings

Indicator Description	For the Reporting Period	For the Previous Period
Other earnings from recovery of costs for goods and services	37 109	110
Fines and penalties receivable	10 276	3 364
Revenues from recovery of costs for public utilities	1 277	
Inventory disposal revenues	19 854	55
Other earnings	12 543	89
Revenues from recovery of expenses on corporate events, clothing, souvenirs, and suchlike		12
Total :	**81 059**	**3 630**

28. Other Expenses

Indicator Description	For the Reporting Period	For the Previous Period
Construction and assembly works	8 631	44 872
Meals	33 075	4 441

Water supply and sewerage		1 325
Sponsorship and charity	42 808	23 019
Corporate events		12 483
Other expenses	55 388	4 780
Basic wages	74 224	
Payroll taxes	6 546	
Prime cost of products sold, inventory realized, and services rendered	42 560	
Total:	**263 232**	**90 920**

29. Corporate Income Tax Costs

Indicator Description	For the Reporting Period	For the Previous Period
Corporate income tax costs	(15)	(1 745)
Total:	**(15)**	**(1 745)**

30. Transactions with Related Parties

Transactions with related parties are performed under the terms agreed by the parties. Debt amounts to related parties and amounts receivable from related parties, as well as transactions with related parties, are represented as follows as on September 30:

Counterparty Name	Related Party's Debt		Debt to Related Party	
	As of 30.09.2020	31.12.2019	As of 30.09.2020	31.12.2019
BUILD INVESTMENT CITY LLP	465 608	565 395		
Orynbor Towers LLP	2 814	2 814		
BI-Development LLP	11 032 525	1 963 099	19 012	1 133
Global Build LLP	10 484	10 501	11 608	5 543
HS SECURITY LLP			-	298
Profi Time Astana LLP	1 827	34	1 764	2 831
ABK-Laboratory LLP			4 921	3 029
Stroysnab RB LLP	140 714	130 114	137 315	1 038 082
Midvest LLP		9 291	4 636 863	1 293 174
BI-Zhuldyzay Corporate Fund			81	75
Gross House Group LLP	104 148	1 072 366	5 176	
U-Con Three LLP	1 267	1 267	399	
Amanat Stroy LLP	342	66 505	7 524 860	2 381 661
Broker & K LLP	43	73	12 316	
BI Clients LLP			433	433
BI DIgital LLP			200	222
BI Support LLP			2 557	1 396

Bi Village Comfort LLP			4 503	2 110
Build SYSTEM-Atyrau LLP			1 323 929	1 621 085
BI-Beton LLP	105			
Invest City LLP	1 276		26 793	16 526
Kaz Industrial Group LLP			3 392	1 181
Light House HC LLP	174 823		75	19 491
AZAT-M LLP			1 216 347	1 417 660
ModeX Astana LLP		1 536	-	303
Sauran Towers LLP		79 939	2 369 575	1 657 517
Arnau Bilding LLP		50 995	590 674	
Zavod ABK-Beton LLP			1 170	2 736
Ideal Invest grupp LLP			29 161	47 240
AS Parking LLP			741 755	
BI CityStroy LLP	48		25 983	
Capital Park LLP			823 042	
TOWN HOUSE LLP	87 265		1 333 905	
Total:	**12 023 289**	**3 953 929**	**20 847 809**	**9 513 726**

31. Cash Flows

When preparing the cash flow statement, the direct method was applied. Cash for the reporting period has increased by **3 559 039** thousand tenge, including:

- Increase from operating activities equaled **12 080 442** ths.tenge
- Decrease from investing activities equaled **0** ths.tenge
- Decrease from financing activities equaled **8 521 403** ths.tenge

32. Financial Risk Management

(a) Overview

Due to the use of financial instruments, the LLP is subject to the following risks:

- Credit risk
- Liquidity risk
- Market risk

This Note presents information on the LLP's exposure to each of the above-mentioned risks as well as on the goals, policy, and processes in the field of risk assessment and management, and LLP's capital management.

The Management Board is generally responsible for the creation and control over the risk management concept of the LLP.

The LLP's risk management policy has been developed to identify and analyze risks which the LLP faces; to establish relevant risk limits and appropriate means for controlling and monitoring risks, and observing the said limits. Both the policy and risk management systems are regularly revised to reflect all changes in market conditions and LLP's activities. The LLP strives to develop a well-structured and constructive controlling environment, where all employees would understand their roles and responsibilities, through conducting training events and introducing management standards and procedures.

(b) Credit Risk

A credit risk is a risk of financial losses of the LLP that occur if clients or counterparties under the financial instrument fail to fulfill their contractual obligations, mostly related to the accounts receivable of the LLP's clients.

Trade and Other Receivables
Cash resources are placed with financial institutions which show the minimum risk of default at the time of account opening. Assets, where a potential credit risk emerges, are represented, mainly, by receivables from buyers and customers. The LLP has developed procedures to minimize non-payment risks. The carrying value of the accounts receivable is the maximum amount exposed to the credit risk. The LLP has not significant concentration of such credit risk. Though rates of repaying accounts receivable are subject to the influence of economic factors, the management considers that there is no material risk of losses related to the value of its accounts receivable. The LLP does not demand to provide collaterals in respect of its trade and other receivables.

Credit Risk Concentration

The maximum credit risk is expressed through the carrying value of the financial assets. The maximum credit risk is as follows at the reporting date:

Indicator Description	As of the End of the Reporting Period	As of the Beginning of the Reporting Period
Short-term accounts receivable	761 489	428 060
Cash resources	7 034 199	3 475 160
Total:	**7 795 688**	**3 903 220**

(c) Liquidity Risk

A risk of liquidity constitutes a risk that the LLP will not be able to satisfy its financial liabilities at the time of their maturity. The LLP's approach to managing its liquidity resides in ensuring, as much as possible, that the LLP at all times has enough liquidity to fulfill its obligations in a well-timed manner (both under normal terms and in abnormal situations) so to not allow any unacceptable losses or risk to the LLP's reputation. The liquidity risk is a risk that the LLP may face certain difficulties in raising funds to honor its financial liabilities as they become mature.
The liquidity of the enterprise means the capability of the LLP to convert its assets into monies to cover all necessary payments as they become due. The analysis of the balance liquidity serves to assess the LLP's business solvency, in other words, its capability to timely and fully pay under each and any of its liabilities.
The LLP maintains enough funds, which are available at first demand and sufficient to cover all expected operating costs for the period of 30 days, including servicing its financial liabilities. In doing so, potential impact of emergency circumstances, such as natural disasters, which cannot be objectively predicted, are not taken into consideration.

(d) Market Risk

A market risk is a risk that changes in market prices, such as forex rates, interest rates, and prices for equity securities, would have an adverse impact on the size of the LLP's revenues or at the cost of its available financial instruments. The goal of the market risk management is to manage the exposure degree of the LLP to such market risk and control it to stay within the acceptable limits, along with the simultaneous optimization of revenue amounts from risk assets.

(e) Currency Risk

The LLP imports goods from other countries and, therefore, is subject to currency risks. Assets and liabilities expressed in a foreign currency lead to creating a potential currency risk. The LLP does not hedge currency risks related to its operations.

The currency risk is associated with the fact that financial results of the LLP would be adversely influenced by changes in the USD/KZT exchange rate. As of September 30, 2020, the Partnership has no assets or liabilities expressed in foreign currencies.

(f) Interest Rate Risk

Due to the absence of any material interest-based assets and liabilities, the Enterprise is not exposed to the interest rate risk.

(g) Fair Value

The LLP's Management considers that the fair value of its financial assets and liabilities is approximated to their carrying value.
The fair value of trade and other receivables is calculated as the present value of future cash flows as discounted at the market interest rate as on the reporting date.
In respect of its trade receivables and payables with the maturity period less than six months, the fair value does not differ much from the carrying value as the impact of the money value during such time period is insignificant.

(h) Capital Management

The Management follows the policy of ensuring a sustainable capital base that would allow ensuring the trust of both creditors and market, as well as further development of the business. The Management monitors the Organization's capital profitability. The LLP strives to maintain the balance between the possible increase in its income that would be possible at the higher level of borrowings, and advantages and safety provided by the stable position in respect of the capital.
The LLP has not changed its capital management approach within the year.
The LLP is not subject to external regulatory requirements in the field of capital.

33. Contingent Liabilities

(a) Insurance

The market of insurance services in Kazakhstan is at the stage of its early development, and many forms of insurance widely spread in other countries of the globe are not yet available in the Republic.

The LLP has no full insurance coverage in respect of its operational facilities and equipment, losses caused by the stoppage in production, or liabilities arising to third parties due to the damage inflicted to real estate objects or environment as a result of accidents or LLP's activities. Until the LLP has an adequate insurance coverage, there is a risk that the loss or damage of certain assets can produce a material adverse impact on the LLP's operations and financial health. In order to reduce risks, and also subject to the legislation requirements, its assets, namely transport vehicles, as well as employer civil liability have been insured.

(b) Tax Risks

The taxation system of Kazakhstan, being relatively new, is characterized by an extensive variety of taxes and frequent changes in legislative standards, official clarifications, and court decisions.

Audits and investigations in terms of the correctness of tax calculations are conducted by a number of regulatory bodies authorized to impose large fines and accrue penalty interests. The correctness of the tax calculations in the reporting period can be audited within the following five calendar years; yet, under certain circumstances, such period can be extended.
The said circumstances may lead to the fact that tax risks in Kazakhstan become much higher than in other countries.
Being guided by its own understanding of the tax legislations, regulatory requirements, and court decisions, the LLP's Management considers that all tax liabilities have been fully reflected.

(c) Environmental Matters

To date, Kazakhstan is reinforcing its environmental legislation, and the position of the governmental authorities of the Republic of Kazakhstan in terms of its observance become tougher. The LLP regularly conducts assessment of its obligations related to the environmental contamination. As such obligations are identified, they are immediately reflected in the reporting documents. Taking into consideration the existing system of control and punishments for the non-observance of the effective environmental laws, the Management believes that there are currently no material obligations related to inflicting damage to environment.

34. Events after the Reporting Date

Events after the reporting date constitute normal business operations with no corrective impact on the financial statements as of 30.09.2020.

Director «Мегастрой ЛТД» ТОО ***Aitzhanov K.T.***

Annex 1
To Decree No. 665 of the First Deputy Prime Minister of the Republic of Kazakhstan - Minister of Finances of the Republic of Kazakhstan, dated July 1, 2019

Annex 2
To Decree No.404 of the Minister of Finances of the Republic of Kazakhstan, dated June 28, 2017

Template

Accounting Balance Y2020 Reporting Period

Index:	No. 1 - B (Balance)
Periodicity:	Annual
To be submitted by:	Public interest organizations subject to their financial year outcomes
To be submitted to:	To be submitted in the e-form to the financial reporting depository through software means
To be submitted before:	Annually, on or before August 31 of the year following the reporting one

Note: Explanation on preparing the statement is given in the annex to the Accounting Balance, the administrative data collection form

Organization's Name: Megastroy LTD LLP

As of September 30, 2020

in thousands of KZT

Assets	Line Code	As of the End of the Reporting Period	As of the Beginning of the Reporting Reriod
1	2	3	4
I. Short-Term Assets			
Cash and cash equivalents	010	7 034 199	3 475 160
Short-term financial assets measured at the depreciable cost	011	12 910 773	4 372 226
Short-term financial assets measured at the fair value through other comprehensive income	012	-	-
Short-term financial assets measured at the fair value through income or losses	013	-	-
Short-term derivative financial instruments	014	-	-
Other short-term financial assets	015	-	2 864
Short-term trade and other receivables	016	761 489	428 060
Short-term rent receivables	017	-	-
Short-term assets under contracts with customers	018	-	-
Current income tax	019	39 653	505
Inventory	020	382 641	39 473
Biological assets	021	-	-
Other short-term assets	022	1 265 394	1 756 487
Total Short-Term Assets (Summary of Lines from 010 to 022)	**100**	**22 394 149**	**10 074 776**
Assets (disposal groups) held for sale	101	-	-
II. Long-Term Assets			
Long-term financial assets measured at the depreciable cost	110	-	-
Long-term financial assets measured at the fair value through other comprehensive income	111	-	-
Long-term financial assets measured at the fair value through income or losses	112	-	-
Long-term derivative financial instruments	113	-	-
Investments accounted at the initial cost	114	-	-
Investments accounted through the equity method of accounting	115	-	-
Other long-term financial assets	116	-	-
Long-term trade and other receivables	117	7 058	7 457
Long-term rent receivables	118	-	-
Long-term assets under contracts with customers	119	-	-
Investment property	120	-	-
Fixed assets	121	57 356	9 728
Assets in the form of the right to use	122	-	-
Biological assets	123	-	-
Exploration and evaluation assets	124	-	-
Intangible assets	125	55	-
Deferred tax assets	126	-	-
Other long-term assets	127	-	-
Total Long-Term Assets (Summary of Lines from 110 to 127)	**200**	**64 469**	**17 185**
BALANCE (Line 100 + Line 101 + Line 200)		**22 458 618**	**10 091 961**

in thousands of KZT

Liabilities and Equity	Line Code	As of the End of the Reporting Period	As of the Beginning of the Reporting Reriod
1	2	3	4

III. Short-Term Liabilities			
Short-term financial liabilities measured at the depreciable cost	210	17 550	-
Short-term financial liabilities measured at the fair value through income or loss	211	-	-
Short-term derivative financial instruments	212	-	-
Other short-term financial liabilities	213	-	-
Short-term trade and other accounts payable	214	1 490 776	1 616 668
Short-term estimated liabilities	215	31 052	12 554
Current income tax liabilities	216	-	-
Staff remuneration	217	23 290	9 177
Short-term rent arrears	218	-	-
Short-term liabilities under contracts with customers	219	-	-
State subsidies	220	-	-
Dividends due payment	221	-	-
Other short-term liabilities	222	22 161 209	8 628 378
Total Short-Term Liabilities (Summary of Lines from 210 to 222)	**300**	**23 723 877**	**10 266 777**
Liabilities of disposal groups held for sale	301	-	-
IV. Long-Term Liabilities			
Long-term financial liabilities measured at the depreciable cost	310	-	-
Long-term financial liabilities measured at the fair value through income or loss	311	-	-
Long-term derivative financial instruments	312	-	-
Other long-term financial liabilities	313	-	-
Long-term trade and other accounts payable	314	-	-
Long-term estimated liabilities	315	231 461	73 418
Deferred tax liabilities	316	-	-
Staff remuneration	317	-	-
Long-term rent arrears	318	-	-
Long-term liabilities under contracts with customers	319	-	-
State subsidies	320	-	-
Other long-term liabilities	321	-	-
Total Long-Term Liabilities (Summary of Lines from 310 to 321)	**400**	**231 461**	**73 418**
V. Equity			
Registered (share) capital	410	93 070	93 070
Share premium	411	-	-
Repurchased own equity instruments	412	-	-
Other comprehensive income components	413	-	-
Retained earnings (retained loss)	414	-1 589 791	(341 304)
Other capital	415	-	-
Total Capital Attributable to Equity Holders (Summary of Lines from 410 to 415)	**420**	**-1 496 720**	**(248 234)**
Non-controlling share holders	421		-
Total Equity (Line 420 + Line 421)	**500**	**-1 496 720**	**(248 234)**
BALANCE (Line 300 + Line 301 + Line 400 + Line 500)		**22 458 618**	**10 091 961**

CEO **Aitzhanov K.T.**
(surname, name, and patronymic (if any))
(signature)

Chief Accountant **Not applicable**
(surname, name, and patronymic (if any))
(signature)

«Мегастрой ЛТД» ЖШС ТОО БСН 070240003 Республика Казахстан

Place of Seal
(if any)

Annex 3
To Decree No. 665 of the First Deputy Prime Minister of the Republic of Kazakhstan - Minister of Finances of the Republic of Kazakhstan, dated July 1, 2019

Annex 4
To Decree No.404 of the Minister of Finances of the Republic of Kazakhstan, dated June 28, 2017

Template

Cash Flow Statement (Direct Method) Y2020 Reporting Period

Index:	No. 3 - DDS-P
Periodicity:	Annual
To be submitted by:	Public interest organizations subject to their financial year outcomes
To be submitted to:	To be submitted in the e-form to the financial reporting depository through software means
To be submitted before:	Annually, on or before August 31 of the year following the reporting one

Note: Explanation on preparing the statement is given in the annex to the Cash Flow Statement (Direct Method), the administrative data collection form

Organization's Name **Megastroy LTD LLP**

9 months of 2020

in thousands of KZT

Indicator Description	Line Code	For the Reporting Period	For the Previous Period
1	2	3	4
I. Cash Flow from Operating Activities			
1. Total cash receipts (summary of lines from 011 to 016)	**010**	**25 018 308**	**16 017 905**
including:			
sale of products and services	011	748 406	2 281 449
other revenues	012	-	-
Advance payments received from purchasers and customers	013	22 107 277	12 223 028
receipts under insurance contracts	014	-	-
interest received	015	224 703	9 890
other receipts	016	1 937 922	1 503 538
2. Total cash outflow (summary of lines from 021 to 027)	**020**	**12 937 866**	**13 590 579**
including:			
payments made to suppliers for goods and services	021	7 407 033	3 583 007
advance payments made to suppliers of goods and services	022	780 988	3 394 351
wages paid	023	251 387	42 009
interest paid	024	-	-
payments made under insurance contracts	025	-	-
income tax and other payments to the budget	026	80 323	53 400
other payments	027	4 418 135	6 517 812
3. Net cash flow from operating activities (line 010 – line 020)	**030**	**12 080 442**	**2 427 326**
II. Cash Flow from Investing Activities			
1. Total cash flow (summary of lines from 041 no 052)	**040**	-	-
including:			
disposal of fixed assets	041	-	-
disposal of intangible assets	042	-	-
disposal of other long-term assets	043	-	-
disposal of equity instruments in other organizations (except for subsidiaries) and participation interests in joint ventures	044	-	-
disposal of debt instruments of other organizations	045	-	-
reimbursement for loss of control in subsidiaries	046	-	-
monetary deposits withdrawal	047	-	-
disposal of other financial assets	048	-	-
future and forward contracts, options and swaps	049	-	-
dividends received	050	-	-
interest received	051	-	-
other receipts	052	-	-
2. Total cash outflow (summary of lines from 061 no 073)	**060**	-	-
including:			
acquisition of fixed assets	061	-	-
acquisition of intangible assets	062	-	-
acquisition of other long-term assets	063	-	-
acquisition of equity instruments in other organizations (except for subsidiaries) and participation interests in joint ventures	064	-	-
acquisition of debt instruments of other organizations	065	-	-
acquisition of control in subsidiaries	066	-	-

monetary deposits placement	067	-	-
interest paid	068	-	-

in thousands of KZT

Indicator Description	Line Code	For the Reporting Period	For the Previous Period
1	2	3	4
acquisition of other financial assets	069	-	-
loan provision	070	-	-
future and forward contracts, options and swaps	071	-	-
investments in associates and subsidiaries	072	-	-
other payments	073	-	-
3. Net cash flow from investing activities (line 040 – line 060)	**080**	-	-
III. Cash Flow from Financing Activities			
1. Total cash flow (summary of lines from 091 no 094)	**090**	**4 463 888**	**6 959 730**
including:			
issuance of shares and other financial instruments	091	-	-
loan received	092	-	-
interest received	093	-	-
other receipts	094	4 463 888	6 959 730
2. Total cash outflow (summary of lines from 101 no 105)	**100**	**12 985 291**	**7 200 668**
including:			
loan repayment	101	-	-
interest paid	102	-	-
dividends paid	103	-	-
payments to organization's shareholders	104	-	-
other payments	105	12 985 291	7 200 668
3. Net cash flow from financing activities (line 090 – line 100)	**110**	**(8 521 403)**	**(240 938)**
4. Exchange rate effects on Tenge	**120**	-	-
5. Impact from changes in book value of cash and cash equivalents	**130**	-	-
6. Increase +/- decrease in cash (line 030 +/- line 080 +/- line 110 +/- line 120 +/- line 130)	**140**	**3 559 039**	**2 186 387**
7. Cash and cash equivalents at the beginning of the reporting period	**150**	**3 475 160**	**365**
8. Cash and cash equivalents at the end of the reporting period	**160**	**7 034 199**	**2 186 753**

CEO **Aitzhanov K.T.**
(surname, name, and patronymic (if any)) (signature)

Chief Accountant **Not applicable**
(surname, name, and patronymic (if any)) (signature)

Place of Seal
(if any)

Annex 5
To Decree No. 665 of the First Deputy Prime Minister of the Republic of Kazakhstan - Minister of Finances of the Republic of Kazakhstan, dated July 1, 2019

Annex 6
To Decree No.404 of the Minister of Finances of the Republic of Kazakhstan, dated June 28, 2017

Template

Capital Statement — Y2020 Reporting Period

Index:	No. 5-IK
Periodicity:	Annual
To be submitted by:	Public interest organizations subject to their financial year outcomes
To be submitted to:	To be submitted in the e-form to the financial reporting depository through software means
To be submitted before:	Annually, on or before August 31 of the year following the reporting one

Note: Explanation on preparing the statement is given in the annex to the Capital Statement (Direct Method), the administrative data collection form

Template

Organization's Name
Megastroy LTD LLP
9 months of 2020

in thousands of KZT

Description of Components	Line Code	Capital Attributed to Owners						Share of Non-Controlling Owners	Total Capital
		Registered (Share) Capital	Share Premium	Repurchased Own Equity Instruments	Other Comprehensive Income Components	Retained Profit	Other Capital		
1	2	3	4	5	6	7	8	9	10
Balance as of January 1 of the Previous Year	010	**93 070**	-	-	-	**(83 555)**	-	-	**9 515**
changes in accounting policy	011	-	-	-	-	-	-	-	-
adjusted balance (line 010+/-line 011)	**100**	**93 070**	-	-	-	**(83 555)**	-	-	**9 515**
Total Aggregate Comprehensive Income (line 210 + line 220):	**200**	-	-	-	-	**(257 749)**	-	-	**(257 749)**
profit (loss) for the year	210	-	-	-	-	(257 749)	-	-	**(257 749)**
Total Other Comprehensive Income (summary of lines from 221 to 229):	**220**	-	-	-	-	-	-	-	-
including:		-	-	-	-	-	-	-	-
revaluation of debt financial instruments measured at the fair value through other comprehensive income (minus tax effect)	221	-	-	-	-	-	-	-	-
revaluation of equity financial instruments measured at the fair value through other comprehensive income (minus tax effect)	222	-	-	-	-	-	-	-	-

in thousands of KZT

Description of Components	Line Code	Capital Attributed to Owners						Share of Non-Controlling Owners	Total Capital
		Registered (Share) Capital	Share Premium	Repurchased Own Equity Instruments	Other Comprehensive Income Components	Retained Profit	Other Capital		
1	2	3	4	5	6	7	8	9	10
revaluation of fixed assets and intangible assets (minus tax effect)	223	-	-	-	-	-	-	-	-

share in other comprehensive income (loss) of associates and joint activities accounted under the equity method of accounting	224	-	-	-	-	-	-	-	-
actuarial gains (losses) under pension liabilities	225	-	-	-	-	-	-	-	-
effect of changes in income tax rate on deferred tax	226	-	-	-	-	-	-	-	-
cash flow hedging (minus tax effect)	227	-	-	-	-	-	-	-	-
hedging of net investments into foreign operations	228	-	-	-	-	-	-	-	-
forex effects under investments into foreign organizations	229	-	-	-	-	-	-	-	-
Total Operations with Owners (summary of lines from 310 to 318):	**300**	-	-	-	-	-	-	-	-
including:		-	-	-	-	-	-	-	-
staff remuneration with shares:	310	-	-	-	-	-	-	-	-
including:		-	-	-	-	-	-	-	-
cost of staff services		-	-	-	-	-	-	-	-
issuance of shares under the employee remuneration stock scheme		-	-	-	-	-	-	-	-
tax benefits related to the employee remuneration stock scheme		-	-	-	-	-	-	-	-
contributions by owners	311	-	-	-	-	-	-	-	-
Issuance of own equity instruments (shares)	312	-	-	-	-	-	-	-	-
issuance of equity instruments related to business combination	313	-	-	-	-	-	-	-	-
equity component of convertible instruments (minus tax effect)	314	-	-	-	-	-	-	-	-
payment of dividends	315	-	-	-	-	-	-	-	-
other distributions in favor of owners	316	-	-	-	-	-	-	-	-
other operations with owners	317	-	-	-	-	-	-	-	-
changes in participation interest in subsidiaries not resulting to loss of control	318	-	-	-	-	-	-	-	-
other operations	319	-	-	-	-	-	-	-	-
Balance as of January 1 of the Reporting Year (line 100 + line 200 + line 300 + line 319)	**400**	**93 070**	-	-	-	**(341 304)**	-	-	**(248 234)**
changes in accounting policy	401	-	-	-	-	-	-	-	-
Adjusted Balance (line 400+/- line 401)	**500**	**93 070**	-	-	-	**(341 304)**	-	-	**(248 234)**

in thousands of KZT

Description of Components	Line Code	Capital Attributed to Owners						Share of Non-Controlling Owners	Total Capital
		Registered (Share) Capital	Share Premium	Repurchased Own Equity Instruments	Other Comprehensive Income Components	Retained Profit	Other Capital		
1	2	3	4	5	6	7	8	9	10
Total Aggregate Comprehensive Income (line 610 + line 620):	**600**	-	-	-	-	**-1 248 487**	-	-	**-1 248 487**
profit (loss) for the year	610	-	-	-	-	-1 248 487	-	-	-1 248 487
Total Other Comprehensive Income (summary of lines from 621 to 629):	**620**	-	-	-	-	-	-	-	-

including:									
revaluation of debt financial instruments measured at the fair value through other comprehensive income (minus tax effect)	621	-	-	-	-	-	-	-	-
revaluation of equity financial instruments measured at the fair value through other comprehensive income (minus tax effect)	622	-	-	-	-	-	-	-	-
revaluation of fixed assets and intangible assets (minus tax effect)	623	-	-	-	-	-	-	-	-
share in other comprehensive income (loss) of associates and joint activities accounted under the equity method of accounting	624	-	-	-	-	-	-	-	-
actuarial gains (losses) under pension liabilities	625	-	-	-	-	-	-	-	-
effect of changes in income tax rate on deferred tax	626	-	-	-	-	-	-	-	-
cash flow hedging (minus tax effect)	627	-	-	-	-	-	-	-	-
hedging of net investments into foreign operations	628	-	-	-	-	-	-	-	-
forex effects under investments into foreign organizations	629	-	-	-	-	-	-	-	-
Total Operations with Owners (summary of lines from 710 to 718)	**700**	-	-	-	-	-	-	-	-
including:									
staff remuneration with shares	710	-	-	-	-	-	-	-	-
including:		-	-	-	-	-	-	-	-
cost of staff services		-	-	-	-	-	-	-	-
issuance of shares under the employee remuneration stock scheme		-	-	-	-	-	-	-	-
tax benefits related to the employee remuneration stock scheme		-	-	-	-	-	-	-	-
contributions by owners	711	-	-	-	-	-	-	-	-
Issuance of own equity instruments (shares)	712	-	-	-	-	-	-	-	-
issuance of equity instruments related to business combination	713	-	-	-	-	-	-	-	-
equity component of convertible instruments (minus tax effect)	714	-	-	-	-	-	-	-	-
payment of dividends	715	-	-	-	-	-	-	-	-

in thousands of KZT

Description of Components	Line Code	Capital Attributed to Owners						Share of Non-Controlling Owners	Total Capital
		Registered (Share) Capital	Share Premium	Repurchased Own Equity Instruments	Other Comprehensive Income Components	Retained Profit	Other Capital		
1	2	3	4	5	6	7	8	9	10
other distributions in favor of owners	716	-	-	-	-	-	-	-	-
other operations with owners	717	-	-	-	-	-	-	-	-

changes in participation interest in subsidiaries not resulting to loss of control	718	-	-	-	-	-	-	-	-
other operations	719	-	-	-	-	-	-	-	-
Balance as of December 31 of the Reporting Year (line 500 + line 600 + line 700 + line 719)	**800**	**93 070**	-	-	-	**-1 589 791**	-	-	**-1 496 720**

CEO **Aitzhanov K.T.** (surname, name, and patronymic (if any)) (signature)

Chief Accountant **Not applicable** (surname, name, and patronymic (if any)) (signature)

Place of Seal
(if any)

Annex 2
To Decree No. 665 of the First Deputy Prime Minister of the Republic of Kazakhstan - Minister of Finances of the Republic of Kazakhstan, dated July 1, 2019

Annex 3
To Decree No.404 of the Minister of Finances of the Republic of Kazakhstan, dated June 28, 2017

Template

Income Statement Y2020 Reporting Period

Index: No. 2 - OPU

Periodicity: Annual

To be submitted by: Public interest organizations subject to their financial year outcomes

To be submitted to: To be submitted in the e-form to the financial reporting depository through software means

To be submitted before: Annually, on or before August 31 of the year following the reporting one

Note: Explanation on preparing the statement is given in the annex to the Income Statement, the administrative data collection form

Organization's Name **Megastroy LTD LLP**

9 months of 2020

in thousands of KZT

Indicator Description	Line Code	For the Reporting Period	For the Previous Period
1	2	3	4
Revenues	010	5 040 773	5 232 921
Cost of goods sold and services rendered	011	6 250 820	5 280 886
Gross Margin (line 010 – line 011)	**012**	**(1 210 047)**	**(47 965)**
Sales expenses	013	17 257	5 976
Administrative expenses	014	100 100	18 996
Total Operational Profit (Loss) (+/- lines from 012 to 014)	**020**	**(1 327 404)**	**(72 936)**
Financial gains	021	261 106	15 967
Financial expenses	022	-	-
Organization's share in other comprehensive income (loss) of associates and joint activities accounted under the equity method of accounting	023	-	-
Other receipts	024	81 059	3 630
Other costs	025	263 232	90 920
Income (Loss) before Taxation (+/- lines from 020 to 025)	**100**	**(1 248 472)**	**(144 258)**
Costs (-) (receipts (+)) under income tax	101	(15)	(1 745)
Income (Loss) after Taxation from Continuing Operations (line 100 + line 101)	**200**	**(1 248 487)**	**(146 004)**
Profit (loss) after taxation from discontinued operations	201	-	-
Profit for the Year (line 200 + line 201) attributed to:	**300**	**(1 248 487)**	**(146 004)**
parent organization owners		-	-
share of non-controlling owners		-	-
Total Other Comprehensive Income (summary of 420 and 440):	**400**	-	-
including:		-	-
revaluation of debt financial instruments measured at the fair value through other comprehensive income	410	-	-
share in other comprehensive income (loss) of associates and joint activities accounted under the equity method of accounting	411	-	-
effect of changes in income tax rate on deferred tax	412	-	-
cash flow hedging	413	-	-
forex effects under investments into foreign organizations	414	-	-
hedging of net investments into foreign operations	415	-	-
other components of the other comprehensive income	416	-	-

adjustment under reclassification within profit (loss) structure	417	-	-
tax effects of other comprehensive income components	418	-	-
Total Other Comprehensive Income Subject to Reclassification into Gains or Expenses during Subsequent Periods (minus profit tax) (summary of lines from 410 to 418)	**420**	-	-
revaluation of fixed assets and intangible assets	431	-	-
share in other comprehensive income (loss) of associates and joint activities accounted under the equity method of accounting	432	-	-
actuarial gains (losses) under pension liabilities	433	-	-
tax effects of other comprehensive income components	434	-	-
revaluation of equity financial instruments measured at the fair value through other comprehensive income	435	-	-
Total Other Comprehensive Income Not Subject to Reclassification into Gains or Expenses during Subsequent Periods (minus profit tax) (summary of lines from 431 to 435)	**440**	-	-
Total Comprehensive Income (line 300 + line 400)	**500**	**(1 248 487)**	**(146 004)**

in thousands of KZT

Indicator Description	Line Code	For the Reporting Period	For the Previous Period
1	2	3	4
Total Comprehensive Income Attributed to:			
parent organization owners			
share of non-controlling owners			
Earnings per Share	**600**		
including:			
basic earnings per share			
from continuing operations			
from discontinued operations			
Diluted earnings per share:			
from continuing operations			
from discontinued operations			

CEO **Aitzhanov K.T.** (surname, name, and patronymic (if any)) (signature)

Chief Accountant **Not applicable** (surname, name, and patronymic (if any)) (signature)

Place of Seal
(if any)

SCHEDULE 5

Financial Statements of the Guarantor

BI-Holding LLP

Combined Financial Statements
for the year ended 31 December 2019

Contents

«КПМГ Аудит» жауапкершілігі
шектеулі серіктестік
Қазақстан, A25D6T5, Алматы,
Достық д-лы, 180,
Тел.: +7 (727) 298-08-98

KPMG Audit LLC
180 Dostyk Avenue, Almaty,
A25D6T5, Kazakhstan,
E-mail: company@kpmg.kz

Independent Auditors' Report

To Management of BI-Holding LLP

Opinion

We have audited the combined financial statements of BI-Holding LLP (the "Company") and its subsidiaries and other entities included in the combination and listed in Note 31 of the accompanying combined financial statements (the "Group"), which comprise the combined statements of financial position as at 31 December 2019 and 1 January 2019, the combined statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year ended 31 December 2019, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Group as at 31 December 2019 and 1 January 2019, and its combined financial performance and its combined cash flows for the year ended 31 December 2019 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Combined Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the combined financial statements in the Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 3, which explains that these combined financial statements have been prepared as part of the Group's adoption of International Financial Reporting Standards, that these combined financial statements may require adjustment before constituting the corresponding figures in the first complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards as at and for the year ending 31 December 2020 and that these combined financial statements, except for the combined statement of financial position as at 1 January 2019, do not themselves include corresponding figures for the prior year. Our opinion is not modified in respect of this matter.

We draw attention to Note 3 to the combined financial statements, which describes their basis of preparation, including the approach to and the purpose of preparing them. The combined financial statements were prepared for the purpose of presentation of the combined financial position and combined results of operations of the entities under common control, engaged in residential and commercial real estate construction, construction of roads of regional and international importance and of other industrial and civil facilities, and also, as stated above, for constituting the corresponding figures in the first complete set of consolidated financial statements for the year ending 31 December 2020, in which the Group's restructuring will be completed and its legal structure will be finalised. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditors' report is:

Дементьев Сергей Анатольевич * Казахстан Республикасы Аудиторы * № МФ-0000086

Sergey Dementyev
Certified Auditor of the Republic of Kazakhstan,
Auditor's Qualification Certificate
МФ-0000086 of 27 August 2012

KPMG Audit LLC

State Licence to conduct audit # 0000021 dated 6 December 2006 issued by the Ministry of Finance of the Republic of Kazakhstan

KPMG

Sergey Dementyev
General Director of KPMG Audit LLC acting on
the basis of the Charter

8 December 2020

'000 KZT	Note	31 December 2019	1 January 2019
ASSETS			
Property, plant and equipment	11	40,156,625	33,682,194
Intangible assets		1,431,494	861,452
Investment property	12	17,899,107	10,508,667
Equity accounted investees	13	2,522,427	-
Trade and other receivables	14	1,923,272	4,173,417
Loans issued	15	902,355	61,915
Prepayments	16	2,773,452	14,230,390
Bank deposits	18	23,064,904	16,918,629
Deferred tax assets	10	6,622,370	4,205,658
Other non-current assets	20	1,168,268	1,478,198
Non-current assets		**98,464,274**	**86,120,520**
Inventories	17	237,043,364	163,218,073
Contract assets	5	11,452,921	12,622,199
Trade and other receivables	14	63,619,063	73,106,702
Loans issued	15	61,428,861	45,160,849
Prepayments	16	30,528,386	21,966,706
Income tax prepaid		396,094	294,183
Bank deposits	18	30,943,049	25,100,956
Cash and cash equivalents	19	37,551,797	21,127,138
Other current assets	20	8,567,196	4,263,520
Current assets		**481,530,731**	**366,860,326**
Total assets		**579,995,005**	**452,980,846**

The combined statement of financial position is to be read in conjunction with the notes to, and forming part of, the combined financial statements set out on pages 12 to 66.

'000 KZT	Note	31 December 2019	1 January 2019
Equity			
Charter capital	21(a)	5,888,601	8,375,073
Retained earnings		97,884,999	98,960,961
Total equity		**103,773,600**	**107,336,034**
Liabilities			
Loans and borrowings	23	52,631,854	36,553,321
Trade and other payables	24	462,929	2,924,558
Contract liabilities	25	249,930	-
Lease liabilities	26	1,004,751	2,480,339
Guarantee retentions	27	5,595,308	4,696,987
Provisions	28	7,883,783	9,475,087
Deferred tax liabilities	10	2,790,348	1,475,755
Other non-current liabilities		1,679,533	4,367
Non-current liabilities		**72,298,436**	**57,610,414**
Loans and borrowings	23	57,835,497	71,340,243
Trade and other payables	24	71,381,914	66,185,955
Contract liabilities	25	251,924,748	131,773,338
Advances received	25	165,554	86,379
Lease liabilities	26	1,857,385	2,279,917
Guarantee retentions	27	4,623,244	3,676,502
Provisions	28	4,282,140	3,847,846
Income tax payable		3,697,369	3,369,848
Dividends payable	21(b)	2,654,420	210,000
Guarantees issued	29	676,946	709,926
Other current liabilities		4,823,752	4,554,444
Current liabilities		**403,922,969**	**288,034,398**
Total liabilities		**476,221,405**	**345,644,812**
Total equity and liabilities		**579,995,005**	**452,980,846**

These combined financial statements were approved by the Chairman of the Management Board, the Deputy Chairman of the Management Board for Financial Matters and the Chief Accountant of the Group on 8 December 2020.

Chairman of the Management Board

ЖАУАПКЕРШІЛІГІ ШЕКТЕУЛІ СЕРІКТЕСТІГІ "BI-Holding" ТОВАРИЩЕСТВО С ОГРАНИЧЕННОЙ ОТВЕТСТВЕННОСТЬЮ ҚАЗАҚСТАН РЕСПУБЛИКАСЫ АСТАНА ҚАЛАСЫ РЕСПУБЛИКА КАЗАХСТАН ГОРОД АСТАНА

A.G. Omarov

Deputy Chairman of the Management Board for Financial Matters

A.M. Lepesbayev

Chief Accountant

N.N. Smagulova

The combined statement of financial position is to be read in conjunction with the notes to, and forming part of, the combined financial statements set out on pages 12 to 66.

'000 KZT	Note	2019
Revenue	5	344,441,650
Cost of sales	6	(289,205,850)
Gross profit		**55,235,800**
Other income	7(a)	4,580,028
Selling expenses	7(b)	(2,945,138)
Administrative expenses	7(c)	(33,944,067)
Impairment loss on financial assets	8	(2,365,976)
Other expenses	7(d)	(6,414,967)
Results from operating activities		**14,145,680**
Finance income		7,196,216
Finance costs		(8,128,281)
Net finance costs	9	**(932,065)**
Share of profit of equity-accounted investees (net of income tax)	13	1,012,498
Profit before income tax		**14,226,113**
Income tax expense	10	(3,548,841)
Profit for the year		**10,677,272**

These combined financial statements were approved by the Chairman of the Management Board, the Deputy Chairman of the Management Board for Financial Matters and the Chief Accountant of the Group on 8 December 2020.

ҚАЗАҚСТАН РЕСПУБЛИКАСЫ АСТАНА ҚАЛАСЫ ЖАУАПКЕРШІЛІГІ ШЕКТЕУЛІ СЕРІКТЕСТІГІ "BI-Holding" ТОВАРИЩЕСТВО С ОГРАНИЧЕННОЙ ОТВЕТСТВЕННОСТЬЮ РЕСПУБЛИКА КАЗАХСТАН ГОРОД АСТАНА

Chairman of the Management Board ______________ A.G. Omarov

Deputy Chairman of the Management Board for Financial Matters ______________ A.M. Lepesbayev

Chief Accountant ______________ N.N. Smagulova

The combined statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the combined financial statements set out on pages 12 - 66.

'000 KZT	Note	Charter capital	Retained earnings	Total
Balance at 1 January 2019		8,375,073	98,960,961	**107,336,034**
Total comprehensive income for the year				
Profit for the year		-	10,677,272	**10,677,272**
Total comprehensive income for 2019		**8,375,073**	**109,638,233**	**118,013,306**
Increase in charter capital		1,176,171	-	**1,176,171**
Decrease in charter capital		(52,676)	-	**(52,676)**
Acquisition of entities under common control		(3,609,967)	-	**(3,609,967)**
Dividends	21(b)	-	(13,754,579)	**(13,754,579)**
Other distributions to founders - apartments		-	(611,055)	**(611,055)**
Other distributions to founders – an interest-free financial aid to the related party	15	-	(1,035,150)	**(1,035,150)**
Other transactions with owners of the Group	21(c)	-	3,647,550	**3,647,550**
Balance at 31 December 2019		**5,888,601**	**97,884,999**	**103,773,600**

These combined financial statements were approved by the Chairman of the Management Board, the Deputy Chairman of the Management Board for Financial Matters and the Chief Accountant of the Group on 8 December 2020.

Chairman of the Management Board

A.G. Omarov

Deputy Chairman of the Management Board for Financial Matters

A.M. Lepesbayev

Chief Accountant

N.N. Smagulova

The combined statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the combined financial statements set out on pages 12 - 66.

'000 KZT	Note	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow:		
Receipts and advances from customers		478,891,666
Other receipts		5,606,100
Total cash inflow		**484,497,766**
Cash outflow:		
Payments and advances to suppliers of goods and services		(371,005,866)
Payments of wages and salaries and related taxes		(26,845,188)
Taxes and other payments to the budget		(30,249,415)
Corporate income tax paid		(4,425,350)
Total cash outflow		**(432,525,819)**
Net cash from operating activities		**51,971,947**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment, investment property and intangible assets		(11,854,196)
Transfer from restricted cash		55,049
Placement of bank deposits		(154,449,570)
Withdrawal of bank deposits		142,481,752
Interest income on bank deposits		4,622,235
Interest income on loans issued		20,584
Issuance of loans		(95,793,560)
Proceeds from repayment of loans issued		90,096,857
Proceeds from sale of other investments		161,169
Investments in associates		(95,663)
Net cash used in investing activities		**(24,755,343)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans and borrowings		137,461,978
Repayment of loans borrowings		(127,351,126)
Payments of interest on loans and borrwings		(5,966,995)
Payment of lease liabilities and interest		(2,991,488)
Dividends paid		(10,908,251)
Other distributions to founders – an interest-free financial aid to the related party		(1,035,150)
Acquisitions of entities under common control		(787,859)
Contribution to charter capital		582
Net cash used in financing activities		**(10,790,450)**
Net increase in cash and cash equivalents		**16,426,154**
Cash and cash equivalents at 1 January		21,127,138
Effect of movements in exchange rates on cash and cash equivalents		(51,448)
Effect of ECL allowance on cash and cash equivalents		49,953
Cash and cash equivalents at 31 December		**37,551,797**

The combined statement of cash flows is to be read in conjunction with the notes to, and forming part of, the combined financial statements set out on pages 12 - 66.

In 2019, decrease in loans issued was due to offset against accounts payable of KZT 3,563,265 thousand, loans received of KZT 3,113,244 thousand, and through transfer from advances paid for the amount of KZT 735,060 thousand and transfer from accounts receivable for the amount of KZT 16,853,402 thousand.

In 2019, increase in inventories resulted from capitalisation of interest on loans received and charge of provision for warranties for the amount of KZT 1,501,078 thousand and KZT 1,779,218 thousand, respectively.

In 2019, the Group recognised a significant financing component in inventories and contract liabilities for the amount of KZT 9,275,562 thousand, of which the amount of KZT 805,668 thousand was realised during the year.

During 2019, the Group carried out some other insignificant non-cash transactions.

These combined financial statements were approved by the Chairman of the Management Board, the Deputy Chairman of the Management Board for Financial Matters and the Chief Accountant of the Group on 8 December 2020.

Chairman of the Management Board — A.G. Omarov

Deputy Chairman of the Management Board for Financial Matters — A.M. Lepesbayev

Chief Accountant — N.N. Smagulova

1 Reporting entity

(a) Business environment

The Group's operations are primarily located in Kazakhstan. Consequently, the Group is exposed to the economic and financial markets of the Republic of Kazakhstan which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in Kazakhstan.

In addition, 2020 has seen significant global market turmoil triggered by the outbreak of the coronavirus. Together with other factors, this has resulted in a sharp decrease in the oil price and the stock market indices, as well as a continuing depreciation of the Kazakhstan Tenge. These developments are further increasing the level of uncertainty in the Kazakhstan business environment.

The combined financial statements reflect management's assessment of the impact of the Kazakhstan business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

(b) Organisation and operations

BI-Holding LLP (the "Company") and its subsidiaries and other entities included in these combined financial statements and listed in Note 31 of the combined financial statements (the "Group") comprise limited liability partnerships as defined in the Civil Code of the Republic of Kazakhstan and a subsidiary incorporated overseas.

The Company was established in 2011 and its registered office is: E10 Street, building 17M, Yessyl District, Nur-Sultan, Republic of Kazakhstan.

The Group consists of the entities, which are not legally related, but are under common management control of the Company. The ultimate controlling party of the Group is an individual, the citizen of the Republic of Kazakhstan, Mr. Aidyn Zhumadilovich Rakhimbayev. He also has ownership interests in other entities which are not related to this Group. Related party transactions are disclosed in Note 33.

The Group is engaged in building high-rise residential estates, commercial real estate and construction of roads of regional and international importance and of other industrial and civil facilities. The Group is also engaged in manufacturing and sale of building materials, managing commercial real estate, and building and repair work. The Company acts as a managing company within the Group.

The Group's companies are divided into 4 segments by specific lines of business, namely:

- BI-Development– building and sale of high-rise residential estates and further management and maintenance thereof;
- BI Construction & Engineering – construction of industrial and civil facilities;
- BI Infra Construction – construction of roads and road infrastructure of regional and international importance, and manufacturing of building materials;
- BI Property– construction, sale and management of commercial real estate.

The Group's operations are primarily located in the Republic of Kazakhstan. The Group manufactured products are primarily sold in the Republic of Kazakhstan.

Seasonality of operations

The financial performance of BI-Development related segment depends on the specificity of the construction industry, which is characterised by long production cycle. Real estate construction projects are implemented, on average, over the period from 1.5 to 3 years. Whereby, during the construction and investment period, there is decrease in revenues and increase in capitalised costs related to construction projects/ advances paid to construction companies. Accordingly, growth of income from the Group's principal activity is observed after commissioning of real estate properties.

In general, such fluctuations of revenues from core activities occurring by years are common for many local and foreign companies operating in the construction industry.

These combined financial statements were approved by the Chairman of the Management Board, Deputy Chairman of the Management Board for Financial Matters and Chief Accountant on 8 December 2020.

2 Basis of accounting

(a) Statement of compliance

These combined financial statements have been prepared in accordance with IFRS 1 *First-time Adoption of International Financial Reporting Standards* as part of the Group's preparation for future transition to IFRS. When the Group prepares its first complete set of IFRS financial statements, as at 31 December 2020 and for the year then ending, they will be prepared in accordance with the Standards and Interpretations in effect as at that date. These combined financial statements, except for the combined statement of financial position as at 1 January 2019, do not themselves include corresponding figures for the prior year.

Accordingly, these combined financial statements, which will constitute the corresponding figures in the Group’s first complete set of consolidated financial statements, have been prepared by management using its best knowledge of the Standards and Interpretations expected to be in effect at 31 December 2020, and the accounting policies expected to be applied in the Group’s first complete set of IFRS consolidated financial statements. Any amendments to such Standards, Interpretation or accounting policies may require adjustment for these combined financial statements before constituting the corresponding figures.

(b) Basis of combination

These combined financial statements have been prepared by management of the Group for the purpose of presentation of the combined financial position and combined results of operations of the entities under common control of Mr. Aidyn Zhumadilovich Rakhimbayev and under general management of the Company. It is expected that once the organisation’s restructuring is completed, the entities included into these combined financial statements and listed in Note 31 will come under the legal control of the Company during 2020. Therefore, at the combining, the legal ownership between the Company and other entities included in the combined financial statements has not been considered.

The financial statements of the entities comprising the Group have been prepared for the same reporting period as the Company’s financial statements and the accounting policies have been applied consistently to the entire Group. Intra-group balances and transactions, and any unrealised income and (expenses) arising from intra-group transactions are eliminated at the combining.

(c) Basis of measurement

These combined financial statements have been prepared on the historical cost basis.

3 Functional and presentation currency

The national currency of the Republic of Kazakhstan is the Kazakhstan Tenge (“KZT”), that is the functional currency of the entities of the Group and the currency in which these combined financial statements are presented. All financial information presented in KZT has been rounded to the nearest thousand, except when otherwise indicated.

4 Use of estimates and judgments

The preparation of combined financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The most significant assumptions, estimates and judgments are discussed below:

Revenue and allowance for expected credit losses

Information about critical judgments used for recognition of revenue from sale of real estate, related to a point in time at which the revenue is recognised, and about critical judgements used for recognition of revenue from provision of construction services, related to the stage of completion of the construction project, is included in Note 5.

Information about critical judgments applied for assessment of allowance for expected credit losses on financial assets is disclosed in Notes 35.

Useful lives of property, plant and equipment

Depreciation of property, plant and equipment and other non-productive assets is accrued on a straight-line basis over their estimated useful lives. The estimates of useful lives and residual values are reviewed on a regular basis. Review is based on the current status of the assets and the expected period during which they will bring economic benefits to the Group, and estimated residual value.

Taxation

In assessing tax risks, management takes into consideration possible areas of non-compliance with tax legislation that the Group is not able to appeal or thinks that these may not be appealed successfully, if additional taxes are assessed by the tax authorities.

Such determinations inherently involve significant judgment and are subject to change as a result of changes in tax laws and regulations, the determination of expected outcomes from pending tax proceedings and the outcome of ongoing compliance audits by tax authorities.

Some companies of the Group registered on the territory of the special economic zones are granted tax preferences, specifically, when assessing the amount of corporate income tax payable to the budget, the assessed amount of corporate income tax is reduced by 100%; when assessing the amount of land tax and fee for use of land plots a zero coefficient (0%) is applied to the appropriate rates, and also when assessing the amount of property tax a zero rate (0%) is applied to the average annual value of taxable items.

Deferred tax assets

Deferred income tax assets are recognised for all allowances and unused tax losses to the extent that it is probable that taxable temporary differences and business nature of such expenses will be proved. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies (Note 10).

Net realisable value of inventories

The Group recognises a write-down of inventories based on an assessment of the net realisable value of the inventories. A write-down is applied to inventories where events or changes in circumstances indicate that the net realisable value is less than cost. The determination of net realisable value requires the use of professional judgment and estimates. Where the expectation is different from the original estimates, such difference will impact the carrying value of inventories and a write-down of inventories is charged to profit or loss in the periods in which such an estimate has been changed.

Provision for warranties

The Group's policy provides for establishing a warranty provision fund, according to the specifics of its operations, in the amount from 0.5% to 5% of the cost of construction and assembly works (the cost), which ensures correction of defects during the warranty period. To determine the amount of provision, management uses judgments and estimates based on the Group's historical experience operating in construction industry.

Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 12 – investment property;
- Note 30 – financial instruments.

5 Revenue

(a) Revenue streams

The Group generates revenue primarily from the sale of constructed facilities and provision of construction and assembly services, and sale of goods and special vehicles. Other sources of revenue include rental income from real estate properties.

Revenue from contracts with customers is detailed in the following table:

'000 KZT	**2019**
Revenue from provision of construction and assembly services	167,317,665
Revenue from the sale of constructed facilities	162,565,628
Revenue from sale of goods	6,311,907
Revenue from provision of transportation and special vehicles services	1,072,827
Other revenue	4,883,567
Revenue from contracts with customers	**342,151,594**
Rental income from investment property	2,290,056
Total revenue	**344,441,650**

(b) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by major service lines, groups of customers and timing of revenue recognition.

'000 KZT	**2019**
Revenue by service lines	
Revenue from the sale of residential property	159,796,419
Revenue from provision of industrial and civil facilities construction services	96,496,990
Revenue from provision of road and infrastructure construction services	74,793,283
Revenue from sale of commercial real estate	2,769,209
Revenue from sale of building materials	2,339,300
Revenue from hotel management services	1,773,316
Other	4,183,077
Total revenue from contracts with customers	**342,151,594**
Rental income from investment property	2,290,056
	344,441,650

'000 KZT	**2019**
Timing of revenue recognition	
Products transferred to the customer at a point in time	169,335,866
Goods and services transferred to the customer over time	172,815,728
Revenue from contracts with customers	**342,151,594**

'000 KZT	**2019**
Revenue by types of customers	
State sector customers	104,462,209
Non-state sector customers	237,689,385
Revenue from contracts with customers	**342,151,594**

(c) Contract balances

The following table provides information about contract assets and contract liabilities from contracts with customers.

'000 KZT	**Note**	**31 December 2019**	**1 January 2019**
Trade receivables	14	38,586,814	37,788,354
Contract assets		11,452,921	12,622,199
Contract liabilities	25	(252,174,678)	(131,773,338)

The contract assets primarily relate to the Group's rights to consideration for work completed (construction services) but not billed at the reporting date. The amount of contract assets as at 31 December 2019 is recognised net of impairment of KZT 253,963 thousand (1 January 2019: nil). The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

Contract liabilities

The contract liabilities primarily relate to the advance consideration received from customers for construction of facilities, for which revenue is recognised at a point in time, and for provision of construction services, for which revenue is recognised over time.

Prepaid consideration received from the buyers for the real estate assets prior to the satisfaction of performance obligation is recorded as a contract liability, and then the Group recognises revenue and the decrease in the contract liability.

For the projects where a period between receipt of prepayment from the buyers and satisfaction by the Group of its performance obligation exceeds 12 months, the Group recognises a significant financing component. Accordingly, with regard to advance payments received under the contracts with customers the Group accounts for the time value of money and accrues interest using the borrowing rate. The Group recognises a financing component within the contract liabilities and capitalises it within the cost of the construction facilities in accordance with IAS 23.

As at 31 December and 1 January 2019, the contract liabilities included a significant financing component of KZT 8,469,894 thousand and KZT 2,976,654 thousand, respectively.

The amount of KZT 94,254,913 thousand recognised in contract liabilities at the beginning of the period has been recognised as revenue for the year ended 31 December 2019.

The full amount of performance obligation that has not been satisfied as at the end of the reporting period is expected to be recognised in revenue during the next three years.

(d) Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Revenue from sale of residential property	The Group sells the residential property during the construction phase once a shared construction participation agreement ("SCPA") has been concluded, or sells the facilities that have already been commissioned. The Group enters into SCPA during the construction of the properties. According to the SCPA the Group is obliged to construct and transfer to a buyer a residential property with a specific floor area and at the specific location and at a fixed price. Once the construction is completed, the ownership right to the properties is transferred to the buyer under an acceptance certificate and a final purchase and sale agreement of the properties. The buyer has the right to withdraw from the agreement before the acceptance certificate and final purchase and sale agreement is signed, having paid a fine of up to 10% of the property value. The buyer obtains control over the construction property at the time of its commissioning because: - the state certificate of the property commissioning confirms that the property meets all construction and safety standards and can be operated in accordance with the stated characteristics; - the Group has a right to obligate a buyer to sign the acceptance certificate and final purchase and sale agreement through the court, if the buyer fails to sign the required documents within 30 days after commissioning of the property; - generally, by this time the buyers under SCPA have paid 100% of the contract value; - moreover, by this time the Group has also transferred about 80% of the keys to the buyers to perform repairs under a separate key transfer agreement; - historically, adjustments in the actual floor area as compared to the original layout of the property were immaterial. Revenue from sales of assets already commissioned is recognised in that reporting period, in which the purchase and sale agreement is concluded and the acceptance certificate is signed with the buyer. At the time of commissioning of the real estate asset, a provision of 1.5% of the cost of the residential property is calculated. The warranty period is 3 years after the commissioning of the property.	Revenue under SCPA is recognised at a point in time, at the date of the property commissioning certificate. Revenue from the properties that have already been commissioned is recognised at a point in time, on the date when a purchase and sale agreement is concluded and acceptance certificate is signed with the buyer.
Revenue from provision of industrial and civil facilities construction services	The Group provides services of organisation and management of infrastructure construction projects to a customer, based on the design and estimate documentation. To fulfil the terms and conditions of the contracts, the Group engages contractors for construction of project components. The length of each construction project depends on the complexity of the design. The Group issues a certificate of services rendered to the buyer, with cost of works specified therein. Completion of the services are determined based on the scope of work actually performed as specified in the contract, generally on a monthly basis. The buyer confirms that the services have been provided when an acceptance certificate of services provided is signed and an invoice and a reconciliation act are issued. The unbilled amounts related to actual amount of work performed as specified in the contract are presented in the combined financial statements as contract assets. Invoices are usually payable within 90 days once certificates of works performed are signed. No discounts are provided for the services. The Group performs construction and assembly works on the territory of the customer. Advances received are included in contract liabilities, the period of satisfaction of which does not normally extend beyond 12 months. The buyer deducts retentions in the amount of 5%-10% of the cost of construction and assembly works performed by the Group. The buyer releases retention amounts in full once the warranty period for the works performed has expired. Warranty period is normally 2-5 years after commissioning of the constructed facilities.	The Group recognises revenue over time as construction services are provided. The stage of completion for determining the amount of revenue is assessed based on the costs incurred by the Group to perform the scope of work to the estimated total contract costs. The Group believes that this method is appropriate as the Group issues invoices to customers based on costs incurred to provide construction services to the customer.

Revenue from road and infrastructure construction services	Revenue is recognised over time using a resource-based method. This method is based on cost value, which is determined as a ratio of costs incurred under the contract to perform work at the report date and the total estimated contract costs. The total estimated contract costs include the estimated labour cost, cost of materials, cost of works performed by subcontractors and other direct and indirect costs to complete the construction project. These costs may vary depending on the circumstances of which management of the Company was unaware as at the date of estimate. If the contract is terminated, a customer has to pay the cost of all works performed, materials acquired and the cost of moving out vehicles and machinery from the site and temporary closing down of the facility, and compensate for reasonable profit margin. Invoices are issued according to the contractual terms and are usually payable within 30 days. Annually, customers make advance payments to the Company in the amount of 10-30% of the annual total financing. Monthly payments are adjusted for the advance payment amounts, which are deducted pro rata to the amount of work performed during a month. There is no significant financing component due to the fact that a period between the moment when Company receives funding and the customer accepts work is less than 12 months.	The Group recognises revenue over time as construction and assembly services are provided under the infrastructure construction project. The stage of completion for determining the amount of revenue is assessed based on the costs incurred by the Group to perform the amount of work to the estimated total contract costs.
Revenue from construction and sale of commercial real estate	The Group sells commercial real estate once its construction is completed, when an ownership right to the premises is transferred to a buyer under an acceptance certificate and a final purchase and sale agreement of the premises. Revenue from sales of assets that have been already commissioned is recognised in that reporting period, in which the purchase and sale agreement is concluded and the acceptance certificate with the buyer is signed.	The Group recognises revenue at a point in time when a purchase and sale agreement is concluded and when it transfers control over the commercial property to the buyer.
Revenue from hotel management services	A customer accepts hotel accommodation services and signs an act of works performed under the contract. Once an act of works performed has been signed, the state companies and some legal entities pay for services within 30 working days. Services are provided to individuals on a 100% prepayment basis determined in accordance with the Group's policy.	The Group recognises revenue during the period when the service is provided assessing the degree of satisfaction of the performance obligation. Due to the fact that a reporting period is a month, the Group recognises revenue from provision of services during each reporting period.
Revenue from sale of goods	A buyer obtains control over the goods purchased when the goods are shipped from the Group's warehouse. It is taken to be the point in time when invoices are issued and revenue is recognised. Invoices are usually payable within 30 days. No discounts, loyalty points and return of goods are provided for these goods.	Revenue is recognised at a point in time when the goods were shipped from the Group's warehouse under a goods release note, according to the terms of the contract.

6 Cost of sales

'000 KZT	Note	2019
Construction and assembly works		134,890,015
Raw materials and supplies		126,485,119
Wages and salaries, and related taxes		15,721,708
Vehicles and machinery services		14,751,872
Designing services		9,997,501
Depreciation and amortisation		5,103,149
Utilities		2,700,775
Outsourcing services		2,218,990
Significant financing component of the facilities sold		1,927,275
Rent		1,614,690
Warranties	28	1,494,244
Repair and maintenance		1,469,297
Security services		1,009,675
Bank commission on bank guarantees under the construction contracts		617,713
Consulting services		478,118
Engineering services		366,397
Insurance		342,402
Taxes and payments to the budget		358,872
Owner's fee for management of hotel ownership share		343,469
Interest on bank loans		301,024
Charge of allowance for onerous contracts	23	172,088
Other		8,625,272
Total production costs		**330,989,665**
Changes in finished goods	17	2,374,771
Changes in work in progress	17	(41,358,728)
Capitalised within construction-in-progress	11, 12	(2,799,858)
Total cost of sales		**289,205,850**

In the following table, cost of sales is disaggregated by primary service lines.

'000 KZT	2019
Cost of sales by service lines	
Cost of sales of residential property	124,247,638
Cost of provision of industrial and civil facilities construction services	77,495,747
Cost of provision of road and infrastructure construction services	72,964,778
Cost of sales of commercial real estate	4,667,381
Cost of investment property lease	2,234,470
Cost of sales of building materials	2,041,859
Cost of provision of hotel trust management services	1,428,938
Other	4,125,039
	289,205,850

7 Income and expenses

(a) Other income

'000 KZT	2019
Income from reimbursement of expenses	1,061,025
Gain on disposal of assets	511,361
Gain on payables write-down	311,839
Income from non-core services	233,283
Gain from litigations	217,884
Fines and penalties receivable	213,757
Other	2,030,879
	4,580,028

(b) Selling expenses

'000 KZT	Note	2019
Advertising costs		2,387,333
Wages, salaries and related taxes		470,173
Depreciation and amortisation	11	4,275
Other		83,357
		2,945,138

(c) Administrative expenses

'000 KZT	Note	2019
Wages, salaries and related taxes		12,836,991
Fines and penalties		2,826,829
Professional services		2,688,084
Sponsorship and charity		2,340,400
Business travel expenses		1,362,608
Depreciation and amortisation	11	1,353,877
Rent		1,316,111
Taxes and payments to the budget		1,091,909
Banking services		1,055,735
Materials		1,011,097
Consulting services		994,182
Third party services		854,586
Repair and maintenance		771,594
Provision for doubtful debts	16	546,195
Training expenses		535,536
Insurance		452,238
Other		1,906,095
		33,944,067

(d) Other expenses

'000 KZT	Note	2019
Loss on disposal of assets		861,291
Reimbursable expenses		816,869
Warranty expenses after warranty expiration date		791,641
Impairment loss on non-current assets		261,093
Expenses on disposal of investments		135,370
Depreciation and amortisation	11	102,230
Other		3,446,473
		6,414,967

8 Impairment loss on financial assets

'000 KZT	Note	2019
Loans issued	15	279,468
Bank deposits	18	75,599
Cash and cash equivalents	19	49,953
Contract assets	5	(253,964)
Trade and other receivables	14	(2,302,762)
Other assets		(214,270)
		(2,365,976)

9 Net finance costs

'000 KZT	Note	2019
Interest income on bank deposits		4,649,236
Effect of reversal of a significant financing component		1,855,047
Unwinding of discount on long-term receivables		324,681
Other		367,252
Finance income		**7,196,216**
Interest expense on loans received	23	(4,850,306)
Unwinding of discount on guarantee retentions	27	(1,176,691)
Bank commissions		(578,934)
Unwinding of discount on lease liability	26	(542,365)
Unwinding of discount on loans received	23	(477,969)
Foreign exchange loss, net		(32,200)
Other		(469,816)
Finance costs		**(8,128,281)**
Net finance costs recognised in profit or loss		**(932,065)**

10 Income tax expense

(a) Amounts recognised in profit or loss

The Group's applicable tax rate is the income tax rate of 20% for Kazakhstani companies.

'000 KZT	2019
Current income tax	
Current year, including prior years adjustments	4,650,960
Deferred income tax	
Origination and reversal of temporary differences	(1,102,119)
Total income tax expense	**3,548,841**

Reconciliation of effective tax rate:

	2019	
	'000 KZT	**%**
Profit before income tax	**14,226,113**	**100.0**
Income tax at the applicable tax rate	2,845,223	20.0
Tax effect of permanent differences:		
Results of operations of the companies operating in the Special Economic Zone	(3,586,003)	(25.2)
Change in unrecognised tax assets	1,402,928	9.9
Adjustments of current income tax for prior years	1,090,167	7.7
Adjustments of deferred income tax for prior years	166,896	1.2
Effect of eliminations	149,914	1.1
Non-deductible expenses	1,479,716	10.4
	3,548,841	**25.1**

(a) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
'000 KZT	**31 December 2019**	**1 January 2019**	**31 December 2019**	**1 January 2019**	**31 December 2019**	**1 January 2019**
Property, plant and equipment, investment property and intangible assets	-	-	(878,770)	(678,990)	(878,770)	(678,990)
Contract assets	-	-	(4,941,531)	(2,035,136)	(4,941,531)	(2,035,136)
Trade and other receivables	1,706,374	1,406,052	-	-	1,706,374	1,406,052
Loans issued	10,248	20,630	-	-	10,248	20,630
Deductions for Velesstroy shift camp (Note 11(e))	1,819,451	519,845	-	-	1,819,451	519,845
Loans and borrowings	-	-	(739,117)	(839,224)	(739,117)	(839,224)
Other current liabilities	459,490	94,017	-	-	459,490	94,017
Contract liabilities	-	-	(188,236)	(93,412)	(188,236)	(93,412)
Lease liabilities	10,294	15,099	-	-	10,294	15,099
Provisions	2,511,763	2,764,324	-	-	2,511,763	2,764,324
Tax loss carry-forwards	4,062,056	1,556,698	-	-	4,062,056	1,556,698
Net tax assets/(liabilities)	**10,579,676**	**6,376,665**	**(6,747,654)**	**(3,646,762)**	**3,832,022**	**2,729,903**

'000 KZT	**31 December 2019**	**1 January 2019**
Deferred tax assets	6,622,370	4,205,658
Deferred tax liabilities	(2,790,348)	(1,475,755)
Net tax assets/(liabilities)	**3,832,022**	**2,729,903**

(b) Change in deferred tax balance

'000 KZT	**1 January 2019**	**Recognised in profit or loss**	**31 December 2019**
Property, plant and equipment, investment property and intangible assets	(678,990)	(199,780)	(878,770)
Contract assets	(2,035,136)	(2,906,395)	(4,941,531)
Trade and other receivables	1,406,052	300,322	1,706,374
Loans issued	20,630	(10,382)	10,248
Deductions for Velesstroy shift camp (Note 11(e))	519,845	1,299,606	1,819,451
Loans and borrowings	(839,224)	100,107	(739,117)
Other current liabilities	94,017	365,473	459,490
Contract liabilities	(93,412)	(94,824)	(188,236)
Lease liabilities	15,099	(4,805)	10,294
Provisions	2,764,324	(252,561)	2,511,763
Tax loss carry-forwards	1,556,698	2,505,359	4,062,056
	2,729,903	**1,102,120**	**3,832,022**

As at 31 December 2019 and 1 January 2019, the Group did not recognise deferred tax assets of KZT 2,769,911 thousand and KZT 1,366,983 thousand, respectively, for accumulated tax losses due to the fact that it is not probable that future taxable profits will be available against which the Group could utilise the benefits therefrom. The tax losses expire within 10 years from their origination.

11 Property, plant and equipment

'000 KZT	**Land**	**Buildings and constructions**	**Machinery and equipment**	**Vehicles**	**Other**	**Construction-in-progress**	**Total**
Cost							
Balance at 1 January 2019	6,108,807	17,580,932	15,537,112	10,012,893	7,283,103	1,181,351	57,704,198
Additions	146,645	7,553,944	2,141,239	588,862	800,507	531,985	11,763,182
Disposals	(145,264)	(633,234)	(938,930)	(1,282,887)	(924,142)	(6,259)	(3,930,716)
Transfer from inventories	-	101,789	1,425	-	7,053,697	600,069	7,756,980
Transfer to investment property	(3,079)	(90,340)	-	-	-	-	(93,419)
Sale of Velesstroy shift camp	-	-	-	-	(8,084,358)	-	(8,084,358)
Capitalised production costs (Note 6)	-	-	-	-	-	2,486,024	2,486,024
Internal transfer	-	145,689	342,722	22,401	1,244,150	(1,754,962)	-
Balance at 31 December 2019	**6,107,109**	**24,658,780**	**17,083,568**	**9,341,269**	**7,372,957**	**3,038,208**	**67,601,891**
Accumulated depreciation and impairment							
Balance at 1 January 2019	(115,407)	(9,202,141)	(7,505,089)	(5,053,345)	(2,146,022)	-	(24,022,004)
Depreciation for the year	-	(1,174,079)	(1,742,523)	(1,860,610)	(1,122,465)	-	(5,899,677)
Disposals	-	293,918	578,553	1,117,642	494,249	-	2,484,362
Transfer to investment property	-	(7,947)	-	-	-	-	(7,947)
Balance at 31 December 2019	**(115,407)**	**(10,090,249)**	**(8,669,059)**	**(5,796,313)**	**(2,774,238)**	**-**	**(27,445,266)**
Carrying amount							
At 1 January 2019	**5,993,400**	**8,378,791**	**8,032,023**	**4,959,548**	**5,137,081**	**1,181,351**	**33,682,194**
At 31 December 2019	**5,991,702**	**14,568,531**	**8,414,509**	**3,544,956**	**4,598,719**	**3,038,208**	**40,156,625**

(a) Depreciation and amortisation

Depreciation expenses on property, plant and equipment, investment property and intangible assets of KZT 5,103,805 thousand have been charged to cost of sales, KZT 4,275 thousand have been charged to selling expenses, KZT 1,353,877 thousand - to administrative expenses and KZT 102,230 thousand - to other expenses.

(b) Collaterals

As at 31 December 2019 property, plant and equipment with a carrying amount of KZT 10,337,214 thousand (1 January 2019: KZT 3,748,610 thousand) were subject to a registered debenture to secure bank loans (Note 23).

(c) Fully depreciated property, plant and equipment

As at 31 December 2019 property, plant and equipment in service with fully depreciated cost amounted to KZT 5,951,674 thousand (1 January 2019: KZT 6,685,273 thousand).

(c) Leased property, plant and equipment

The Group leases production equipment and vehicles under a number of lease agreements. Lease liabilities are secured by leased equipment and vehicles. Certain leases provide the Group with the option to purchase the respective machinery and equipment and vehicles at the prices much lower than their estimated fair value.

As at 31 December 2019 the net carrying amount of leased equipment and vehicles was KZT 4,651,788 thousand (1 January 2019: KZT 5,972,698 thousand).

During 2019, the Group purchased equipment and vehicles for KZT 577,652 thousand under lease contracts.

(d) Construction of Velesstroy shift camp

In 2018, the Group concluded a preliminary lease agreement for Velesstroy shift camp. In 2018-2019, the Group was involved in construction of the shift camp. During 2019, on the initiative of Velesstroy LLP, the Group concluded a lease agreement with the option of the subsequent purchase of the shift camp in 2020. Based on the fact that construction of Velesstroy shift camp was carried out for Velesstroy LLP, sale of Velesstroy shift camp was recognised in revenue as construction services. Therefore, the whole transaction was reclassified from lease to construction services, and additions from materials related to shift camp construction were recorded as operating activities in cash flows.

12 Investment property

(a) Reconciliation of carrying amount

'000 KZT	**Land**	**Buildings and constructions**	**Construction-in-progress**	**Total**
Cost				
Balance at 1 January 2019	7,263,028	3,757,235	-	11,020,263
Additions	1,908,881	6,018,301	-	7,927,182
Disposals	(924,873)	(123,557)	-	(1,048,430)
Transfer from inventories	-	566,115	-	566,115
Capitalised production costs (Note 6)	-	-	313,834	313,834
Transfer from property, plant and equipment	3,079	90,340	-	93,419
Balance at 31 December	**8,250,115**	**10,308,434**	**313,834**	**18,872,383**
Accumulated depreciation and impairment				
Balance at 1 January 2019	-	(511,596)	-	(511,596)
Depreciation for the year	-	(217,021)	-	(217,021)
Disposals	-	8,487	-	8,487
Transfer from property, plant and equipment	-	7,947	-	7,947
Impairment loss for the year	-	(261,093)	-	(261,093)
Balance at 31 December	**-**	**(973,276)**	**-**	**(973,276)**
Carrying amount				
At 1 January 2019	**7,263,028**	**3,245,639**	**-**	**10,508,667**
At 31 December 2019	**8,250,115**	**9,335,158**	**313,834**	**17,899,107**

Investment property includes a number of commercial real estate items leased to third parties and land plots without any plans for their further use.

As at 31 December 2019 non-residential premises with land plots with a carrying amount of KZT 7,691,402 thousand (1 January 2019: KZT 1,642,010 thousand) were provided as collateral to secure certain loans of the Group (Note 23).

Land plots

Investment property represented by land plots comprise mostly land plots held by the Group to generate income from long-term increment in value as well as from their use in the future, the purpose of which has not been defined yet.

As at 31 December 2019 land plots for the amount of KZT 573,863 thousand were provided as collateral to secure certain loans of the Group (Note 23).

(a) Fair value measurement

Investment property includes business centres, a shopping centre and land plots. The fair value of investment property was determined by external independent property valuers, having appropriate recognised professional qualifications. The independent valuers provide the fair value of the Group's investment property portfolio each year.

The comparative analysis provides for the following consistent actions:

- Conduct detailed market research to obtain reliable information on all factors related to properties;
- Identify suitable units of analysis that significantly affect the value of property in question and conduct a comparative analysis for each unit;
- Compare the property under examination with selected units of analysis with a view to adjust their selling prices or delete them from the list of comparable units;
- Bring a number of indicators for comparable items values in line with one value or a range of market values of the item under examination by adjusting selling prices of the unit of analysis.

These adjustments are the most significant unobservable factors. Significant adjustments include an adjustment for bargain and real estate services of -5/7%, year of construction within +3/4%, property/land plot area up to +/-7% and a right of ownership for land plot up to +5%.

Fair value was determined based on selling market prices adjusted for bargain upon conclusion of transactions and differences in size and location. It was determined that the fair value ranges from KZT 17,899,107 thousand to KZT 21,039,083 thousand.

Estimations and critical judgements involved in the determination of fair value

- The investment property market is not transparent in Kazakhstan and, as a result, comparable market transactions are infrequent and often not disclosed;
- In determining market prices for comparable real estate properties, valuers used prices of sale offers, rather than of actual sale transactions, which therefore requires the application of substantial judgements in order to evaluate the necessary adjustments related to the Group's market position;
- Comparable items used by valuers are not always identical to the Group's real estate properties and, therefore, it is necessary to use significant critical judgements to determine the size and amount of adjustments required to determine the value of a comparable item; and.
- The contraction of the construction market in Kazakhstan increased the level of fair value uncertainty even further.

The fair value measurement for investment property has been categorised as a Level 3 fair value hierarchy based on the inputs to the valuation technique used (Note 4).

13 Equity accounted investees

'000 KZT	**31 December 2019**	**1 January 2019**
SemArco LLP	2,426,764	-
JV "Nazarov Rakhimbayev Group" LLC	95,662	-
Private company Parametrica Ltd.	1	-
	2,522,427	**-**

On 1 July 2019 the Group acquired a share in SemArco LLP by purchasing a 50% interest in this company. The Group recognises this share as investment in associate as it has only significant influence.

The following table analyses, in aggregate, the carrying amount and share of profit and OCI of these associates.

'000 KZT	**31 December 2019**	**1 January 2019**
Carrying amount of interests in associates	1,509,929	-
The Group's share in net profit	1,012,498	-
	2,522,427	**-**

The compensation to purchase a share in SemArco LLP amounted to USD 3,655,000 (equivalent of KZT 1,414,266 thousand) and payable in October 2020. The debt is not repaid as at the date of preparation of these combined financial statements.

The following table summarises financial information of SemArco LLP not adjusted to reflect the Group's interest:

'000 KZT	**Cost at the acquisition date**
Non-current assets	12,567,831
Current assets	13,140,576
Non-current liabilities	(5)
Current liabilities	(22,879,870)
Total identifiable net assets	**2,828,532**

Current liabilities of SemArco LLP exceed its current assets at the acquisition date mainly due to dividends payable and trade payables to the Parent Company. Management of SemArco LLP believes that these circumstances will not have a material impact on the Company's ability to continue as a going concern.

Acquisition-related costs of KZT 50,924 thousand incurred by the Group relate to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in administrative expenses in the Group's combined statement of profit or loss.

14 Trade and other receivables

'000 KZT	**Note**	**31 December 2019**	**1 January 2019**
Other receivables from related parties	33	27,925,240	34,121,942
Trade receivables from third parties		26,937,306	20,685,407
Trade receivables from related parties	33	11,649,508	17,102,947
Other receivables from third parties		10,267,710	9,634,869
Guarantee retention assets		5,217,359	9,476,640
Due from employees		1,461,808	2,000,366
		83,458,931	**93,022,171**
Less: allowance for expected credit losses		(17,916,596)	(15,742,052)
		65,542,335	**77,280,119**
Current portion		63,619,063	73,106,702
Non-current portion		1,923,272	4,173,417
		65,542,335	**77,280,119**

Movements in allowance for expected credit losses

'000 KZT	**2019**
At 1 January	(15,742,052)
Recovered / (charged)	(2,302,762)
Transfer to allowance for impairment of advances paid	81,029
Utilised	47,189
At 31 December	**(17,916,596)**

The Group's exposure to credit and currency risks is disclosed in Note 30.

15 Loans issued

'000 KZT	Note	31 December 2019	1 January 2019
Interest-free financial aid to related parties	33	55,233,911	37,006,007
Non-interest bearing loans to employees		9,059,838	10,277,444
Non-interest bearing loans to third parties		873,598	927,082
		65,167,347	**48,210,533**
Less: allowance for expected credit losses		(2,836,131)	(2,987,769)
		62,331,216	**45,222,764**
Current portion		61,428,861	45,160,849
Non-current portion		902,355	61,915
		62,331,216	**45,222,764**

Movements in the allowance

'000 KZT	2019
At 1 January	(2,987,769)
Reversal / (charge)	279,468
Transfer from allowance for impairment of advances paid	(127,830)
At 31 December	**(2,836,131)**

In 2019, the Group issued non-interest bearing loans of KZT 95,793,560 thousand and received cash of KZT 90,096,857 thousand for repayment of previously issued loans.

The current portion of issued loans must be returned by the borrowers within 5 (five) days from the date of the written request of the Group in accordance with the terms of loan agreements. Non-interest bearing financial aid to related parties is mainly related to historical loans issued prior to restructuring and formation of the Group's legal structure. In addition, about 70% of the loans were repaid after the reporting date. In future, after restructuring completion, the Group expects that it repays the remaining debt in full.

In 2019, as ordered by the founders, the Group granted for free financial aid to the related party in the amount of KZT 1,035,150 thousand. This transaction was recognised directly in equity as other distributions to owners.

The Group's exposure to credit and currency risks is disclosed in Note 30.

16 Advances paid

'000 KZT	Note	31 December 2019	1 January 2019
Advances paid to third parties for goods and services		25,584,430	28,363,029
Advances paid to related parties for goods and services	33	8,562,792	8,781,418
Deferred expenses		788,432	905,045
Less: provision for doubtful advances paid		(1,633,816)	(1,852,396)
		33,301,838	**36,197,096**
Current portion		30,528,386	21,966,706
Non-current portion		2,773,452	14,230,390
		33,301,838	**36,197,096**

Movements in allowance for expected credit losses

'000 KZT	2019
At 1 January	(1,852,396)
(Charge) / reversal	(546,195)
Assets written off during the year as uncollectible	717,974
Transfer to allowance for impairment of loans issued	127,830
Transfer from allowance for impairment of trade and other receivables	(81,029)
At 31 December	**(1,633,816)**

17 Inventories

'000 KZT	31 December 2019	1 January 2019
Construction-in-progress/work-in-progress	126,245,321	84,886,593
Land plots	49,986,189	40,603,094
Raw material and supplies	44,294,882	23,399,411
Significant financing component	8,469,894	1,121,607
Finished goods	6,280,374	8,655,145
Goods for sale	1,958,030	4,700,614
Allowance for slow-moving inventories	(191,326)	(148,391)
	237,043,364	**163,218,073**

As at 31 December 2019 real estate assets, in progress and completed, were written down to net realisable value in the amount of KZT 2,241,428 thousand (1 January 2019: KZT 3,691,378 thousand).

The Group expects that as at 31 December 2019 the construction on the land plots with carrying amount of KZT 47,193,521 thousand (1 January 2019: KZT 4,915,933 thousand) will start and be completed in more than 12 months.

As at 31 December 2019 land plots and construction in progress for the amount of KZT 21,818,321 thousand were provided as collateral to secure certain loans of the Group (Note 23).

In 2019, the Group capitalised interest on loans as part of real estate assets in progress and land plots for the total amount of KZT 1,501,078 thousand (Note 23).

18 Bank deposits

'000 KZT	31 December 2019	1 January 2019
Short-term deposits	28,302,380	22,781,605
Long-term deposits	14,860,259	13,201,004
Restricted long-term deposits	8,422,524	4,171,384
Restricted short-term deposits	2,754,305	2,334,142
Interest receivable	62,711	1,275
Less: allowance for expected credit losses	(394,226)	(469,825)
	54,007,953	**42,019,585**
Current portion	30,943,049	25,100,956
Non-current portion	23,064,904	16,918,629
	54,007,953	**42,019,585**

Movements in allowance for expected credit losses

'000 KZT	2019
At 1 January	(469,825)
Reversal / (charge)	75,599
At 31 December	**(394,226)**

As at 31 December 2019 and 1 January 2019 bank deposits in KZT comprise mainly deposits placed with Halyk Bank of Kazakhstan JSC, Sberbank JSC, ATF Bank JSC and Bank CenterCredit JSC for a term from 3 (three) months to 2 (two) years and bearing the average-weighted interest rates of 6.5%-10%.

As at 31 December 2019 and 1 January 2019 bank deposits in USD comprise mainly deposits placed with Sberbank JSC and ATF Bank JSC for a term from 3 (three) months to 1 (one) year and bearing the average-weighted interest rates of 0.03%-2%, respectively.

Restricted deposits in the amount of KZT 7,395,213 thousand (1 Janruary 2019: KZT 3,883,690 thousand) are deposits with the interest rate of 7% to 12%, placed as security for guarantees issued by the relevant banks on the performance of obligations to provide services to clients under construction projects. The security is represented by amounts of 3% - 5% of the amount of the construction contract.

In addition, restricted deposits represent collateral for loans received, see Note 23.

The Group's exposure to credit and currency risks is disclosed in Note 30.

19 Cash and cash equivalents

'000 KZT	**31 December 2019**	**1 January 2019**
Cash on current bank accounts	35,657,646	21,146,223
Cash on savings accounts for a term of up to 3 months	1,808,238	-
Cash on hand	104,254	39,766
Cash in transit	1,500	10,943
Less: allowance for expected credit losses	(19,841)	(69,794)
	37,551,797	**21,127,138**

Movements in allowance for expected credit losses

'000 KZT	**2019**
At 1 January	(69,794)
Reversal / (charge)	49,953
At 31 December	**(19,841)**

The Group's exposure to credit and currency risks is disclosed in Note 30.

20 Other assets

As at 31 December 2019, the largest portion of other assets represents VAT recoverable of KZT 7,835,336 thousand (1 January 2019: KZT 3,203,952 thousand).

21 Equity

(a) Charter capital

'000 KZT	**2019**
At 1 January	8,375,073
Increase in charter capital	1,176,171
Decrease in charter capital	(52,676)
Acquisition of an entity under common control	(3,609,967)
At 31 December	**5,888,601**

Acquisitions of entities under common control represent transactions as part of restructuring to buy out the Group's interests in entities, which are included in these combined financial statements. No amounts were paid under these transactions as at the reporting date.

(b) Dividends

In 2019, the companies included in BI-Development declared dividends of KZT 4,631,579 thousand based on the performance results for 2018 and 10 months of 2019, of which KZT 2,631,579 were paid during the year.

In 2019, other companies of the Group declared dividends in the amount of KZT 9,123,000 thousand based on the performance results for 2018, of which KZT 8,066,672 were paid during the year.

(c) Other transactions with the owners of the Group

In 2019, the related party of the Group forgave the debt of KZT 3,299,873 thousand on financial aid received from the related party. This transaction was recognised directly in equity as other transactions with owners.

22 Capital management

The Group has no formal policy for capital management, but management seeks to maintain a sufficient capital base for meeting the Group's operational and strategic needs, and to maintain confidence of market participants. This is achieved with efficient cash management, constant monitoring of Group's revenues and profit, and long-term investment plans mainly financed by the Group's operating cash flows. With these measures the Group aims for steady profits growth.

The Group is not subject to any externally imposed capital requirements.

23 Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see Note 30.

'000 KZT	Note	31 December 2019	1 January 2019
Secured bank loans		64,190,526	51,304,963
Financial aid from related parties	33	36,313,002	49,250,740
Loans from third parties		7,016,204	5,304,139
Unsecured bank loans		1,183,600	941,725
Interest payable		1,764,019	1,091,997
		110,467,351	**107,893,564**
Current portion		57,835,497	71,340,243
Non-current portion		52,631,854	36,553,321
		110,467,351	**107,893,564**

Terms and debt repayment schedule

Terms and repayment schedule of outstanding loans were as follows:

				Carrying amount	
'000 KZT	**Currency**	**Nominal interest rate**	**Year of maturity**	**31 December 2019**	**1 January 2019**
Related parties	KZT	0%	On demand	36,313,002	49,250,740
Halyk Bank of Kazakhstan JSC	KZT	0.1%-10%	2021-2031	22,132,405	19,577,096
ATF Bank JSC	KZT	7%-15.5%	2020-2031	22,094,732	15,369,534
Development Bank of Kazakhstan JSC	KZT	13%-13.23%	2030	7,586,814	-
Development Bank of Kazakhstan JSC	KZT	13.23%	On demand	-	7,471,050
SB Sberbank JSC	KZT	14-14.1%	2020-2022	6,243,731	-
SB Sberbank JSC	KZT	14%	On demand	5,510,694	-
CenterCredit Bank JSC	KZT	14.0%	2020	2,691,765	362,222
SB Alfa-Bank JSC	KZT	16%	2020	523,802	-
Credit Swiss AG	EUR	3.5%	2022	354,201	486,219
Ammann Schweiz AG	EUR	3.32%	2021	305,597	455,506
First Heartland Jysan Bank JSC	KZT	14%-15.5%	2019	-	7,791,269
ASIACREDIT BANK JSC	KZT	14%	2019	-	1,381,295
Eurasian Bank JSC	KZT	14.8%	2019	-	900,000
Other lenders	KZT	0%-45%	On demand / 2021	6,710,608	4,848,633
				110,467,351	**107,893,564**

Reconciliation of financial liabilities with cash flows from financing activities:

'000 KZT	**2019**
At 1 January	107,893,564
Loans received	137,461,978
Payment of principal	(127,351,126)
Interest charged	6,652,408
Payment of loans interest	(5,966,995)
Offset against loans issued	(3,113,244)
Offset against trade and other receivables	(4,307,071)
Other non-cash operations	(1,114,717)
Unwinding of discount	477,969
Foreign exchange difference	(165,415)
At 31 December	**110,467,351**

Halyk Bank of Kazakhstan JSC

In July 2018, in accordance with the decision of the ultimate controlling party, the Group signed an agreement on debt acceptance to Halyk Bank of Kazakhstan JSC from the following related entities: KazNiobiy IKHMZ LLP - KZT 1,256 mln, Astana Light House Company LLP - KZT 878 mln, BI-Pervomai LLP - KZT 1,526 mln, BI-Resources LLP - KZT 3,955 mln, Private Development Company LLP - KZT 232 mln. The total amount of transferred debt was KZT 7,850 mln. Annual interest rate under the contract is 0.1%, interest is paid each quarter with a grace period on principal – the first 12 months. Loan and interest are payable in July 2031. As at 31 December 2019, the principal due and payable was KZT 7,531 mln. (1 January 2019: KZT 7,850 mln.).

The Group has assessed the terms of the loan and concluded that the rate of 0.1% is below the market rate. Therefore, the Group has recognised a discount on the loan. The debt instrument was recognised at fair value inclusive of discount at a market rate for similar borrowings equalling 12%. Unwinding of discount in 2019 amounted to KZT 477,969 thousand.

During 2018-2019, the Group received loans at the interest rates varying from 10% to 12% p.a. and maturing within 24-60 months to purchase land plots and finance construction and assembly works at facilities located in Almaty.

The guarantee from related parties for the total amount of KZT 3,286,912 thousand was provided as security, as well as the Group's land plots with the carrying amount of KZT 10,937,511 thousand.

In November 2016, the Group signed an agreement on assumption of debt obligation of BI-Resources LLP, the related party, to Kazkommertsbank JSC under the Accessory Contract of 23 May 2007 in the amount of KZT 3,500,000 thousand at the rate of 16%. Loan and interest are repayable in March 2026. As at 31 December 2019, the amount due and payable was KZT 2,454,992 thousand (1 January 2019: KZT 2,720,870 thousand).

In November 2015, the Group received a loan from Kazkommertsbank JSC for KZT 961 mln. at the rate of 9.6% and maturing within 9 years under the Accessory Contract through a structural transfer of part of the debt of KazNiobiy IKHMZ LLP, a related party. In December 2015, the Group received a loan from Kazkommertsbank JSC for KZT 1.7 bln at the rate of 9.6% and maturing within 9 years under the Accessory Contract through a structural transfer of part of the debt of KazNiobiy IKHMZ LLP. The Group's commercial properties with land plots with a carrying amount of KZT 1,740,046 thousand (1 January 2019: KZT 1,822,129 thousand) were provided as security.

ATF Bank JSC

In 2019 the Group refinanced the loan bearing the interest rate of 14% and maturing in 2021 that was received earlier from AsiaCredit Bank JSC to finance construction and assembly works and acquire land. The Group's land plots with the carrying amount of KZT 2,375,966 thousand were pledged as collateral.

In July 2019, the credit line was opened to finance construction and assembly works and purchase equipment for the first industrial modular house-building factory ModeX with a fine finish in Kazakhstan. In accordance with the State Program for Business Support and Development "Business Road Map 2020" a subsidy agreement was concluded between the Bank, Damu Entrepreneurship Development Fund JSC and the Group. Interest rate of 14% is subject to subsidies under the agreement, in addition the portion of interest rate of 8% shall be paid by Damu Entrepreneurship Development Fund JSC.

The guarantee from related parties for the total amount of KZT 6,227,364 thousand was provided to secure the credit line under ModeX project, as well as the related parties' real estate, land plots and cash totalling to KZT 4,988,380 thousand.

During 2019, the Group capitalised interest expenses of KZT 69,041 thousand within construction-in-progress.

On 25 December 2018, the Group received a loan of KZT 6.8 bln. at the rate of 6.5% and maturing on 24 December 2031 for a purchase of B11 Business Centre with a land plot located at: 17M, E-10 Str., Nur-Sultan. The loan is repaid with equal instalments. The following has been provided as collateral:

- cash deposit of USD 8.6 mln.;
- non-residential premises with a total area of 10,541.6 sq.m. with a share of 0.2761 ha in a land plot with a total area of 5.5071 ha (cadastral number 21-320-135-3324), located at: 17M, E-10 Str., Nur-Sultan, with a carrying amount of KZT 6,835,441 thousand;
- joint guarantee of Arman Kala 21 Century LLP according to the guarantee contract.

On 28 December 2018, the Group received a loan of KZT 6.7 bln. at the rate of 6.5% and maturing on 27 December 2031 for a purchase of real estate with a land plot located at: 17B, E-10 Str., Nur-Sultan. The following has been provided as collateral:

- the depositor's rights for a bank deposit and cash of USD 10.2 mln. pledged as collateral;
- non-residential premises with a total area of 20,579.3 sq. m. located at: 17 B, E 10 Str., Nur-Sultan, with a carrying amount of KZT 5,970,231 thousand;
- full joint guarantee of Business Centre Turan LLP according to the guarantee contract;
- full joint guarantee of Expo Village LLP.

Development Bank of Kazakhstan JSC

On 25 July 2017 and 29 November 2017, the Group received loans for the total amount of KZT 7,000,000 thousand under bank loan agreements No. 150-2/05 and No. 249-2/05, respectively, as part of credit line No. 36-CM-2/05 received from Development Bank of Kazakhstan JSC (the "Bank"). The purpose of the loans is to finance the construction of the hotel complex. The loans bear annual interest rates of 13.23% and 13%, respectively, and mature in July 2030.

The grace period on principal under credit line No. 36-CM-2/05 has been established from the date of loan receipt until 14 January 2020, and for interest payment - until 14 January 2018. Therefore, during 2017-2019 the Group did not repay its principal under these loan agreements.

As at 31 December 2019, the loans of the Group were secured by the following assets:

- 30.7% share in real estate of hotel complex with a carrying amount of KZT 2,178,437 thousand (31 December 2018: KZT 2,266,664 thousand);
- 100% share in the charter capital of Shanyrak Platinum LLP;
- the guarantee issued by National Company "QazExpoCongress" JSC in favour of the Bank, pursuant to which the funds on the guarantor's escrow account will be used to repay the loan on behalf of Shanyrak Platinum LLP if the company fails to meet its obligations.

SB Sberbank JSC

The Group opened two revolving credit lines with a total limit of KZT 7,000,000 thousand at the interest rates varying from 13.75% to 14.5%. The maturity date of the tranches is 12 months.

On 10 July 2019, the Group opened a non-revolving credit line for KZT 5.5 bln. at the rate of 14% and maturing before 31 December 2026 for construction of Aura Block A Business Centre, located at: intersection area of Orynbor Str. and 28 Str., Nur-Sultan. Repayment of the loan under the agreement begins in 2020. Construction in progress of the Aura Business Centre (Block A, Phase 2) with adjacent land plots located at 53A and 57 sections, Mangilik El Str., Yessil district, Nur-Sultan, with a total carrying amount of KZT 5,624,390 thousand was provided as collateral.

During 2019, the Group capitalised interest expenses of KZT 231,983 thousand within construction-in-progress.

Bank CenterCredit JSC

The Group received loans maturing within 24 months to purchase land plots and finance construction and assembly works. The guarantee from related parties for the total amount of KZT 100,000 thousand was provided as security, as well as the Group's land plots with the carrying amount of KZT 3,454,317 thousand.

SB Alfa-Bank JSC

On 18 March 2019 the Group opened a credit line with DB Alfa-Bank JSC to replenish the working capital at the rate of 16% and maturing on 20 March 2020, and the total amount of tranches received was KZT 2.8 bln.

First Heartland Jysan Bank JSC

In January 2018, the Group signed a general facility agreement with First Heartland Jysan Bank JSC to open a credit line totalling KZT 2 bln. to replenish the working capital. The annual interest rate on the credit line is 15%, interest is paid each month. Under the terms of the agreement, the credit line availability period is until 1 May 2018.

In 2018, the Group concluded an agreement with First Heartland Jysan Bank JSC to receive loans for the total amount of KZT 3,231,469 thousand maturing in October 2018 and March 2019. The interest rate on loans varies from 14% to 15%.

On 19 October 2017, the Group signed the general agreement with Tsesnabank JSC for opening a revolving credit line for the total amount of KZT 9,000,000 thousand and a non-revolving credit line for the total amount of KZT 3,000,000 thousand to refinance credit lines opened in SB Sberbank of Russia JSC. The Group provided property and cash placed on a conventional bank account in the amount of KZT 4,500,000 thousand to secure this credit line.

On 23 October 2017, the Group signed a general facility agreement with Tsesnabank JSC to open a credit line for the total amount of KZT 4,400,000 thousand to replenish the working capital. The credit line interest rate was 15.5%, and interest was paid each month.

In accordance with the repayment schedule, during 2018-2019 the Group repaid principal and interest in full on all credit lines from First Heartland Jysan Bank JSC.

As at 1 January 2019, property, plant and equipment of the Group with a carrying amount of KZT 869,102 thousand was provided as collateral.

Amman Schweiz AG

In April 2017 the Group purchased an asphalt mixing plant from Amman Schweiz AG, a Swiss-based company, for EUR 1.685 thousand. The interest rate on loan is 3.32% and the loan term is 4 years. Payments of principal and interest are made on a semi-annual basis.

Non-interest bearing financial aid from related parties

Non-interest bearing financial aid from related parties is mainly related to financing the construction of the Group's facilities. In accordance with the terms of the loan agreements, borrowers shall repay the amounts due within 5 (five) days of the lender's written request.

Other lenders

Other lenders are mainly represented by investment agreements with third parties for construction of real estate. As part of these agreements, the Group is obliged to pay a certain percentage of net profit after the sale of these properties. Due to insignificance of the balances on these loans, the Group did not recognise a discount on the loans.

Breach of loan covenant

With respect to another loan from Sberbank JSC amounting to KZT 5.5 bln. at 31 December 2019, BI Business LLP has breached a loan covenant relating to the equity ratio (i.e. equity/EBITDA ratio). As a result, the lender can impose penalties and request repayment on demand and Group has classified the loan as short-term borrowings. On 18 August 2020, a letter was received from SB Sberbank JSC stating that it will not demand early repayment of debt and will not impose penalties and forfeits on the Group for non-compliance with the financial covenant.

As at 1 January 2019, the Group had breached the requirement (covenant) for the ratio of the loan coverage ratio to Development Bank of Kazakhstan JSC. Therefore, the bank had a right to demand immediate repayment and the Group classified the loans of KZT 7,471,050 thousand as short-term borrowings. As at 31 December 2019, the Group had received an official letter from the bank in which the Company's non-compliance with the covenant at 31 December 2019 is not viewed by the bank as event of default. The Bank has also amended the deadline for compliance with this covenant to 2021.

24 Trade and other payables

'000 KZT	**Note**	**31 December 2019**	**1 January 2019**
Trade payables to third parties		47,132,677	37,454,266
Trade payables to related parties	33	22,354,163	30,001,836
Payables to employees		912,090	1,230,297
Other payables		1,445,913	424,114
		71,844,843	**69,110,513**
Current portion		71,381,914	66,185,955
Non-current portion		462,929	2,924,558
		71,844,843	**69,110,513**

The Group's exposure to currency risk, liquidity risk related to trade and other payables is disclosed in Note 30.

25 Contract liabilities and advances received

'000 KZT	**Note**	**31 December 2019**	**1 January 2019**
Advances received from third parties		251,623,402	119,760,157
Advances received from related parties	33	716,830	12,099,560
		252,340,232	**131,859,717**
Current portion		252,090,302	131,859,717
Non-current portion		249,930	-
		252,340,232	**131,859,717**

Contract liabilities relate to prepayments received from customers for construction of facilities for which revenue is recognised at the time, and for provision of construction services for which revenue is recognised over time.

As at 31 December and 1 January 2019, contract liabilities included a significant financing component of KZT 8,469,894 thousand and KZT 2,976,654 thousand, respectively.

The amount of KZT 94,254,913 thousand recognised within contract liabilities at the beginning of the period was recorded as revenue for the year ended 31 December 2019.

26 Lease liabilities

Finance lease liabilities are payable as follows:

	31 December 2019		
'000 KZT	**Minimum future lease payments**	**Interest**	**Present value of minimum lease payments**
Less than 1 year	2,232,979	375,594	1,857,385
From 1 to 5 years	1,188,915	184,164	1,004,751
	3,421,895	**559,759**	**2,862,136**

	1 January 2019		
'000 KZT	**Minimum future lease payments**	**Interest**	**Present value of minimum lease payments**
Less than 1 year	2,808,112	528,194	2,279,917
From 1 to 5 years	3,082,777	602,439	2,480,339
	5,890,889	**1,130,633**	**4,760,256**

Lease liabilities as at 31 December 2019 and 1 January 2019 were secured by leased assets, see Note 11.

'000 KZT	**2019**
At 1 January	4,760,256
Signing new lease agreements	735,656
Lease payments	(2,480,885)
Interest paid	(510,603)
Interest expense	542,365
Other non-cash operations	(184,653)
At 31 December	**2,862,136**

The Group's exposure to currency and liquidity risk related to lease liabilities is disclosed in Note 30.

27 Guarantee retentions

'000 KZT	**31 December 2019**	**1 January 2019**
Guarantee retentions from third parties	9,534,876	8,372,553
Guarantee retentions from related parties	683,676	936
	10,218,552	**8,373,489**
Current portion	4,623,244	3,676,502
Non-current portion	5,595,308	4,696,987
	10,218,552	**8,373,489**

Movements in guarantee retentions

'000 KZT	2019
At 1 January	8,373,489
Accrual	2,289,009
Paid	(1,261,933)
Unwinding of discount	1,176,691
Other movements	(358,704)
At 31 December	**10,218,552**

The Group deducts the guarantee retentions in the amount of 3%-10% of the amount of the construction and assembly works performed by subcontractors. The Group repays the full amount of the guarantee retentions after the expiry of the guarantee period for performed works. If defects or deficiencies are detected in the works performed within the warranty period, the Group shall have a right to write off the guarantee retention against elimination of the detected defects by the Group. Guarantee retentions are initially recognised at fair value and subsequently measured at amortised cost using the interest rate of 13.5%, which is the weighted average interest rate paid on debt for the Group's bank loans.

The Group's exposure to currency risk, liquidity risk related to guarantee retentions is disclosed in Note 30.

28 Provisions

'000 KZT	31 December 2019	1 January 2019
Warranty provisions	10,289,236	11,618,334
Provision for onerous contracts	1,876,687	1,704,599
	12,165,923	**13,322,933**
Current portion	4,282,140	3,847,846
Non-current portion	7,883,783	9,475,087
	12,165,923	**13,322,933**

Warranty provisions

'000 KZT	2019
At 1 January	11,618,334
Accrual	3,161,668
Utilised	(2,893,135)
Provision for warranties renewed in the reporting year	(1,667,424)
Unwinding of discount	69,793
At 31 December	**10,289,236**

The Group forms a warranty provision fund to remedy potential defects identified during the facility warranty period to fulfil contractual obligations to the customers and buyers. The warranty period is between 1-3 years from the time the real estate asset has been commissioned.

The warranty provision fund is an estimated liability calculated as 0.5%-5% of the total value of the real estate asset and is recognised at the time of the asset commissioning. The estimate is based on historical expenses actually incurred under the Group's projects.

Provision for onerous contracts

'000 KZT	2019
At 1 January 2019	1,704,599
Provision for the year	760,673
Utilisation	(588,585)
At 31 December 2019	**1,876,687**

As at 1 January 2019 and 31 December 2019 provision for onerous contracts was recognised by management of the Group based on loss expectations for certain road and infrastructure construction and commercial real estate projects.

Losses under the contracts were calculated based on the income and expenditure budget for construction works.

29 Guarantees issued

The Group is a co-borrower under a credit facility agreement No. 370 dated 14 December 2007 between JAZZ Restoran LLP, a related party, and Halyk Bank of Kazakhstan JSC. Following negotiations with the bank, it is expected that the Bank will take measures to withdraw the Group from its joint debtors after the Group repays KZT 542,000 thousand.

As part of the credit line agreement of 1 November 2013, Armantas Company LLP, the related party, received loans from Bank CenterCredit JSC on 12 November 2013 and 23 January 2015 of KZT 900,000 thousand and KZT 100,000 thousand, respectively, at an interest rate of 5%, under which the Group acted as guarantor. Loans mature in 120 months beginning from the loan disbursement date.

As at 31 December 2019, the Group recognised a provision of KZT 676,946 thousand against these guarantees (1 January 2019: KZT 709,926 thousand).

30 Fair values and risk management

(a) Accounting classifications and fair values

Management believes that the fair value of the Group’s financial assets and liabilities approximates their carrying amounts.

(b) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk (Note 30(b)(ii));
- liquidity risk (Note 30(b)(iii));
- market risk (Note 30(b)(iv)).

(i) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group’s risk management framework. The Group has neither a formal policy, nor established procedures for risk management, so this note presents information only about the Company’s exposure to each of the above risks but not the information about the Group’s policies and procedures for measuring and managing said risks, nor about the Group’s approaches to the capital management. The Board of Directors is responsible for making decisions related to the financial risk management.

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s receivables from customers.

The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each buyer/customer and counterparty. In order to promptly control the level of credit risk, buyers/customers and counterparties are grouped according to credit profile, such as type of contract, aging and repayment of debt, existence of financial difficulties in previous periods.

The maximum exposure to credit risk at the reporting date was as follows:

'000 KZT	**Note**	**31 December 2019**	**1 January 2019**
Trade and other receivables	14	65,542,335	77,280,119
Contract assets	5	11,452,921	12,622,199
Loans issued	15	62,331,216	45,222,764
Bank deposits	18	54,007,953	42,019,585
Cash and cash equivalents	19	37,447,543	21,087,372
		230,781,968	**198,232,039**

Trade and other receivables, contract assets and loans issued

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each buyer/customer. However, management also considers the factors that may influence the credit risk of the Group's customer base, including the default risk of the industry and country, in which customers operate.

Accounts receivable and other receivables from individuals

The Group is not exposed to significant credit risk in connection with transactions involving sale of apartments to individuals, since such transactions are primarily performed on a prepayment basis. However, in some cases the Group allows selling apartments on credit with appartments being colateral. As at 31 December and 1 January 2019, trade receivables of individuals amounted to KZT 8,013,112 thousand and KZT 7,069,947 thousand, respectively.

Other receivables from individuals were accumulated during previous periods, and as at 31 December and 1 January 2019 other receivables from individuals amounted to KZT 13,421,945 thousand and KZT 8,957,948 thousand, respectively.

Trade and other receivables from organisations and contract assets

Trade receivables from organisations and contract assets under the contract are mainly accumulated for construction and assembly works. Other receivables from related parties relate to the Group's non-operating activities and were accumulated during the previous periods. However, about 80% of these accounts receivable were repaid after the reporting date. The Group expects that the remaining debt balance will be settled in full upon completion of the Group's legal structure restructuring. 65% of other receivables from third parties were repaid after the reporting date.

Loans issued

The major portion of issued loans must be repaid by the borrowers within 5 (five) days from the date of the written request of the Group, in accordance with the terms of loan agreements. Accordingly, the expected credit losses in respect of these amounts, other than those which are credit-impaired, are insignificant.

As at 31 December and 1 January 2019 the maximum exposure to credit risk for trade and other receivables, contract assets, loans issued by geographic region was as follows:

	Carrying amount	
'000 KZT	**31 December 2019**	**1 January 2019**
Domestic	137,896,426	133,101,359
Other countries	1,430,046	2,023,723
	139,326,472	**135,125,082**

A summary of the Group's exposure to credit risk for trade and other receivables, contract assets and loans issued with no internal and external credit rating is as follows:

	31 December 2019		**1 January 2019**	
'000 KZT	**Gross**	**Impairment loss allowance**	**Gross**	**Impairment loss allowance**
Not past due and past due up to 3 months	20,795,596	(956,919)	18,231,252	(125,845)
Past due 3-6 months	961,088	(134,890)	795,635	(149,699)
Past due 6-12 months	3,161,722	(1,301,715)	1,834,400	(740,399)
Past due more than 1 year	3,227,055	(3,227,055)	2,473,115	(2,473,115)
	28,145,461	**(5,620,579)**	**23,334,402**	**(3,489,058)**

A summary of the Group's exposure to credit risk for trade and other receivables, contract assets and loans issued with external or internal credit rating is as follows:

	31 December 2019		**1 January 2019**	
'000 KZT	**Not credit-impaired**	**Credit-impaired**	**Not credit-impaired**	**Credit-impaired**
Internal credit rating 'A'	1,903,902	-	15,129,545	-
External credit rating 'B-'	5,323,178	-	7,117,164	-
Internal credit rating 'B'	23,808,135	-	17,821,783	-
External credit rating 'BB+'	1,955,390	-	853,994	-
External credit rating 'BB'	-	-	1,377,730	-
External credit rating 'BB-'	-	-	2,611,507	-
External credit rating 'BBB'	1,855,969	-	102,094	-
External credit rating 'BBB-'	16,284,425	-	14,766,527	-
External credit rating 'CCC+'	22,679,911	1,616,602	20,527,635	1,344,239
Internal credit rating 'C'	30,850,805	569,143	26,852,902	-
Internal credit rating 'D'	13,626,872	11,459,406	9,615,274	12,400,107
Total gross carrying amount	**118,288,587**	**13,645,151**	**116,776,155**	**13,744,346**
Impairment loss allowance	(1,486,997)	(13,645,151)	(1,496,417)	(13,744,346)
	116,801,590	**-**	**115,279,738**	**-**

The debt with the assigned internal credit ratings 'C' and 'D' comprises other receivables from the related parties. As at the reporting date a 100% provision has been charged for the credit-impaired debt. The major part of the remaining debt was repaid after the issue of these combined financial statements, and the Group expects the outstanding debt to be settled in full in cash or by offsetting between the related parties.

The debt with the assigned external credit ratings 'CCC+' comprises the debt of individuals, for whom the Group management has the shareholders' representations stating that this debt will be settled upon demand of the Group in cash or by offsetting between the related parties. Therefore, the expected credit losses in respect of these debt are insignificant.

The Group does not require collateral in respect of trade and other receivables and loans issued.

The Group establishes an estimated allowance for impairment of trade and other receivables and loans issued that represents its estimate of expected credit losses.

Expected credit loss assessment for corporate customers

The allowance accounts in respect of trade and other receivables, contract assets and loans issued are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the financial asset directly.

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions from agency Standard&Poors.

The Group determines internal credit rating as follows:

Internal credit rating 'A' means that the counterparty has sufficient abilities to meet its contractual cash flow liabilities in the near term and adverse changes in economic and business environment in the longer term are not likely to reduce the ability of the borrower to fulfil its contractual payment liabilities.

Internal credit rating 'B' means that the counterparty has sufficient abilities to meet its contractual cash flow liabilities at present and adverse changes in economic and business environment in the longer term may reduce the ability of the borrower to fulfil its contractual payment liabilities.

Internal credit rating 'C' means that the counterparty is currently exposed to insolvency and is dependent on the favourable business, financial, and economic conditions when the borrower fulfils its contractual cash flow obligations. In case of unfavourable business, financial or economic environment, the borrower is unlikely to fulfil its contractual payment liabilities.

Internal credit rating 'D' means that the counterparty is insolvent and is unable to fulfil its contractual payment liabilities when due.

Assessment of expected credit loss for individually insignificant counterparties

The Group uses an allowance matrix to measure the ECLs of trade and other receivables and loans issued from individually insignificant counterparties, which comprise a very large number of small balances.

Loss rates are calculated on the basis of actual credit losses over the past two years using a migration rate method based on the probability of a debt progressing through successive stages of delinquency to write-off.

Cash and cash equivalents, bank deposits and restricted cash

As at 31 December 2019 the Group had cash and cash equivalents, bank deposits with second tier banks for the total amount of KZT 91,559,750 thousand (1 January 2019: KZT 63,146,723 thousand), which represents its maximum credit exposure on these assets.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Impairment allowance as at 31 December 2019 is KZT 220,516 thousand (1 January 2019: KZT 386,909 thousand).

Cash was held with the following financial institutions:

			Carrying amount	
'000 KZT	**Rating agency**	**Credit rating**	**31 December 2019**	**1 January 2019**
SB Sberbank JSC	Moody`s	Ba1	45,187,561	8,250,504
ATF Bank JSC	Moody`s	Ba3	15,428,215	23,028,494
Bank CenterCredit JSC	Standard&Poor's	B	12,462,664	4,745,991
Halyk Bank of Kazakhstan JSC	Standard&Poor's	BB	10,182,267	1,587,642
SB Alfa Bank JSC	Standard&Poor's	BB-	4,364,605	15,591,040
RSI Treasury Committee under the Ministry of Finance of the RK	Standard&Poor's	BBB-	1,556,862	-
Eurasian Bank JSC	Moody's	B2	1,115,937	-
Nurbank JSC	Standard&Poor's	B-	674,851	1,304,727
Tengri Bank JSC	Moody`s	B1	123,975	2,473,499
ForteBank JSC	Moody`s	B1	116,342	15,482
First Heartland Jysan Bank JSC	Standard&Poor's	B	16,861	5,932,287
AO «AsiaCredit Bank»	Moody`s	Caa3	757	6,873
Bank RBK JSC	Moody`s	B1	5	286
Other			638,661	709,751
Total gross carrying amount			**91,869,563**	**63,646,576**
Impairment loss allowance			(414,067)	(539,619)
			91,455,496	**63,106,957**

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments.

31 December 2019

				Contractual cash flows						
’000 KZT	**Note**	**Carrying amount**	**On demand**	**0-3 months**	**3-6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
Loans received	23	110,467,351	42,018,728	11,392,685	5,080,131	5,721,914	17,098,261	34,073,840	15,517,821	**130,903,380**
Trade and other payables	24	70,932,753	30,713,158	38,408,753	1,141,040	206,873	-	462,929	-	**70,932,753**
Lease liabilities	25	2,862,136	-	286,093	606,341	1,393,387	1,115,185	20,888	-	**3,421,894**
Guarantee retentions	26	10,218,552	1,830,165	986,712	2,740,930	164,955	3,761,606	1,876,992	-	**11,361,360**
Guarantees issued	29	676,946	676,946	-	-	-	-	-	-	**676,946**
		195,157,738	**75,238,997**	**51,074,243**	**9,568,442**	**7,487,129**	**21,975,052**	**36,434,649**	**15,517,821**	**217,296,333**

1 January 2019

				Contractual cash flows						
’000 KZT	**Note**	**Carrying amount**	**On demand**	**0-3 months**	**3-6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
Loans received	23	107,893,564	59,273,249	1,419,859	1,337,381	11,714,097	8,046,910	28,606,828	11,866,935	**122,265,259**
Trade and other payables	24	67,880,216	3,588,138	55,455,761	-	5,911,759	2,155,948	768,610	-	**67,880,216**
Lease liabilities	25	4,760,256	-	238,808	916,827	1,673,796	2,608,755	452,703	-	**5,890,889**
Guarantee retentions	26	8,373,489	1,909,747	242,673	2,412,275	113,068	3,306,943	1,662,848	-	**9,647,554**
Guarantees issued	29	709,926	709,926	-	-	-	-	-	-	**709,926**
		189,617,451	**65,481,060**	**57,357,101**	**4,666,483**	**19,412,720**	**16,118,556**	**31,490,989**	**11,866,935**	**206,393,844**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

(iv) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between currencies in which sales, purchases and borrowings are denominated and the functional currencies of the Group entities.

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows based on notional amounts:

'000 KZT	USD-denominated	RUB-denominated	EUR-denominated	USD-denominated	RUB-denominated	EUR-denominated
	31 December 2019	31 December 2019	31 December 2019	1 January 2019	1 January 2019	1 January 2019
Trade and other receivables	51	11,969	-	55,862	9,280	128,278
Loans issued	85,766	1,332,311	-	-	1,830,303	-
Bank deposits	3,786,839	-	-	115,138	-	-
Cash and cash equivalents	1,121,812	4,170	35,815	79,034	2,530	24,330
Loans received	-	-	(659,798)	-	-	(941,725)
Trade and other payables	(2,458,862)	(875,512)	(525,706)	(1,409,284)	(364,408)	(695,516)
Net exposure	**2,535,606**	**472,938**	**(1,149,689)**	**(1,159,250)**	**1,477,705**	**(1,484,633)**

The following significant exchange rates have been applied during the year:

	Average exchange rate	Spot rate	Spot rate
'000 KZT	**2019**	**31 December 2019**	**1 January 2019**
USD 1	382.87	381.18	384.20
RUB 1	5.92	6.17	5.52
EUR 1	428.63	426.85	439.37

Sensitivity analysis

A reasonably possible strengthening (weakening) of the KZT, as indicated below, against all other currencies at 31 December and 1 January 2019 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below net of taxes. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

'000 KZT	Strengthening (20%)		Weakening (20%)	
	Equity	Profit or loss	Equity	Profit or loss
31 December 2019				
USD	(507,121)	(507,121)	507,121	507,121
RUB	(94,588)	(94,588)	94,588	94,588
EUR	229,938	229,938	(229,938)	(229,938)
1 January 2019				
USD	231,850	231,850	(231,850)	(231,850)
RUB	(295,541)	(295,541)	295,541	295,541
EUR	296,927	296,927	(296,927)	(296,927)

Interest rate risk

As at 31 December and 1 January 2019 the interest rate profile of the Group's interest-bearing financial instruments includes fixed-rate instruments.

The Group does not account for any fixed-rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not have an effect in profit or loss for 2019.

(c) Master netting or similar agreements

The Group may enter into sales and purchase agreements with the same counterparty in the normal course of business. In accordance with the Kazakh civil law an obligation can be settled by offsetting against a similar claim if it is due, has no maturity or is payable on demand. The Group has a number of netting agreements for financial assets and liabilities with related parties.

The following table sets out the carrying amounts of recognised financial instruments that are subject of the above agreements.

'000 KZT	**Loans issued**	**Trade and other receivables**	**Loans received**	**Trade and other payables**
31 December 2019				
Gross amounts	5,989,421	91,953,469	(41,505,103)	(26,991,420)
Amounts that were offset in accordance with IAS 32	(5,989,421)	(62,507,087)	41,505,103	26,991,420
Net amount	-	**29,446,382**	-	-

'000 KZT	**Loans issued**	**Trade and other receivables**	**Loans received**	**Trade and other payables**
1 January 2019				
Gross amounts	19,108,421	127,225,066	(79,092,975)	(22,028,800)
Amounts that were offset in accordance with IAS 32	(19,108,421)	(82,013,354)	79,092,975	22,028,800
Net amount	-	**45,211,712**	-	-

The net amounts presented in the statement of financial position disclosed above form part of trade and other receivables and trade and other payables and loans, respectively. Other amounts included in these line items do not meet the criteria for offsetting and are not subject to the agreements described above.

31 Companies included in the combined financial statements

The following entities were included in these combined financial statements:

No.	**Name of the company**	**Segment**	**Effective ownership**	**Share for combination**
1	KAZPACO LLC	BI Construction & Engineering	-	100%
2	BI-Industrial LLP	BI Construction & Engineering	99%	100%
3	KazInvest Stroy Group LLP	BI Construction & Engineering	-	100%
4	BI Urban Construction LLP	BI Construction & Engineering	99%	100%
5	U-Con One LLP	BI Construction & Engineering	100%	100%
6	U-Con Two LLP	BI Construction & Engineering	51%	100%
7	U-Con Three LLP	BI Construction & Engineering	51%	100%
8	BI Construction Turkestan LLP	BI Construction & Engineering	100%	100%

9	BI Civil Construction LLP	BI Construction & Engineering	100%	100%
10	BiGlobal LLP	BI Construction & Engineering	100%	100%
11	BI Group-Engineering LLP	BI Construction & Engineering	-	100%
12	TENGRY CONSTRUCTION LLP	BI Construction & Engineering	100%	100%
13	ATM Turkistan Hospital LLP	BI Construction & Engineering	55%	55%
14	BI Civil Construction LLP	BI Construction & Engineering	100%	100%
15	BI-Development LLP	BI-Development	99%	100%
16	Milan-Astana LLP	BI-Development	100%	100%
17	Kaz industrial group LLP	BI-Development	100%	100%
18	BI EXPO CITY LLP	BI-Development	100%	100%
19	ZHAGA NS LLP	BI-Development	100%	100%
20	Mereke Service NS LLP	BI-Development	99%	100%
21	Kompaniya Industriya Stroitelstva LLP	BI-Development	100%	100%
22	Kiyeli tylsym LLP	BI-Development	100%	100%
23	Broker and K LLP	BI-Development	100%	100%
24	Megastroy LTD LLP	BI-Development	1%	100%
25	SALT LLP	BI-Development	-	100%
26	BI City Stroy LLP	BI-Development	100%	100%
27	BI Stroy LLP	BI-Development	-	100%
28	KazStroy-Z LLP	BI-Development	100%	100%
29	Stroy InzhService LLP	BI-Development	-	100%
30	Adali-Astana LLP	BI-Development	100%	100%
31	Nova Group Stroy LLP	BI-Development	100%	100%
32	Family Village NS LLP	BI-Development	100%	100%
33	Amanat Stroy LLP	BI-Development	100%	100%
34	Build SYSTEM-Atyrau LLP	BI-Development	100%	100%
35	Ideal Invest Group LLP	BI-Development	100%	100%
36	Light House NS LLP	BI-Development	100%	100%
37	A2ZH group LLP	BI-Development	100%	100%
38	Sauran Towers LLP	BI-Development	100%	100%
39	Orynbor Towers LLP	BI-Development	100%	100%
40	Zhas Kurylys NS LLP	BI-Development	100%	100%
41	Midvest LLP	BI-Development	100%	100%
42	AS Parking LLP	BI-Development	100%	100%
43	Headliner KZ LLP	BI-Development	100%	100%
44	Premier Palace LLP	BI-Development	100%	100%
45	Arna-Trade LLP	BI-Development	100%	100%
46	Master Construction LLP	BI-Development	100%	100%
47	TEK Resurs LLP	BI-Development	100%	100%
48	Altyn Dala Astana LLP	BI-Development	100%	100%
49	Esil Kurylys IZH LLP	BI-Development	100%	100%
50	BI-Village Deluxe LLP	BI-Development	100%	100%
51	TH Rakhmet-3 LLP	BI-Development	100%	100%
52	Arnau-Tower LLP	BI-Development	100%	100%
53	Home Group Astana LLP	BI-Development	100%	100%
54	NURA ESIL ASTANA LLP	BI-Development	100%	100%
55	Astana Kurylys Montazh NS LLP	BI-Development	100%	100%
56	Dream city LLP	BI-Development	100%	100%
57	Arnau City LLP	BI-Development	100%	100%
58	Grand Arnau LLP	BI-Development	100%	100%
59	AZAT-M LLP	BI-Development	100%	100%
60	Pokolenie 1 LLP	BI-Development	100%	100%
61	Arnay City LLP	BI-Development	100%	100%
62	Triumph Towers LLP	BI-Development	100%	100%
63	TsES Real Estate LLP	BI-Development	100%	100%
64	London NS LLP	BI-Development	100%	100%
65	Esil Park LLP	BI-Development	100%	100%
66	Bereke Stroy LLP	BI-Development	100%	100%

67	Oil Extraction Company LLP	BI-Development	100%	100%
68	Family Village LLP	BI-Development	100%	100%
69	Astana Mineral LLP	BI-Development	100%	100%
70	Tsesinstroy LLP	BI-Development	100%	100%
71	Noviy Park LLP	BI-Development	100%	100%
72	Astana Realty Plus LLP	BI-Development	100%	100%
73	AlmaTauStroy LLP	BI-Development	100%	100%
74	Altyn sapa NS LLP	BI-Development	100%	100%
75	ASK Prestige LLP	BI-Development	100%	100%
76	Sarmat Group LLP	BI-Development	100%	100%
77	Sarmat Construction Company LLP	BI-Development	100%	100%
78	BI Realty Almaty LLP	BI-Development	100%	100%
79	SK Akbulak LLP	BI-Development	100%	100%
80	SK Akbulak-2 LLP	BI-Development	100%	100%
81	Zhan Sai Group LLP	BI-Development	100%	100%
82	BI Shymkent Projects LLP	BI-Development	100%	100%
83	BCD Group LLP	BI-Development	100%	100%
84	AsiaInvestGroup LLP	BI-Development	100%	100%
85	Sairan Stroy LLP	BI-Development	100%	100%
86	Stroy Park LLP	BI-Development	100%	100%
87	Temir Construction LLP	BI-Development	100%	100%
88	4YOU-2 LLP	BI-Development	100%	100%
89	BI Group Almaty LLP	BI-Development	100%	100%
90	Sarmat Group-2 LLP	BI-Development	100%	100%
91	LUXOR.KZ COMPANY LLP	BI-Development	100%	100%
92	Luxor LLP	BI-Development	100%	100%
93	Turan City LLP	BI-Development	100%	100%
94	Otau Invest NS LLP	BI-Development	100%	100%
95	Tengri House Astana LLP	BI-Development	100%	100%
96	Kamal Center Astana LLP	BI-Development	100%	100%
97	Salamat Stroy LLP	BI-Development	100%	100%
98	Sezim Arena LLP	BI-Development	100%	100%
99	Esil Town LLP	BI-Development	100%	100%
100	NC-16 LLP	BI-Development	100%	100%
101	NC-21 LLP	BI-Development	100%	100%
102	NC-22 LLP	BI-Development	100%	100%
103	Nova City Company LLP	BI-Development	-	100%
104	Gross House Group LLP	BI-Development	100%	100%
105	Kenn Dala LLP	BI-Development	100%	100%
106	Asyll Dala LLP	BI-Development	100%	100%
107	Crystal LLP	BI-Development	100%	100%
108	BI-Village Comfort LLP	BI-Development	-	100%
109	Gimarat NS LLP	BI-Development	100%	100%
110	Build Group NS LLP	BI-Development	100%	100%
111	Adai kurylys-2004 LLP	BI-Development	100%	100%
112	Turan Towers LLP	BI-Development	100%	100%
113	Arnau Building LLP	BI-Development	100%	100%
114	Alem Stroy NS LLP	BI-Development	100%	100%
115	River City LLP	BI-Development	100%	100%
116	Stone Group Company LLP	BI-Development	100%	100%
117	Golf Country LLP	BI-Development	100%	100%
118	Astana Village LLP	BI-Development	100%	100%
119	Town House LLP	BI-Development	100%	100%
120	Grand Park Avenue LLP	BI-Development	100%	100%
121	Golf Club Residence LLP	BI-Development	100%	100%
122	ShygysMontazh-Stroy LLP	BI-Development	100%	100%
123	IsMi LLP	BI-Development	50%	100%
124	Technologii Renovatsii LLP	BI-Development	100%	100%
125	SK Bazar LLP	BI-Development	100%	100%
126	KAZSilicate LLP	BI-Development	100%	100%
127	Invest Land LLP	BI-Development	100%	100%
128	SK TASTEMIR LLP	BI-Development	100%	100%
129	AsBuildStroy LLP	BI-Development	-	100%
130	Capital Park LLP	BI-Development	50%	100%

131	BI-Group LLP	BI-Development	100%	100%
132	Zarya Vostoka NS LLP	BI-Development	100%	100%
133	AlmatyTechComplect LLP	BI-Development	100%	100%
134	Estate Platinum LLP	BI-Development	100%	100%
135	ModeX Astana LLP	BI-Development	100%	100%
136	BI-Beton LLP	BI-Development	100%	100%
137	Zavod ABK-Beton LLP	BI-Development	100%	100%
138	Invest City LLP	BI-Development	100%	100%
139	Lean Astana LLP	BI-Development	100%	100%
140	BI Almaty Projects LLP	BI-Development	-	100%
141	Global Build LLP	BI-Development	100%	100%
142	Nur Service NS LLP	BI-Development	100%	100%
143	Dream Village LLP	BI-Development	-	100%
144	ModeX Almaty LLP	BI-Development	-	100%
145	Garant Service NS LLP	BI-Development	-	100%
146	BI Capital LLP	BI-Development	-	100%
147	CFC BI-Finance LLP	BI-Development	100%	100%
148	Kaztime LLP	BI-Development	-	100%
149	BI Infra Construction LLP	BI Infra Construction	99%	100%
150	Kazakhdorstroy LLP	BI Infra Construction	-	100%
151	ABK-Autodor NS LLP	BI Infra Construction	-	100%
152	BI Astana Roads LLP	BI Infra Construction	100%	100%
153	Karatas Mining LLP	BI Infra Construction	100%	100%
154	Bi PetroService LLP	BI Infra Construction	100%	100%
155	Zhol kurylys NC LLP	BI Infra Construction	100%	100%
156	BI-Bridge Company LLP	BI Infra Construction	100%	100%
157	BI Property LLP	BI Property	-	100%
158	BI Business Solution LLP	BI Property	-	100%
159	BI Business LLP	BI Property	-	100%
160	Bekturly Operating LLP	BI Property	-	100%
161	Tses Realty LTD LLP	BI Property	-	100%
162	Essil Invest LLP	BI Property	-	100%
163	South Side LLP	BI Property	-	100%
164	New Park LLP	BI Property	-	100%
165	BI Retail LLP	BI Property	-	100%
166	BI TECHNOPARK LLP	BI Property	90%	100%
167	BI Healthcare LLP	BI Property	-	100%
168	BI Leisure LLP	BI Property	-	100%
169	Baby Village LLP	BI Property	-	100%
170	Shanyrak Platinum LLP	BI Property	99%	100%
171	Business Centre Turan LLP	BI Property	-	100%
172	Consolidate Management Company LLP	BI Property	-	100%
173	BI Property Alatau LLP	BI Property	-	100%
174	Hospitality Management Group LLP	BI Property	-	100%
175	Green-Hall LLP	BI Property	100%	100%
176	BI-Holding LLP	Holding companies	7.74%	100%
177	Profi Time Astana LLP	Holding companies	100%	100%
178	BI Support LLP	Holding companies	-	100%
179	BI Digital LLP	Holding companies	43.37%	100%
180	BI Innovations LLP	Holding companies	100%	100%
181	Park Technologies LLP	Holding companies	100%	100%
182	BeInTech US LLP *	Holding companies	100%	100%
183	VASCO Qazaqstan LLP	Holding companies	98.52%	100%
184	RP Karaganda LLP	Holding companies	100%	100%
185	RP Aktobe LLP	Holding companies	100%	100%
186	RP Atyrau LLP	Holding companies	100%	100%
187	RP Astana LLP	Holding companies	100%	100%
188	RP Shymkent LLP	Holding companies	100.00%	100%
189	A-Land LLP	Holding companies	100%	100%
190	Arman Kala 21 Vek LLP	Holding companies	-	100%

* BeInTech US LLP is incorporated in the United States of America.

32 Commitments and contingencies

(a) Insurance

The insurance industry in the Republic of Kazakhstan is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Group does not have full coverage for its plant facilities, business interruption, or third party liability in respect of property or environmental damage arising from accidents on Group's property or relating to Group's operations. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Group's operations and financial position.

Compliance with Kazakhstan legislation on housing construction and construction activity

Certain segments of the Group are subject to periodic inspections of its activities by government authorities in terms of compliance with the requirements of Kazakhstan housing legislation and the law of the Republic of Kazakhstan "About Architectural, City-planning and Construction Activities in the Republic of Kazakhstan" (the "Construction Law"). Management of the Group cooperates with governmental authorities to agree on remedial actions necessary to resolve any findings resulting from these reviews. Non-compliance with legislation requirements may result in suspension of operations and imposition of administrative fines on the Group up to 300 monthly calculation indices for each construction facility any number of times.

Environmental matters

The enforcement of environmental regulation in Kazakhstan is evolving and subject to ongoing changes. Penalties for violations of Kazakhstan environmental laws can be severe. Management believes that there are no probable environmental liabilities that may have a material adverse effect on the Group's financial position or results of operation.

(b) Tax risks

The taxation system in Kazakhstan is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by various levels of authorities, which have the authority to impose severe fines and interest charges. A tax year generally remains open for review by the tax authorities for five subsequent calendar years; however, under certain circumstances a tax year may remain open longer.

These circumstances may create tax risks in Kazakhstan that are more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these combined financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

The Group applies certain judgments while calculating deductions on advisory and engineering services as related to income tax. The Group believes that it will be able to prove deductions on such expenses through providing all necessary evidence basis such as a framework contract and additional agreements to it, or any other supplementary document to a framework contract for each separate engagement or order per the Group's each request for services, necessary primary documents, internal document that confirms a need and economic feasibility of each consultation obtained.

(c) Litigations

During 2019, the government authorities reviewed a number of contracts for repair and reconstruction of motor roads signed during 2014-2015, under which the works were completed and accepted by the customers in 2017. Based on results of the inspection, it was found out that the Group indexed the cost of works as provided for by the master contract and signed an appropriate addendum with the customer to determine the indexation amount, while at the time when such addendum was signed, the Rules for Adjusting the Cost of Works were annulled. Therefore, according to the government authorities neither the Group nor the customer were entitled to index the cost of works after the Rules were annulled and the amount of such indexation had to be refunded to the state as it the state that acted as end owner of the services. Based on results of the inspection, the Akmolinsk Transport Prosecutor's Office, filed a lawsuit against NC KazAvtoZhol JSC as the customer and national operator of the road construction programmes, and against a number of contracting companies, including the Group, which were performing the works during the period under inspection, to invalidate the addendum for indexation for a total amount of KZT 6.4 billion. On 19 December 2019, the court of the first instance sustain a claim of the Transport Prosecutor's Office; then, on 28 April 2020, upon appeal by the Company, the Appeal Board of the court upheld the ruling of the court of the first instance. The Group disagreed with the court ruling and filed a complaint to the Supreme Court. As at the date of approval of these financial statements, no judgement has been passed by the Supreme Court.

Management of the Group considers application of indexation appropriate on the following grounds:

- as at the time of conclusion of the contracts in 2014-2014, the Group and the customer were guided by the Rules No.1038 dated 1 October 2013 which provided for adjustment of cost of works in the form of payment or deduction of an amount when a progress payment is made for works completed, and a formula for calculation of such adjustment for all contracts with a term exceeding 18 months. Thus, the provisions of the relevant addendum for adjustment of the cost of works were prepared in compliance with those Rules;
- the addendum challenged by the governmental authorities do not represent separate transactions that require compliance with the legislation at the time of their conclusion, as they do not create rights and obligations of the parties to a contract but just fix the scope of rights set forth in the contract in the form of provisions about calculation of an adjustment;
- annulment of the Rules may not apply retrospectively to the transactions concluded prior to such annulment;
- the court judgement to cancel the addendum does not cancel the validity of the provisions about indexation set forth in the master contract for services provision;
- NC KazAvtoZhol JSC, a national operator of the road construction programmes, that acted as the owner of the services and represented the public interests, accepted and paid for works in full.

Notwithstanding the foregoing arguments, the Group management presumes that the Supreme Court will not satisfy the complaint of the Group, and in case of such negative scenario, the Group intends to file a counter-claim to apply an alternative indexation method during the period after annulment of the Rules valid before, on the basis of validity of the provisions about indexation set forth in the master contracts for services provision, general provisions of the Civil Code and the Budget Code of the Republic of Kazakhstan, which stipulate provisions about indexation of the cost of works, where a term of work performance exceeds 18 months, as well as on the basis of the fact that the design and estimate documentation used as a basis for tender bids was calculated in terms of the base prices, with no alternative method of price indexation during the period of services provision. However, it is not possible to foresee the outcome of the case; therefore, the Group has not charged a provision for possible losses related to litigations in these combined financial statements.

33 Related parties

(a) Parent and ultimate controlling party

The controlling party of the Company and the Group is an individual, Mr Rakhimbayev Aidyn Zhumadilovich.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In addition, parties under common control with the Group are considered to be related. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Related parties may enter into transactions that might not be necessarily available on the same terms, conditions and amounts as transactions between unrelated parties.

The significant amounts of transactions made by the Group with related parties or significant balances outstanding as at 31 December and 1 January 2019 are summarised in the following table.

(b) Transactions with key management personnel

Management remuneration

Key management received the following remuneration during the year which is included in employee benefit expenses and amounts to KZT 515,870 thousand.

Loans issued

The loans payable by key management personnel in the reporting year were KZT 1,354,748 thousand (1 January 2019: KZT 3,327,690 thousand).

(c) Other transactions with related parties

’000 KZT	**Transaction value for the year ended**	**Outstanding balance as at**	
	31 December 2019	**31 December 2019**	**1 January 2019**
Sale of goods and services	4,229,856	39,574,748	51,224,889
Purchase of goods and services	15,181,994	(22,354,163)	(30,001,836)
Loans issued	19,305,047	56,362,300	39,564,799
Loans received	(25,701,166)	(36,313,002)	(49,250,740)
Advances paid	(13,267,345)	8,562,792	8,781,418
Contract liabilities and advances received	(1,130,312)	(716,830)	(12,099,560)
Assets in form of collaterals	949,146	946,389	1,370,224
Guarantee retentions	-	(683,676)	(936)

All outstanding balances with related parties are to be settled in cash on demand. None of the balances are secured. As at 31 December and 1 January 2019 the Group recognised provision for doubtful debts of related parties of KZT 11,691,457 thousand and KZT 8,574,902 thousand, respectively.

Sales to related parties in 2019 comprise mainly sales of inventories and services rendered.

Purchases by the Group in 2019 comprise mainly purchases of inventories and services rendered for construction.

34 Subsequent events

As a result of the coronavirus global outbreak in 2020, the Government of the Republic of Kazakhstan declared a state of emergency in the Republic of Kazakhstan. Moreover, as a result of the meeting of the Organization of Petroleum Exporting Countries (OPEC), oil prices fell significantly during 2020. The management has assessed the potential impacts of these events on the Group's operations in 2020 and believes that the pandemic will not affect significantly the Group’s operations in the foreseeable future.

Reorganisation and change of the founder

To form a single legal group, the Group acquires entities under common control. Thus, during the period from 1 January 2020 and till the approval date, the founders in the Group companies changed.

Moreover, during 2020 a reorganisation took place through merge of RP Karaganda LLP and RP Astana LLP to Vasco Qazaqstan LLP, RP Atyrau LLP to A-Land LLP, BI Civil Construction LLP to BiGlobal LLP, BI Bridge Company LLP to BI Infra Construction LLP, Green-Hall LLP to New Park LLP.

As part restructuring, till the end of 2020, merge of KazInvestStroy Group LLP, U-Con Two LLP to BI Urban Construction LLP, BI Group Engineering LLP to KAZPACO LLC, Consolidated Management Company LLP to BI Business LLP are planned subject to the consent of the second-tier banks and stakeholders to reorganisation.

Sale, closing and opening of the companies

During the period from 1 January 2020 to the date of approval of these combined financial statements, the Group sold a 90% participation interest in AlmatyTechComplect LLP and Invest City LLP to the related parties, and a 100% participation interest in subsidiary ZholKurylys LLP NC and RP Aktobe LLP to buyers outside the Group. Disposal of these entities from the Group had no significant effect on the financial position of the Group.

Furthermore, in June 2020 branches of BI-Industrial LLP in Uzbekistan and the Kingdom of Saudi Arabia ceased their operations.

As part of a public-private partnership for construction of the hospitals in the Republic of Kazakhstan, a decision was made to establish ATM Nur-Sultan Hospital LLP, ATM Petropavlovsk Hospital LLP with a 25% participation interest and KTC Kazakh Turkish Consulting LLP with a 49.99% participation interest, with BiGlobal LLP that is the founder of these companies.

To implement the projects in the Republic of Uzbekistan, a joint venture was additionally established in the form of NRG Construction Exclusive LLC, where the founders were BI-Industrial LLP and citizen of the Republic of Uzbekistan Nazarov M.T. having 40% and 60% participation interests, respectively.

In the first half of 2020, the Group completed construction of the infectious hospitals in the cities of Almaty, Nur-Sultan, Shymkent, Aktau, and Atyrau cities for a total amount of KZT 30,850,000 thousand.

Loans from banks

After the reporting date, an addendum have been signed with Development Bank of Kazakhstan JSC for deferral of repayment of principal amount and interest under the bank loan agreements No.150-2/05 and No.249/05 as part of the credit facility No.36 CM-2/05 from Development Bank of Kazakhstan JSC, till 31 December 2020 and 15 January 2021, respectively.

In addition, an addendum to the Subsidy Agreement No.14-ДП -Z/05 dated 29 January 2018 was signed to increase a subsidy for the interest rate of loans from Development Bank of Kazakhstan JSC to 7% after 25 June 2020 (the previous interest rate was 5%).

Hospitality Management Group LLP signed the credit facility agreement No.35-16/670 dated 10 March 2020 with Eurasian Bank JSC for KZT 3.7 billion, bearing an interest of 15%, for development of Hampton project by Hilton Turkistan.

Hospitality Management Group LLP entered into a subsidy agreement with DAMU Entrepreneurship Development Fund JSC to subsidize interest rate of the loan from Eurasian Bank JSC; the subsidy is 6%.

On 18 August 2020 a letter was received from SB Sberbank JSC stating that the Bank decided neither demand early repayment of the debt, nor impose fines, penalties on BI Business LLP for breach of financial covenant set forth in sub-clause 3, clause 1.17.1.15 of the credit facility agreement No.19-086245-01 КЛ of 10 July 2019.

Shanyrak Platinum LLP

In March 2020, as a result of decreased cash flows from operating activities, the Company used cash of KZT 200,000 thousand on its escrow account. According to the terms and conditions of the trust management agreement with National Company QazExpoCongress JSC, if the Company uses cash on the escrow account, the Company shall be obliged to transfer an ownership interest in the Hotel to National Company QazExpoCongress JSC. As at the date of approval of these combined financial statements, Shanyrak Platinum LLP and National Company QazExpoCongress JSC are negotiating the methodology for valuation and further process of transfer of the ownership interest.

Dividends paid

During the period from 1 January 2020 to the date of approval of these combined financial statements, the Group based on the previous decision on the distribution of net income based on the results of operations for 2019 and 2020 paid dividends in the amount of KZT 3,227,001 thousand and KZT 20,866,809 thousand, of which KZT 4,795,354 thousand and KZT 6,890,378 thousand less withholding income tax were paid in cash.

35 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these combined financial statements, and have been uniform for the Group.

(a) Combination and consolidation principles

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consolidated financial statements of subsidiaries are included in the combined financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(ii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group's controlling shareholder's combined financial statements. The components of equity of the acquired entities are added to the same components within Group equity except that any share capital of the acquired entities is recognised as part of additional paid-in capital. Any cash paid for the acquisition is recognised directly in equity.

(iii) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates. Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Interests in associates are accounted for using the equity method and are recognised initially at cost. The cost of the investment includes transaction costs.

The combined financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest including any long-term investments, is reduced to zero, and the recognition of further losses is discontinued, except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(iv) Transactions eliminated on combination and consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Classification of assets and liabilities as current and non-current

The Group presents assets and liabilities in the combined statement of financial position based on their classification as current and non-current. An asset is current when:

- it is expected to be sold, or it is held for sale or consumption within normal operating cycle, which is normally lasts for 1-36 months for construction assets;
- it is held primarily for the purpose of trading;
- it is due to be sold within twelve (12) months after the reporting period; or
- it represents cash and cash equivalents, except when the change of the asset or its use for settlement of the liability is restricted for at least twelve (12) months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled within normal operating cycle, which is normally lasts for 1-36 months for contract liability;
- it is due to be settled within twelve (12) months after the reporting period; or the Group has no unconditional right to defer the settlement of the liability for at least twelve (12) months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current/long-term assets and liabilities.

(c) Revenue

Information about the Group's accounting policies relating to contracts with customers is provided in Note 5(d).

(d) Expense recognition

Expenses should be recognised in the same period in which the income is recognised, for which these expenses were incurred, or when it becomes evident that these expenses will not result in generation of any income, regardless of the timing of actual payment of cash and other form of performance.

Such recognition implies simultaneous recognition of income and expenses arising directly and jointly from the same transactions or other events.

If economic benefits are expected to arise over several accounting periods and relation to income may be traced only as a whole or indirectly, the expenses are recognised over several reporting periods during which the respective economic benefits arise. Expenses are allocated by reporting periods based on reasonable and systematic determination of the amounts recognised in each reporting period.

If the costs incurred do not result in the expected economic benefits, or when future economic benefits do not meet or cease to meet the recognition requirements as an asset, the costs are recognised as expenses of the period, in which the relevant circumstances are identified.

An expense is also recognised when an obligation has arisen without recognising the asset.

Other expenses representing net foreign exchange loss (excess of expenses over income from foreign exchange difference); net losses related to disposal of property, plant and equipment and intangible assets (excess of losses over income from disposal) are also recognised in that period, in which they were actually incurred.

(e) Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- the net gain or loss on financial assets at FVTPL;
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(f) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on a historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

– an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss).

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to tenge at the exchange rates as at the reporting date. The income and expenses of foreign operations are translated to tenge at the exchange rates as at the dates of transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to non-controlling interests.

(g) Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Personnel costs

Social tax

The Group pays social tax according to the current legislation of the Republic of Kazakhstan. Social tax is expensed as assessed.

Mandatory pension contributions

The Group also withholds 10% of the wages of its employees as contributions to pension funds. In accordance with the legislation, the employees bear individual responsibility for their pension contributions and the Group has no current or future liability to make payments to the employees after their retirement.

(h) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

(i) Current tax

Income tax comprises current and deferred tax.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. Tax rates and tax legislation applicable for calculation of this amount represent those that have been enacted or substantively enacted by the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the combined statement of profit or loss and other comprehensive income. The Group management periodically evaluates positions taken in the tax returns with respect to which the applicable tax regulations are subject to different interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, are considered, based on the business plans for individual subsidiaries in the Group, and not taking into account the impact of reversal of existing temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes, penalties and late-payment interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of Kazakhstan tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events.

New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

(i) Value-added tax (VAT)

Tax legislation provides for repaying input VAT and output VAT on a net basis. Thus, value added tax recoverable represents VAT on purchases net of VAT on sales.

VAT payable

VAT payable is accrued on accounts on income from sales of goods, works and services subject to VAT in accordance with the Tax Code of the Republic of Kazakhstan. Where provision has been made for impairment of receivables, an impairment loss is recorded for the gross amount of the debt, including VAT.

VAT recoverable

VAT recoverable is recorded on accounts related to purchased goods, work and services, which were purchased with VAT and if they were used in order to derive income.

Value-added tax on goods, work, services used or to be used in construction of real estate intended for sale in the form of turnover of both exempt and subject to value-added tax is accounted for in the construction in progress prior to the facility commissioning. The recoverable portion of VAT (related to non-residential area) is offset as non-residential premises are sold. VAT that is not offset (related to residential area) is included in the cost of residential premises.

At each reporting date, the VAT recoverable amount is subject to offset against the VAT payable amount.

(j) Inventories

Inventories include the CIP facilities intended for sale and land plots in those cases when the Group acts as a developer, raw materials and supplies, other construction in progress and finished goods.

Inventories are recorded at the least of two values: cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated selling expenses. Cost of inventory is assigned using the weighted average cost method.

Cost of inventories includes all costs incurred in the ordinary course of business related to their delivery to the site and brining into the current state. Cost of inventory represented by the real estate is the cost of its construction, including the cost of acquisition of land plots and a respective portion of direct and indirect costs and expenses on loans and advances received to finance certain construction projects.

Accounting for construction in progress and finished goods

Construction costs comprise payroll expenses and expenses on other payments to personnel directly involved in construction, travel expenses of the personnel, depreciation and repair costs of property, plant and equipment, cost of raw materials and supplies used in construction and all other expenses directly related to construction.

Accounting for land plots

At the time of acquisition, the land plots are included in inventories only if a facility is planned to be constructed on this land plot. Once the construction has started, the land plots are transferred into the real estate assets under construction for sale.

Raw materials and supplies

Raw materials and supplies to be used in construction are not written down below cost if the finished products in which they will be included are expected to be sold at the construction cost or above. However, when a decrease in the price of raw materials indicates that the cost of finished goods exceeds the net realisable value, the raw materials are written down to the net realisable value.

Under such circumstances, the cost of replacement of raw materials (the cost of similar raw materials at the current date or date after the reporting period) may be the best estimate of its net realisable value.

The operating cycle of a construction project may exceed 12 months. Inventories are included in current assets, even if they are not expected to be sold within 12 months after the reporting date.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

The cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with it will flow to the entity.

The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. Depreciation is based on the cost of the asset less its estimated residual value.

Depreciation is generally recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land is not depreciated.

The estimated useful lives of significant items of property, plant and equipment for the current and comparative periods are as follows:

- Buildings	8-40 years;
- Constructions	2-10 years;
- Machinery and equipment	2-30 years;
- Vehicles	5-10 years;
- Furniture and equipment	2-10 years;
- Computers and equipment	2-5 years;
- Instruments, tools	2-5 years;
- Other property, plant and equipment	3-5 years.

Depreciation methods, expected useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(l) Investment property

Investment property is property held to earn rental income from operating lease out of real estate assets for a long period or from increment of value of property and land plots, which are not used by the Group as property, plant and equipment. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Investment properties are subsequently measured at cost less accumulated depreciation and impairment. Buildings included in investment property are amortised on a straight- line basis within the estimated useful lives.

The Group's investment property also includes land plots the use which, according to management estimates, is of uncertain nature, or they are held to earn income from increment of value.'

Investment property is derecognised when it is either disposed or permanently withdrawn from use and no economic benefits are expected from its disposal. Any gains or losses on the disposal of an investment property are recognised in the combined statement of profit or loss and comprehensive income in the period of disposal.

Transfers to and from investment properties are carried out only when there is a change in use.

(m) Financial instruments

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value. A receivable without a significant financing component is initially measured at the transaction price.

Financial assets comprise loans issued, trade and other receivables, bank deposit, restricted cash, and cash and cash equivalents.

Bank deposits

Bank deposits placed for more than 3 (three) months are subdivided into:

- Short-term - below 12 (twelve) months; and
- Long-term - more than 12 (twelve) months.

Warranty retentions

The Group deducts the warranty retentions in the amount of 3%-10% of the amount of the construction and assembly works performed by the subcontractors. The Group pays out retention amounts in full after the expiry of the warranty period. If defects or deficiencies are detected in the works performed within the warranty period, the Group shall have a right to write off the warranty retention against elimination of the detected defects by the Group.

Financial liabilities include loans received, trade payables, warranty retentions and dividends payable.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – equity investment.

Financial assets are reclassified subsequent to their initial recognition only if the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets – Business model assessment:

The Group will make an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected.
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group’s continuing recognition of the assets.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group will consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group will consider:

- contingent events that would change the amount and timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets – e.g. non-recourse asset arrangements.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. In addition, a prepayment feature is treated as consistent with this criterion if a financial asset is acquired or originated at a premium or discount to its contractual par amount, the prepayment amount substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination), and the fair value of the prepayment feature is insignificant on initial recognition.

Financial assets – Subsequent measurement and gains and losses:

Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Modification of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different (referred to as 'substantial modification'), then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

The Group performs a quantitative and qualitative evaluation of whether the modification is substantial, i.e. whether the cash flows of the original financial asset and the modified or replaced financial asset are substantially different. The Group assesses whether the modification is substantial based on quantitative and qualitative factors in the following order: qualitative factors, quantitative factors, combined effect of qualitative and quantitative factors. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset deemed to have expired. In making this evaluation the Group analogises to the guidance on the derecognition of financial liabilities.

The Group concludes that the modification is substantial as a result of the following qualitative factors:

- change the currency of the financial asset;

- change in collateral or other credit enhancement;
- change of terms of financial asset that lead to non-compliance with SPPI criterion (e.g. inclusion of conversion feature).

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

If a modification (or exchange) does not result in the derecognition of the financial liability the Group applies accounting policy consistent with the requirements for adjusting the gross carrying amount of a financial asset when a modification does not result in the derecognition of the financial asset, i.e. the Group recognises any adjustment to the amortised cost of the financial liability arising from such a modification (or exchange) in profit or loss at the date of the modification (or exchange).

Changes in cash flows on existing financial liabilities are not considered as modification, if they result from existing contractual terms.

The Group assesses whether the modification is substantial based on quantitative and qualitative factors in the following order: qualitative factors, quantitative factors, combined effect of qualitative and quantitative factors. The Group concludes that the modification is substantial as a result of the following qualitative factors:

- change the currency of the financial liability;
- change in collateral or other credit enhancement;
- inclusion of conversion feature;
- change the subordination of the financial liability.

For the quantitative assessment the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

(iv) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(n) Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due under the terms and conditions of the construction contracts with a customer. The credit risk on a financial asset from the related parties increases significantly if it is more than 365 days past due under the terms and conditions of the construction contracts with a customer.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held), or if a financial asset from third parties is more than 90 days past due, and is more than 365 days past due in case of the related parties.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Company considers this to be Baa3 or higher per Moody's or BBB- or higher per Standard and Poor's.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due with relation to the third party debt and 365 days past due with relation to the related party debt;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-offs

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

Equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Impairment of financial assets

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s or cash-generating unit’s (CGU) recoverable amount is the higher of fair value of the asset (CGU) less costs to sell and its value in use. Recoverable amount is determined for an individual asset, except for the cases when an asset does not generate cash inflows that are largely independent of the cash inflows of other assets or groups of assets. If a carrying amount of asset or cash generating unit exceeds its recoverable amount, the asset is considered to be impaired and written down to the recoverable amount.

In assessing value in use, the estimated future cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are confirmed by valuation multiples, quoted prices for publicly traded shares or other available fair value indicators.

Impairment losses are recognised in the combined statement of profit or loss and other comprehensive income in those expense categories, which are consistent with the function of the impaired asset.

(o) Guarantees

The Group considers that financial guarantee contracts entered into by the Group to guarantee the indebtedness of other parties are insurance arrangements, and accounts for them as such. In this respect, the Group treats the guarantee contract as a contingent liability until such time as it becomes probable that the Group will be required to make a payment under the guarantee.

(p) Equity

Charter capital

Charter capital is classified as equity. Incremental costs directly attributable to increases in charter capital are recognised as a deduction from equity net of any tax effects.

Dividends

Dividends are recorded as a liability and deducted from equity only if they were declared before or on the reporting date. Dividends are disclosed when they are proposed before the reporting date or proposed or declared after the reporting date but before the financial statements are authorised for issue.

(q) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(i) Warranty service

A provision for warranties is recognised when the underlying goods or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Once construction of facilities is completed and they are put into operation, the Group warrants the quality of construction facilities during 3 (three) years after commissioning. The Group establishes a respective provision until the warranty expiry date. Provisions are recognised within completed construction facilities. Provision is calculated as equal to 1.5% of the cost of a real estate asset.

Subsequently, if a warranty case occurs, the Group decreases provisions directly by the amount of actually incurred costs.

(r) Lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the some leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'right-of-use assets' and lease liabilities in 'finance lease liabilities' in the combined statement of financial position.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The Group assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘other revenue’.

(s) Borrowing costs

The general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. Therefore, the Group treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. Borrowings that were intended to specifically finance qualifying assets which are now ready for their intended use or sale – or any non-qualifying assets – the Group includes in its general pool.

BI-Holding LLP

Unaudited Condensed
Consolidated Financial Statements
for the year ended 31 December 2020

Contents

'000 KZT	Note	31 December 2020 (unaudited)	31 December 2019
ASSETS			
Property, plant and equipment	6	40,628,763	40,156,625
Intangible assets		2,064,030	1,431,494
Investment property		25,190,204	17,899,107
Equity accounted investees		5,705,479	2,522,427
Trade and other receivables	7	1,021,695	1,923,272
Loans issued	8	2,082,144	902,355
Prepayments		728,257	2,773,452
Bank deposits	10	7,233,524	23,064,904
Deferred tax assets		5,635,675	6,622,370
Other non-current assets		871,295	1,168,268
Non-current assets		**91,161,066**	**98,464,274**
Inventories	9	269,360,798	237,043,364
Contract assets		41,219,183	11,452,921
Trade and other receivables	7	77,705,231	63,619,063
Loans issued	8	29,884,487	61,428,861
Prepayments		35,216,797	30,528,386
Income tax prepaid		1,166,878	396,094
Bank deposits	10	54,877,536	30,943,049
Cash and cash equivalents		102,726,243	37,551,797
Other current assets		14,984,773	8,567,196
Current assets		**627,141,926**	**481,530,731**
Total assets		**718,302,992**	**579,995,005**

The unaudited condensed consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the unaudited condensed consolidated financial statements set out on pages 8 to 44.

'000 KZT	Note	31 December 2020 (unaudited)	31 December 2019
Equity			
Charter capital		151	5,888,601
NCI		66,839	-
Retained earnings		138,823,265	97,884,999
Total equity		**138,890,255**	**103,773,600**
Liabilities			
Loans and borrowings	11	52,097,636	52,631,854
Trade and other payables		320,614	462,929
Contract liabilities	12	263,250	249,930
Lease liabilities		1,075,056	1,004,751
Guarantee retentions		7,417,038	5,595,308
Provisions		9,104,182	7,883,783
Deferred tax liabilities		2,039,415	2,790,348
Other non-current liabilities	12	1,537,695	1,679,533
Non-current liabilities		**73,854,886**	**72,298,436**
Loans and borrowings	11	33,672,559	57,835,497
Trade and other payables		45,818,695	71,381,914
Contract liabilities	12	308,200,970	251,924,748
Advances received	12	64,408,567	165,554
Lease liabilities		2,259,379	1,857,385
Guarantee retentions		5,346,090	4,623,244
Provisions		2,984,385	4,282,140
Income tax payable		8,241,020	3,697,369
Dividends payable		7,351,394	2,654,420
Other current liabilities		27,274,792	5,500,698
Current liabilities		**505,557,851**	**403,922,969**
Total liabilities		**579,412,737**	**476,221,405**
Total equity and liabilities		**718,302,992**	**579,995,005**

Chairman of the Board _______________ A.G. Omarov

Chief Financial Officer _______________ A.M. Lepesbayev

Chief Accountant _______________ N.N. Smagulova

The unaudited condensed consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the unaudited condensed consolidated financial statements set out on pages 8 to 44.

'000 KZT	Note	2020 (unaudited)	2019
Revenue		575,857,609	344,441,650
Cost of sales		(449,738,950)	(289,205,850)
Gross profit		**126,118,659**	**55,235,800**
Other income		8,367,841	4,580,028
Income on disposal of assets		1,125,354	-
Selling expenses		(5,463,677)	(2,945,138)
Administrative expenses		(34,349,704)	(33,944,067)
Impairment loss on financial assets		(10,257,444)	(2,365,976)
Impairment income on non-financial asset		7,050,156	-
Other expenses		(16,089,009)	(6,414,967)
Results from operating activities		**76,502,176**	**14,145,680**
Finance income		7,838,300	7,196,216
Finance costs		(7,587,579)	(8,096,081)
Foreign exchange gain/(loss)		1,466,338	(32,200)
Net finance costs		**1,717,059**	**(932,065)**
Share of profit of equity-accounted investees (net of income tax)		-	1,012,498
Profit before income tax		**78,219,235**	**14,226,113**
Income tax expense		(13,715,916)	(3,548,841)
Profit for the year		**64,503,319**	**10,677,272**

Chairman of the Board ____________ A.G. Omarov

Chief Financial Officer ____________ A.M. Lepesbayev

Chief Accountant ____________ N.N. Smagulova

"BI-Holding"

The unadited condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the unaudited condensed consolidated financial statements set out on pages 8-44.

'000 KZT	Note	Charter capital	Retained earnings	Total
Balance at 1 January 2019		8,375,073	98,960,961	107,336,034
Total comprehensive income for the year				
Profit for the year		-	10,677,272	**10,677,272**
Total comprehensive income for 2019		**8,375,073**	**109,638,233**	**118,013,306**
Increase in charter capital		1,176,171	-	**1,176,171**
Decrease in charter capital		(52,676)	-	**(52,676)**
Acquisition of entities under common control		(3,609,967)	-	**(3,609,967)**
Dividends		-	(13,754,579)	**(13,754,579)**
Other distributions to founders - apartments		-	(611,055)	**(611,055)**
Other distributions to founders –financial aid to the related party granted for free		-	(1,035,150)	**(1,035,150)**
Other transactions with owners of the Group		-	3,647,550	**3,647,550**
Balance at 31 December 2019		**5,888,601**	**97,884,999**	**103,773,600**

The unaudited condensed consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the unaudited condensed consolidated financial statements set out on pages 8-44.

'000 KZT	Note	Charter capital	NCI	Retained earnings	Total (unaudited)
Balance at 1 January 2020		5,888,601	-	97,884,999	**103,773,600**
Total comprehensive income for the year					
Profit for the year		-	-	64,503,319	**64,503,319**
Total comprehensive income for 2020		**5,888,601**	-	**162,388,318**	**168,276,919**
Increase in NCI		-	66,839	-	**66,839**
Disposal of entities under common control		(5,888,450)	-	(4,336,378)	**(10,224,828)**
Dividends		-	-	(22,225,810)	**(22,225,810)**
Other transactions with owners of the Group		-	-	2,997,135	**2,997,135**
Balance at 31 December 2020		**151**	**66,839**	**138,823,265**	**138,890,255**

Chairman of the Management Board ______ A.G. Omarov

Chief Financial Officer ______ A.M. Lepesbayev

Chief Accountant ______ N.N. Smagulova

The unadited condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the unaudited condensed consolidated financial statements set out on pages 8-44.

'000 KZT	Note	2020 (unaudited)	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash inflow:			
Receipts and advances from customers		724,608,312	478,891,666
Other receipts		2,966,528	5,606,100
Total cash inflow		**727,574,840**	**484,497,766**
Cash outflow:			
Payments and advances to suppliers of goods and services		(525,517,870)	(371,005,866)
Payments of wages and salaries and related taxes		(25,322,729)	(26,845,188)
Taxes and other payments to the budget		(21,273,769)	(30,249,415)
Corporate income tax paid		(10,843,168)	(4,425,350)
Total cash outflow		**(582,957,536)**	**(432,525,819)**
Net cash from operating activities		**144,617,304**	**51,971,947**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment, investment property and intangible assets		(14,923,216)	(11,854,196)
Transfer from restricted cash		(311,057)	55,049
Placement of bank deposits		(604,323,470)	(154,449,570)
Withdrawal of bank deposits		605,481,311	142,481,752
Interest income on bank deposits		3,503,075	4,622,235
Interest income on loans issued		25,404	20,584
Issuance of loans		(45,802,631)	(95,793,560)
Proceeds from repayment of loans issued		47,407,245	90,096,857
Proceeds from sale of other investments		(511,819)	161,169
Investments in associates		(1,719,648)	(95,663)
Net cash used in investing activities		**(11,174,806)**	**(24,755,343)**

The unaudited condensed consolidated statement of cash flows is to be read in conjunction with the notes to, and forming part of, the unaudited condensed consolidated financial statements set out on pages 8-44.

	2020 (unaudited)	2019
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans and borrowings	51,816,703	137,461,978
Repayment of loans borrowings	(92,159,080)	(127,351,126)
Payments of interest on loans and borrwings	(7,038,516)	(5,966,995)
Payment of lease liabilities and interest	(1,997,810)	(2,991,488)
Dividends paid	(19,179,459)	(10,908,251)
Other distributions to founders – financial aid to the related party granted for free	-	(1,035,150)
Acquisitions of entities under common control	-	(787,859)
Contribution to charter capital	33	582
Net cash used in financing activities	**(68,558,129)**	**(10,790,450)**
Net increase in cash and cash equivalents	**64,884,369**	**16,426,154**
Cash and cash equivalents at 1 January	37,551,797	21,127,138
Effect of movements in exchange rates on cash and cash equivalents	179,826	(51,448)
Effect of ECL allowance on cash and cash equivalents	110,251	49,953
Cash and cash equivalents at 31 December	**102,726,243**	**37,551,797**

Chairman of the Management Board — A.G. Omarov

Chief Financial Officer — A.M. Lepesbayev

Chief Accountant — N.N. Smagulova

"BI-Holding"

The unadited condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the unaudited condensed consolidated financial statements set out on pages 8-44.

1 Reporting entity

(a) Business environment

The Group's operations are primarily located in Kazakhstan. Consequently, the Group is exposed to the economic and financial markets of the Republic of Kazakhstan which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in Kazakhstan.

In addition, 2020 has seen significant global market turmoil triggered by the outbreak of the coronavirus. Together with other factors, this has resulted in a sharp decrease in the oil price and the stock market indices, as well as a continuing depreciation of the Kazakhstan Tenge. These developments are further increasing the level of uncertainty in the Kazakhstan business environment.

The consolidated financial statements reflect management's assessment of the impact of the Kazakhstan business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

(b) Organisation and operations

BI-Holding LLP (the "Company") and its subsidiaries and other entities included in these consolidated financial statements and listed in Note 13 of the unadited condensed consolidated financial statements (the "Group") comprise limited liability partnerships as defined in the Civil Code of the Republic of Kazakhstan and a subsidiary incorporated overseas.

The Company was established in 2011 and its registered office is: E10 Street, building 17M, Yessyl District, Nur-Sultan, Republic of Kazakhstan.

The ultimate controlling party of the Group is an individual, the citizen of the Republic of Kazakhstan, Mr. Aidyn Zhumadilovich Rakhimbayev. He also has ownership interests in other entities which are not related to this Group.

The Group is engaged in building high-rise residential estates, commercial real estate and construction of roads of regional and international importance and of other industrial and civil facilities. The Group is also engaged in manufacturing and sale of building materials, managing commercial real estate, and building and repair work. The Company acts as a managing company within the Group.

The Group's companies are divided into 4 segments by specific lines of business, namely:

- BI-Development– building and sale of high-rise residential estates and further management and maintenance thereof;
- BI Construction & Engineering – construction of industrial and civil facilities;
- BI Infra Construction – construction of roads and road infrastructure of regional and international importance, and manufacturing of building materials;
- BI Property– construction, sale and management of commercial real estate.

The Group's operations are primarily located in the Republic of Kazakhstan. The Group manufactured products are primarily sold in the Republic of Kazakhstan.

Seasonality of operations

The financial performance of BI-Development related segment depends on the specificity of the construction industry, which is characterised by long production cycle. Real estate construction projects are implemented, on average, over the period from 1.5 to 3 years. Whereby, during the construction and investment period, there is decrease in revenues and increase in capitalised costs related to construction projects/ advances paid to construction companies. Accordingly, growth of income from the Group's principal activity is observed after commissioning of real estate properties.

In general, such fluctuations of revenues from core activities occurring by years are common for many local and foreign companies operating in the construction industry.

These unaudited consolidated financial statements were approved by the Chairman of the Management Board, Deputy Chairman of the Management Board for Financial Matters and Chief Accountant on 22 February 2021.

2 Basis of accounting

(a) Statement of compliance

Group prepared its first complete set of IFRS financial statements, as at 31 December 2020 and for the year then ending in accordance with the Standards and Interpretations in effect as at that date.

Comparing information for 2019 year combined financial statements have been prepared in accordance with IFRS 1 *First-time Adoption of International Financial Reporting Standards* as part of the Group's preparation for future transition to IFRS.

Accordingly, these consolidated financial statements are the Group's first complete set of consolidated financial statements, prepared by management using its best knowledge of the Standards and Interpretations in effect at 31 December 2020, and the accounting policies applied in the Group's first complete set of IFRS consolidated financial statements. Any amendments to such Standards, Interpretation or accounting policies may require adjustment for these consolidated financial statements before constituting the corresponding figures.

(b) Basis of consolidation

As at 31 December 2020 the organisation's restructuring have been completed, the entities included into these unadited condensed consolidated financial statements and listed in Note 13 came under the legal control of the Company.

As at 31 December 2019 combined financial statements have been prepared by management of the Group for the purpose of presentation of the combined financial position and combined results of operations of the entities under common control of Mr. Aidyn Zhumadilovich Rakhimbayev and under general management of the Company. Therefore, at the combining, the legal ownership between the Company and other entities included in the combined financial statements has not been considered.

The financial statements of the entities comprising the Group have been prepared for the same reporting period as the Company's financial statements and the accounting policies have been applied consistently to the entire Group. Intra-group balances and transactions, and any unrealised income and (expenses) arising from intra-group transactions are eliminated at the consolidation.

(c) Basis of measurement

These unadited condensed consolidated financial statements have been prepared on the historical cost basis.

3 Functional and presentation currency

The national currency of the Republic of Kazakhstan is the Kazakhstan Tenge ("KZT"), that is the functional currency of the entities of the Group and the currency in which these consolidated financial statements are presented. All financial information presented in KZT has been rounded to the nearest thousand, except when otherwise indicated.

4 Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The most significant assumptions, estimates and judgments are discussed below:

Revenue and allowance for expected credit losses

Information about critical judgments used for recognition of revenue from sale of real estate, related to a point in time at which the revenue is recognised, and about critical judgements used for recognition of revenue from provision of construction services, related to the stage of completion of the construction project, is included in Note 5.

Useful lives of property, plant and equipment

Depreciation of property, plant and equipment and other non-productive assets is accrued on a straight-line basis over their estimated useful lives. The estimates of useful lives and residual values are reviewed on a regular basis. Review is based on the current status of the assets and the expected period during which they will bring economic benefits to the Group, and estimated residual value.

Taxation

In assessing tax risks, management takes into consideration possible areas of non-compliance with tax legislation that the Group is not able to appeal or thinks that these may not be appealed successfully, if additional taxes are assessed by the tax authorities.

Such determinations inherently involve significant judgment and are subject to change as a result of changes in tax laws and regulations, the determination of expected outcomes from pending tax proceedings and the outcome of ongoing compliance audits by tax authorities.

Some companies of the Group registered on the territory of the special economic zones are granted tax preferences, specifically, when assessing the amount of corporate income tax payable to the budget, the assessed amount of corporate income tax is reduced by 100%; when assessing the amount of land tax and fee for use of land plots a zero coefficient (0%) is applied to the appropriate rates, and also when assessing the amount of property tax a zero rate (0%) is applied to the average annual value of taxable items.

Deferred tax assets

Deferred income tax assets are recognised for all allowances and unused tax losses to the extent that it is probable that taxable temporary differences and business nature of such expenses will be proved. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Net realisable value of inventories

The Group recognises a write-down of inventories based on an assessment of the net realisable value of the inventories. A write-down is applied to inventories where events or changes in circumstances indicate that the net realisable value is less than cost. The determination of net realisable value requires the use of professional judgment and estimates. Where the expectation is different from the original estimates, such difference will impact the carrying value of inventories and a write-down of inventories is charged to profit or loss in the periods in which such an estimate has been changed.

Provision for warranties

The Group's policy provides for establishing a warranty provision fund, according to the specifics of its operations, in the amount from 0.5% to 5% of the cost of construction and assembly works (the cost), which ensures correction of defects during the warranty period. To determine the amount of provision, management uses judgments and estim ates based on the Group's historical experience operating in construction industry.

Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

5 Revenue

Revenue streams

The Group generates revenue primarily from the sale of constructed facilities and provision of construction and assembly services, and sale of goods and special vehicles. Other sources of revenue include rental income from real estate properties.*Contract liabilities*

The contract liabilities primarily relate to the advance consideration received from customers for construction of facilities, for which revenue is recognised at a point in time, and for provision of construction services, for which revenue is recognised over time.

Prepaid consideration received from the buyers for the real estate assets prior to the satisfaction of performance obligation is recorded as a contract liability, and then the Group recognises revenue and the decrease in the contract liability.

For the projects where a period between receipt of prepayment from the buyers and satisfaction by the Group of its performance obligation exceeds 12 months, the Group recognises a significant financing component. Accordingly, with regard to advance payments received under the contracts with customers the Group accounts for the time value of money and accrues interest using the borrowing rate. The Group recognises a financing component within the contract liabilities and capitalises it within the cost of the construction facilities in accordance with IAS 23.

The full amount of performance obligation that has not been satisfied as at the end of the reporting period is expected to be recognised in revenue during the next three years.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Revenue from sale of residential property	The Group sells the residential property during the construction phase once a shared construction participation agreement ("SCPA") has been concluded, or sells the facilities that have already been commissioned. The Group enters into SCPA during the construction of the properties. According to the SCPA the Group is obliged to construct and transfer to a buyer a residential property with a specific floor area and at the specific location and at a fixed price. Once the construction is completed, the ownership right to the properties is transferred to the buyer under an acceptance certificate and a final purchase and sale agreement of the properties. The buyer has the right to withdraw from the agreement before the acceptance certificate and final purchase and sale agreement is signed, having paid a fine of up to 10% of the property value. The buyer obtains control over the construction property at the time of its commissioning because: - the state certificate of the property commissioning confirms that the property meets all construction and safety standards and can be operated in accordance with the stated characteristics; - the Group has a right to obligate a buyer to sign the acceptance certificate and final purchase and sale agreement through the court, if the buyer fails to sign the required documents within 30 days after commissioning of the property; - generally, by this time the buyers under SCPA have paid 100% of the contract value; - moreover, by this time the Group has also transferred about 80% of the keys to the buyers to perform repairs under a separate key transfer agreement; - historically, adjustments in the actual floor area as compared to the original layout of the property were immaterial. Revenue from sales of assets already commissioned is recognised in that reporting period, in which the purchase and sale agreement is concluded and the acceptance certificate is signed with the buyer. At the time of commissioning of the real estate asset, a provision of 1.5% of the cost of the residential property is calculated. The warranty period is 3 years after the commissioning of the property.	Revenue under SCPA is recognised at a point in time, at the date of the property commissioning certificate. Revenue from the properties that have already been commissioned is recognised at a point in time, on the date when a purchase and sale agreement is concluded and acceptance certificate is signed with the buyer.
Revenue from provision of industrial and civil facilities construction services	The Group provides services of organisation and management of infrastructure construction projects to a customer, based on the design and estimate documentation. To fulfil the terms and conditions of the contracts, the Group engages contractors for construction of project components. The length of each construction project depends on the complexity of the design. The Group issues a certificate of services rendered to the buyer, with cost of works specified therein. Completion of the services are determined based on the scope of work actually performed as specified in the contract, generally on a monthly basis. The buyer confirms that the services have been provided when an acceptance certificate of services provided is signed and an invoice and a reconciliation act are issued. The unbilled amounts related to actual amount of work performed as specified in the contract are presented in the consolidated financial statements as contract assets. Invoices are usually payable within 90 days once certificates of works performed are signed. No discounts are provided for the services. The Group performs construction and assembly works on the territory of the customer. Advances received are included in contract liabilities, the period of satisfaction of which does not normally extend beyond 12 months. The buyer deducts retentions in the amount of 5%-10% of the cost of construction and assembly works performed by the Group. The buyer releases retention amounts in full once the warranty period for the works performed has expired. Warranty period is normally 2-5 years after commissioning of the constructed facilities.	The Group recognises revenue over time as construction services are provided. The stage of completion for determining the amount of revenue is assessed based on the costs incurred by the Group to perform the scope of work to the estimated total contract costs. The Group believes that this method is appropriate as the Group issues invoices to customers based on costs incurred to provide construction services to the customer.

Revenue from road and infrastructure construction services	Revenue is recognised over time using a resource-based method. This method is based on cost value, which is determined as a ratio of costs incurred under the contract to perform work at the report date and the total estimated contract costs. The total estimated contract costs include the estimated labour cost, cost of materials, cost of works performed by subcontractors and other direct and indirect costs to complete the construction project. These costs may vary depending on the circumstances of which management of the Company was unaware as at the date of estimate. If the contract is terminated, a customer has to pay the cost of all works performed, materials acquired and the cost of moving out vehicles and machinery from the site and temporary closing down of the facility, and compensate for reasonable profit margin. Invoices are issued according to the contractual terms and are usually payable within 30 days. Annually, customers make advance payments to the Company in the amount of 10-30% of the annual total financing. Monthly payments are adjusted for the advance payment amounts, which are deducted pro rata to the amount of work performed during a month. There is no significant financing component due to the fact that a period between the moment when Company receives funding and the customer accepts work is less than 12 months.	The Group recognises revenue over time as construction and assembly services are provided under the infrastructure construction project. The stage of completion for determining the amount of revenue is assessed based on the costs incurred by the Group to perform the amount of work to the estimated total contract costs.
Revenue from construction and sale of commercial real estate	The Group sells commercial real estate once its construction is completed, when an ownership right to the premises is transferred to a buyer under an acceptance certificate and a final purchase and sale agreement of the premises. Revenue from sales of assets that have been already commissioned is recognised in that reporting period, in which the purchase and sale agreement is concluded and the acceptance certificate with the buyer is signed.	The Group recognises revenue at a point in time when a purchase and sale agreement is concluded and when it transfers control over the commercial property to the buyer.
Revenue from hotel management services	A customer accepts hotel accommodation services and signs an act of works performed under the contract. Once an act of works performed has been signed, the state companies and some legal entities pay for services within 30 working days. Services are provided to individuals on a 100% prepayment basis determined in accordance with the Group's policy.	The Group recognises revenue during the period when the service is provided assessing the degree of satisfaction of the performance obligation. Due to the fact that a reporting period is a month, the Group recognises revenue from provision of services during each reporting period.
Revenue from sale of goods	A buyer obtains control over the goods purchased when the goods are shipped from the Group's warehouse. It is taken to be the point in time when invoices are issued and revenue is recognised. Invoices are usually payable within 30 days. No discounts, loyalty points and return of goods are provided for these goods.	Revenue is recognised at a point in time when the goods were shipped from the Group's warehouse under a goods release note, according to the terms of the contract.

6 Property, plant and equipment

'000 KZT	Land	Buildings and constructions	Machinery and equipment	Vehicles	Other	Construction-in-progress	Total (unaudited)
Cost							
Balance at 31 December 2019	6,107,109	24,658,780	17,083,568	9,341,269	7,372,957	3,038,208	67,601,891
Accumulated depreciation and impairment							
Balance at 31 December 2019	(115,407)	(10,090,249)	(8,669,059)	(5,796,313)	(2,774,238)	-	(27,445,266)
Carrying amount							
At 1 January 2019	**5,993,400**	**8,378,791**	**8,032,023**	**4,959,548**	**5,137,081**	**1,181,351**	**33,682,194**
At 31 December 2019	**5,991,702**	**14,568,531**	**8,414,509**	**3,544,956**	**4,598,719**	**3,038,208**	**40,156,625**
Cost							
Balance at 31 December 2020	7,090,215	25,497,122	9,680,434	11,755,285	3,718,382	1,267,389	59,008,827
Accumulated depreciation and impairment							
Balance at 31 December 2020	-	**(5,377,938)**	**(3,771,549)**	**(8,000,451)**	**(1,230,126)**	-	**(18,380,064)**
Carrying amount							
At 1 January 2020	**5,991,702**	**14,568,531**	**8,414,509**	**3,544,956**	**4,598,719**	**3,038,208**	**40,156,625**
At 31 December 2020	**7,090,215**	**20,119,184**	**5,908,885**	**3,754,834**	**2,488,256**	**1,267,389**	**40,628,763**

7 Trade and other receivables

'000 KZT	Note	31 December 2020 (unaudited)	31 December 2019
Trade receivables from third parties		91,527,347	26,937,306
Trade receivables from related parties		7,565,984	11,649,508
Other receivables from third parties		5,402,933	10,267,710
Due from employees		706,405	1,461,808
Other receivables from related parties		-	27,925,240
Guarantee retention assets		-	5,217,359
		105,202,669	**83,458,931**
Less: allowance for expected credit losses		(26,475,743)	(17,916,596)
		78,726,926	**65,542,335**
Current portion		77,705,231	63,619,063
Non-current portion		1,021,695	1,923,272
		78,726,926	**65,542,335**

8 Loans issued

'000 KZT	Note	31 December 2020 (unaudited)	31 December 2019
Interest-free financial aid to related parties		31,294,212	55,233,911
Non-interest bearing loans to third parties		4,573,899	873,598
Non-interest bearing loans to employees		1,629,909	9,059,838
		37,498,020	**65,167,347**
Less: allowance for expected credit losses		(5,531,390)	(2,836,131)
		31,966,631	**62,331,216**
Current portion		29,884,487	61,428,861
Non-current portion		2,082,144	902,355
		31,966,631	**62,331,216**

Movements in the allowance

'000 KZT	2020 (unaudited)	2019
At 1 January	**(2,836,131)**	(2,987,769)
Reversal / (charge)	2,599,653	279,468
Transfer from allowance for impairment of advances paid	(5,294,911)	(127,830)
At 31 December	**(5,531,390)**	**(2,836,131)**

In 2020, the Group issued non-interest bearing loans of KZT 45,802,631 thousand and received cash of KZT 47,407,245 thousand for repayment of previously issued loans. (2019: KZT 95,793,560 thousand and KZT 90,096,857 thousand respectively).

The current portion of issued loans must be returned by the borrowers within 5 (five) days from the date of the written request of the Group in accordance with the terms of loan agreements. Non-interest bearing financial aid to related parties is mainly related to historical loans issued prior to restructuring and formation of the Group's legal structure. In addition, about 70% of the loans were repaid after the reporting date. In future, after restructuring completion, the Group expects that it repays the remaining debt in full.

9 Inventories

'000 KZT	31 December 2020 (unaudited)	31 December 2019
Construction-in-progress/work-in-progress	122,841,018	126,245,321
Land plots	65,547,964	49,986,189
Raw material and supplies	38,511,056	44,294,882
Finished goods	22,834,337	6,280,374
Significant financing component	18,584,956	8,469,894
Goods for sale	1,162,839	1,958,030
Other materials	491,014	-
Allowance for slow-moving inventories	(612,386)	(191,326)
	269,360,798	**237,043,364**

10 Bank deposits

'000 KZT	31 December 2020 (unaudited)	31 December 2019
Short-term deposits	41,326,740	28,302,380
Long-term deposits	7,233,524	14,860,259
Restricted long-term deposits	13,535,003	8,422,524
Restricted short-term deposits	-	2,754,305
Interest receivable	15,793	62,711
Less: allowance for expected credit losses	-	(394,226)
	62,111,060	**54,007,953**
Current portion	54,877,536	30,943,049
Non-current portion	7,233,524	23,064,904
	62,111,060	**54,007,953**

'000 KZT	31 December 2020 (unaudited)
Interest receivable	
SB Sberbank JSC	8,035
CenterCredit Bank JSC	7,698
ATF Bank JSC	60
Total	**15,793**

'000 KZT	31 December 2020 (unaudited)
Deposits	
SB Sberbank JSC	31,365,942
CenterCredit Bank JSC	6,833,346
Halyk Bank of Kazakhstan JSC	3,466,305
SB Alfa-Bank JSC	2,570,038
Eurasian Bank JSC	2,849,327
Nurbank JSC	1,322,477
ATF Bank JSC	138,473
Tengri Bank JSC	10,830
SB VTB JSC	3,526
Total	**48,560,264**

'000 KZT	31 December 2020 (unaudited)
Restricted cash on deposits	
CenterCredit Bank JSC	5,188,762
SB Sberbank JSC	4,567,508
Eurasian Bank JSC	2,357,865
ATF Bank JSC	1,004,386
Halyk Bank of Kazakhstan JSC	222,777
Nurbank JSC	170,000
SB Alfa-Bank JSC	23,705
Total	**13,535,003**

11 Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost.

'000 KZT	Note	31 December 2020 (unaudited)	31 December 2019
Secured bank loans		71,913,810	64,190,526
Financial aid from related parties		6,310,312	36,313,002
Loans from third parties		4,301,929	7,016,204
Unsecured bank loans		1,326,009	1,183,600
Interest payable		1,918,135	1,764,019
		85,770,195	**110,467,351**
Current portion		33,672,559	57,835,497
Non-current portion		52,097,636	52,631,854
		85,770,195	**110,467,351**

Terms and debt repayment schedule

Terms and repayment schedule of outstanding loans were as follows:

'000 KZT	Currency	Nominal interest rate	Year of maturity	Carrying amount 31 December 2020 (unaudited)	Carrying amount 31 December 2019
Related parties	KZT	0%	On demand	6,310,312	36,313,002
Halyk Bank of Kazakhstan JSC	KZT	0.1%-12%	2021-2031	22,629,744	22,132,405
ATF Bank JSC	KZT	7%-15.5%	2020-2031	23,164,975	22,094,732
Development Bank of Kazakhstan JSC	KZT	13%-13.23%	2030	7,386,182	7,586,814
SB Sberbank JSC	KZT	12-14.1%	2020-2027	13,815,432	6,243,731
SB Sberbank JSC	KZT	14%	On demand	-	5,510,694
CenterCredit Bank JSC	KZT	8-19%	2021-2023	1,265,494	2,691,765
SB Alfa-Bank JSC	KZT	16%	2020		523,802
Credit Swiss AG	EUR	3.5%	2022	285,582	354,201
Ammann Schweiz AG	EUR	3.32%	2021	640,264	305,597
First Heartland Jysan Bank JSC	KZT	14%-15.5%	2019		-
ASIACREDIT BANK JSC	KZT	14%	2019		-
Eurasian Bank JSC	KZT	6-13%%	2021-2027	6,559,584	-
Other lenders	KZT	0%-45%	On demand / 2021	3,712,626	6,710,608
				85,770,195	**110,467,351**

Halyk Bank of Kazakhstan JSC

In July 2018, in accordance with the decision of the ultimate controlling party, the Group signed an agreement on debt acceptance to Halyk Bank of Kazakhstan JSC from the following related entities: KazNiobiy IKHMZ LLP - KZT 1,256 mln, Astana Light House Company LLP - KZT 878 mln, BI-Pervomai LLP - KZT 1,526 mln, BI-Resources LLP - KZT 3,955 mln, Private Development Company LLP - KZT 232 mln. The total amount of transferred debt was KZT 7,850 mln. Annual interest rate under the contract is 0.1%, interest is paid each quarter with a grace period on principal – the first 12 months. Loan and interest are payable in July 2031. As at 31 December 2020, the principal due and payable was KZT 6,890 mln. (31 December 2019: KZT 7,531 mln.).

The Group has assessed the terms of the loan and concluded that the rate of 0.1% is below the market rate. Therefore, the Group has recognised a discount on the loan. The debt instrument was recognised at fair value inclusive of discount at a market rate for similar borrowings equalling 12%. Unwinding of discount in 2019 amounted to KZT 477,969 thousand.

During 2018-2019, the Group received loans at the interest rates varying from 10% to 12% p.a. and maturing within 24-60 months to purchase land plots and finance construction and assembly works at facilities located in Almaty.

During 2020, the Group opened credit lines in the amount of 10,724,370 thousand tenge, with an interest rate of 10-12% per annum, for a period of up to 60 months for the purchase of land plots and financing of construction and installation works of facilities in Almaty.

The guarantee from related parties for the total amount of KZT 3,608,211 thousand was provided as security, as well as the Group's land plots with the carrying amount of KZT 10,937,511 thousand.

In November 2016, the Group signed an agreement on assumption of debt obligation of BI-Resources LLP, the related party, to Kazkommertsbank JSC under the Accessory Contract of 23 May 2007 in the amount of KZT 3,500,000 thousand at the rate of 16%. Loan and interest are repayable in March 2026. As at 31 December 2019, the amount due and payable was KZT 2,454,992 thousand (1 January 2019: KZT 2,720,870 thousand).

In November 2015, the Group received a loan from Kazkommertsbank JSC for KZT 961 mln. at the rate of 9.6% and maturing within 9 years under the Accessory Contract through a structural transfer of part of the debt of KazNiobiy IKHMZ LLP, a related party. In December 2015, the Group received a loan from Kazkommertsbank JSC for KZT 1.7 bln at the rate of 9.6% and maturing within 9 years under the Accessory Contract through a structural transfer of part of the debt of KazNiobiy IKHMZ LLP. The Group's commercial properties with land plots with a carrying amount of KZT 1,740,046 thousand (31 December 2019: KZT 1,740,046 thousand) were provided as security.

ATF Bank JSC

In 2019 the Group refinanced the loan bearing the interest rate of 14% and maturing in 2021 that was received earlier from AsiaCredit Bank JSC to finance construction and assembly works and acquire land. The Group's land plots with the carrying amount of KZT 2,375,966 thousand were pledged as collateral.

In July 2019, the credit line was opened to finance construction and assembly works and purchase equipment for the first industrial modular house-building factory ModeX with a fine finish in Kazakhstan. In accordance with the State Program for Business Support and Development "Business Road Map 2020" a subsidy agreement was concluded between the Bank, Damu Entrepreneurship Development Fund JSC and the Group. Interest rate of 14% is subject to subsidies under the agreement, in addition the portion of interest rate of 8% shall be paid by Damu Entrepreneurship Development Fund JSC.

The guarantee from related parties for the total amount of KZT 18,682,092 thousand was provided to secure the credit line under ModeX project, as well as the related parties' real estate, land plots and cash totalling to KZT 4,988,380 thousand.

During 2018-2019, credit lines were opened with ATF Bank JSC in the amount of 10,043,754 thousand tenge, which are secured by the rights of BI Urban Construction LLP to bank deposits, legal entity guarantees and a PPP agreement pledged to the bank in ensuring the fulfillment of obligations of KazInvestStroy Group LLP on the repayment of the loan, payment of interest on the loan, commission on guarantees / letters of credit and the fulfillment of other obligations under loan agreements.

During 2019, the Group capitalised interest expenses of KZT 69,041 thousand within construction-in-progress.

On 25 December 2018, the Group received a loan of KZT 6.8 bln. at the rate of 6.5% and maturing on 24 December 2031 for a purchase of B11 Business Centre with a land plot located at: 17M, E-10 Str., Nur-Sultan. The loan is repaid with equal instalments. The following has been provided as collateral:

- cash deposit of USD 8.6 mln.;
- non-residential premises with a total area of 10,541.6 sq.m. with a share of 0.2761 ha in a land plot with a total area of 5.5071 ha (cadastral number 21-320-135-3324), located at: 17M, E-10 Str., Nur-Sultan, with a carrying amount of KZT 6,835,441 thousand;
- joint guarantee of Arman Kala 21 Century LLP according to the guarantee contract.

On 28 December 2018, the Group received a loan of KZT 6.7 bln. at the rate of 6.5% and maturing on 27 December 2031 for a purchase of real estate with a land plot located at: 17B, E-10 Str., Nur-Sultan. The following has been provided as collateral:

- the depositor's rights for a bank deposit and cash of USD 10.2 mln. pledged as collateral;
- non-residential premises with a total area of 20,579.3 sq. m. located at: 17 B, E 10 Str., Nur-Sultan, with a carrying amount of KZT 5,970,231 thousand;
- full joint guarantee of Business Centre Turan LLP according to the guarantee contract;
- full joint guarantee of Expo Village LLP.

Eurasian Bank JSC

In October 2020, BI-Industrial LLP signed an Agreement on the provision of a credit line with Eurasian Bank JSC for a total amount of 3,000,000 thousand tenge for the purpose of maintaining working capital. The credit line has an annual interest rate of 13%, interest is paid on a quarterly basis. Under the terms of the agreement, the credit line availability period is 3 months. As collateral, funds were provided in the amount of 30% (thirty percent) of the amount of the issued tranche, placed on the deposit, as well as funds received in the future under the Contract.

In January 2021, the loan debt to Eurasian Bank JSC was repaid in full.

Development Bank of Kazakhstan JSC

On 25 July 2017 and 29 November 2017, the Group received loans for the total amount of KZT 7,000,000 thousand under bank loan agreements No. 150-2/05 and No. 249-2/05, respectively, as part of credit line No. 36-CM-2/05 received from Development Bank of Kazakhstan JSC (the "Bank"). The purpose of the loans is to finance the construction of the hotel complex. The loans bear annual interest rates of 13.23% and 13%, respectively, and mature in July 2030.

The grace period on principal under credit line No. 36-CM-2/05 has been established from the date of loan receipt until 14 January 2020, and for interest payment - until 14 January 2018. Therefore, during 2017-2019 the Group did not repay its principal under these loan agreements.

As at 31 December 2020, the loans of the Group were secured by the following assets:

- 30.7% share in real estate of hotel complex with a carrying amount of KZT 2,178,437 thousand (31 December 2019: KZT 2,178,437 thousand);
- 100% share in the charter capital of Shanyrak Platinum LLP;
- the guarantee issued by National Company "QazExpoCongress" JSC in favour of the Bank, pursuant to which the funds on the guarantor's escrow account will be used to repay the loan on behalf of Shanyrak Platinum LLP if the company fails to meet its obligations.

SB Sberbank JSC

The Group opened two revolving credit lines with a total limit of KZT 7,000,000 thousand at the interest rates varying from 11.75% to 12.5%. The maturity date of the tranches is 36 months.

In September 2020, KAZPACO LLP signed an Agreement on opening a credit line with SB Sberbank JSC in the amount of 1,500,000 thousand tenge for the purpose of maintaining working capital. The credit line has an annual interest rate of 12%, interest is paid on a quarterly basis. Under the terms of the agreement, the period of availability of the credit line is set until March 21, 2021. Real estate, a guarantee of a legal entity, a pledge of funds on account 2240, as well as funds received in the future under the Contract are provided as collateral.

On October 18, 2019, the Group received a loan for the purchase of an asphalt-concrete batching plant with components. Fixed interest rate in annual interest 14%. The total loan amount is 330,000 thousand tenge.

On 10 July 2019, the Group opened a non-revolving credit line for KZT 5.5 bln. at the rate of 14% and maturing before 31 December 2026 for construction of Aura Block A Business Centre, located at: intersection area of Orynbor Str. and 28 Str., Nur-Sultan. Repayment of the loan under the agreement begins in 2020. Construction in progress of the Aura Business Centre (Block A, Phase 2) with adjacent land plots located at 53A and 57 sections, Mangilik El Str., Yessil district, Nur-Sultan, with a total carrying amount of KZT 5,624,390 thousand was provided as collateral.

During 2020, the Group capitalised interest expenses of KZT 231,983 thousand within construction-in-progress.

Bank CenterCredit JSC

In 2019, a loan was received for the acquisition of land plots, for a total amount of 2,560,000 thousand tenge, for a period until 2022.

In June 2020, U-Con One LLP signed an Agreement on setting a limit with Bank CenterCredit JSC in the amount of 2,500,000 thousand tenge for the purpose of replenishing working capital. The credit line has an annual interest rate of 8%, interest is paid on a quarterly basis. Under the terms of the agreement, the period of availability of the credit line is set until February 2021. A guarantee deposit in US dollars was provided as collateral.

At the end of 2020, the loan debt to Bank CenterCredit JSC was repaid in full.

In 2020, the Group had short-term loans (1-3 months) for a total of 3,579,393 thousand tenge, targeted use of payment to suppliers and contractors.

The borrowers were Karatas Mining LLP, BI Astana Roads LLP, Petroservice KZ LLP.

SB Alfa-Bank JSC

On 18 March 2019 the Group opened a credit line with DB Alfa-Bank JSC to replenish the working capital at the rate of 16% and maturing on 20 March 2020, and the total amount of tranches received was KZT 2.8 bln.

In 2020, the Group received 7 bank loans for a total amount of 1,473,801 thousand tenge in order to maintain working capital. With an interest rate of 16%, the maturity of each bank loan was 3 months.

First Heartland Jysan Bank JSC

In January 2018, the Group signed a general facility agreement with First Heartland Jysan Bank JSC to open a credit line totalling KZT 2 bln. to replenish the working capital. The annual interest rate on the credit line is 15%, interest is paid each month. Under the terms of the agreement, the credit line availability period is until 1 May 2018.

In 2018, the Group concluded an agreement with First Heartland Jysan Bank JSC to receive loans for the total amount of KZT 3,231,469 thousand maturing in October 2018 and March 2019. The interest rate on loans varies from 14% to 15%.

On 19 October 2017, the Group signed the general agreement with Tsesnabank JSC for opening a revolving credit line for the total amount of KZT 9,000,000 thousand and a non-revolving credit line for the total amount of KZT 3,000,000 thousand to refinance credit lines opened in SB Sberbank of Russia JSC. The Group provided property and cash placed on a conventional bank account in the amount of KZT 4,500,000 thousand to secure this credit line.

On 23 October 2017, the Group signed a general facility agreement with Tsesnabank JSC to open a credit line for the total amount of KZT 4,400,000 thousand to replenish the working capital. The credit line interest rate was 15.5%, and interest was paid each month.

In accordance with the repayment schedule, during 2018-2019 the Group repaid principal and interest in full on all credit lines from First Heartland Jysan Bank JSC.

As at 31 December 2020, property, plant and equipment of the Group with a carrying amount of KZT 869,102 thousand was provided as collateral.

Amman Schweiz AG

In April 2017 the Group purchased an asphalt mixing plant from Amman Schweiz AG, a Swiss-based company, for EUR 1.685 thousand. The interest rate on loan is 3.32% and the loan term is 4 years. Payments of principal and interest are made on a semi-annual basis.

Non-interest bearing financial aid from related parties

Non-interest bearing financial aid from related parties is mainly related to financing the construction of the Group's facilities. In accordance with the terms of the loan agreements, borrowers shall repay the amounts due within 5 (five) days of the lender's written request.

Other lenders

Other lenders are mainly represented by investment agreements with third parties for construction of real estate. As part of these agreements, the Group is obliged to pay a certain percentage of net profit after the sale of these properties. Due to insignificance of the balances on these loans, the Group did not recognise a discount on the loans.

Breach of loan covenant

With respect to another loan from Sberbank JSC amounting to KZT 5.5 bln. at 31 December 2019, BI Business LLP has breached a loan covenant relating to the equity ratio (i.e. equity/EBITDA ratio). As a result, the lender can impose penalties and request repayment on demand and Group has classified the loan as short-term borrowings. On 18 August 2020, a letter was received from SB Sberbank JSC stating that it will not demand early repayment of debt and will not impose penalties and forfeits on the Group for non-compliance with the financial covenant.

As at 1 January 2019, the Group had breached the requirement (covenant) for the ratio of the loan coverage ratio to Development Bank of Kazakhstan JSC. Therefore, the bank had a right to demand immediate repayment and the Group classified the loans of KZT 7,471,050 thousand as short-term borrowings. As at 31 December 2019, the Group had received an official letter from the bank in which the Company's non-compliance with the covenant at 31 December 2019 is not viewed by the bank as event of default. The Bank has also amended the deadline for compliance with this covenant to 2021.

12 Contract liabilities and advances received

'000 KZT	Note	31 December 2020 (unaudited)	31 December 2019
Advances received from third parties		364,822,920	119,760,157
Advances received from related parties		8,049,867	12,099,560
		372,872,787	**131,859,717**
Current portion		372,609,537	131,859,717
Non-current portion		263,250	-
		372,872,787	**131,859,717**

Contract liabilities relate to prepayments received from customers for construction of facilities for which revenue is recognised at the time, and for provision of construction services for which revenue is recognised over time.

13 Companies included in the consolidated financial statements

The following entities were included in these unadited condensed consolidated financial statements:

No.	Name of the company	Segment	Effective ownership
1	KAZPACO LLC	BI Construction & Engineering	100%
2	BI-Industrial LLP	BI Construction & Engineering	99%
3	BI Urban Construction LLP	BI Construction & Engineering	99%
4	U-Con One LLP	BI Construction & Engineering	100%
5	U-Con Three LLP	BI Construction & Engineering	51%
6	BI Construction Turkestan LLP	BI Construction & Engineering	100%
7	BiGlobal LLP	BI Construction & Engineering	100%
8	BI Group-Engineering LLP	BI Construction & Engineering	-
9	Binom Edication (бывш. TENGRY CONSTRUCTION LLP)	BI Construction & Engineering	100%
10	ATM Turkistan Hospital LLP	BI Construction & Engineering	55%
11	NRG Construction Exclusive LLP	BI Construction & Engineering	60%
12	ТОО Центр инновационного творчества LLP	BI Construction & Engineering	100%
13	BI-Development LLP	BI-Development	99%
14	Milan-Astana LLP	BI-Development	100%
15	Kaz industrial group LLP	BI-Development	100%
16	BI EXPO CITY LLP	BI-Development	100%
17	ZHAGA NS LLP	BI-Development	100%
18	Mereke Service NS LLP	BI-Development	99%
19	Kompaniya Industriya Stroitelstva LLP	BI-Development	100%
20	Kiyeli tylsym LLP	BI-Development	100%
21	Broker and K LLP	BI-Development	100%
22	Megastroy LTD LLP	BI-Development	1%
23	SALT LLP	BI-Development	-
24	BI City Stroy LLP	BI-Development	100%
25	BI Stroy LLP	BI-Development	-
26	KazStroy-Z LLP	BI-Development	100%
27	Stroy InzhService LLP	BI-Development	-
28	Adali-Astana LLP	BI-Development	100%
29	Nova Group Stroy LLP	BI-Development	100%
30	Family Village NS LLP	BI-Development	100%
31	Amanat Stroy LLP	BI-Development	100%
32	Build SYSTEM-Atyrau LLP	BI-Development	100%
33	Ideal Invest Group LLP	BI-Development	100%
34	Light House NS LLP	BI-Development	100%
35	A2ZH group LLP	BI-Development	100%
36	Sauran Towers LLP	BI-Development	100%
37	Orynbor Towers LLP	BI-Development	100%
38	Zhas Kurylys NS LLP	BI-Development	100%
39	Midvest LLP	BI-Development	100%
40	AS Parking LLP	BI-Development	100%
41	Headliner KZ LLP	BI-Development	100%

No.	Name of the company	Segment	Effective ownership
42	Premier Palace LLP	BI-Development	100%
43	Arna-Trade LLP	BI-Development	100%
44	Master Construction LLP	BI-Development	100%
45	TEK Resurs LLP	BI-Development	100%
46	Altyn Dala Astana LLP	BI-Development	100%
47	Esil Kurylys IZH LLP	BI-Development	100%
48	BI-Village Deluxe LLP	BI-Development	100%
49	TH Rakhmet-3 LLP	BI-Development	100%
50	Arnau-Tower LLP	BI-Development	100%
51	Home Group Astana LLP	BI-Development	100%
52	NURA ESIL ASTANA LLP	BI-Development	100%
53	Astana Kurylys Montazh NS LLP	BI-Development	100%
54	Dream city LLP	BI-Development	100%
55	Arnau City LLP	BI-Development	100%
56	Grand Arnau LLP	BI-Development	100%
57	AZAT-M LLP	BI-Development	100%
58	Pokolenie 1 LLP	BI-Development	100%
59	Arnay City LLP	BI-Development	100%
60	Triumph Towers LLP	BI-Development	100%
61	TsES Real Estate LLP	BI-Development	100%
62	London NS LLP	BI-Development	100%
63	Esil Park LLP	BI-Development	100%
64	Bereke Stroy LLP	BI-Development	100%
65	Oil Extraction Company LLP	BI-Development	100%
66	Family Village LLP	BI-Development	100%
67	Astana Mineral LLP	BI-Development	100%
68	Tsesinstroy LLP	BI-Development	100%
69	Noviy Park LLP	BI-Development	100%
70	Astana Realty Plus LLP	BI-Development	100%
71	AlmaTauStroy LLP	BI-Development	100%
72	Altyn sapa NS LLP	BI-Development	100%
73	ASK Prestige LLP	BI-Development	100%
74	Sarmat Group LLP	BI-Development	100%
75	Sarmat Construction Company LLP	BI-Development	100%
76	BI Realty Almaty LLP	BI-Development	100%
77	SK Akbulak LLP	BI-Development	100%
78	SK Akbulak-2 LLP	BI-Development	100%
79	Zhan Sai Group LLP	BI-Development	100%
80	BI Shymkent Projects LLP	BI-Development	100%
81	BCD Group LLP	BI-Development	100%
82	AsiaInvestGroup LLP	BI-Development	100%
83	Sairan Stroy LLP	BI-Development	100%
84	Stroy Park LLP	BI-Development	100%
85	Temir Construction LLP	BI-Development	100%
86	4YOU-2 LLP	BI-Development	100%
87	BI Group Almaty LLP	BI-Development	100%
88	Sarmat Group-2 LLP	BI-Development	100%
89	LUXOR.KZ COMPANY LLP	BI-Development	100%
90	Luxor LLP	BI-Development	100%
91	Turan City LLP	BI-Development	100%
92	Otau Invest NS LLP	BI-Development	100%
93	Tengri House Astana LLP	BI-Development	100%
94	Kamal Center Astana LLP	BI-Development	100%
95	Salamat Stroy LLP	BI-Development	100%
96	Sezim Arena LLP	BI-Development	100%
97	Esil Town LLP	BI-Development	100%
98	NC-16 LLP	BI-Development	100%
99	NC-21 LLP	BI-Development	100%
100	NC-22 LLP	BI-Development	100%

No.	Name of the company	Segment	Effective ownership
101	Nova City Company LLP	BI-Development	-
102	Gross House Group LLP	BI-Development	100%
103	Kenn Dala LLP	BI-Development	100%
104	Asyll Dala LLP	BI-Development	100%
105	Crystal LLP	BI-Development	100%
106	BI-Village Comfort LLP	BI-Development	-
107	Gimarat NS LLP	BI-Development	100%
108	Build Group NS LLP	BI-Development	100%
109	Adai kurylys-2004 LLP	BI-Development	100%
110	Turan Towers LLP	BI-Development	100%
111	Arnau Building LLP	BI-Development	100%
112	Alem Stroy NS LLP	BI-Development	100%
113	River City LLP	BI-Development	100%
114	Stone Group Company LLP	BI-Development	100%
115	Golf Country LLP	BI-Development	100%
116	Astana Village LLP	BI-Development	100%
117	Town House LLP	BI-Development	100%
118	Grand Park Avenue LLP	BI-Development	100%
119	Golf Club Residence LLP	BI-Development	100%
120	ShygysMontazh-Stroy LLP	BI-Development	100%
121	IsMi LLP	BI-Development	50%
122	Technologii Renovatsii LLP	BI-Development	100%
123	SK Bazar LLP	BI-Development	100%
124	KAZSilicate LLP	BI-Development	100%
125	Invest Land LLP	BI-Development	100%
126	SK TASTEMIR LLP	BI-Development	100%
127	AsBuildStroy LLP	BI-Development	-
128	Capital Park LLP	BI-Development	50%
129	BI-Group LLP	BI-Development	100%
130	Zarya Vostoka NS LLP	BI-Development	100%
131	BK Engineering Service LLP	BI-Development	100%
132	Estate Platinum LLP	BI-Development	100%
133	ModeX Astana LLP	BI-Development	100%
134	BI-Beton LLP	BI-Development	100%
135	Zavod ABK-Beton LLP	BI-Development	100%
136	Invest City LLP	BI-Development	100%
137	Lean Astana LLP	BI-Development	100%
138	BI Almaty Projects LLP	BI-Development	-
139	Global Build LLP	BI-Development	100%
140	Nur Service NS LLP	BI-Development	100%
141	Dream Village LLP	BI-Development	-
142	ModeX Almaty LLP	BI-Development	-
143	Garant Service NS LLP	BI-Development	-
144	BI Capital LLP	BI-Development	-
145	CFC BI-Finance LLP	BI-Development	100%
146	Kaztime LLP	BI-Development	-
147	«ARCHITECTS DEVELOPMENT» LTD	BI-Development	99.90%
148	"JV NRG" LTD	BI-Development	60.90%
149	Connected Premium LLP	BI-Development	70%
150	Smart Remont LLP	BI-Development	70%
151	BI Infra Construction LLP	BI Infra Construction	99%
152	Kazakhdorstroy LLP	BI Infra Construction	-
153	ABK-Autodor NS LLP	BI Infra Construction	-
154	BI Astana Roads LLP	BI Infra Construction	100%
155	Karatas Mining LLP	BI Infra Construction	100%
156	Bi PetroService LLP	BI Infra Construction	100%
157	Zhol kurylys NC LLP	BI Infra Construction	100%
158	BI-Bridge Company LLP	BI Infra Construction	100%
159	BI Property LLP	BI Property	-

No.	Name of the company	Segment	Effective ownership
160	BI Business Solution LLP	BI Property	-
161	BI Business LLP	BI Property	-
162	Bekturly Operating LLP	BI Property	-
163	Tses Realty LTD LLP	BI Property	-
164	Essil Invest LLP	BI Property	-
165	South Side LLP	BI Property	-
166	New Park LLP	BI Property	-
167	BI Retail LLP	BI Property	-
168	BI TECHNOPARK LLP	BI Property	90%
169	BI Healthcare LLP	BI Property	-
170	BI Leisure LLP	BI Property	-
171	Baby Village LLP	BI Property	-
172	Shanyrak Platinum LLP	BI Property	99%
173	Business Centre Turan LLP	BI Property	-
174	Consolidate Management Company LLP	BI Property	-
175	BI Property Alatau LLP	BI Property	-
176	Hospitality Management Group LLP	BI Property	-
177	Green-Hall LLP	BI Property	100%
178	First City Schools LLP	BI Property	50%
179	Aktau Properties LLP	BI Property	100%
180	BI-Holding LLP	Holding companies	7.74%
181	Profi Time Astana LLP	Holding companies	100%
182	BI Support LLP	Holding companies	-
183	BI Digital LLP	Holding companies	43.37%
184	BI Innovations LLP	Holding companies	100%
185	Park Technologies LLP	Holding companies	100%
186	BeInTech US LLP *	Holding companies	100%
187	VASCO Qazaqstan LLP	Holding companies	98.52%
188	RP Shymkent LLP	Holding companies	100.00%
186	A-Land LLP	Holding companies	100%
187	Arman Kala 21 Vek LLP	Holding companies	-
189	BIG APP LLP	Holding companies	100%
190	KazRegionStroy LLP	Holding companies	100%

* BeInTech US LLP is incorporated in the United States of America.

14 Commitments and contingencies

(a) Insurance

The insurance industry in the Republic of Kazakhstan is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Group does not have full coverage for its plant facilities, business interruption, or third party liability in respect of property or environmental damage arising from accidents on Group's property or relating to Group's operations. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Group's operations and financial position.

Compliance with Kazakhstan legislation on housing construction and construction activity

Certain segments of the Group are subject to periodic inspections of its activities by government authorities in terms of compliance with the requirements of Kazakhstan housing legislation and the law of the Republic of Kazakhstan "About Architectural, City-planning and Construction Activities in the Republic of Kazakhstan" (the "Construction Law"). Management of the Group cooperates with governmental authorities to agree on remedial actions necessary to resolve any findings resulting from these reviews. Non-compliance with legislation requirements may result in suspension of operations and imposition of administrative fines on the Group up to 300 monthly calculation indices for each construction facility any number of times.

Environmental matters

The enforcement of environmental regulation in Kazakhstan is evolving and subject to ongoing changes. Penalties for violations of Kazakhstan environmental laws can be severe. Management believes that there are no probable environmental liabilities that may have a material adverse effect on the Group's financial position or results of operation.

(b) Tax risks

The taxation system in Kazakhstan is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by various levels of authorities, which have the authority to impose severe fines and interest charges. A tax year generally remains open for review by the tax authorities for five subsequent calendar years; however, under certain circumstances a tax year may remain open longer.

These circumstances may create tax risks in Kazakhstan that are more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

The Group applies certain judgments while calculating deductions on advisory and engineering services as related to income tax. The Group believes that it will be able to prove deductions on such expenses through providing all necessary evidence basis such as a framework contract and additional agreements to it, or any other supplementary document to a framework contract for each separate engagement or order per the Group's each request for services, necessary primary documents, internal document that confirms a need and economic feasibility of each consultation obtained.

15 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been uniform for the Group.

(a) Combination and consolidation principles

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consolidated financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(ii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group's controlling shareholder's consilidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity except that any share capital of the acquired entities is recognised as part of additional paid-in capital. Any cash paid for the acquisition is recognised directly in equity.

(iii) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates. Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Interests in associates are accounted for using the equity method and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest including any long-term investments, is reduced to zero, and the recognition of further losses is discontinued, except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(iv) Transactions eliminated on combination and consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Classification of assets and liabilities as current and non-current

The Group presents assets and liabilities in the consolidated statement of financial position based on their classification as current and non-current. An asset is current when:

- it is expected to be sold, or it is held for sale or consumption within normal operating cycle, which is normally lasts for 1-36 months for construction assets;
- it is held primarily for the purpose of trading;
- it is due to be sold within twelve (12) months after the reporting period; or
- it represents cash and cash equivalents, except when the change of the asset or its use for settlement of the liability is restricted for at least twelve (12) months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled within normal operating cycle, which is normally lasts for 1-36 months for contract liability;
- it is due to be settled within twelve (12) months after the reporting period; or the Group has no unconditional right to defer the settlement of the liability for at least twelve (12) months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current/long-term assets and liabilities.

(c) Revenue

Information about the Group's accounting policies relating to contracts with customers is provided in Note 5(d).

(b) Expense recognition

Expenses should be recognised in the same period in which the income is recognised, for which these expenses were incurred, or when it becomes evident that these expenses will not result in generation of any income, regardless of the timing of actual payment of cash and other form of performance.

Such recognition implies simultaneous recognition of income and expenses arising directly and jointly from the same transactions or other events.

If economic benefits are expected to arise over several accounting periods and relation to income may be traced only as a whole or indirectly, the expenses are recognised over several reporting periods during which the respective economic benefits arise. Expenses are allocated by reporting periods based on reasonable and systematic determination of the amounts recognised in each reporting period.

If the costs incurred do not result in the expected economic benefits, or when future economic benefits do not meet or cease to meet the recognition requirements as an asset, the costs are recognised as expenses of the period, in which the relevant circumstances are identified.

An expense is also recognised when an obligation has arisen without recognising the asset.

Other expenses representing net foreign exchange loss (excess of expenses over income from foreign exchange difference); net losses related to disposal of property, plant and equipment and intangible assets (excess of losses over income from disposal) are also recognised in that period, in which they were actually incurred.

(c) Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- the net gain or loss on financial assets at FVTPL;
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(d) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on a historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss).

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to tenge at the exchange rates as at the reporting date. The income and expenses of foreign operations are translated to tenge at the exchange rates as at the dates of transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to non-controlling interests.

(e) Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Personnel costs

Social tax

The Group pays social tax according to the current legislation of the Republic of Kazakhstan. Social tax is expensed as assessed.

Mandatory pension contributions

The Group also withholds 10% of the wages of its employees as contributions to pension funds. In accordance with the legislation, the employees bear individual responsibility for their pension contributions and the Group has no current or future liability to make payments to the employees after their retirement.

(f) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

(g) Current tax

Income tax comprises current and deferred tax.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. Tax rates and tax legislation applicable for calculation of this amount represent those that have been enacted or substantively enacted by the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss and other comprehensive income. The Group management periodically evaluates positions taken in the tax returns with respect to which the applicable tax regulations are subject to different interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, are considered, based on the business plans for individual subsidiaries in the Group, and not taking into account the impact of reversal of existing temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes, penalties and late-payment interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of Kazakhstan tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events.

New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

(i) Value-added tax (VAT)

Tax legislation provides for repaying input VAT and output VAT on a net basis. Thus, value added tax recoverable represents VAT on purchases net of VAT on sales.

VAT payable

VAT payable is accrued on accounts on income from sales of goods, works and services subject to VAT in accordance with the Tax Code of the Republic of Kazakhstan. Where provision has been made for impairment of receivables, an impairment loss is recorded for the gross amount of the debt, including VAT.

VAT recoverable

VAT recoverable is recorded on accounts related to purchased goods, work and services, which were purchased with VAT and if they were used in order to derive income.

Value-added tax on goods, work, services used or to be used in construction of real estate intended for sale in the form of turnover of both exempt and subject to value-added tax is accounted for in the construction in progress prior to the facility commissioning. The recoverable portion of VAT (related to non-residential area) is offset as non-residential premises are sold. VAT that is not offset (related to residential area) is included in the cost of residential premises.

At each reporting date, the VAT recoverable amount is subject to offset against the VAT payable amount.

(j) Inventories

Inventories include the CIP facilities intended for sale and land plots in those cases when the Group acts as a developer, raw materials and supplies, other construction in progress and finished goods.

Inventories are recorded at the least of two values: cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated selling expenses. Cost of inventory is assigned using the weighted average cost method.

Cost of inventories includes all costs incurred in the ordinary course of business related to their delivery to the site and brining into the current state. Cost of inventory represented by the real estate is the cost of its construction, including the cost of acquisition of land plots and a respective portion of direct and indirect costs and expenses on loans and advances received to finance certain construction projects.

Accounting for construction in progress and finished goods

Construction costs comprise payroll expenses and expenses on other payments to personnel directly involved in construction, travel expenses of the personnel, depreciation and repair costs of property, plant and equipment, cost of raw materials and supplies used in construction and all other expenses directly related to construction.

Accounting for land plots

At the time of acquisition, the land plots are included in inventories only if a facility is planned to be constructed on this land plot. Once the construction has started, the land plots are transferred into the real estate assets under construction for sale.

Raw materials and supplies

Raw materials and supplies to be used in construction are not written down below cost if the finished products in which they will be included are expected to be sold at the construction cost or above. However, when a decrease in the price of raw materials indicates that the cost of finished goods exceeds the net realisable value, the raw materials are written down to the net realisable value.

Under such circumstances, the cost of replacement of raw materials (the cost of similar raw materials at the current date or date after the reporting period) may be the best estimate of its net realisable value.

The operating cycle of a construction project may exceed 12 months. Inventories are included in current assets, even if they are not expected to be sold within 12 months after the reporting date.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

The cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with it will flow to the entity.

The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. Depreciation is based on the cost of the asset less its estimated residual value.

Depreciation is generally recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land is not depreciated.

The estimated useful lives of significant items of property, plant and equipment for the current and comparative periods are as follows:

– Buildings	8-40 years;
– Constructions	2-10 years;
– Machinery and equipment	2-30 years;
– Vehicles	5-10 years;
– Furniture and equipment	2-10 years;
– Computers and equipment	2-5 years;
– Instruments, tools	2-5 years;
– Other property, plant and equipment	3-5 years.

Depreciation methods, expected useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(l) Investment property

Investment property is property held to earn rental income from operating lease out of real estate assets for a long period or from increment of value of property and land plots, which are not used by the Group as property, plant and equipment. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Investment properties are subsequently measured at cost less accumulated depreciation and impairment. Buildings included in investment property are amortised on a straight- line basis within the estimated useful lives.

The Group's investment property also includes land plots the use which, according to management estimates, is of uncertain nature, or they are held to earn income from increment of value.'

Investment property is derecognised when it is either disposed or permanently withdrawn from use and no economic benefits are expected from its disposal. Any gains or losses on the disposal of an investment property are recognised in the consolidated statement of profit or loss and comprehensive income in the period of disposal.

Transfers to and from investment properties are carried out only when there is a change in use.

(m) Financial instruments

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value. A receivable without a significant financing component is initially measured at the transaction price.

Financial assets comprise loans issued, trade and other receivables, bank deposit, restricted cash, and cash and cash equivalents.

Bank deposits

Bank deposits placed for more than 3 (three) months are subdivided into:

- Short-term - below 12 (twelve) months; and
- Long-term - more than 12 (twelve) months.

Warranty retentions

The Group deducts the warranty retentions in the amount of 3%-10% of the amount of the construction and assembly works performed by the subcontractors. The Group pays out retention amounts in full after the expiry of the warranty period. If defects or deficiencies are detected in the works performed within the warranty period, the Group shall have a right to write off the warranty retention against elimination of the detected defects by the Group.

Financial liabilities include loans received, trade payables, warranty retentions and dividends payable.

(ii) ***Classification and subsequent measurement***

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – equity investment.

Financial assets are reclassified subsequent to their initial recognition only if the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets – Business model assessment:

The Group will make an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected.
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group will consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group will consider:

- contingent events that would change the amount and timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets – e.g. non-recourse asset arrangements.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. In addition, a prepayment feature is treated as consistent with this criterion if a financial asset is acquired or originated at a premium or discount to its contractual par amount, the prepayment amount substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination), and the fair value of the prepayment feature is insignificant on initial recognition.

Financial assets – Subsequent measurement and gains and losses:

Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Modification of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different (referred to as 'substantial modification'), then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

The Group performs a quantitative and qualitative evaluation of whether the modification is substantial, i.e. whether the cash flows of the original financial asset and the modified or replaced financial asset are substantially different. The Group assesses whether the modification is substantial based on quantitative and qualitative factors in the following order: qualitative factors, quantitative factors, consolidated effect of qualitative and quantitative factors. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset deemed to have expired. In making this evaluation the Group analogises to the guidance on the derecognition of financial liabilities.

The Group concludes that the modification is substantial as a result of the following qualitative factors:

- change the currency of the financial asset;

- change in collateral or other credit enhancement;
- change of terms of financial asset that lead to non-compliance with SPPI criterion (e.g. inclusion of conversion feature).

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

If a modification (or exchange) does not result in the derecognition of the financial liability the Group applies accounting policy consistent with the requirements for adjusting the gross carrying amount of a financial asset when a modification does not result in the derecognition of the financial asset, i.e. the Group recognises any adjustment to the amortised cost of the financial liability arising from such a modification (or exchange) in profit or loss at the date of the modification (or exchange).

Changes in cash flows on existing financial liabilities are not considered as modification, if they result from existing contractual terms.

The Group assesses whether the modification is substantial based on quantitative and qualitative factors in the following order: qualitative factors, quantitative factors, consolidated effect of qualitative and quantitative factors. The Group concludes that the modification is substantial as a result of the following qualitative factors:

- change the currency of the financial liability;
- change in collateral or other credit enhancement;
- inclusion of conversion feature;
- change the subordination of the financial liability.

For the quantitative assessment the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

(iv) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(n) Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due under the terms and conditions of the construction contracts with a customer. The credit risk on a financial asset from the related parties increases significantly if it is more than 365 days past due under the terms and conditions of the construction contracts with a customer.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held), or if a financial asset from third parties is more than 90 days past due, and is more than 365 days past due in case of the related parties.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Company considers this to be Baa3 or higher per Moody's or BBB- or higher per Standard and Poor's.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due with relation to the third party debt and 365 days past due with relation to the related party debt;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-offs

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Impairment of financial assets

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's or cash-generating unit's (CGU) recoverable amount is the higher of fair value of the asset (CGU) less costs to sell and its value in use. Recoverable amount is determined for an individual asset, except for the cases when an asset does not generate cash inflows that are largely independent of the cash inflows of other assets or groups of assets. If a carrying amount of asset or cash generating unit exceeds its recoverable amount, the asset is considered to be impaired and written down to the recoverable amount.

In assessing value in use, the estimated future cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are confirmed by valuation multiples, quoted prices for publicly traded shares or other available fair value indicators.

Impairment losses are recognised in the consolidated statement of profit or loss and other comprehensive income in those expense categories, which are consistent with the function of the impaired asset.

(o) Guarantees

The Group considers that financial guarantee contracts entered into by the Group to guarantee the indebtedness of other parties are insurance arrangements, and accounts for them as such. In this respect, the Group treats the guarantee contract as a contingent liability until such time as it becomes probable that the Group will be required to make a payment under the guarantee.

(p) Equity

Charter capital

Charter capital is classified as equity. Incremental costs directly attributable to increases in charter capital are recognised as a deduction from equity net of any tax effects.

Dividends

Dividends are recorded as a liability and deducted from equity only if they were declared before or on the reporting date. Dividends are disclosed when they are proposed before the reporting date or proposed or declared after the reporting date but before the financial statements are authorised for issue.

(q) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(i) Warranty service

A provision for warranties is recognised when the underlying goods or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Once construction of facilities is completed and they are put into operation, the Group warrants the quality of construction facilities during 3 (three) years after commissioning. The Group establishes a respective provision until the warranty expiry date. Provisions are recognised within completed construction facilities. Provision is calculated as equal to 1.5% of the cost of a real estate asset.

Subsequently, if a warranty case occurs, the Group decreases provisions directly by the amount of actually incurred costs.

(r) Lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the some leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'right-of-use assets' and lease liabilities in 'finance lease liabilities' in the consolidated statement of financial position.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The Group assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

(s) Borrowing costs

The general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. Therefore, the Group treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. Borrowings that were intended to specifically finance qualifying assets which are now ready for their intended use or sale – or any non-qualifying assets – the Group includes in its general pool.