

JSC ALMATINSKIY SAKHAR

Financial statements

*Year ended December 31, 2009
with Independent Auditors' Report*

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ERNST & YOUNG

Ernst & Young LLP
Esentai Tower
Al-Farabi Ave., 77/7
Almaty, Kazakhstan
Tel: +7 (727) 258 5960
Fax: +7 (727) 258 5961
www.ey.com/kazakhstan

ТОО «Эрнст энд Янг»
Казахстан, Алматы
пр. Апы-Фараби, 77/7
Здание «Есентай Тауэр»
Тел.: +7 (727) 258 5960
Факс: +7 (727) 258 5961

INDEPENDENT AUDITORS' REPORT

To the Shareholders of JSC Almatinskiy Sakhar:

We have audited the accompanying financial statements of JSC Almatinskiy Sakhar (the "Company"), which comprise the statement of financial position as at 31 December 2009 and the statement of comprehensive loss, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Except for the matter described in the paragraph iii) of the Basis for Qualified Opinion, we conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Basis for Qualified Opinion

- i) The accompanying financial statements do not include comparative figures in the statements of comprehensive income, changes in equity and cash flows, as well as the statement of financial position as of 31 December 2007 subject to disclosures in accordance with requirements of IAS 1 "Presentation of financial statements".
- ii) The Company did not disclose the name of its ultimate controlling party. This disclosure is required by IAS 24 "Related Party Disclosures".
- iii) As disclosed in Note 10, at 31 December 2009 and 2008, the Company had receivables of 470,650 thousand Tenge. In accordance with the contractual terms such receivables were overdue for more than one year and were not collected as of the reporting date and by the date of authorization of accompanying financial statements for the issue. We were unable to satisfy ourselves as to the recoverability of these receivables as of 31 December 2009 and 2008.

Qualified Opinion

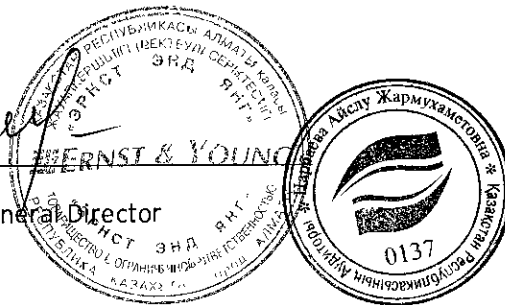
In our opinion, except for the effect on the financial statements of the matters described in the paragraphs i) and ii) of the Basis for Qualified Opinion and except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the matter described in the paragraph iii) of the Basis for Qualified Opinion the financial position of the Company as of 31 December 2009, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

We draw your attention to Note 20 to the financial statements, which disclose a significant concentration of the Company's transactions with related parties.

Ernst & Young LLP

Aisulu Narbayeva
Auditor / acting General Director
Ernst & Young LLP



Auditor Qualification Certificate
No. 0000137 dated 21 October 1994

State Audit License for audit activities on the
territory of the Republic of Kazakhstan: series
МФЮ-2, No. 0000003 issued by the Ministry
of Finance of the Republic of Kazakhstan on
15 July 2005

30 June 2010

STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2009

(In thousands of Tenge)

	Share capital	Accumulated loss	Total equity
At December 31, 2008 (as previously stated)	651,000	(121,150)	529,850
Correction of errors (Note 5)	–	106,222	106,222
At December 31, 2008 (as restated)	651,000	(14,928)	636,072
Loss for the year	–	(534,999)	(534,999)
Total comprehensive loss	–	(534,999)	(534,999)
At December 31, 2009	651,000	(549,927)	101,073

The accounting policies and explanatory notes on pages 5 to 21 are an integral part of these financial statements.

Acting President



Sobolenko A.A.

Chief Accountant




Sherstobitova N.A.

STATEMENT OF COMPREHENSIVE LOSS
For the year ended December 31, 2009

(In thousands of Tenge)

	Notes	2009
Sales	16	13,321,954
Cost of sales	17	(12,207,338)
Gross profit		1,114,616
General and administrative expenses	18	(231,229)
Selling expenses	19	(253,533)
Other income		135,983
Other expenses		(36,109)
Profit from operations		729,728
Foreign exchange loss, net		(232,723)
Finance costs		(905,909)
Loss before income tax		(408,904)
Income tax expense	15	(126,095)
Loss for the year		(534,999)
Other comprehensive income		—
Total comprehensive loss for the year, net of tax		(534,999)
Loss per share		
Basic and diluted loss per share, Tenge	11	(821.81)

The accounting policies and explanatory notes on pages 5 to 21 are an integral part of these financial statements.

Acting President

Chief Accountant



Sobolenko A.A.

Sherstobitova N.A.

STATEMENT OF FINANCIAL POSITION
As of December 31, 2009

(In thousands of Tenge)

	Notes	2009	2008 (Restated – Note 5)
ASSETS			
Non-current assets			
Property, plant and equipment	6	680,086	738,784
Intangible assets		1,940	2,553
Deferred tax asset	15	5,354	131,449
Other non-current assets	9	3,038,263	3,041,389
		3,725,643	3,914,175
Current assets			
Inventories	7	174,372	3,917,179
Trade accounts receivable	8	3,767,548	19,241
Prepaid income tax		469	3,518
Other current assets	9	1,114,003	55,270
Cash and cash equivalents	10	943	510
		5,057,335	3,995,718
Total assets		8,782,978	7,909,893
EQUITY AND LIABILITIES			
Equity			
Share capital	11	651,000	651,000
Accumulated loss		(549,927)	(14,928)
		101,073	636,072
Non-current liabilities			
Borrowings	12	1,500,000	–
		1,500,000	–
Current liabilities			
Borrowings	12	5,057,885	5,402,618
Trade accounts payable	13	69,400	475,997
Advances received	14	2,021,892	1,341,959
Other current liabilities		32,728	53,247
		7,181,905	7,273,821
Total liabilities		8,681,905	7,273,821
Total liabilities and equity		8,782,978	7,909,893

The accounting policies and explanatory notes on pages 5 to 21 are an integral part of these financial statements.

Acting President



Sobolenko A.A.

Chief Accountant

Sherstobitova N.A.

STATEMENT OF CASH FLOWS
For the year ended December 31, 2009


(In thousands of Tenge)

	Notes	2009
Operating activities		
Loss before income tax		(408,904)
Adjustments for:		
Depreciation and amortization	17,18	58,277
Finance costs		905,909
Doubtful debt expenses	18	9,481
Foreign exchange loss relating to financing activities		240,505
Operating profit before working capital changes		805,268
Working capital adjustments:		
(Increase) / decrease in operating assets:		
Inventories		3,742,807
Trade accounts receivable		(3,757,788)
Other assets		(852,209)
Increase / (decrease) in operating liabilities:		
Accounts payable		(406,597)
Advances received		679,933
Other current liabilities		(17,470)
Cash generated from operations		193,944
Interest paid		(873,033)
Net cash flows used in operating activities		(679,089)
Investing activities		
Purchase of property, plant and equipment		(7,812)
Proceeds from disposal of property plant and equipment		8,846
Interest-free loans given to related parties		(203,398)
Net cash flows used in investing activities		(202,364)
Financing activities		
Proceeds from borrowings		25,177,053
Repayment of borrowings		(24,295,167)
Net cash flows from financing activities		881,886
Net increase in cash and cash equivalents		433
Cash and cash equivalents at December 31, 2008	10	510
Cash and cash equivalents at December 31, 2009	10	943

The accounting policies and explanatory notes on pages 5 to 21 are an integral part of these financial statements.

Acting President




 Sobolenko A.A.

Chief Accountant


 Sherstobitova N.A.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended December 31, 2009***In thousands of Tenge***1. PRINCIPAL ACTIVITIES**

Joint Stock Company "Almatinskiy Sakhar" (the "Company") was incorporated in the Republic of Kazakhstan in April 1999.

The address of the Company's registered office is: 10, Auezov street, Karabulak village, Eskeldy district, Almaty Region, Republic of Kazakhstan.

The principal activities of the Company are production and sales of sugar.

As of December 31, 2009 and 2008, Sugar Production Ltd. LLP (the "Parent") owns 100% of the Company shares.

The accompanying financial statements were authorized for issue by the Acting President and Chief accountant of the Company on June 30, 2010.

2. BASIS OF PREPARATION

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

In preparation of 2009 financial statements the Company identified significant errors, related to comparative information for 2008 (*Note 5*). In order to correct these errors, the Company adjusted beginning balances of assets and liabilities with corresponding effect in equity as of January 1, 2009. Restatement of the remaining comparative data for 2008 would require significant efforts and costs. Moreover, presentation of comparative information without its restatement would mislead users of these financial statements. Therefore, the Company elected to omit its comparative information for 2008 in the statements of comprehensive loss, changes in equity and cash flows, as well as the statement of financial position as of the beginning of the comparative period (January 1, 2008) in these financial statements.

These financial statements have been prepared on a historical cost basis, except as described in the accounting policies and the notes to these financial statements.

The financial statements are presented in Kazakhstan Tenge ("Tenge") and all monetary amounts are rounded to the nearest thousand Tenge, except when otherwise indicated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Changes in accounting policies and disclosures**

The Company has adopted the following new and amended IFRS and IFRIC interpretations as of January 1, 2009:

- *IFRS 2 Share-based Payment (Revised): Vesting Conditions and Cancellations effective 1 January 2009;*
- *IFRS 7 Financial Instruments: Disclosures (Revised): Improvements of financial instruments disclosure, effective 1 January 2009;*
- *IFRS 8 Operating Segments effective 1 January 2009;*
- *IAS 1 Presentation of Financial Statements effective 1 January 2009;*
- *IAS 23 Borrowing costs (Revised), effective 1 January 2009;*
- *IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation effective 1 January 2009;*
- *Amendments to IFRIC 9 Remeasurement of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement effective for periods ending on or after 30 June 2009;*
- *IFRIC 13 Customer Loyalty Programmes effective 1 July 2008;*
- *IFRIC 16 Hedges of a Net Investment in a Foreign Operation effective 1 October 2008;*
- Improvements to IFRSs (May 2008);
- Improvements to IFRSs (April 2009, early adopted).

NOTES TO THE FINANCIAL STATEMENTS (continued)*In thousands of Tenge***3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Changes in accounting policies and disclosures (continued)**

When the adoption of the standard or interpretation is deemed to have an impact on the financial statements or performance of the Company, its impact is described below:

IAS 1 Presentation of Financial Statements

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognized income and expense, either in one single statement, or in two linked statements. The Company has elected to present one single statement.

Improvements to IFRSs

In May 2008 and April 2009 the IASB issued omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments did not have any impact to accounting policies, financial position or performance of the Company.

- *IFRS 2 Share-based Payment*
- *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations*
- *IFRS 7 Financial Instruments: Disclosures*
- *IFRS 8 Operating Segment Information*
- *IAS 1 Presentation of Financial Statements*
- *IAS 7 Statement of Cash Flows*
- *IAS 8 Accounting Policies, Change in Accounting Estimates and Error*
- *IAS 10 Events after the Reporting Period*
- *IAS 16 Property, Plant and Equipment*
- *IAS 18 Revenue**IAS 19 Employee Benefits*
- *IAS 20 Accounting for Government Grants and Disclosures of Government Assistance*
- *IAS 23 Borrowing Costs*
- *IAS 27 Consolidated and Separate Financial Statements*
- *IAS 28 Investments in Associates*
- *IAS 31 Interest in Joint Ventures*
- *IAS 34 Interim Financial Reporting*
- *IAS 36 Impairment of Assets*
- *IAS 38 Intangible Assets*
- *IAS 39 Financial Instruments: Recognition and Measurement*
- *IAS 40 Investment Properties*
- *IFRIC 16 Hedge of a Net Investment in a Foreign Operation*

NOTES TO THE FINANCIAL STATEMENTS (continued)*In thousands of Tenge***3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Standards issued but not yet effective**

The following IFRS, IFRIC interpretations and improvements to IFRS are not yet in effect for the year ended December 31, 2009:

- *IFRS 1 First-time Adoption of International Financial Reporting Standards – Additional Exemptions for First-time Adopters*
- *IFRS 2 Group cash-settled share-based payments transactions*
- *IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended) effective 1 July 2009 (early adopted) including consequential amendments to IFRS 7, IAS 21, IAS 28, IAS 31 and IAS 39*
- *IFRS 9 Financial Instruments*
- *IAS 24 Related Party Disclosures – amendment*
- *IAS 27 Consolidated and Separate Financial Statements - amendment*
- *IAS 32 Classifications of rights issues*
- *IAS 39 Eligible hedged items*
- *IFRIC 14 IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements*
- *IFRIC 17 Distributions of Non-cash Assets to Owners*
- *IFRIC 18 Transfer of Assets from Customers*
- *IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments*

Management does not expect the above standards and interpretations to have a material impact on the Company's financial position or results of operations.

Foreign currency translation

The financial statements are presented in Tenge, which is the Company's functional and presentation currency.

Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the income statement.

Weighted average currency exchange rates established by the Kazakhstan Stock Exchange ("KASE") are used as official currency exchange rates in the Republic of Kazakhstan.

The currency exchange rate of National bank of RK as of December 31, 2009 was 148.36 Tenge to 1 US dollar. This rate was used to translate monetary assets and liabilities denominated in US dollars as of December 31, 2009 (2008: 120.77 Tenge to 1 US dollar).

NOTES TO THE FINANCIAL STATEMENTS (continued)*In thousands of Tenge***3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Property, plant and equipment**

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. At each reporting date the management of the Company assesses whether there is any indication of impairment of property, plant and equipment. If any such indication exists, the management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount, and the difference is recognised as an expense (impairment loss) in the income statement. An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount.

Depreciation is calculated on a straight-line basis. The depreciation periods, which represent the estimated useful economic lives of the respective assets, are as follows:

	Years
Buildings and constructions	14-50
Machinery and equipment	5-15
Vehicles	7-10
Other	3-10

Land is not depreciated.

Repair and maintenance expenditure is expensed as incurred. Major renewals and improvements are capitalized, and the assets replaced are retired. Gains and losses arising from the retirement of property, plant and equipment are included in the statement of comprehensive loss as incurred.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value 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, an appropriate valuation model is used. These calculations are corroborated by valuation multiples and other available fair value indicators.

Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials	- weighted average basis
Finished goods and work in progress	- costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS (continued)*In thousands of Tenge***3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Financial assets***Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of investment not at fair value through profit or loss, directly attributable transaction costs.

The Company's financial assets mainly include cash, trade accounts receivable, loans and other receivables.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or cost that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of comprehensive loss. The losses arising from impairment are recognised in the income statement in finance costs.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Trade accounts receivable

Trade accounts receivable, which generally have a short-term, are carried at original invoice amount less an allowance for any uncollectible amounts. Allowance is made when there is objective evidence that the Company will not be able to collect the debts.

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial liabilities*Interest bearing borrowings*

Borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS (continued)*In thousands of Tenge***3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Financial liabilities (continued)***Derecognition of financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

Offsetting

Assets and liabilities are only offset and reported at the net amount in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

Trade accounts payable

Liabilities for trade accounts payable are recognized at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk related to specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

Employee benefits*Social tax*

The Company pays social tax according to the current statutory requirements of the Republic of Kazakhstan and expenses it as incurred.

Retirement and pension obligations

The Company does not have any pension arrangements separate from the State pension scheme of the Republic of Kazakhstan, which requires current contributions by employee calculated as a percentage of current gross salary payments. According to the legislation, employees are responsible for their retirement benefits and the Company has no present or future obligation to pay its employees upon retirement.

Income and expense recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reasonably measured. Revenue is recognised net of indirect taxes. The following specific recognition criteria must also be met before revenue is recognised.

NOTES TO THE FINANCIAL STATEMENTS (continued)*In thousands of Tenge***3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Income and expense recognition (continued)***Sales of goods*

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Rendering of services

Revenue from rendering of services is recognized by reference to the stage of completion of work.

Interest income

Revenue is recognised as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset). Interest income is included in finance income in the income statement.

Operating expenses

Expenses are accounted for at the time the actual flow of the related goods or services occur, regardless of when cash or its equivalent is paid, and are reported in the financial statements in the period to which they relate.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Income tax*Current income 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. The tax rates and tax laws used to compute the amount are those that are 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 income statement.

Deferred income tax

Deferred income tax is calculated using the liability method. Deferred income taxes are provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes

Deferred income tax liabilities are recognised for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

NOTES TO THE FINANCIAL STATEMENTS (continued)*In thousands of Tenge***3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Contingent assets and contingent liabilities**

Contingent assets are not recognised in financial statements. When the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

Contingent liabilities are not recognised in the financial statements, they are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested.

Useful lives of items of property, plant and equipment

The Company assesses the remaining useful lives of items of property, plant and equipment at least at each financial year-end and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Allowances

The Company makes allowances for doubtful accounts receivable. Significant judgment is used to estimate doubtful accounts. In estimating doubtful accounts historical and anticipated customer performance are considered. Changes in the economy, industry, or specific customer conditions may require adjustments to the allowance for doubtful accounts recorded in the financial statements. As of December 31, 2009, allowances for doubtful accounts have been created for the amount of 54,876 thousand Tenge (2008: 45,695 thousand Tenge) (Note 8).

Taxation

In assessing tax and legal risks, management considers to be probable obligations the known areas of tax or legal positions which the Company would not appeal or does not believe it could successfully appeal, if assessed by tax or legal 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 or legal proceedings and the outcome of ongoing compliance audits by tax authorities.

NOTES TO THE FINANCIAL STATEMENTS (continued)*In thousands of Tenge***5. RESTATEMENT OF COMPARATIVES**

In 2009 the Company revealed a number of significant errors related to the prior year. The Company restated its 2008 comparative balances in the statement of financial position. The summary of the corrections is discussed below and their effects on the 2008 balances are as follows:

<i>In thousands of Tenge</i>	As previously reported	Correction of errors	As restated
<i>Statement of financial position as at 31 December 2008:</i>			
Property, plant and equipment	745,493	(6,709)	738,784
Deferred tax asset	–	131,449	131,449
Inventories	3,990,571	(73,392)	3,917,179
Trade accounts receivable	47,414	(28,173)	19,241
Deferred tax liability	(83,047)	83,047	–
	4,700,431	106,222	4,806,653
<i>Statement of changes in equity for the year ended December 31, 2008:</i>			
Retained earnings	(121,150)	106,222	(14,928)
	(121,150)	106,222	(14,928)

Property, plant and equipment: The Company recognized impairment loss for certain items of construction in progress.

Deferred tax liability and asset: The Company restated balance of deferred tax liability and asset as a result of correction of other balances.

Inventories: The Company restated balance of inventories for incorrectly capitalized expenses.

Trade accounts receivable: The Company accrued allowance for doubtful receivables.

6. PROPERTY, PLANT AND EQUIPMENT

The movement of property, plant, and equipment for the year ended December 31, 2009 was as follows:

	Buildings and constructions	Machinery and equipment	Vehicles	Other	Construction in progress	Total
Cost:						
At December 31, 2008	483,949	469,431	47,574	33,705	13,152	1,047,811
Additions	–	5,525	12	235	2,040	7,812
Disposals	–	(10,500)	–	(32)	–	(10,532)
Transfers	(86)	(1,670)	6,770	(104)	(4,910)	–
At December 31, 2009	483,863	462,786	54,356	33,804	10,282	1,045,091
Accumulated depreciation and impairment:						
At December 31, 2008	(104,441)	(168,374)	(15,855)	(13,648)	(6,709)	(309,027)
Depreciation charge	(7,017)	(43,758)	(3,482)	(3,407)	–	(57,664)
Disposals	–	1,662	–	24	–	1,686
Transfers	(114)	5,828	(4,029)	(1,685)	–	–
At December 31, 2009	(111,572)	(204,642)	(23,366)	(18,716)	(6,709)	(365,005)
Net book value:						
At December 31, 2008	379,508	301,057	31,719	20,057	6,443	738,784
At December 31, 2009	372,291	258,144	30,990	15,088	3,573	680,086

As of December 31, 2009 and 2008, the Company's property, plant and equipment is pledged as collateral for Company's borrowings (*Note 12*).

NOTES TO THE FINANCIAL STATEMENTS (continued)*In thousands of Tenge***7. INVENTORIES**

Inventories comprised the following at December 31:

	2009	2008
Raw materials	99,808	1,359,483
Fuel	65,961	45,804
Finished goods	3,797	2,498,150
Other inventories	4,806	13,742
	174,372	3,917,179

As of December 31, 2009 and 2008, the Company's stock of raw materials is pledged as collateral for Company's borrowings (Note 12).

8. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable comprised the following at December 31:

	2009	2008
Accounts receivable due from third parties	58,064	49,677
Accounts receivable due from related parties (Note 20)	3,764,360	15,259
Less: Allowance for doubtful debts	(54,876)	(45,695)
	3,767,548	19,241

At December 31, 2009 and 2008, trade accounts receivable were mainly denominated in Tenge.

The movement in the allowance for doubtful debts was as follows for the year ended December 31:

	2009
At January 1,	(45,695)
Charge for the year	(9,481)
Use of allowance	300
At December 31,	(54,876)

As of December 31, the ageing analysis of trade accounts receivable is as follows:

	Total	Past due but not impaired					
		0-30 days	30-90 days	90-180 days	180-270 days	270-360 days	>360 days
2009	3,767,548	3,767,548	-	-	-	-	-
2008	19,241	19,241	-	-	-	-	-

9. OTHER ASSETS

Other assets comprised the following at December 31:

	2009	2008
Receivables from related parties (Note 20)	2,646,305	2,570,739
Prepayment for purchase of bonds of Delta Bank JSC	593,060	-
Receivables from third parties	470,650	470,650
Prepayments to third parties	232,761	7,522
Interest-free loans given to related parties (Note 20)	203,398	-
Other assets	6,092	47,748
	4,152,266	3,096,659
Classified as:		
Other current assets	1,114,003	55,270
Other non-current assets	3,038,263	3,041,389
	4,152,266	3,096,659

Receivables from related parties are aged from 2 to 3 years and their settlement date is not defined. Management expects collection of these receivables in 2011.

At December 31, 2009, the Company had a prepayment for purchase of bonds of Delta Bank JSC in 2010 and with the view of further sale (Note 23).

Interest-free loans are given for the period of up to 12 months.

NOTES TO THE FINANCIAL STATEMENTS (continued)*In thousands of Tenge***10. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprised the following at December 31:

	2009	2008
Cash in current bank accounts	30	320
Cash on hand	913	190
	943	510

At December 31, 2009 and 2008, cash and cash equivalents were mainly denominated in Tenge.

11. SHARE CAPITAL*Share capital*

As of December 31, 2009 and 2008, the Company's authorized share capital consisted of 651,000 common shares were issued and fully paid. The Company's common shares have nominal value of 1,000 Tenge each.

Common stock

A common share gives the shareholder the right to take decisions on every issue submitted for their approval. Common share also provides the shareholder with the right for dividends and for a part of Company's property when the Company is liquidated according to procedures established by the legislation.

Loss per share

Basic earnings per share is calculated by dividing net profit or loss for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are equal to basic earnings per share, as the Company does not have any dilutive potential ordinary shares.

The following reflects the loss and share data used in the basic and diluted loss per share computations:

<i>In thousands of Tenge</i>	2009
Net loss attributable to ordinary equity holders for basic and diluted earnings	(534,999)
Weighted average number of all shares outstanding for basic and diluted earnings per share	651,000
Basic and diluted loss per share, Tenge	(821.81)

There have been no other transactions involving ordinary shares between the reporting date and the date of issuance of these financial statements.

12. BORROWINGS

Borrowings comprised the following at December 31:

<i>In thousands of Tenge</i>	Interest rate	2009	2008
Bank loans	10%-15%	6,553,723	5,398,417
Interest-free loan due to related parties (Note 20)	0%	4,162	4,201
		6,557,885	5,402,618
Less amount due for settlement within 12 months		(5,057,885)	(5,402,618)
Amounts due after 12 months		1,500,000	-

During 2009, financing provided by the banks in the amount of 7,389,169 thousand Tenge was made directly to a supplier of raw materials. The Company's property, plant and equipment and raw materials are pledged as collateral under these borrowings. The Company's Parent also pledged its land in the amount of 680,086 thousand Tenge as collateral under these borrowings.

At December 31 borrowings were denominated in the following currencies:

	2009	2008
UD Dollars	2,894,283	2,408,085
Tenge	3,663,602	2,994,533
	6,557,885	5,402,618

NOTES TO THE FINANCIAL STATEMENTS (continued)*In thousands of Tenge***13. TRADE ACCOUNTS PAYABLE**

Trade accounts payable comprised the following at December 31:

	2009	2008
Accounts payable due to third parties	46,741	124,368
Accounts payable due to related parties (Note 20)	22,659	351,629
	69,400	475,997

Trade accounts payable are interest-free and are usually paid within one to three months. At December 31, 2009 and 2008, trade accounts payable were mainly denominated in Tenge.

14. ADVANCES RECEIVED

Advances received comprised the following at December 31:

	2009	2008
Advanced received from related parties (Note 20)	2,020,985	1,341,605
Advances received from third parties	907	354
	2,021,892	1,341,959

15. INCOME TAXES

The Company is subject to income tax at 20% on taxable profits as determined under the laws of the Republic of Kazakhstan.

	2009
Deferred income tax expense	126,095
Current income tax expense	-
Income tax expense	126,095

A reconciliation of income tax expense applicable to loss before income tax at the statutory income tax rate to current income tax expense was as follows for the year ended December 31, 2009:

	2009
Loss before income tax	(408,904)
Statutory rate	20%
Tax benefit computed on accounting loss at statutory rate	(81,781)
Statutory tax rate change effect	1,897
<i>Tax effects of non-deductible expenses:</i>	
Non-deductible operating expenses	205,979
Income tax expense	126,095

Net deferred tax position comprised the following at December 31:

	2009	2008
Deferred tax assets:		
Other accruals	2,556	971
Allowance for doubtful debts	4,053	3,504
Tax loss carry forward	62,158	191,941
	68,767	196,416
Deferred tax liabilities:		
Property, plant and equipment	(63,413)	(64,967)
	(63,413)	(64,967)
Net deferred tax asset	5,354	131,449

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

In November 2009 the Government of the Republic of Kazakhstan approved changes in tax code, effective since January 1, 2009, in accordance to which corporate income tax rates are changed to 20% during the period from January 1, 2009 to January 1, 2013, to 17.5% from January 1, 2013 to January 1, 2014 and to 15% from January 1, 2014. Effect of these changes in corporate income tax rates amounted to 1,897 thousand Tenge in 2009.

NOTES TO THE FINANCIAL STATEMENTS (continued)*In thousands of Tenge***16. SALES**

Sales comprised the following for the year ended December 31:

	2009
Sales of sugar	13,289,923
Other sales	32,031
	13,321,954

17. COST OF SALES

Cost of sales comprised the following for the year ended December 31:

	2009
Raw materials	9,052,070
Fuel	159,963
Cost of goods for resale	156,000
Payroll	121,697
Packaging materials	95,756
Depreciation and amortization	54,717
Production materials	38,900
Electricity	4,308
Other	29,574
Change in finished goods (<i>Note 7</i>)	2,494,353
	12,207,338

18. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses comprised the following for the year ended December 31:

	2009
Payroll	62,423
Fines and penalties	48,561
Taxes other than income tax	27,859
Security services	25,208
Maintenance of supporting shops	15,306
Doubtful debt expenses	9,481
Environmental emissions	6,979
Bank charges	5,108
Materials	4,526
Depreciation and amortization	3,560
Communication services	3,010
Auditing services	2,664
Other	16,544
	231,229

19. SELLING EXPENSES

Selling expenses comprised the following for the year ended December 31:

	2009
Transportation	180,806
Payroll	23,857
Storage expenses	18,792
Materials	12,337
Taxes other than income tax	2,290
Other	15,451
	253,533

NOTES TO THE FINANCIAL STATEMENTS (continued)*In thousands of Tenge***20. RELATED PARTIES TRANSACTIONS**

Related parties include key management personnel of the Company, the Parent and entities under control of the Parent.

Terms and conditions of transactions with related parties

Related party transactions were made on terms agreed to between the parties that may not necessarily be at market rates. Outstanding balances at the year-end are unsecured, interest-free and settlement occurs in cash. For the year ended December 31, 2009, the Company has not recorded any impairment against balances from related parties.

The major transactions with related parties during the year ended December 31, 2009 were as follows:

	Sales to related parties
Entities under common control	12,624,686

The Company had the following balances with related parties as of December 31:

	2009	2008
Trade accounts receivable (Note 8)		
Entities under common control	3,764,360	15,259
Other assets (Note 9)		
Entities under common control	2,849,703	2,570,739
Trade accounts payable (Note 13)		
Entities under common control	22,659	351,629
Borrowings (Note 12)		
Parent	4,162	4,201
Advances received (Note 14)		
Entities under common control	2,020,985	1,341,605

Other assets and advances received are interest-free and do not have maturity, except for the interest-free loan given to the related parties in the amount of 203,398 thousand Tenge which matures in December 2010.

In 2010, trade accounts receivable due from related parties were fully collected in cash.

Compensation of key management personnel

Key management personnel comprised of 3 employees as of December 31, 2009. Compensation to key management personnel consists of short-term employee benefits. Total compensation to key management personnel included in general and administrative expenses amounted to 8,545 thousand Tenge for the year ended December 31, 2009.

NOTES TO THE FINANCIAL STATEMENTS (continued)*In thousands of Tenge***21. COMMITMENTS AND CONTINGENT LIABILITIES****Operating environment**

Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Kazakhstan economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

The Kazakhstan economy is vulnerable to market downturns and economic slowdowns elsewhere in the world. The ongoing global financial crisis has resulted in capital markets instability, significant deterioration of liquidity in the banking sector, and tighter credit conditions within Kazakhstan. While the Kazakhstani government has introduced a range of stabilization measures aimed at providing liquidity and supporting refinancing of foreign debt for Kazakhstan banks and companies, there continues to be uncertainty regarding the access to capital and cost of capital for the Company and its counterparties, which could affect the Company's financial position, results of operations and business prospects.

While management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances, unexpected further deterioration in the areas described above could negatively affect the Company's results and financial position in a manner not currently determinable.

Legal issues

In the ordinary course of business, the Company is subject to legal actions and complaints. Management believes, that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations of the Company.

Taxation

Various types of legislation and regulations are not always clearly written and their interpretation is subject to the opinions of the local tax inspectors and the Ministry of Finance. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual.

The current regime of penalties and interest related to unreported and discovered violations of Kazakhstan tax law are severe. Fines are generally 50% of any taxes additionally assessed and interest is assessed at the refinancing rate established by the National Bank of Kazakhstan multiplied by 2.5. As a result, fines and interest can amount to multiples of any unreported taxes.

The Company believes that it has paid or accrued all taxes that are applicable. Where legislation concerning the provision of taxes is unclear, the Company has accrued tax liabilities based on management's best estimate. The Company's policy is to recognize provisions in the accounting period in which a loss is deemed probable and the amount is reasonably determinable.

Because of the uncertainties associated with the Kazakh tax system, the ultimate amount of taxes, penalties and interest, if any, as a result of past transactions, may be in excess of the amount expensed to date and accrued at 31 December 2009. Although such amounts are possible and may be material, it is the opinion of the Company's management that these amounts are either not probable, not reasonably determinable, or both.

The Company's operations and financial position may be affected by Kazakhstan political developments, including the application of existing and future legislation and tax regulations. The Company does not believe that these contingencies, as related to its operations, are any more significant than those of similar enterprises in Kazakhstan.

As of December 31, 2009, management believes that its interpretation of the relevant legislation is appropriate and that the Company's tax positions will be sustained.

Environmental matters

The Company is subject to various environmental laws and regulations of the Republic of Kazakhstan. While management believes that substantial compliance with such laws and regulations has been achieved, there can be no assurances that contingent liabilities do not exist.

In addition, as Kazakhstan's laws and regulations evolve concerning environmental assessments and site restoration, the Company may incur future costs, the amount of which is currently indeterminable due to such factors as the ultimate determination of responsible parties associated with these costs and the Government's assessment of the respective parties' ability to pay for the costs related to environmental reclamation. It is the opinion of management that such costs will not have a material effect on the financial condition of the Company and accordingly no provisions for future environmental claims or penalties are included in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)*In thousands of Tenge***22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The nature of the Company's operation exposes the Company to fluctuations in commodity prices, foreign currency exchange rates and credit risk.

The Company's principal financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and borrowings.

Commodity price risk

The Company is exposed to the effect of fluctuations in the price of sugar cane, which is quoted in US dollars on international markets.

The Company does not hedge its exposure to the risk of fluctuations in the price of sugar cane in the nearest future.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk is not significant as the Company's borrowings have fixed interest rate.

Credit risk

The Company trades mainly with its Parent. The maximum exposure is the carrying amount as disclosed in *Note 8*.

Currency risk

The Company's operations are carried out primarily in Kazakhstan and, as such, a significant portion of the Company's business is transacted in Tenge while part of the Company's borrowing is denominated in US Dollar. Any significant deterioration of the Tenge value against foreign currencies may impact the Company's ability to service its outstanding borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate, with all other variables held constant, of the Company's loss before tax.

	Increase / decrease in the US Dollar rate	Effect on loss before tax
2009	19.5%	(564,385)
	(19.5%)	564,385
2008	29.8%	(717,609)
	16.8%	(404,558)

The Company also has transactional currency exposures. Such exposure arises from purchases in US Dollars. Approximately 94% of the Company's cost of sales is denominated in US Dollars, whilst almost all sales revenues are denominated in Tenge.

NOTES TO THE FINANCIAL STATEMENTS (continued)*In thousands of Tenge***22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****Liquidity risk**

The table below summarises the maturity profile of the Company's financial liabilities at December 31, based on contractual undiscounted payments.

	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Year ended December 31, 2009						
Borrowings	446,060	1,783,375	3,162,733	1,559,000	–	6,951,168
Trade accounts payable	–	69,400	–	–	–	69,400
Other current liability	–	32,728	–	–	–	32,728
	446,060	1,885,503	3,162,733	1,559,000	–	7,053,296
Year ended December 31, 2008						
Borrowings	675,549	1,150,954	3,875,773	–	–	5,702,276
Trade accounts payable	–	475,997	–	–	–	475,997
Other current liability	–	53,247	–	–	–	53,247
	675,549	1,680,198	3,875,773	–	–	6,231,520

Capital management

The Company's policy is to maintain a strong capital base so as to maintain shareholders, creditors and market confidence and to sustain future development of the business. The Board of Directors monitors the level of dividends to the ordinary shareholders.

There were no changes in the Company's approach to capital management during the year.

Fair values

Set out below is the comparison by category of carrying amounts and fair values of all of the Company's financial instruments:

	Carrying amount		Fair value	
	2009	2008	2009	2008
Financial assets				
Trade accounts receivables	3,767,548	19,241	3,767,548	19,241
Other assets	3,913,413	3,041,389	3,913,413	3,041,389
Cash and cash equivalents	943	510	943	510
Financial liabilities				
Borrowings	6,557,885	5,402,618	6,500,927	5,309,288
Trade accounts payable	69,400	475,997	69,400	475,997
Other current liabilities	32,728	53,247	32,728	53,247

The carrying amount of cash and cash equivalents, trade accounts receivable, interest-free loan given to related parties, trade and other accounts payable approximates their fair value due to the short-term maturity of these financial instruments.

The fair value of long-term financial liabilities is estimated using discounted cash flow based on market borrowing rate currently available to the Company with similar terms and average maturities.

23. SUBSEQUENT EVENTS

In 2010, the Company purchased bonds of Delta Bank JSC in the amount of 593,060 thousand Tenge (*Note 9*). In accordance with the agreement between Delta Bank JSC and the Company, such bonds were offset against the Company's obligations under the loan agreement with this bank in June 2010.

In 2010, the Company also repaid bank loans in the amount of 3,515,164 thousand Tenge and obtained additional bank loans in the amount of 3,116,250 thousand Tenge (*Note 12*).