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**JOINT STOCK COMPANY
“INDORAMA KOKAND FERTILIZERS AND CHEMICALS”
INTERNATIONAL FINANCIAL REPORTING STANDARDS**

**FINANCIAL STATEMENTS
INDEPENDENT AUDITOR’S REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2021

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JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS**STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED****DECEMBER 31, 2021**

The following statement, which should be read in conjunction with the independent auditors' responsibilities with a view to distinguishing the respective responsibilities of management and those of the independent auditors in relation to the financial statements of the JSC "Indorama Kokand Fertilizers and Chemicals" (the "Company").

Management of the Company is responsible for the preparation of the financial statements that present fairly the financial position of the Company as at December 31, 2021, the results of its operations, cash flows and changes in capital for the year ended December 31, 2021 in accordance with the International Financial Reporting Standards (the "IFRS").

In preparing the financial statements, management is responsible for:

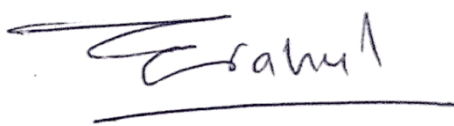
- selecting suitable accounting policies and applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- stating whether IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- preparing the financial statements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

Management of the Company is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal control, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with legislation, accounting standards of the Republic of Uzbekistan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud, errors and other irregularities.

The financial statements for the year ended December 31, 2021 were approved and authorized for issue on February 28, 2022 by the Management of the Company.

On behalf of the Management of the Company:



Rahul Singh
General Director



Ganesh Chaudhary
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the shareholders of JSC «INDORAMA KOKAND FERTILIZERS AND CHEMICALS»

Opinion

We have audited the accompanying financial statements of JSC «INDORAMA KOKAND FERTILIZERS AND CHEMICALS» (the "Company") which comprise the Statement of Financial Position as at 31 December 2021 and the Statement of Profits or Loss and Other Comprehensive Income, the Statement of Changes in Equity and Cash Flow Statement for the period from 1 January 2021 to 31 December 2021 and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present truly and fairly, in all material respects, the financial position of the Company as of 31 December 2021 and its financial performance and its cash flows for the period from 1 January 2021 to 31 December 2021 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 Financial Statements section of our report. We are independent of the Company in accordance with the independence requirements that are relevant to our audit of the financial statements in with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of 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 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 to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with ISAs, 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 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 Company 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 Company 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, 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 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.

We also provide those charged with governance with a statement that we have complied with 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.

Auditor:

Andrey Pak
General Director

KRESTON TASHKENT, LLC

*15, Istikbol Street,
100047, Tashkent,
Republic of Uzbekistan*



February 28, 2022

JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS

**JOINT STOCK COMPANY
“INDORAMA KOKAND FERTILIZERS AND CHEMICALS”
INTERNATIONAL FINANCIAL REPORTING STANDARDS**

FINANCIAL REPORT

AS OF 31 DECEMBER 2021 (AUDITED) AND 31 DECEMBER 2020 (AUDITED)

AND FOR THE PERIOD ENDED 31 DECEMBER 2021 (AUDITED) AND 31 DECEMBER 2020 (AUDITED)

JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS
STATEMENT OF FINANCIAL POSITION AS AT 31 DEC 2021

	Note	2021 US\$	2020 US\$
ASSETS			
<u>Non-current Assets</u>			
Property, plant and equipment	(7)	36,007,479	27,861,851
Intangible assets	(8)	473,510	446,970
Financial assets at fair value through other comprehensive income	(9)	811	811
Other non-current assets	(10)	263,209	822,236
Deferred Tax Assets	(11)	16,721	15,124
Total non-current assets		36,761,730	29,146,992
<u>Current Assets</u>			
Inventories	(12)	5,460,924	810,461
Trade and other receivables	(13)	3,019,586	707,866
Other current assets	(14)	2,068,401	89,616
Fixed Deposits	(15)	553,625	-
Cash and cash equivalents	(16)	3,779,881	4,494,321
Total current assets		14,882,417	6,102,264
Total assets		51,644,147	35,249,256
EQUITY AND LIABILITIES			
<u>Capital and Reserves</u>			
Equity Share capital	(17)	1,181,201	1,191,392
Preference Share Capital	(17)	10,191	-
Revaluation reserve	(18)	2,315,107	2,281,655
Retained earnings		4,933,780	(1,437,497)
Total equity		8,440,279	2,035,550
<u>Non-Current Liabilities</u>			
Long Term borrowings from financial institutions	(19)	22,809,524	25,000,000
Total non-current liabilities		22,809,524	25,000,000
<u>Current Liabilities</u>			
Loan from group companies	(20)	8,700,000	5,700,000
Short term borrowings from financial institutions	(20)	5,000,000	-
Current maturities of long term borrowing from financial institution	(20)	2,190,476	-
Trade and other payables	(21)	4,503,868	2,513,706
Total current liabilities		20,394,344	8,213,706
Total liabilities		43,203,868	33,213,706
Total equity and liabilities		51,644,147	35,249,256

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS
**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DEC 2021**

	Note	Company	
		2021 US\$	2020 US\$
Revenue	(22)	27,386,083	320,813
Cost of sales	(23)	(14,975,427)	(203,428)
Gross profit		12,410,656	117,385
Other income	(24)	189,676	190,053
Selling and distribution expenses	(25)	(923,857)	(102,250)
Administrative expenses	(26)	(4,126,463)	(1,102,264)
Other operating expenses	(27)	(345,193)	(430,775)
Finance costs	(28)	(834,692)	-
Profit before income tax		6,370,127	(1,327,851)
Income tax expense			
- current year		-	-
- deferred tax		1,598	-
		1,598	-
Profit for the year		6,371,725	(1,327,851)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DEC 2021**

	Company	
	2021 US\$	2020 US\$
Profit for the year	6,371,725	(1,327,851)
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss:		
- Revaluation of PPE	44,534	(194,626)
	44,534	(194,626)
Total comprehensive income for the year	6,416,259	(1,522,477)
Profit attributable to:		
Owners of the company	6,371,725	(1,327,851)
	6,371,725	(1,327,851)
Total comprehensive income attributable to:		
Owners of the company	6,416,259	(1,522,477)
	6,416,259	(1,522,477)

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS
STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 Dec 2021

Attributable to Equity Holder of the Company

	Share Capital	Equity Reserve	Preference shares	Revaluation Reserve	Retained Earning	Total	Non -controlling Interest	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Balance as at 01 Jan 2021	1,191,392	387,475	-	2,281,655	(1,824,972)	2,035,550	-	2,035,550
Restated adjustment	(10,191)	-	10,191	-	-	-	-	-
Balance as at 01 Jan 2021 (Restated)	1,181,201	387,475	10,191	2,281,655	(1,824,972)	2,035,550	-	2,035,550
Profit for the year	-	-	-	-	6,371,724	6,371,724	-	6,371,724
Transfer from reserves to retained earnings	-	(20,290)	-	(11,081)	20,290	(11,081)	-	(11,081)
Other comprehensive income	-	-	-	44,534	-	44,534	-	44,534
Dividend	-	(448)	-	-	-	(448)	-	(448)
Balance as at 31 Dec 2021	1,181,201	366,737	10,191	2,315,108	4,567,042	8,440,279	-	8,440,279

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 Dec 2020

Attributable to Equity Holder of the Company

	Share Capital	Equity Reserve	Preference shares	Revaluation Reserve	Retained Earning	Total	Non -controlling Interest	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Balance as at 01 Jan 2020	1,191,392	367,652	-	2,476,281	(497,121)	3,538,204	-	3,538,204
Restated adjustment	-	-	-	-	-	-	-	-
Balance as at 01 Jan 2020 (Restated)	1,191,392	367,652	-	2,476,281	(497,121)	3,538,204	-	3,538,204
Profit for the year	-	-	-	-	(1,327,851)	(1,327,851)	-	(1,327,851)
Transfer from reserves to retained earnings	-	20,290	-	-	-	20,290	-	20,290
Other comprehensive income	-	-	-	(194,626)	-	(194,626)	-	(194,626)
Dividends	-	(467)	-	-	-	(467)	-	(467)
Balance as at 31 Dec 2020	1,191,392	387,475	-	2,281,655	(1,824,972)	2,035,550	-	2,035,550

The accompanying accounting policies and explanatory notes form an integral part of these financial statement

Note

Reclassification has been done when comparing with 31 Dec 2020 Annual Audit Report as below:

* Fair Value reserve of USD 10,152 generated in 2020 has been included in Revaluation reserve of USD 2,281,655

* Retained earnings of USD 268,307 as on 1st July 2019 has been reclassified from retained earnings to Equity Reserve as per the Group requirement

JSC INDORAMA KOKAND FERTILIZERS AND CHEMICALS
**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 Dec 2021**

	<u>Note</u>	<u>Company</u>	
		<u>2021</u> US\$	<u>2020</u> US\$
<u>Cash flows from operating activities:</u>			
Profit before income tax		6,370,127	(1,327,851)
Adjustments for:			
PPE written off		-	253,686
Amortisation and depreciation expense		2,493,650	215,178
Loss on disposal of PPE		-	(36,608)
Operating profit before working capital changes		9,184,386	(902,763)
Changes in inventories		(4,650,462)	(174,009)
Changes in trade and other receivables		(2,320,356)	(514,515)
Changes in trade and other payables		2,831,757	1,824,220
Changes in other non-current assets		557,430	(837,360)
Changes in other current assets		(1,996,295)	574,666
Changes in other non-current liabilities		34,602	(174,803)
Cash from / (used in) operations		3,641,062	(204,564)
Net cash generated from / (used in) operating activities		3,641,062	(204,564)
Cash flows from investing activities			
Purchase of property, plant and equipment		(10,638,071)	(23,799,631)
Proceeds from sale of property, plant and equipment		45,792	52,136
Net cash from / (used in) investing activities		(11,168,713)	(23,740,327)
Cash flows from financing activities			
Loans to/from related parties		3,000,000	700,000
Net cash from / (used in) financing activities		7,158,404	25,699,678
Net movements in cash and cash equivalents		(369,247)	1,754,787
Cash and cash equivalent at beginning of year		4,494,321	2,739,534
Cash and cash equivalents at the end of the year		3,779,881	4,494,321
<u>Cash and cash equivalents comprise of:</u>			
Cash and bank balances		3,779,881	4,494,321
Cash and cash equivalents at the end of the year		3,779,881	4,494,321

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.