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**FE "INDORAMA KOKAND TEXTILE"
JOINT STOCK COMPANY**

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Independent Auditor's Report

31 December 2019



Audit Organization "KPMG Audit" LLC
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Independent Auditors' Report

To the Shareholders of FE "Indorama Kokand Textile" Joint Stock Company

Opinion

We have audited the financial statements of "Indorama Kokand Textile" Joint Stock Company (the "Company"), which comprise the statement of financial position as at 31 December 2019, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, 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 its cash flows for the year then ended 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 International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Uzbekistan, 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.

Audited entity: FE "Indorama Kokand Textile" JSC

Registration No. in the Unified State Register of entities and organizations on 27 May 2010 under#106

Kokand, Uzbekistan

Audit company: "KPMG Audit LLC, a company incorporated under the Laws of the Republic of Uzbekistan, a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Audit organization "KPMG Audit LLC. Registered in the Unified State Register of entities and organizations on 23 March 2017 under#0111887-10

Registered address: International Business Center, 11 Floor, Amir Temur ave. 107B, Tashkent, 100084, Republic of Uzbekistan.

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'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 to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's 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 scepticism 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'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 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 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.

The engagement partner on the audit resulting in this independent auditors' report is:

Sanjarbek Saidov

General Director

Audit Organisation "KPMG Audit" LLC

Tashkent, Uzbekistan

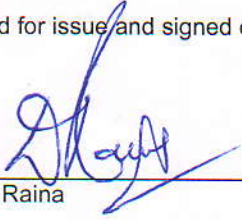
28 February 2020



FE «INDORAMA KOKAND TEXTILE» JOINT STOCK COMPANY
Statement of Financial Position as at 31 December 2019

<i>In USD</i>	Note	31 December 2019	31 December 2018
ASSETS			
Non-current assets			
Property, plant and equipment	7	118,280,973	124,925,370
Total non-current assets		118,280,973	124,925,370
Current assets			
Inventories	8	14,809,004	16,898,942
Accounts receivable and prepayments	9	16,596,908	6,164,148
Cash and cash equivalents	10	2,137,731	2,598,217
Total current assets		33,543,643	25,661,307
TOTAL ASSETS		151,824,616	150,586,677
EQUITY			
Share capital		50,334,436	50,334,436
Retained earnings		20,896,640	11,505,424
TOTAL EQUITY		71,231,076	61,839,860
LIABILITIES			
Non-current liabilities			
Borrowings	11	20,082,724	47,654,561
Government grant	14	773,664	856,996
Deferred tax liabilities	19	11,782,362	11,100,034
Total non-current liabilities		32,638,750	59,611,591
Current liabilities			
Borrowings	11	30,970,242	16,850,844
Trade and other payables	12	2,454,649	7,284,708
Advances received	13	14,529,899	4,999,674
Total current liabilities		47,954,790	29,135,226
TOTAL LIABILITIES		80,593,540	88,746,817
TOTAL LIABILITIES AND EQUITY		151,824,616	150,586,677

Approved for issue and signed on 28 February 2020


 Deepak Raina
 General Director




 Gaurav Aggarwal
 Chief Financial Officer

The accompanying notes on page 8 to 25 are an integral part of these financial statements

FE «INDORAMA KOKAND TEXTILE» JOINT STOCK COMPANY
Statement of profit or loss and other compressive Income for 2019

<i>In USD</i>	Note	2019	2018
Revenue	15	110,844,543	112,098,900
Cost of sales	16,17	(89,699,098)	(92,526,646)
Gross profit		21,145,445	19,572,254
Selling and distribution costs	17	(5,861,978)	(7,113,940)
General and administrative expenses	17	(1,377,735)	(1,697,494)
Operating profit		13,905,732	10,760,820
Finance costs	18	(3,950,556)	(3,745,500)
Other income		118,368	-
Profit before income tax		10,073,544	7,015,320
Income tax expense	19	(682,328)	(372,943)
Profit for the year		9,391,216	6,642,377
Other comprehensive income for the year		-	-
Total comprehensive income for the year		9,391,216	6,642,377

FE «INDORAMA KOKAND TEXTILE» JOINT STOCK COMPANY
Statement of changes in equity for 2019

<i>In USD</i>	Share capital	Retained earnings	Total equity
Balance at 1 January 2018	50,334,436	4,863,047	55,197,483
Profit for the year	-	6,642,377	6,642,377
Total comprehensive income for the year	-	6,642,377	6,642,377
Balance at 31 December 2018	50,334,436	11,505,424	61,839,860
Profit for the year	-	9,391,216	9,391,216
Total comprehensive income for the year	-	9,391,216	9,391,216
Balance at 31 December 2019	50,334,436	20,896,640	71,231,076

FE «INDORAMA KOKAND TEXTILE» JOINT STOCK COMPANY
Statement of Cash Flow for 2019

<i>In USD</i>	Note	2019	2018
Cash flows from operating activities:			
Profit before income tax		10,073,544	7,015,320
Adjustments for:			
Depreciation of property, plant and equipment	7	6,918,362	8,441,568
Foreign exchange translation differences	20	859,483	309,519
Amortisation of government grant	16	(83,332)	(83,332)
Interest expenses	20	3,091,074	3,435,981
(Gain)/Loss on write off of property, plant and equipment	7	(10,522)	140,086
Operating cash flows before working capital changes		20,848,608	19,259,142
Decrease/(Increase) in inventories		2,089,938	(1,576,176)
Increase in accounts receivable and prepayments		(10,432,759)	(2,496,123)
(Decrease)/Increase in trade and other payables		(4,830,059)	3,920,000
Increase/(Decrease) in advances received		9,530,225	(12,068,038)
Changes in working capital		(3,642,655)	(12,220,337)
Interest paid		(2,910,767)	(3,414,399)
Net cash from operating activities		14,295,186	3,624,406
Cash flows from investing activities:			
Purchase of property, plant and equipment		(273,964)	(1,506,387)
Proceed for the sale of property, plant and equipment		10,522	
Net cash used in investing activities		(263,442)	(1,506,387)
Cash flows from financing activities:			
Repayment of borrowings		(14,019,823)	(20,811,400)
Proceeds from borrowings		-	19,667,600
Net cash provided by financing activities		(14,019,823)	(1,143,800)
Net increase in cash and cash equivalents		11,921	974,219
Cash and cash equivalents at the beginning of the year		2,598,217	1,639,629
Effect of foreign exchange rates on cash and cash equivalents		(472,407)	(15,631)
Cash and cash equivalents at the end of the year	10	2,137,731	2,598,217