

## INDEPENDENT AUDITORS' REPORT

To: Shareholders of JSC "Kokand mexanikazavodi"

We have audited the accompanying consolidated financial statements of JSC "KOKAND MEXANIKA ZAVODI" ("the Company"), which comprise the consolidated statement of financial position as at 31 December 2016 and 1 January 2016 and the related consolidated statement of profit or loss and other comprehensive income, changes in equity and each flows for the year ended 31 December 2016, and a summary of significant accounting policies and other explanatory information (collectively – the "consolidated financial statements"). These consolidated financial statements have been prepared as part of the Company's conversion to International Financial Reporting Standards ("IFRS").

### *Management's Responsibility for the Consolidated Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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 about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated 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 consolidated financial statements.

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

### *Opinion*

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Company as at 31 December 2016, and the consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards

«AUDIRES» Audit organization LLC

30 May 2017

Kokand, Uzbekistan



D. Ismoilov