

**OPEN JOINT STOCK COMPANY "TAJIK  
ALUMINUM COMPANY"**

Consolidated Financial Statements for the  
year ended 31 December 2023 and  
Independent Auditor's Report

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## Statement of Management's Responsibilities for the Preparation and Approval of the Consolidated Financial Statements for the year ended 31 December 2023

The following statement, which should be read in conjunction with the independent auditor's responsibilities stated in the independent auditor's report, is made with a view to distinguish the respective responsibilities of management of OJSC "Tajik Aluminum Group" (the "Group") and those of independent auditor in relation to the Group's consolidated financial statements.

Management of the Group is responsible for preparation of the consolidated financial statements that presents fairly the financial position of the Group as at 31 December 2023, the results of its operations, cash flows and changes in equity for the year then ended, in accordance with International Financial Reporting Standards (IFRSs).

In preparing the financial statements, management is responsible for:


- Selecting suitable accounting principles and applying them consistently;
- Making judgments and estimates that are reasonable and prudent;
- Stating whether IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Preparing the consolidated financial statements on going concern basis, unless it is inappropriate to presume that the Group will continue business in the foreseeable future.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, through out the Group;
- Maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Group and which enable them to ensure that the financial statements of the Group comply with IFRSs;
- Maintaining statutory accounting records in compliance with legislation and accounting standards of the Republic of Tajikistan;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Detecting and preventing fraud and other irregularities

On behalf of the Management

  
\_\_\_\_\_  
**Sharifzoda Sh.**  
General Director

  
\_\_\_\_\_  
**Khonov N.**  
Chief Accountant



## INDEPENDENT AUDITOR'S REPORT

To the Shareholder and Management of Open Joint Stock Company "Tajik Aluminum Company"

### Opinion

We have audited the consolidated financial statements of Open Joint Stock Company "Tajik Aluminum Company" (hereinafter "Company") and its subsidiaries (hereinafter "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies

In our opinion the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, as well as its financial results and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities in accordance with these standards are further described in the "Auditor's Responsibilities for the Audit of Consolidated Financial Statements" section of our report. We are Independent of the Group, in accordance with the ethical requirements of the Code of ethics of professional accountants of the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in the Republic of Tajikistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code.

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

### Material Uncertainty Related to Going Concern

We draw your attention to Note 2 of consolidated financial statements, Going concern section which describes that as of December 31, 2023 the Group's current liabilities exceeded current assets by USD 121,460 thousand (2022: USD 123,518 thousand). These events or conditions, together with other matters set out in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. We do not express a modified opinion regarding this issue.

### Emphasis of matter

**Restatement of comparative information** - we draw your attention to Note 6 to the consolidated financial statements, which describing that the comparative information presented as at and for the year ended 31 December 2022 has been restated.

We draw your attention to Note 26 to the consolidated financial statements, which discloses contingent liabilities of borrowings under the project "Construction of Cryolite, Sulphuric Acid, Aluminum-Fluoride Production Plant in Yavan District of Khatlon Region" in the amount of USD 47,790 thousand and CNY 248,331 thousand.

We do not express a modified opinion in connection with these issues.

### Other matter

The audit of the consolidated financial statements of the Group as at December 31, 2022 and for the year then ended, except for the adjustments described in Note 6 to the consolidated financial statements, was conducted by another auditor, who provided an unmodified opinion dated February 6, 2024 to the consolidated financial statements.



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

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with IFRSs, 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.

In preparing the Consolidated 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.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

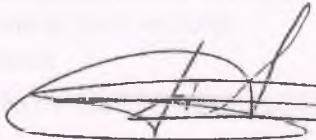
Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Consolidated 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 Consolidated 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 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 auditor's report to the related disclosures in the Consolidated 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 auditor's 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 Consolidated Financial Statements, including the disclosures, and whether the Consolidated 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 activities within the Group to express an opinion on the consolidated 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.

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



**Bakhtiyor Saloev**

**Audit Partner**

License BM № 0000154 dated 25/12/2020  
Issued by the Ministry of Finance of  
Republic of Tajikistan



Qualification certificate of auditor  
BM № 0000692 dated 17/01/2024  
Issued by the Ministry of Finance of  
Republic of Tajikistan

15 October 2024  
Dushanbe, Tajikistan



**OPEN JOINT STOCK COMPANY "TAJIK ALUMINIUM COMPANY"**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**  
(in thousand US Dollars)


	Notes	31 December 2023	31 December 2022 (*restated)	1 January 2022
<b>ASSETS:</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	7	327,875	351,554	379,086
Equipment to be installed and assets under construction	7	17,054	18,235	12,221
Investments	8	14,131	14,131	14,131
Investment in joint venture	9	0.05	0.05	0.05
Other assets		1,522	1,789	1,778
<b>TOTAL NON-CURRENT ASSETS</b>		<b>360,582</b>	<b>385,709</b>	<b>407,216</b>
<b>CURRENT ASSETS</b>				
Inventories	10	21,182	14,365	15,945
Trade and other receivables	11	57,468	37,262	52,986
Cash and cash equivalents	12	116	40	1,407
<b>TOTAL CURRENT ASSETS</b>		<b>78,766</b>	<b>51,667</b>	<b>70,338</b>
<b>TOTAL ASSETS</b>		<b>439,348</b>	<b>437,376</b>	<b>477,554</b>
<b>EQUITY AND LIABILITY</b>				
<b>EQUITY</b>				
Charter capital	13	604,875	604,875	604,875
Revaluation reserve - Property, plant and equipment		142,441	167,616	190,502
Accumulated deficit	14	(582,851)	(594,108)	(528,526)
<b>TOTAL EQUITY</b>		<b>164,465</b>	<b>178,383</b>	<b>266,851</b>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liability	23	1,562	3,251	5,527
Long term trade payables	15	73,095	80,557	67,040
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>74,657</b>	<b>83,808</b>	<b>72,567</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	16	170,110	151,285	111,727
Loans and overdrafts received	17	29,460	23,466	26,215
Reserves		656	434	193
<b>TOTAL CURRENT LIABILITIES</b>		<b>200,226</b>	<b>175,185</b>	<b>138,135</b>
<b>TOTAL LIABILITIES</b>		<b>274,883</b>	<b>258,993</b>	<b>210,703</b>
<b>TOTAL EQUITY AND LIABILITY</b>		<b>439,348</b>	<b>437,376</b>	<b>477,554</b>

\*see Note 6 to the consolidated financial statements

The notes No. 1-28 form an integral part of these consolidated financial statements

On behalf of the management

  
\_\_\_\_\_  
**Sharifzoda Sh.**  
**General Director**

  
\_\_\_\_\_  
**Khonov N.**  
**Chief Accountant**

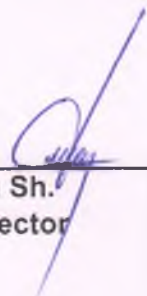
**OPEN JOINT STOCK COMPANY "TAJIK ALUMINIUM COMPANY"**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**  
(in thousand US Dollars)


	Notes	For the year ended 31 December 2023	31 December 2022 (*restated)
Revenue	18	50,966	46,382
Cost of sales	19	(79,552)	(77,006)
<b>GROSS LOSS</b>		<b>(28,585)</b>	<b>(30,624)</b>
Distribution expenses	20	(1,583)	(1,671)
Administrative expenses	21	(7,317)	(6,855)
<b>OPERATING LOSS</b>		<b>(37,485)</b>	<b>(39,150)</b>
Effect of discounting long term payable		8,338	(13,517)
Other income and expenses	22	4,715	(30,857)
Interest expense and finance charges		(6,358)	(1,076)
Net gain/(loss) on foreign exchange operations		15,227	(6,060)
<b>PROFIT BEFORE TAX</b>		<b>(15,563)</b>	<b>(90,659)</b>
Income tax expense	23	1,646	(85)
<b>PRPROFIT FOR THE YEAR</b>		<b>(13,917)</b>	<b>(90,745)</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(13,917)</b>	<b>(90,745)</b>

\*see note 6 to the consolidated financial statements

The notes 1-28 form an integral part of these consolidated financial statements

On behalf of the management

  
\_\_\_\_\_  
**Sharifzoda Sh.**  
**General Director**

  
\_\_\_\_\_  
**Khonov N.**  
**Chief Accountant**



**OPEN JOINT STOCK COMPANY "TAJIK ALUMINIUM COMPANY"**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**  
(in thousand US Dollars)

	Charter capital	Revaluation reserve on Property, Plant and Equipment	Accumulated deficit	Total
<b>Balance at 1 January 2022</b>	604,875	190,502	(495,322)	300,055
Effect of restatement	-	-	(33,204)	(33,204)
<b>Balance at 1 January 2022 (restated)</b>	604,875	190,502	(528,526)	266,851
Annual write-off of Property, Plant and Equipment revaluation reserve	-	(25,162)	25,162	-
Deferred tax	-	2,276	-	2,276
Profit/(Loss) for the year	-	-	(90,745)	(90,745)
<b>Balance at 31 December 2022</b>	604,875	167,616	(594,108)	178,383
Annual write-off of Property, Plant and Equipment revaluation reserve	-	(25,175)	25,175	-
Deferred tax	-	-	-	-
Profit/(Loss) for the year	-	-	(13,917)	(13,917)
<b>Balance at 31 December 2023</b>	604,875	142,441	(582,851)	164,465

\*see note 6 to the consolidated financial statements

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On behalf of the management

Sharifzoda Sh.  
General Director

Khoenov N.  
Chief Accountant

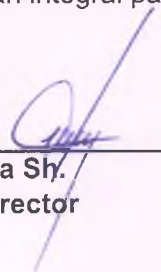
**OPEN JOINT STOCK COMPANY "TAJIK ALUMINIUM COMPANY"**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**  
(in thousand US Dollars)


	For the year ended	
	31 December 2023	31 December 2022 (*restated)
Loss before tax	(15,563)	(90,659)
Adjustments for:		
Dereciation and amortisation	32,842	32,825
Income from foreign currency revaluation, net	(16,076)	6,060
Income from changes in the present value of restructured debt	-	-
Financial expenses	6,358	1,076
Effect of discounting long term payable	(7,489)	13,517
Reserve recovery	-	(247)
Disposal of property, plant and equipment	-	(603)
<b>Cash flows from operating activities before movement in working capital</b>	<b>72</b>	<b>(38,032)</b>
Decrease/(increase) in trade and other receivables	(20,206)	15,971
Decrease/(increase) in other assets	267	(11)
Decrease/(increase) in inventories	(14,533)	(4,581)
Increase/(decrease) in trade and other payables	35,396	29,637
<b>Net cash provided by operations</b>	<b>996</b>	<b>2,985</b>
Income tax paid	(43)	(85)
Interest paid	(2,798)	(1,196)
<b>Net cash generated from operating activities</b>	<b>(1,844)</b>	<b>1,704</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(153)	(23)
Purchase of Equipment to be installed and assets under construction	(114)	(4,520)
<b>Net cash used in investing activities</b>	<b>(267)</b>	<b>(4,543)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loans received	9,707	2,747
Loans paid	(7,503)	(2,323)
<b>Net cash used in financing activities</b>	<b>2,204</b>	<b>424</b>
Effect of changes in foreign exchange rates on cash and cash equivalents	(17)	1,048
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>76</b>	<b>(1,367)</b>
<b>CASH AND CASH EQUIVALENTS, at the beginning of the year</b>	<b>40</b>	<b>1,407</b>
<b>CASH AND CASH EQUIVALENTS, at the end of the year</b>	<b>115</b>	<b>40</b>

\*see note 6 to the consolidated financial statements

The notes 1-28 form an integral part of these consolidated financial statements

On behalf of the management

  
\_\_\_\_\_  
**Sharifzoda Sh.**  
**General Director**

  
\_\_\_\_\_  
**Khonov N.**  
**Chief Accountant**