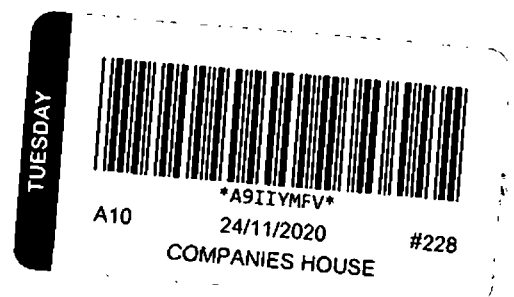


Indus Capital (UK) Ltd

Company registration number 05213315

Consolidated Financial Statements

For the year ended 31 December 2019



Indus Capital (UK) Ltd

Contents

Directors	Brian Guzman (resigned 14 October 2019) James Shannon Matthew Sippel James Weiner (appointed 14 October 2019)
Company secretary	Jordan Company Secretaries Limited
Company registration number	05213315
Registered office	Suite 1, 3 rd Floor 11-12 St. James's Square London SW1Y 4LB

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The directors present their strategic report of Indus Capital (UK) Ltd (the "Company") and its subsidiary (together, the "Group") for the year ended 31 December 2019.

Principal activity and review of the business

The Company was incorporated on 24 August 2004 and acts as an administrative services company to its subsidiary entity, Indus Capital Advisors (UK) LLP ("the Partnership"). The principal activity of the Group is to provide research services.

Future developments

The directors continue to be guardedly optimistic about the Group. However, increased turnover and fees may be subject to the perceived value of the research provided by the Group as well as the performance of the client to which the Group provides research. As such, there is no guarantee that turnover will increase.

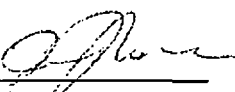
Principal risks and uncertainties

The directors of the Company consider the main risk to be the continued success of the Partnership. The management of the business and the execution of the strategy are subject to a number of risks. The key business risks and uncertainties affecting the business are considered to relate to the performance of the underlying fund.

Key performance indicators ("KPI")

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

On behalf of the board



James Shannon

Director

03 October 2020

The directors present their report together with the financial statements of the Company and the Group for the year ended 31 December 2019.

In line with the Companies Act 2006, principal activity and review of the business, future developments and principal risk and uncertainties have been included in the Strategic Report.

Results and dividends

The consolidated statement of comprehensive income is set out on page 7 and shows the profit for the year. The directors are satisfied with the reported results for the year.

In 2019, during the Group's sixteenth year of operations, the directors continued to be optimistic regarding the Group's prospects.

Directors

The directors of the Company during the year were:

Mr James Shannon

Mr Brian Guzman (resigned 14 October 2019)

Mr Matthew Sippel

Mr James Weiner (appointed 14 October 2019)

The directors have no beneficial interest in the share capital of the Company.

Post balance sheet events

No matters or circumstances have arisen since the end of the year which significantly affected, or may significantly affect the operations of the Group or Company, the results of those operations or the state of affairs of the Group or Company in financial years subsequent to the financial year ended 31 December 2019.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

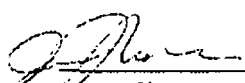
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Company and Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors confirm that the above requirements have been met in preparing the financial statements.

On behalf of the board


James Shannon
Director

03 October 2020

Consolidated statement of comprehensive income as at 31 December 2019

		2019	2018
	Notes	£	£
Turnover	4	1,689,075	4,431,563
Administrative expenses		(1,215,072)	(1,902,570)
Other operating income		84,963	14,200
Operating profit	5	558,965	2,543,193
Interest receivable	6	453	837
Profit on ordinary activities before tax		559,418	2,544,030
Tax on profit on ordinary activities	8	(956)	(4,697)
Profit on ordinary activities after tax		558,462	2,539,333
Minority interests		(554,294)	(2,519,177)
Profit for the financial year		4,168	20,156

All of the activities of the Group are classified as continuing.

The Group has no recognised gains or losses other than the results for the year as set out above and therefore no separate statement of other comprehensive income has been presented.

The notes on pages 11 to 19 form part of these financial statements.

Indus Capital (UK) Ltd

Consolidated statement of financial position as at 31 December 2019

	Notes	2019 £	2018 £
Assets			
Non-current assets			
Tangible fixed assets	9	3,191	4,157
Current assets			
Debtors			
Amounts falling due within one year	11	42,500	84,366
Amounts falling due after one year	12	83,375	83,375
Amounts due from members		1,708,875	1,606,154
Cash at bank		264,929	294,608
		2,099,679	2,068,503
Creditors: amounts falling due within one year	13	(237,732)	(211,690)
Net current assets		1,861,947	1,856,813
Total assets less current liabilities		1,865,138	1,860,970
Net assets		1,865,138	1,860,970
Capital and reserves			
Called up share capital	15	1	1
Capital contribution reserve	16	1,112,079	1,112,079
Profit and loss account	17	453,058	448,890
Equity shareholder's funds before minority interests		1,565,138	1,560,970
Minority interests			
Equity		300,000	300,000
Shareholder's funds		1,865,138	1,860,970

- For the period ending 31 December 2019 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.
- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared in accordance with the provision applicable to companies subject to the small companies' regime.

The financial statements were approved by the board on the 03 October 2020 and were signed on its behalf by:



James Shannon

Director

Company registration number 05213315

The notes on pages 11 to 19 form part of these financial statements.

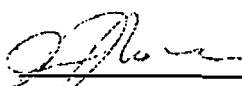
Indus Capital (UK) Ltd**Company statement of financial position as at 31 December 2019**

	Notes	2019 £	2018 £
Fixed assets			
Investment	14	1,530,672	1,530,672
Current assets			
Debtors	11	138,140	133,015
Creditors: amounts falling due within one year	13	(103,674)	(102,717)
Net current assets		34,466	30,298
Net assets		1,565,138	1,560,970
Capital and reserves			
Called up share capital	15	1	1
Capital contribution reserve	16	1,112,079	1,112,079
Profit and loss account	17	453,058	448,890
Equity shareholder's funds		1,565,138	1,560,970

No income statement is presented for the Company as permitted by Section 408 of the Companies Act 2006. Of the Group's profit for the year, a profit of £4,168 (2018: £20,156) is dealt with in the financial statements of the Company.

- For the period ending 31 December 2019 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.
- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared in accordance with the provision applicable to companies subject to the small companies' regime.

The financial statements were approved by the board on the 01 October 2020 and were signed on its behalf by:



James Shannon

Director

Company registration number 05213315

The notes on pages 11 to 19 form part of these financial statements.

Indus Capital (UK) Ltd

Consolidated statement of changes in equity for the year ended 31 December 2019

	Share capital	Capital contribution reserve	Profit and loss account	Shareholders' funds
	£	£	£	£
At 1 January 2018	1	1,112,079	428,734	1,540,814
Changes in equity				
Profit on ordinary activities	-	-	2,539,333	2,539,333
Minority Interests	-	-	(2,519,177)	(2,519,177)
At 31 December 2018	<u>1</u>	<u>1,112,079</u>	<u>448,890</u>	<u>1,560,970</u>

	Share capital	Capital contribution reserve	Profit and loss account	Shareholders' funds
	£	£	£	£
At 1 January 2019	1	1,112,079	448,890	1,560,970
Changes in equity				
Profit on ordinary activities	-	-	558,462	558,462
Minority Interests	-	-	(554,294)	(554,294)
At 31 December 2019	<u>1</u>	<u>1,112,079</u>	<u>453,058</u>	<u>1,565,138</u>

Indus Capital (UK) Ltd

Company statement of changes in equity for the year ended 31 December 2019

	Share capital	Capital contribution reserve	Profit and loss account	Shareholders' funds
	£	£	£	£
At 1 January 2018	1	1,112,079	428,734	1,540,814
Changes in equity				
Profit for the financial year	-	-	20,156	20,156
At 31 December 2018	<u>1</u>	<u>1,112,079</u>	<u>448,890</u>	<u>1,560,970</u>

	Share capital	Capital contribution reserve	Profit and loss account	Shareholders' funds
	£	£	£	£
At 1 January 2019	1	1,112,079	448,890	1,560,970
Changes in equity				
Profit for the financial year	-	-	4,168	4,168
At 31 December 2019	<u>1</u>	<u>1,112,079</u>	<u>453,058</u>	<u>1,565,138</u>

Consolidated statement of cash flows for the year ended 31 December 2019

	2019 £	2018 £
Cash flow from operating activities		
Cash inflow from operating activities	634,158	3,921,804
Tax paid	(4,698)	(8,040)
Net cash inflow from operating activities	629,460	3,913,764
Cash flow from investing activities		
Purchase of tangible fixed assets	(2,104)	(2,157)
Interest received	453	837
Net cash used investing activities	(1,075)	(1,320)
Cash flow from financing activities		
Distribution paid to minority interests	(657,487)	(4,099,924)
Net cash outflow from financing	(657,487)	(4,099,924)
Decrease in cash and cash equivalents	29,679	187,480
Cash and cash equivalents at beginning of year	294,608	482,088
Cash and cash equivalents at end of year	264,929	294,608

Reconciliation of profit on ordinary activities after tax to cash inflow from operating activities

	2019 £	2018 £
Profit on ordinary activities after tax	558,462	2,539,333
Interest received	(453)	(837)
Depreciation charge	3,070	5,478
Decrease in debtors	41,866	1,706,432
Increase /(Decrease) in creditors	31,213	(328,602)
Cash inflow from operating activities	634,158	3,921,804

Analysis of changes in net funds:	2019 £	2018 £
Cash in hand and at bank at end of year	264,929	294,608
Cash in hand and at bank at beginning of year	294,608	482,088
Decrease in cash	29,679	187,480

1. General information

Indus Capital (UK) Limited (the "Company") is a private company limited by shares and is incorporated and domiciled in England. The registered office is Suite 1, 3rd Floor, 11-12 St. James's Square, London, SW1Y 4LB.

2. Accounting policies

Basis of preparation

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with FRS 102 and the Companies Act 2006. The principal accounting policies are set out below:

Basis of consolidation

The consolidated financial statements include the financial statements of Indus Capital (UK) Ltd (the "Company") and its subsidiary undertaking, Indus Capital Advisors (UK) LLP (the "Partnership") (collectively the "Group") drawn up to 31 December 2019.

Going concern

The Group derives its income through the provision of services to Indus Capital Partners, LLC and Indus Partners, LLC (collectively, "Indus NY"); accordingly, the Group is dependent on the Indus NY's support for its continuing existence. The directors have received confirmation that Indus NY has the ability and intention to support the Group for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

Foreign currency transactions

The Group's functional and presentational currency is the pound sterling. Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Turnover

The turnover shown in the income statement represents amounts due for research services recognised on an accruals basis during the year, exclusive of Value Added Tax.

Tangible fixed assets

All tangible fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Furniture and Fixtures	-	straight line over 3 years
IT Equipment	-	straight line over 3 years
Leasehold Improvements	-	straight line over lease term

Fixed asset investments

Fixed asset investments are recorded at cost, less any provision for impairment in value that is considered to be permanent.

Operating leases

Rentals payable under operating leases entered into after the date of transition to FRS 102 are charged against income on a straight line basis over the lease term. Incentives received to enter into an operating lease are credited to the income statement, to reduce the lease expense, on a straight line basis over the period of the lease. The Partnership has taken the exemption in section 35.10(p) of FRS 102 with regard to lease incentives where the lease existed before transition to FRS 102, and has continued to recognise the residual benefit/cost associated with such lease incentives on the same basis as that applied before the date of transition to this FRS.

Financial instruments

The Group has implemented Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers, and are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

3. Critical accounting judgements and accounting uncertainty**a) Critical judgments in applying the Group's accounting policies**

The Group makes a number of assessments which require judgement in preparing the financial statements and can have a significant effect upon the financial statements. However due to the straight forward nature of the Group's business, management does not believe that there are any judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

b) Key accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates may by definition, differ from actual results. However due to the straight forward nature of the Group's business, management does not believe that there are any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Turnover

An analysis of the Partnership's turnover is as follows:

Turnover analysed by class of business	2019	2018
	£	£
Research services	<u>1,689,075</u>	<u>4,431,563</u>
Turnover analysed by geographical market	2019	2018
	£	£
United States	<u>1,689,075</u>	<u>4,431,563</u>

5. Group operating profit

Group operating profit is stated after charging:

	2019	2018
	£	£
Depreciation of owned fixed assets	3,070	5,478
Operating lease cost – land and buildings	166,750	152,939
Other services - tax & accounting	<u>3,974</u>	<u>4,093</u>

6. Investment income

	2019	2018
	£	£
Interest receivable	<u>453</u>	<u>837</u>

7. Employees and remuneration

The average monthly number of staff employed by the Group during the financial year amounted to:

	2019	2018
Number of professional staff	2	3
Number of administrative staff	<u>1</u>	<u>1</u>

The aggregate payroll costs of staff were:

	2019 £	2018 £
Wages and salaries	502,571	1,231,801
Social security costs	<u>64,974</u>	<u>99,972</u>

There were no emoluments paid to the directors during the year in respect of their services to the Company.

8. Tax on profit on ordinary activities

	2019 £	2018 £
Current tax:		
Profit on ordinary activities before tax	<u>559,892</u>	<u>2,544,053</u>
Tax at the UK lower rate of Corporation tax 19% (2018: 19%)	106,379	483,370
Portion chargeable to minority interests	(105,315)	(478,559)
Effects of:		
Other items not allowable for tax purposes	(108)	(114)
Total tax charge	<u>956</u>	<u>4,697</u>

Factors that may affect future tax charges

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. No deferred tax had arisen in the Group as at the end of the year.

9. Tangible fixed assets

	Furniture and fixtures £	IT equipment £	Leasehold improvements £	Total £
Cost				
At 1 January 2019	68,777	160,462	492,296	721,535
Additions	-	2,104	-	2,104
At 31 December 2019	68,777	162,566	492,296	723,639
Depreciation				
At 1 January 2019	68,531	156,551	492,296	717,378
Charge for the year	226	2,844	-	3,070
At 31 December 2019	68,757	159,395	492,296	720,448
Net book value				
At 31 December 2019	20	3,171	-	3,191
At 31 December 2018	246	3,911	-	4,157

10. Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	8,352	12,212
Carrying amount of financial liabilities		
Measured at amortised cost	23,511	98,060

11. Debtors: amounts falling due within one year

Group	2019	2018
	£	£
VAT recoverable	8,352	12,212
Prepayments & other debtors	34,148	72,154
	<u>42,500</u>	<u>84,366</u>
 Company	 2019	 2018
	£	£
Due from Group companies	138,140	133,015
	<u>138,140</u>	<u>133,015</u>

Amounts due from Group companies and related parties are unsecured, interest free and are repayable on demand.

12. Debtors: amounts falling due after one year

Group	2019	2018
	£	£
Rent deposit	<u>83,375</u>	<u>83,375</u>

13. Creditors: amounts falling due within one year

Group	2019	2018
	£	£
Trade creditors	13,729	63,572
Other creditors	112,500	132,508
Accruals and deferred income	110,547	10,913
Corporation tax	956	4,697
	<u>237,732</u>	<u>211,690</u>

Company	2019	2018
	£	£
Due to group companies	-	-
Corporation tax	956	4,697
	<u>956</u>	<u>4,697</u>

14. Investment in Group undertaking

	2019	2018
	£	£
Unlisted – subsidiary undertaking	<u>1,530,672</u>	<u>1,530,672</u>

The Company's subsidiary undertaking is Indus Capital Advisors (UK) LLP (the "Partnership") a Limited Liability Partnership registered in England and Wales in which the Company possesses 1% ownership with a controlling interest.

15. Called up share capital

	2019	2018
	£	£
Authorised		
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted and fully paid		
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

On 24 August 2004 the Company issued one ordinary share for a consideration of £1.

16. Capital contribution reserve

Capital contribution reserve represents amounts due to the parent company and ultimate controller party, Indus Capital Partners, LLC for the Company's investment in the Partnership.

17. Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses available for distribution.

18. Commitments under operating leases

The Group had the following future minimum lease payments under non-cancellable operating leases for each of the following period:

	2019 £	2018 £
Not later than one year	166,750	166,750
Later than one year and not later than five years	371,418	538,169
Later than five years	-	-
	<u>538,168</u>	<u>704,919</u>

There is a lease agreement between The Pollen Estate Trustee Company Limited and the Partnership expiring on 24 March 2023 with the final break date on 29 September 2021.

19. Related party transactions

During the year, £1,689,075 of the Partnership's turnover (2018: £4,431,563) was earned through the provision of research services to Indus Partners, LLC and Indus Capital Partners, LLC (collectively, "Indus NY"). Pursuant to a sub-advisory agreement between the Partnership and Indus NY, either party with sixty days' notice can terminate this arrangement. The designated members of the Partnership are each affiliated with Indus NY. David Kowitz is a member of Indus NY and Indus Capital (UK) Ltd is a subsidiary company of Indus Capital Partners, LLC.

Key management personnel

All members who have authority and responsibility for planning, directing and controlling the activities of the Partnership are considered to be key management personnel. David Kowitz, the designated member of the Partnership falls under this category. The total remuneration allocated to Mr. Kowitz during the year amounted to £554,293 (2018: £2,519,177).

20. Controlling party

The parent company and ultimate controller party is Indus Capital Partners, LLC, a Limited Liability Corporation registered in Delaware.