



AUDITING, ADVISORY, ASSURANCE

“FISCAL AUDIT” LLC

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22.03.2024 № 3A-02/2023

To: THE MANAGEMENT OF
“MONGOL DAATGAL” JSC

REPORT OF THE INDEPENDENT AUDITOR

Report concerning financial statement audit

We have audited the accompanying financial statements of “MONGOL DAATGAL” JSC which comprise of balance sheet as at December 31, 2023 and income statement, changes in equity and cash flow statement, simultaneously covering notes to the financial statements including summary of significant accounting policies.

In our opinion, the accompanying financial statement present fairly, in all material respect, the financial position of “MONGOL DAATGAL” JSC as of December 31, 2023 and the results of its financial performance and its cash flow for the year ended in accordance with International Financial Reporting Standards and related laws and regulations.

Basis for an audit opinion

We conducted our audit in accordance with International Standards on Auditing. These standards require compliance with ethical principles and that the audit is conducted as planned to provide reasonable assurance regarding the absence of error. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

Key audit matter

In the auditor’s professional judgment, key audit matter will highlight those issues that were of most significance in the audit. During the work concerning financial statement audit, those issues have been reviewed through summarizing and there is no separate report concerned.

Management’s Responsibility for the Financial Statements

The Company’s management is responsible for the preparation and fair presentation of its financial statements in accordance with International Financial Reporting Standards. In preparing the financial statements, the management is required to select and apply appropriate accounting policies, make judgments and accounting estimates that are reasonable and prudent, and design, implement and maintain internal control relevant to the preparation and fair presentation of financial statements and take reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE INDEPENDENT AUDITOR (continuation)

Responsibility of the auditor concerning financial statement

The responsibility of ours is to express an opinion concerning financial statements based on the audit performed by ours. We conducted our audit in accordance with IAS. These standards require to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud.

The procedures were performed to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for 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 financial statements. Based on the audit evidence obtained, it is determined whether there is material uncertainty concerning company's competence to conduct its business continuously.

Use of the report

This report has been prepared for the management of "MONGOL DAATGAL" JSC, the legal entity as specified in the Article 5 of the "Company law" of Mongolia. We do not assume responsibility to any third party under the content of this report.

DIRECTOR



MRS. ALTANTUGS.D

Audited statement of financial position
(tugrug)

ASSET	<u>2022/12/31</u>	<u>2023/12/31</u>
Current asset		
Cash and cash equivalent	2,229,129,022.6	4,855,669,054.6
Account receivables	2,365,557,680.5	1,797,459,970.6
Tax, SIT receivables	33,074,857.4	33,936,329.0
Other receivables	7,061,092,948.5	2,037,859,825.5
Other financial assets	7,210,277,844.3	5,764,116,430.7
Inventory	408,730,182.6	448,029,828.0
Prepaid expense / prepayments	780,007,796.1	643,603,589.1
Other current asset	-	-
Non-current asset held for sale (group of assets)	-	-
Total current asset	<u>20,087,870,332.0</u>	<u>15,580,675,027.4</u>
Non-current asset		
Fixed asset	8,608,750,053.5	8,580,690,826.9
Intangible asset	1,364,971,453.1	1,373,596,903.1
Biological asset	-	-
Long-term investment	7,421,335,238.3	9,557,457,894.6
Exploration and valuation asset	-	-
Deferred tax asset	-	-
Immovable property held for investment	-	-
Other non-current assets	-	-
Total non-current asset	<u>17,395,056,744.9</u>	<u>19,511,745,624.5</u>
TOTAL ASSETS	<u><u>37,482,927,076.9</u></u>	<u><u>35,092,420,651.9</u></u>

"FISCAL AUDIT" LLC

Director

Altantugs.D

Auditor

Batjargal.Ya/CTA/

Auditor

Myagmartseren.N

Auditor

Bolortsetseg.N

Assistant auditor

Shiidernorov.M





"Mongol Daatgal" JSC
As of December 31, 2023
Audited statement of financial position
(tugrug)

	<u>2022/12/31</u>	<u>2023/12/31</u>
LIABILITY AND OWNER'S EQUITY		
Short-term liabilities		
Account payables	3,345,037,857.7	2,747,563,674.1
Salaries payables	13,260,752.0	3,313,728.6
Tax payables	404,884,087.5	630,164,253.1
SIT liability	113,281.8	3,113,308.8
Short-term bank loan payables		
Interest payables		372,924.5
Dividend payables		
Unearned revenue	514,380,375.6	415,070,953.1
Reserve/ payments		
Other short-term Liability	503,064,966.1	741,994,828.8
Lliabilities related to a group of assets held for sale		
Total short-term liabilities	<u>4,780,741,320.6</u>	<u>4,541,593,671.0</u>
Long-term liabilities		
Long-term loan	-	-
Reserve /payments	18,457,623,456.4	17,868,534,322.5
Deferred tax liability	-	-
Other long-term liabilities		
Total long-term liabilities	<u>18,457,623,456.4</u>	<u>17,868,534,322.5</u>
Total liabilities	<u>23,238,364,777.0</u>	<u>22,410,127,993.5</u>
Owner equity		
Owner equity/private/	6,413,234,100.0	6,413,234,100.0
Treasury stock	(9,857,124.0)	(9,857,124.0)
Additionally paid -in capital	4,522,649.1	4,522,649.1
Asset revaluation surplus	7,038,875,843.2	7,038,875,843.2
Foreign currency translation reserve		
Other parts of owner's equity		
Accumulated profit (loss)	797,786,831.6	(764,482,809.9)
	<u>14,244,562,299.9</u>	<u>12,682,292,658.5</u>
	<u>37,482,927,076.9</u>	<u>35,092,420,651.9</u>



"FISCAL AUDIT" LLC Director Auditor Auditor Auditor Assistant auditor		Altantugs.D Batjargal.Ya/CTA/ Myagmartseren.N Bolortsetseg.N Shiidernorov.M
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"Mongol Daatgal" JSC
As of December 31, 2023

Audited comprehensive income statement

(tugrug)

	<u>2022/12/31</u>	<u>2023/12/31</u>
Sales income (net)	27,195,805,568.6	30,409,760,701.5
Cost of goods sold	15,654,472,170.8	20,695,637,597.5
Total profit/loss	11,541,333,397.8	9,714,123,103.9
Rental income	125,320,235.0	135,747,930.9
Interest income	13,499,477.0	678,256,335.4
Dividend income		
Royalty revenue	507,099,645.4	382,586,780.5
Other income	397,178,609.0	44,094,346.6
Sales and marketing expenditure	8,016,726,564.1	8,077,735,039.0
General and administration expenditure	3,708,933,793.7	3,969,085,397.2
Financial expense	16,887,178.1	26,956,735.7
Other expense	570,820,670.5	171,707,185.2
Exchange difference gain (loss)	55,963,098.1	20,549,725.0
Asset writing-off gain (loss)	7,781,818.2	29,926,083.1
Intangible asset writing off gain (loss)	-	-
Investment sales gain (loss)	-	-
Other profit (loss)	-	229,616,841.1
Before tax profit (loss)	334,808,074.2	(1,469,816,892.9)
Income tax expense	168,737,702.4	92,452,748.6
After tax profit (loss) for normal operation	166,070,371.7	(1,562,269,641.5)
After tax profit (loss) for discontinued operation	-	-
Net profit (loss) for reporting period	166,070,371.7	(1,562,269,641.5)
Other comprehensive income	-	-
Asset revaluation surplus difference	-	-
Translation difference	-	-
Other profit (loss)	-	-
Total comprehensive income	166,070,371.7	(1,562,269,641.5)
Basic earnings per share	-	-

<p>Director</p> <p>Auditor</p> <p>Auditor</p> <p>Auditor</p> <p>Assistant auditor</p>		<p>Altantugs.D</p> <p>Batjargal.Ya/CTA/</p> <p>Myagmartseren.N</p> <p>Bolortsetseg.N</p> <p>Shiidernorov.M</p>
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Audited statement of changes in equity
(тугнуг)

Content	Share capital	Treasury stock	Additionally paid-in capital	Revaluation surplus	Other parts of owner's equity	Accumulated profit/loss	Total
as of January 01, 2022	6,413,234,100.0	(9,857,124.0)	4,522,649.1	7,038,875,843.2	-	797,786,831.6	14,244,562,299.9
of changes in accounting policy correction	-	-	-	-	-	-	-
lized revaluation surplus	6,413,234,100.0	(9,857,124.0)	4,522,649.1	7,038,875,843.2	-	797,786,831.6	14,244,562,299.9
it (loss) for the reporting period							
mprehensive income in equity dividend							
as of December 31, 2022	6,413,234,100.0	(9,857,124.0)	4,522,649.1	7,038,875,843.2	-	797,786,831.6	14,244,562,299.9
f changes in accounting policy correction	-	-	-	-	-	-	-
lized revaluation surplus	6,413,234,100.0	(9,857,124.0)	4,522,649.1	7,038,875,843.2	-	797,786,831.6	14,244,562,299.9
t (loss) for the reporting period						(1,562,269,641.5)	(1,562,269,641.5)
mprehensive income in equity dividend							
lized revaluation surplus							
as of December 31, 2023	6,413,234,100.0	(9,857,124.0)	4,522,649.1	7,038,875,843.2	-	(764,482,809.9)	12,682,292,658.5

"FISCAL AUDIT" LLC



Director: Altantugs.D
Auditor: Batjargal Ya/CTA/
Auditor: Myagmarsuren.N
Auditor: Bolortsiseg.N
Assistant auditor: Shiidernorov.M




“Mongol Daatgal” JSC
as of December 31, 2023
Audited cash flow statement

(tugrug)

	<u>2022/12/31</u>	<u>2023/12/31</u>
net cash flows from main operating activities	267,823,244.25	2,537,488,258.26
total investment cash flow	(459,481,695.51)	89,051,773.66
financial net cash glow	(61,800,000.00)	
total net cash flow	<u>(253,458,451.26)</u>	<u>2,626,540,031.92</u>
beginning balance of cash and cash equivalents	<u>2,482,587,473.90</u>	<u>2,229,129,022.64</u>
ending balance of cash and cash equivalents	<u>2,229,129,022.64</u>	<u>4,855,669,054.56</u>

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