

"DARKHAN SHEEPSKIN" JSC FINANCIAL STATEMENT

December 31, 2023

| Row No. | Items | Balance | |
|--------------|---|--------------------------|--------------------------|
| | | 01-Jan-23 | 31-Dec-23 |
| 1 | ASSETS | | |
| 1.1 | Current asset | | |
| 1.1.1 | Cash and cash equivalent | 2,809,829,045.34 | 2,718,161,016.55 |
| 1.1.2 | Short term investment | | |
| 1.1.3 | Short term investment provision | | |
| 1.1.4 | Accounts receivable | 1,712,965,981.13 | 1,710,649,554.15 |
| 1.1.5 | Tax and Social security receivables | 47,460.00 | 126,687.70 |
| 1.1.6 | Other receivable | 523,400,571.80 | 660,367,407.85 |
| 1.1.7 | Other financial assets | 6,302,637,181.02 | 7,935,894,677.23 |
| 1.1.8 | Inventory | 16,737,986,579.12 | 17,140,208,750.57 |
| 1.1.9 | Livestock | | |
| 1.1.10 | Prepaid expenses / bills | 3,852,250,348.43 | 3,340,832,092.03 |
| 1.1.11 | Non-current assets for sales purpose | 5,884,575,470.09 | 5,667,689,419.10 |
| 1.1.20 | Total current asset | 37,823,692,636.93 | 39,173,929,605.18 |
| 1.2 | Noncurrent asset | | |
| 1.2.1 | Fixed asset | 32,051,022,461.41 | 31,313,294,614.06 |
| 1.2.2 | Accumulated depreciation | | |
| 1.2.3 | Other fixed assets | | |
| 1.2.4 | Accumulated depreciation | | |
| 1.2.5 | Building under construction | | |
| 1.2.6 | Livestock (Agricultural) | | |
| 1.2.7 | Intangible asset | 177,478,813.95 | 156,744,943.90 |
| 1.2.8 | Accumulated depreciation | | |
| 1.2.9 | Investment and other assets | | |
| 1.2.10 | Unfinished buildings | 2,626,108,755.15 | 2738186796 |
| 1.2.11 | Unrealized loss on long term investments | | |
| 1.2.12 | Exploration for and evaluation of mineral resources | | |
| 1.2.2 | Total noncurrent asset | 34,854,610,030.51 | 34,208,226,353.62 |
| 1.3 | TOTAL ASSET | 72,678,302,667.44 | 73,382,155,958.80 |
| 2 | LIABILITIES AND OWNER'S EQUITY | | |
| 2.1 | LIABILITY | | |
| 2.1.1 | Current liability | | |
| 2.1.1.1 | Accounts payable | 831,724,024.68 | 657,917,770.77 |
| 2.1.1.2 | Wages payable | | 5,245,294.25 |
| 2.1.1.3 | Corporate income tax payable | | |
| 2.1.1.4 | Personal income tax payable | | |
| 2.1.1.5 | Tax debts | 4,926,803,637.35 | 5,557,479,108.55 |
| 2.1.1.6 | Other tax payables | | |
| 2.1.1.7 | Social security payments | 27,411,728.92 | 140,686,605.41 |
| 2.1.1.8 | Dividend payable | 57,235,679.56 | |
| 2.1.1.9 | Pre-paid income | 1,794,546,720.03 | 1,193,644,898.34 |
| 2.1.1.10 | Total short-term liabilities | 6,443,187,332.03 | 476,062,889.77 |
| 2.1.1.11 | Other short-term liabilities | 859,284,189.09 | 1,120,234,010.17 |

| | | | |
|---------------|--|--------------------------|--------------------------|
| 2.1.1.12 | Unearned revenue | | |
| 2.1.1.13 | | | |
| 2.1.20 | Total current liabilities | 14,940,193,311.66 | 9,151,270,577.26 |
| 2.1.2 | Long term liabilities | | |
| 2.1.2.1 | Long term notes payable | | |
| 2.1.2.2 | Long term loans | 2,780,177,229.21 | 4,000,027,309.84 |
| 2.1.2.3 | Resource (liabilities) | 80,348,898.31 | 34,621,918.60 |
| 2.1.2.4 | Postponed tax debts | | 108,998,220.84 |
| 2.1.2.5 | Other payables | | |
| 2.1.2.6 | Allowance for long term liabilities | | |
| 2.1.2.7 | | | |
| 2.1.20 | Total long term liabilities | 2,860,526,127.52 | 4,143,647,449.28 |
| 2.2.2 | Total liabilities | 17,800,719,439.18 | 13,294,918,026.54 |
| 2.3 | STOCKHOLDERS' EQUITY | | |
| 2.3.1 | Poket share | (16,428,492.00) | (16,428,492.00) |
| | Personal assets | 110,547,900.00 | 110,547,900.00 |
| 2.3.2 | b) private | | |
| 2.3.3 | Treasury stock | | |
| 2.3.4 | Total stock | | |
| 2.3.5 | Additional paid-in capital | (106,648,582.98) | (106,648,582.98) |
| 2.3.6 | Revaluation increment | 19,568,028,504.47 | 19,568,028,504.47 |
| 2.3.7 | Other parts of owners' property | 10,344,592,505.25 | 10,337,185,574.62 |
| 2.3.8 | Retained earnings | 21,335,464,393.52 | 26,552,526,028.15 |
| 2.3.8.1 | Current year | | |
| 2.3.8.2 | Per non-controlling interest | 3,642,027,000.00 | 3,642,027,000.00 |
| 2.3.20 | Total stockholders' equity | 54,877,583,228.26 | 60,087,237,932.26 |
| 2.4 | From which: Minority interest | | |
| 2.5.20 | TOTAL LIABILITIES & OWNER' EQUITY | 72,678,302,667.44 | 73,382,155,958.80 |

Director

Chief accountant



INCOME STATEMENT

"DARKHAN SHEEPSKIN" JSC

December 31, 2023

(MNT)

| Row No. | Items | Preveous year period | Current period |
|---------------|---|--------------------------|--------------------------|
| 1.1 | Income | | |
| 1.1.1 | Sales income | 17,361,702,603.42 | 19,353,241,353.07 |
| 1.1.2 | Sales allowance and returns | | |
| 1.1.3 | Sales discount | | |
| 1.1.20 | Total income | 17,361,702,603.42 | 19,353,241,353.07 |
| 1.2 | Cost of goods sold | 14,088,754,261.28 | 16,189,615,059.83 |
| 1.3 | Total profit | 3,272,948,342.14 | 3,163,626,293.44 |
| 1.4 | | | |
| 1.4.1 | Rental income | 1,498,369,103.09 | 1,710,992,786.44 |
| 1.4.2 | Interest income | 391,206,899.55 | 664,294,723.30 |
| 1.4.3 | Dividend income | | 46,679,053.00 |
| 1.4.4 | Right contribution income | 16,530,000.00 | |
| 1.4.5 | Other income | 5,631,859,817.25 | 6,760,736,925.56 |
| 1.4.6 | Sales and marketing expenses | 1,872,230,247.93 | 2,364,401,091.41 |
| 1.4.7 | General and administrative expenses | 1,418,910,953.00 | 1,635,299,136.24 |
| 1.4.8 | Financial costs | | 759,688,685.88 |
| 1.4.9 | Other costs | 3,285,843,283.06 | 2,073,367,328.80 |
| 1.4.10 | Foreign exchange difference gain (loss) | | |
| 1.4.11 | Deducting Fixed Assets gain (loss) | | |
| 1.4.12 | Sales of investment gain (loss) | | |
| 1.4.13 | Other profit (loss) | (3,108,177.64) | 4,766,432.51 |
| 1.5 | Pre-tax profit | 4,230,811,500.38 | 5,518,340,071.92 |
| 3.1 | Income tax costs | 532,146,231.13 | 553,919,425.07 |
| 4 | After tax profit loss | 3,698,665,269.25 | 4,964,420,646.85 |
| 4.1 | After-tax profit loss discontinued operations | - | - |
| 5 | Reported period net profit (loss) | 3,698,665,269.25 | 4,964,420,646.85 |
| 5.1 | Other detailed income | - | - |
| | Difference in capital revaluation increments | | |
| | Foreign currency conversion differences | | |
| | Other gain (loss) | | |
| 6 | Total income | 3,698,665,269.25 | 4,964,420,646.85 |
| 6.1 | Basic gain (loss) per share | | |

Director

Chief accountant



'DARKHAN SHEEPSKIN' JSC STATEMENT OF STOCKHOLDERS' EQUITY

December 31, 2023

| | (MNT) | | | | | | | | | |
|----|--|----------------|-----------------|--------------------------------|-----------------------|------------------|-------------------|-----------------------|------------------------------|--|
| 1 | ITEMS | Property | Pocket share | Other Part of owner's property | Revaluation increment | Added capital | Retained earnings | Total | Per non-controlling interest | |
| 1 | Last balance as of December 31, 2021 | 118,547,900.00 | (16,428,492.00) | 10,344,592,505.25 | 19,568,028,504.47 | (106,648,582.98) | 17,636,799,124.27 | 47,536,890,959.01 | 3,642,027.00 | |
| 2 | Accounting policy change impact error correction | | | | | | | | | |
| 3 | Corrected balance | 118,547,900.00 | (16,428,492.00) | 10,344,592,505.25 | 19,568,028,504.47 | (106,648,582.98) | 17,636,799,124.27 | 47,536,890,959.01 | 3,642,027.00 | |
| 4 | Reported period net profit (loss) | | | | | | 3,098,665,269.25 | | | |
| 5 | Change in property | | | | | | | | | |
| 6 | Last balance as of December 31, 2022 | 118,547,900.00 | (16,428,492.00) | 10,344,592,505.25 | 19,568,028,504.47 | (106,648,582.98) | 21,335,464,393.52 | 51,235,656,228.26 | 3,642,027.00 | |
| 7 | Accounting policy change impact error correction | | | | | | | 502,640,987.76 | | |
| 8 | Corrected balance | 118,547,900.00 | (16,428,492.00) | 10,344,592,505.25 | 19,568,028,504.47 | (106,648,582.98) | 21,838,105,381.28 | 51,731,819,721,602.00 | 3,642,027.00 | |
| 9 | Reported period net profit (loss) | | | | | | 4,964,429,646.85 | | | |
| 10 | Change in property | | | (7,406,930.63) | | | | (7,406,930.63) | | |
| 11 | Revaluation increment implemented amount | | | | | | 280,000,000.00 | 250,000,000.00 | | |
| 12 | Last balance as of December 31, 2023 | 118,547,900.00 | (16,428,492.00) | 10,344,592,505.25 | 19,568,028,504.47 | (106,648,582.98) | 26,552,526,028.10 | 56,445,210,932.20 | 3,642,027.00 | |

Director

Chief accountant



' DARKHAN SHEEPSKIN' JSC CASH FLOW STATEMENT

December 31, 2023

(MNT)

| Row No. | Items | Preveous year period | Current period |
|----------|---|---------------------------|----------------------------|
| 1 | Cash flows from operating activities | | |
| 1.1 | Cash income | 27,143,878,374.00 | 28,375,944,668.24 |
| 1.1.1 | Income from sales of goods | 25,912,147,080.00 | 26,381,141,672.72 |
| 1.1.2 | Right deduction, fee, payment income | 460,254,286.00 | 1,231,370,708.99 |
| 1.1.3 | Cash received from insurance compensation | | |
| 1.1.4 | Returned tax | | |
| 1.1.5 | Subsidy and financing income | | |
| 1.1.6 | Other cash income | 771,477,008.00 | 763,432,286.53 |
| 1.2 | Cash expenses (-) | 19,416,498,975.44 | 19,084,993,171.58 |
| 1.2.1 | Paid to workers | 4,045,043,715.00 | 4,570,040,429.80 |
| 1.2.2 | Paid to social insurance | 1,259,519,608.00 | 1,195,229,180.09 |
| 1.2.3 | Paid to inventory purchase | 8,792,094,563.00 | 7,219,403,955.89 |
| 1.2.4 | Paid for operating costs | 1,382,512,298.00 | 1,850,613,523.13 |
| 1.2.5 | Paid for fuel and space parts | 604,219,916.00 | 729,687,052.87 |
| 1.2.6 | Paid to interest payment | 774,130,211.00 | 563,288,292.07 |
| 1.2.7 | Paid to tax agency | 1,568,043,405.00 | 2,006,322,086.46 |
| 1.2.8 | Paid to insurance payment | 21,996,915.00 | 17,100,789.50 |
| 1.2.9 | Other cash expenses | 918,842,244.00 | 821,455,197.85 |
| 1.2.10 | Money transferred to sales expense | 49,996,102.44 | 111,882,664.12 |
| | Net cash from operating activities | 6,495,648,104.56 | 9,290,951,496.66 |
| 2 | Cash flows from investing activities | | |
| 2.1 | Total cash income | 627,481,395.00 | 573,270,666.33 |
| 2.2 | Income from sales of fixed assets | 50,939,529.00 | 41,500,000.00 |
| 2.3 | Received interest income | 271,541,433.00 | 487,544,642.77 |
| 2.4 | Received dividend | | 30,825,282.00 |
| 2.5 | Loans and returns to others | 305,000,433.00 | 13,400,741.56 |
| | Total cash expense (-) | (1,974,047,794.00) | (4,842,056,082.85) |
| | Paid for acquiring fixed assets | 1,886,840,294.00 | 716,328,690.48 |
| | Paid for acquiring intangible assets | 4,806,500.00 | 880,000.00 |
| | Paid for acquiring investment | | |
| | Paid for acquiring other long-term investment | 302,602,000.00 | |
| | Paid for acquiring investment | | |
| | Loans and advances to others | | 4,124,847,383.37 |
| | Net cash flow from investment activities | (1,345,566,399.00) | (4,268,785,416.52) |
| 3 | Cash flows from financial activities | | |
| | Total cash income | 1,579,705,464.78 | 5,664,495,679.62 |
| 3.1 | Received from loans and debt securities | 1,500,000,000.00 | 5,425,747,424.20 |
| 3.2 | Advances and returns from others | 79,705,464.78 | 228,147,458.75 |
| 3.3 | Currency rate | | 12,600,796.67 |
| 3.20 | Total cash expense (-) | (8,973,940,647.00) | (10,778,329,786.50) |
| | Paid for loans and debt securities | 8,739,707,328.00 | 10,537,275,692.62 |
| | Paid dividends | 227,869,986.00 | 235,361,597.00 |
| | Various donations | 6,363,333.00 | 5,406,930.00 |
| | Advances and returns from others | | 285,568.94 |
| | Net cash from financial activities | (7,394,235,182.22) | (5,113,834,026.93) |
| | Total net cash flow | (1,013,422,182.66) | 91,668,028.79 |
| 5.1 | Cash & cash equivalent at the beginning of period | 3,823,251,228.00 | 2,809,829,045.34 |
| 5.2 | Cash & cash equivalent at the end of period | 2,809,829,045.34 | 2,718,161,016.55 |

Director

Chief accountant

