



ANNUAL REPORT

2022

The background of the cover is a dark blue, semi-transparent image of the Mongolian Stock Exchange building. The building's facade is visible, showing several tall columns and a sign that reads "MONGOLIAN STOCK EXCHANGE" in both Mongolian and English. The year "2022" is prominently displayed in large white font at the bottom left.

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Greetings from the Executive Director

The Mongolian Stock Exchange was first established in order to implement privatization more than 30 years ago, during Mongolia's historical transition from a centrally planned economy to a free market economy, and 475 state-owned factories were converted to private ownership, therefore about 50% of the total population became their shareholders.

Since then, the technology and legal framework of the stock market has been improved according to international standards, and as of today, we have 2.4 million securities account holders, more than 460 thousand shareholders, and a market capitalization reached 6.5 trillion MNT (~1.9 billion USD).

In recent years, the trading of stocks and bonds has been quite active, resulting in the successful issuance of IPOs and SPOs, moreover, the year was full of notable new events. For example, during the period 2017-2022, the Mongolian Stock Exchange had a record number of stocks and government securities traded, and the most IPOs listed. In particular, securities of commercial banks and insurance companies, which is the largest enterprises in Mongolia, were listed, and dual-listed securities could be converted and traded between foreign exchanges and the Mongolian Stock Exchange. These recent years were quite progressive entailing the introduction of brand-new products such as mutual funds and asset-backed securities to our market.

The development of the Mongolian Stock Exchange was recognized by the UK's FTSE Russell Group, one of the leading global providers of benchmarking, analytics, and data solutions, and the Mongolian stock market was approved for reclassification from Watch list to the Frontier market, which is the result of mutual trust and cooperation of all our employees, issuers, and investors.

We will support responsible financing that meets sustainable development goals, contribute as effectively as possible to increasing national production and the development of our country, and continue to grow, empower, and cooperate with our issuers.



A stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

Гүйцэтгэх захирал
Х.АЛТАЙ

“The development of the Mongolian Stock Exchange was recognized by the UK’s FTSE Russell Group, one of the leading global providers of benchmarking, analytics, and data solutions, and the Mongolian stock market was approved for reclassification from Watch list to the Frontier market, which is the result of mutual trust and cooperation of all our employees, issuers, and investors.”

Furthermore, it is believed that the capital market, including the Mongolian Stock Exchange, will play an essential role in the successful implementation of “Efficient governance”, which is one of the 6 articles specified in the “New Recovery Policy” approved by Resolution No. 106 of Parliament of Mongolia in 2021. For example, “Mainstream for the public trading of shares of state-owned legal entities in 2022-2023 through the exchange” approved by Parliament Resolution No. 16 of 2022, and pursuant to Government Resolution No. 244 dated June 29, 2022, the Mongolian Stock Exchange, leading the 25 other state-owned companies, to become a public company, stimulating the further development of Mongolia’s financial and capital markets and marking the beginning of a new step towards the next stage of our development.

The Law on Mining Products Exchange was adopted in December 2022, therefore we are working on the implementation of the “Regulations on Open Electronic Trading of Export Coal” approved by Resolution No. 466 of the Government of Mongolia dated December 14, 2022. In addition, “Procedures for organizing trade of export coal” were conceived, we verified our system readiness, and provided information to the participating organizations, thus initiating the electronic trade of export coal.

We offer a variety of new products and services that meet the needs of investors, grow the value of our shareholders, and respect the interests of our participants. We strive to work together for mutual benefit and maintain our leading position in the market.



ABOUT US

At the beginning of the transition from a centrally planned economy to a market economy, the Government of Mongolia issued Resolution No. 22 on January 18, 1991, which commenced the privatization of state-owned property, and established the Mongolian Stock Exchange to develop the securities market.

As a result, in 1992, as part of the government's privatization policy, a total of 475 state-owned factories were converted into joint-stock companies, and 96.1 million shares with an investment of 8.2 billion MNT were sold to citizens through the Mongolian Stock Exchange. Therefore, nearly 52 percent of the total population of Mongolia, which is 1.2 million people, became shareholders.

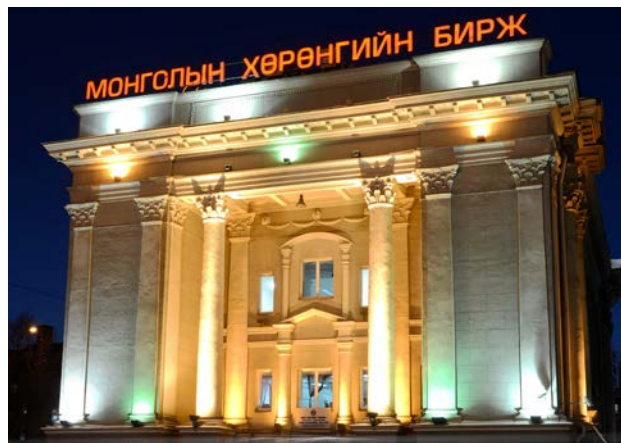
In this way, conditions were met to change the economic structure of Mongolia, improve efficiency, create a competitive market, support the development of the private sector in the economy, and organize privatization on a large scale.

In addition, by the decree of the Government of Mongolia, the Mongolian Stock Exchange cooperates with the internationally renowned "London Stock Exchange" group and has reached a new stage of development in terms of capital market regulation, technology, and infrastructure.

Not only that, as a result of the multiple revisions of the Securities Market Law since 2013, the legal environment has also been brought up to international standards.



1991 он



2021 он

With the aforementioned legal environment development, companies listed on foreign stock exchanges and operating in Mongolia have the opportunity to dual-list their securities on the domestic stock exchange. Furthermore, products and services such as depository receipts, post-settlement payment systems, nominal and beneficial ownership of securities, and custodian services have been implemented in the capital market.

Also, in 2020, a new regulation was created for trading investment fund unit and asset-backed securities on the stock exchange, and the T+2, a payment after a settlement system, was successfully introduced, improving the implementation of the obligations of joint-stock companies.

The Mongolian Stock Exchange has organized securities trading with a total value of 4.75 trillion MNT by the end of 2021. This was the highest recorded number in 30 years since the beginning of secondary market trading on August 28, 1995. In addition, at the outset of 2021, the Banking Law underwent a revision, and the five most influential banks were converted into public companies. Moreover, to attract more foreign investors and incorporate international standards into the market, a partnership with the Shanghai Stock Exchange was established, which ranks among the TOP-5 stock exchanges in the world.

In 2022, several noteworthy events occurred not only affecting the Mongolian Stock Exchange but also the entire stock market.

For example, on September 29, 2022, the FTSE Russell Group, one of the leading global providers of benchmarking, analytics, and data solutions, classified the stock market of Mongolia as a Frontier Market of FTSE Russell. Since all the market criteria were fully met, it became eligible to be included in this category from September 2023.

In addition, within the framework of the "New Revival Policy", the Government of Mongolia made a decision to make the Mongolian Stock Exchange a public company, offering 34 percent of its share to the public, making it the first among state-owned companies to become a public company in order to improve governance.

As a result, the shareholder structure of The Mongolian Stock Exchange was renewed, public supervision, profitability, corporate governance, and information transparency were refined, and we entered into NEW HISTORY OF DEVELOPMENT, which opened the possibility of attracting the interest of foreign professional investors to the domestic market.

Also, the Parliament and the Government issued major policies to support the stock market in 2020-2022, one of which is transforming Mongolia's banking and financial sector, making the influential five banks into public joint-stock companies, and "Mainstream for

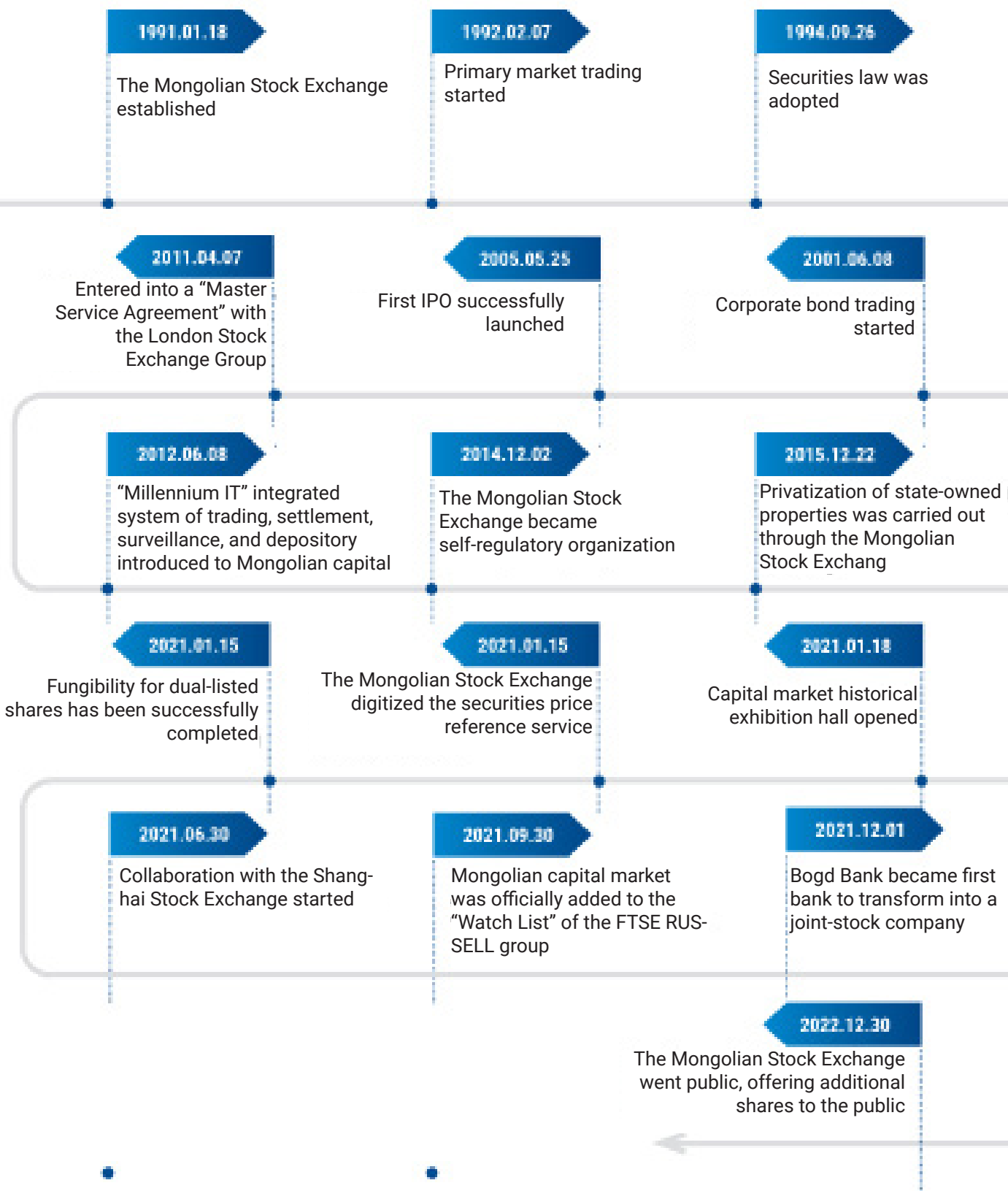
the public trading of shares of state-owned legal entities in 2022-2023 through the exchange" approved by Government Resolution No. 244, and a list of included legal entities was announced.

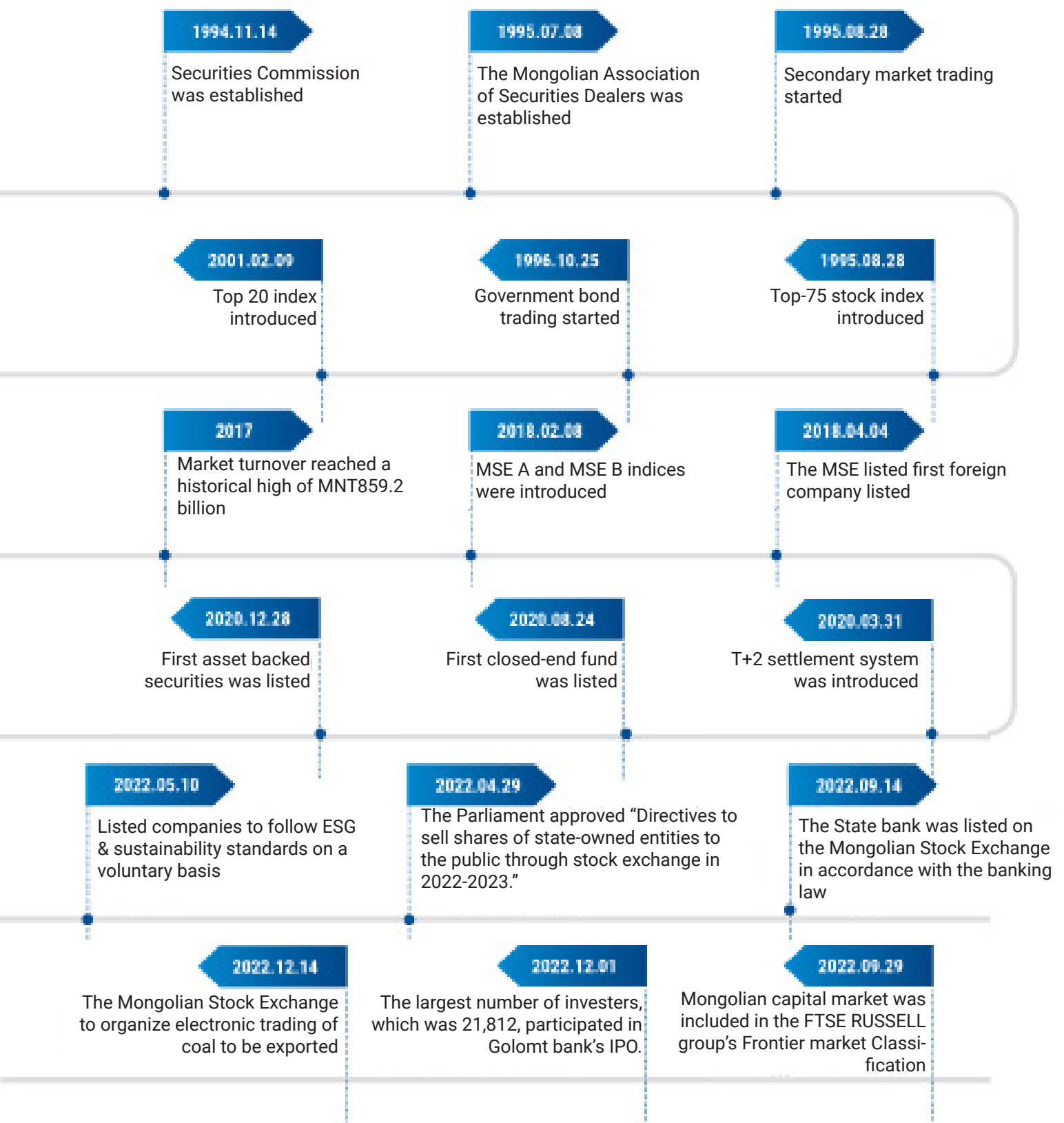
On September 30, 2022, the State Bank and on November 23, 2022, Golomt Bank officially started the process of becoming a joint-stock company, and offered their shares to the public for the first time through the Mongolian Stock Exchange.

In December 2022, the Government of Mongolia approved the "Regulations on Open Electronic Trading of Export Coal" developed by the Ministry of Mining and Heavy Industry. According to this regulation, it was made possible to start the open trading of export coal through the Mongolian Stock Exchange from January 1, 2023, until the "Law on Mining Products Exchange" is adopted.

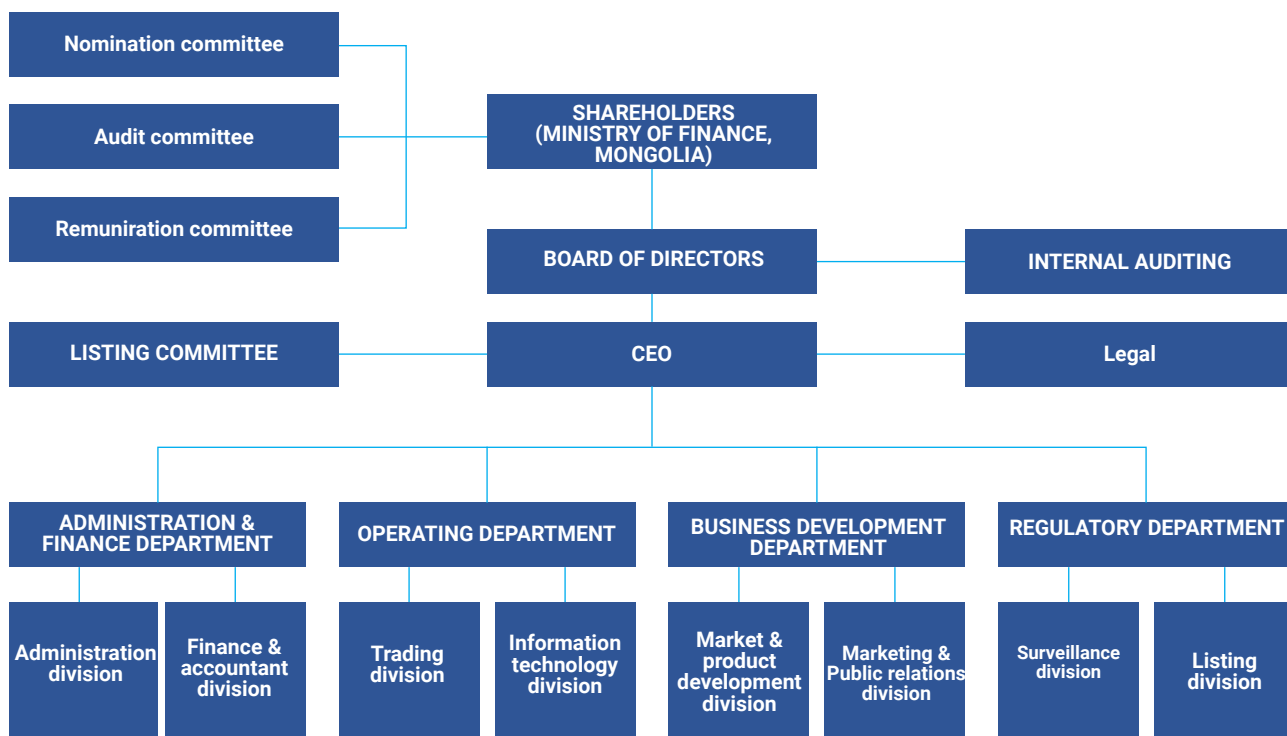
	2021	2022
Market capitalization	₮5.97 Trillion	₮6.89 Trillion
TOP-20 INDEX	44,411.60	37,565.55
Number of listed companies	179	183
Daily average trade	₮5.7 Billion	₮2.4 Billion

History of the Mongolian Stock Exchange





ORGANIZATION STRUCTURE



DEPARTMENTS FUNCTIONS

Administration & Finance department is broken down in the following 2 divisions:

Administration Division: The Division is responsible for supporting human resource policies, strategy, management, performance assessment and employees’ development.

Finance & Accounting Division: The Finance Division is responsible for external and internal financial reporting, regulatory reports, and tax reports. It also sets the company’s policies for accounting and internal financial controls. It also manages the day-to-day accounting operations of the company.

Operating Department is broken down in the following 2 divisions:

Trading Division: The Division is responsible for organizing regular, stable, transparent and fair securities trading as well as identifying and preventing potential risk which may arise during trading.

IT Division: The IT Division is responsible for the design, implementation and opera-

tions of trading and other systems and IT infrastructure.

The Regulatory Department is broken down in the following 2 divisions:

Surveillance Division: The Division is responsible for analyzing and monitoring all issues related to operating normal, reliable, and uninterrupted trading activities. The Division is also responsible for supervising members and regularly monitors the fulfillment of the obligations.

Listing Division: The Division is responsible for supervising the listing process, the ongoing compliance by issuers with their obligations under the Listing Rules and other regulations.

The Business Development Department is broken down in the following 2 divisions:

The Market and Product Development Division: The division is responsible for analyzing the development trends and prospects of the securities market, determining long-term and medium-term business plans and strategic policies, devel-

oping new products, doing research and analysis as necessary.

Marketing and Public Relations Divisions: The Division is responsible for the company’s relations with the public and other regulatory organizations, delivering, advertising and distributing information about the company’s products and services in the market, providing investors with information about the security trading market. The Division also develops programs, organizes trainings in public, determines the direction of the marketing policy to be followed by the MSE.

EXECUTIVE TEAM



Kh.ALTAI

Chief executive officer

- CEO of the Mongolian Stock Exchange since 2016

Education:

- 2018-2020 Master of Business administration. University of Finance and Economy. Mongolia
- 1999-2004 Bachelor of Law. National University of Mongolia. School of Law

Experience:

- 2015-2016 "BB Energy" LLC's representative in Mongolia
- 2010-2012 Special advisor to the Prime minister. Government of Mongolia
- 2011-2014 CEO of the Mongolian Stock Exchange
- 2010-2011 Deputy director of the Mongolian Stock Exchange
- 2004-2007 Government relations division of "Boroo Gold" LLC
- 2003-2007 Personal Aide to the Prime Minister. Government of Mongolia



T.KHASH-ERDENE

Chief Business Development Officer

- Director of Business Development Department of the Mongolian Stock Exchange since 2022

Education:

- 2001-2005 Bachelor of International Economic relations, PFUR, Russia
- 2019-2023 Bachelor of Law, NUM, School of Law

Experience:

- 2021-2022 Deputy Director of the Mongolian Stock Exchange
- 2021 Economic Policy Advisor to the Prime Minister, Cabinet Secretariat of Government of Mongolia
- 2018-2021 Director of the Office of the Economic Policy Council under the Prime, Cabinet Secretariat of Government of Mongolia.
- 2017-2018 Advisor to the Public Relations Policy of the Prime, Cabinet Secretariat of Government of Mongolia
- 2012-2017 Head of department, "Mongol Media Corporation" LLC



A.MUNKHBAYASGALAN

Chief Regulatory Officer

- Director of Regulatory Department of the Mongolian Stock Exchange since 2017

Education:

- 1994-1999 Bachelor of Business Administration, Paris Dauphine University, France
- 1999-2000 Master of Public Administration, Paris Dauphine University, France

Experience:

- 2015-2017 Head of department, the Ministry of Finance
- 2006-2015 Head of department, Trade Development Bank
- 2005-2006 Officer, Ministry of industry and trade
- 2004-2005 Lecturer in Business Administration, Business Management Department, UFE



N.DUL-ERDENE

Chief Financial Officer

- Director of Administration and Finance Department of the Mongolian Stock Exchange since 2017

Education:

- 2012-2019 Doctorate degree of Business Administration, Chinese Culture University, Taiwan
- 2002-2004 Master's degree of Business Administration, UFE, Mongolia
- 1995-1999 Bachelor's degree of Finance-economy, information science, NUM-SE, Mongolia

Experience:

- 2014-2016 A board secretary and internal auditor of the Mongolian Stock Exchange
- 2011-2012 Financial manager, MCS holding
- 2002-2011 Head of Capital Regulation and Risk Management Department, Chinggis Khan Bank
- 2001-2002 Economist, TransBank
- 1999-2001 Computer science teacher, High school of NUM



I.JAVKHLAN

Chief Operating Officer

- Director of the Operating Department of the Mongolian Stock Exchange since 2020

Education:

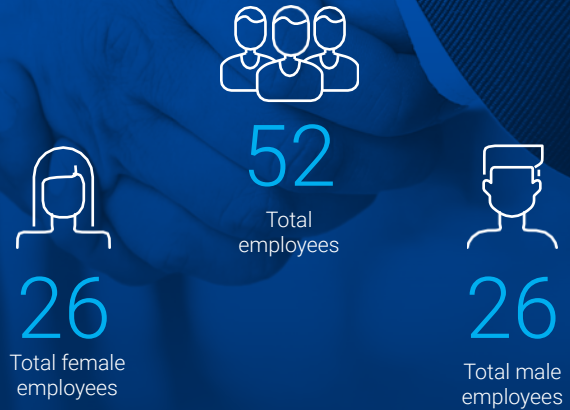
- 2016 Master of Finance, UM, Australia.
- 2005-2009 Bachelor of International Economic Relations, NUM-SIR, Mongolia.

Experience:

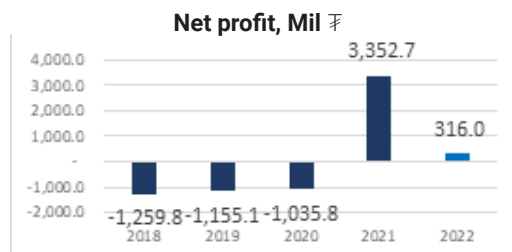
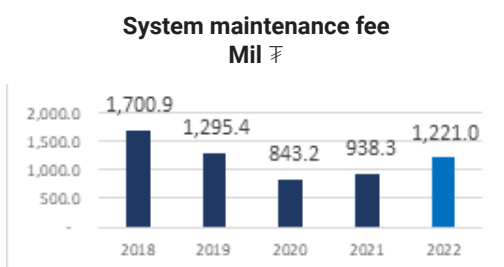
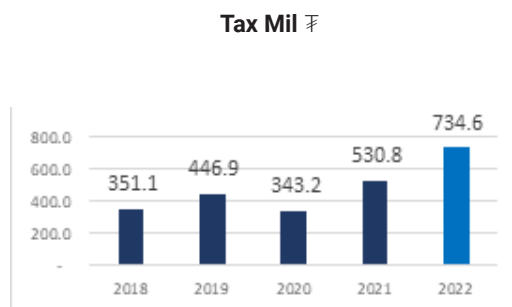
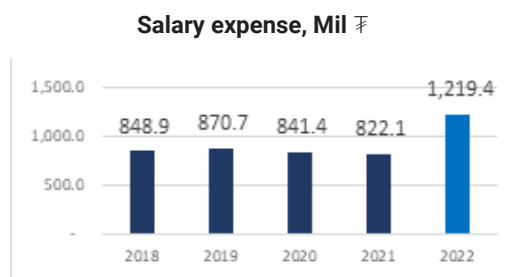
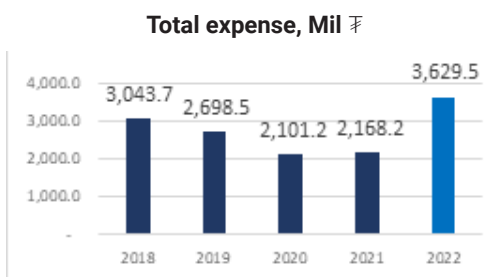
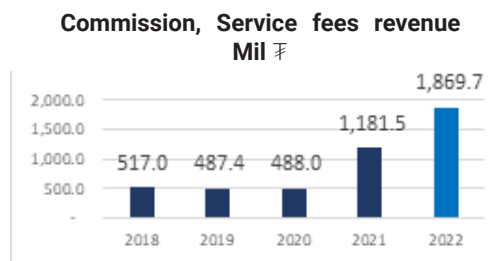
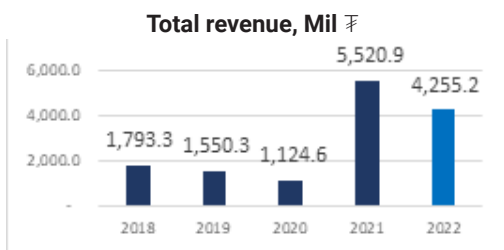
- 2017-2020 Senior Officer, Market & Product Development Division, the Mongolian Stock Exchange.
- 2011-2015 Senior Officer, Listing Division, the Mongolian Stock Exchange.

HUMAN RESOURCE

"The 'Human Resource Policy' of the Mongolian Stock Exchange has been revised and implemented in line with modern human resource management trends. As a responsibility of our organization, we regularly conduct training sessions to improve employees' skills and expertise. By the end of 2022, we are operating with a total of 52 employees.



2022 PERFORMANCE HIGHLIGHTS



CORPORATE GOVER-

Duties of the Board

The Board is accountable to the shareholders for the performance of the MSE.

The Board is responsible for appointing, evaluating, and reviewing performance of the executive management as well as overseeing systems in place for internal control, risk management, and compliance. As the company's strategic plan for 2019-2021 has expired, the Board has formulated the medium-term plan for 2022-2024, monitored its implementation for 2022, and provided executive management with guidelines and recommendations. During the reporting period, the Board held regular meetings to oversee the implementation of operations strategies, goals, and objectives. The responsibilities of the Board are detailed in the "Charter of the Mongolian Stock Exchange" and "Rules of Procedure of the Board of Directors".

Board committees

The Board has established three standing committees to assist in discharging its responsibilities and support decision-making processes. The activities of the committees are regulated by the "Rules of Procedure of the Board of Directors".

The Board has the following committees:

- Nomination committee;
- Audit committee;
- Remuneration committee.

A board member may serve on more than one committee. The Law on Company stipulates that an independent member of the Board shall serve on the audit committee.

Audit committee

A.Anar	Chairman of the committee
D.Bayanzul	Member
A.Batpurev	Member

Remuneration committee

B.Naranchimeg	Chairman of the committee
R.Gandiimaa	Member
A.Anar	Member

Nomination committee

Ch.Dondogmaa	Chairman of the committee
R.Gandiimaa	Member
A.Batpurev	Member

Nomination, appointment, and renewal of the Board members

A nomination committee is established for the purpose of making independent judgement needed for decisions regarding the structure and composition of the Board. The Nomination Committee reviews the skills and experience represented by the members of the Board and considers whether the composition, mix of skills and experience remain appropriate for the MSE strategy and monitoring its implementation. The committee makes recommendations based on its reviews.

Prior to appointing members, the committee conducts comprehensive reference checks in accordance with the Company Law and other relevant regulations. The checks include aspects, such as the educational background, skill set, prior employment history, financial liability, and criminal history of the nominated candidates.

Composition of the nomination committee

The Nomination Committee held a meeting twice in 2022 and nominated S. Tulga, Deputy Director at the Department of Financial Policy, Ministry of Finance, and Ch. Dondogmaa, Government affairs senior advisor at the Cabinet Secretariat of the Government of Mongolia, as a member of the Board. The experience and qualification of these nominees are considered to be a valuable addition to the current structure and composition of the Board.

Release and re-election of the Board members

The members of the Board are elected by the shareholders' meeting for a term of 1 year, and the member can be re-elected. The Board is authorized to make temporary appointments for vacancies arising from a member's request for release, pending the election of a suitable replacement member. In 2022, D. Bayanzul, D. Enkhbaatar, M. Sanjaadorj, L. Naranchimeg, A. Batpurev, R. Gandiimaa, and A. Anar were re-elected. S.Enkhzorig and B.Sukh-Ochir were released. S.Tulga and Ch. Dondogmaa was newly appointed.

The Board Secretary

The Board is responsible for appointing a secretary who is directly responsible to the Board. The roles and responsibilities of a board secretary include ensuring seamless operations and effective coordination among shareholders' meetings, the Board, the executive director, and various stakeholders, and proper functioning of the Board. The board secretary must be certified in the field of corporate governance and is appointed by the Board based on the recommendation of the chairman of the Board.

A new secretary was appointed in November 2022 and the relevant certificate was obtained.

Structure and qualification of The Board of Directors

	NAME	POSITION	DATE OF APPOINTMENT
1	S.Tulga Chairman of the Board Master of Public Administration	Deputy Director of Financial Policy, Ministry of Finance	2022.11.02
2	D.Bayanzul Member Master of international economics	Director of Risk management unit, Bank of Mongolia	2018.03.26
3	D.Enkhbaatar Member Master of Business administration	Acting Director of Administration Department, Financial Regulatory Commission	2021.09.10
4	Ch.Dondogmaa Member Master of Law	Government Affairs senior advisor at Cabinet Secretariat of Government of Mongolia	2022.12.01
5	M.Sanjaadorj Member Master of Public Administration	Director of the Budget Expenditure Division, Ministry of Finance	2019.07.23
6	L.Naranchimeg Member Master of Economics	Director of Billing Division, Treasury Department, Ministry of Finance	2021.09.10
7	A.Batpurev Independent member Master of Economics	Director of the Strategic Management and Planning Department of "Skytel" LLC	2018.07.04
8	R.Gandiimaa Independent member Master of Journalism	Director, Mongolian National Broadcasting	2018.07.04
9	A.Anar Independent member Bachelor of Economics	COO of Mongolian Mortgage Corporation	2018.07.04

Skill and experience of the members of the Board

The Nomination Committee uses the matrix shown in the table above to identify any gaps in the collective skills of members and to assess individual skills and work experience. Maintaining a balanced gender ratio, sufficient knowledge of the industry, and required professional skills is needed to navigate problems and challenges and to oversee management performance in implementing the strategy.

The Board considers its structure and composition appropriate, and has maintained mix of skills, structure, and composition in accordance with the corporate governance code.

OPERATIONAL REPORT OF THE BOARD OF DIRECTORS – conference and training

According to the Law on Company, the members of the Board are required to attend corporate governance training and receive professional certificates. The newly appointed board members, S. Tulga and Ch. Dondogmaa, received their certificates in 2022.

Meeting attendance

The Board operates in accordance with the Company Law of Mongolia, the Securities Market Law, the rules of the Mongolian Stock Exchange, and the “Rules of Procedure of the Board of Directors”.

The primary form of operation for the Board is through meetings, with the decisions reached during these sessions being affirmed through resolutions. In 2022, the Board held a total of 10 meetings, 4 of which were informal meetings. At these meetings, more than 50 issues were discussed, 40 resolutions related to the company’s operations and internal activities and 10 notes were issued to give direction to the executive management.

All meetings were held in Ulaanbaatar in the conference halls of the Ministry of Finance and MSE.

Remuneration

The Board members are compensated monthly. The members of the Board are civil servants working in the Ministry of Finance, and the civil servant representing the state is prohibited from receiving reward and incentives other than salary. Therefore the non-independent member’s compensation consists only of the salary.

The compensation of the members of the Board is adjusted in accordance with the “Law on state property” approved by the Resolution No. 80 of 2016 of the Government of Mongolia, and the compensation of the members can not be more than twice the minimum wage.

The compensation structure of independent members of MSE is the same as that of regular members. The Board members are not paid any other fees or compensation, such as brokerage fees or consulting fees.

INFORMATION TRANSPARENCY

Conflict of interest

According to the Law on Company and the “Transparency of Public Information” approved by the Financial Regulatory Commission, members are obliged to disclose information about the securities they hold. If a member has a conflict of interest on an issue discussed by the Board, he or she can not engage in the discussion or vote on the issue.

Independence of members

Having independent members on the Board has a positive effect on the interests of shareholders. The Board of MSE has 3 independent members according to Article 75.4 of the “Law on Company”. The nomination committee submits the new member’s profile to “The Independent Authority Against Corruption of Mongolia” to determine the member’s independence. The IAAC monitors whether members have any conflicts of interest that may materially affect the interests of shareholders, as well as their independent decision making.

Transparency

As MSE is a company listed in classification 3, it is obligated to present annual and semi-annual operational reports to the public in accordance with the “Transparency of Public Information” approved by the Financial Regulatory Commission. According to the “Company Law” and the “Securities Market Law”, in addition to operational information such as annual and semi-annual operational reports, operation overviews, and compilations of monthly key events, shareholders, market participants, and daily stock market updates is regularly posted in Mongolian and English through its website, and internal information that has not been made available to the public is not disclosed to certain parties.





Functions of executive management

The Company's Articles of Association clearly state the responsibilities of the CEO of the MSE. The CEO is responsible for the day-to-day management and operations of the MSE and is responsible for ensuring the implementation of operational strategies, goals, and objectives approved by the Board. According to the decision of the Board to extend the "Employment Agreement" signed on October 2nd, 2017, Kh. Altai worked as the executive director during the reporting period. In 2022, the 2022-2024 medium-term strategic plan of the MSE, the 2022 business plan, and related regulations were developed.

Evaluating the performance of executive management

Executive Director Kh. Altai manages the daily operations of the MSE. The Board evaluates the performance of the CEO annually in accordance with the "Procedures for entering into contracts with directors and CEOs of state-owned enterprises, state-owned and partially state-owned legal entities, evaluating the performance of contracts using an evaluation method, and compensating incentives" approved by the State Property Committee. When evaluating the performance of the CEO, the fulfillment of the operational plan, the state of risk management system, and the achievement of financial goals are taken into account. In 2022, financial goals and targets were 70% fulfilled, while the implementation of the operational plan was 90%.

HIGHLIGHTS OF THE YEAR

2022



МОНГОЛЫН
ХӨРӨНГИЙН БИРЖ

“IPO MONGOLIA 2022” FORUM



On April 15, 2022, the “IPO Mongolia 2022” forum was successfully held under the theme “Accessible Capital Market”. The “IPO Mongolia 2022” forum attendees include the government, private and international development organizations, representation of TOP 100 enterprises, and capital market regulatory bodies.

During the forum, participants discussed a wide range of topics to accelerate the development of the capital market such as the importance of increasing the number of products on the capital market, the importance of transforming state-owned companies into joint-stock companies through the stock exchange, the benefits of company valuation for IPO, international standards, the possibility of attracting foreign investment, the banking sector reform, bond and sustainable capital market.

MONGOLIA STOCK EXCHANGE ESTABLISHED “MEMORANDUM OF COOPERATION” WITH THE UNIVERSITY OF FINANCE AND ECONOMY

“Mongolian Stock Exchange” and the University of Finance and Economics signed a medium-term “Memorandum of Cooperation” on 25 May 2022.

Within the framework of the memorandum, “Education of the Mongolian Capital Market”, a national program, will be developed and implemented with the main focus on improving the general public’s knowledge about the stock market, conducting research, implementing projects, and improving human resources in finance and capital market. In particular, trainings on how to participate in trading and how to analyze stock price fluctuations will be regularly organized for citizens and general public.



CLOSED-END FUND SERVICE FEES WERE REDUCED BY 50-75 PERCENT

In order to increase the number of professional investors in the stock market and to support its development, the Mongolian Stock Exchange has reduced the amount of closed-end fund fees. Specifically, listing fee has changed from 1 percent to 0.25-0.5 percent (25-150 million MNT) which is a 50-75 percent reduction, and annual fee from 0.1 percent to 0.05 percent (<50 million MNT) which is 50 percent reduction, respectively.



MONGOLIA STOCK EXCHANGE SECURITIES INITIAL LISTING FEE REDUCED

Amendments were made to the "Listing rules" of the Mongolian Stock Exchange, and listing fee for company stocks was reduced by 10-40 percent, and listing fee for bonds was reduced by up to 36 percent.

TRADING FEES FOR ISSUERS OF STOCKS AND INVESTMENT CLOSED-END FUND UNITS IN THE PRIMARY MARKET HAVE BEEN WAIVED

The Mongolian Stock Exchange has waived its trading fees for primary market payable by issuers of shares and closed-end fund units.

Therefore, the number of companies that can offer their shares to the public through the stock exchange could increase and thus creating a favorable environment for the stock market to expand.

MR. ALTAI, CEO OF THE MONGOLIAN STOCK EXCHANGE AND MR. NURBEK ELEBAEV, A MEMBER OF THE BOARD OF DIRECTORS OF THE KYRGYZ STOCK EXCHANGE HAS HAD A MEETING

In July 22, 2022, CEO of the Mongolian Stock Exchange, Kh. Altai met with Elebaev Nurbek Bekkulovich, a member of the Board of Directors of the Kyrgyz Stock Exchange, and the Chairman of the Committee for Strategic Planning and Governance.

During the meeting, the parties discussed the current situation and future trends in the capital markets of Mongolia and Kyrgyzstan. As for the Kyrgyz Stock Exchange it has owners representing state interest and private sector and has 17 foreign and domestic shareholders, including Istanbul Stock Exchange, Kazakhstan Stock Exchange, Asian Investment Company, and Kyrgyzstan Bank.



THE CHAIRMAN OF THE BOARD OF DIRECTORS OF THE BUDAPEST STOCK EXCHANGE, MIHALI PATAI, ACQUAINTED WITH THE ACTIVITIES OF THE MONGOLIA STOCK EXCHANGE

On July 18, 2022, the management team of the Mongolian Stock Exchange met with the Deputy Governor of the Central Bank of Hungary, a Member of the Monetary Policy Council, and the Chairman of the Board of Directors of the Budapest Stock Exchange, Dr. Mihaly Patai.

During the meeting, the parties exchanged their views on the state of the stock market, future trends, and opportunities for cooperation.

The origin and development of the stock market in Hungary dates back to the 1860s. In 1990, Hungary adopted the Law on Securities, which laid the foundations of the modern stock market, and the Budapest Stock Exchange was re-established.

Mr. Mihaly Patai said, "There are many similarities in the modern history of the capital markets of the two countries" and expressed his openness to cooperation in the future.



THE MONGOLIAN STOCK EXCHANGE WILL COOPERATE WITH THE SINGAPORE COOPERATION ENTERPRISE



On August 30, 2022, the CEO of the Mongolian Stock Exchange, Kh. Altai, welcomed Mr. Tan Poh Teck, Director of the North Asia and Middle Eastern Region of the Singapore Cooperation Enterprise.

During the meeting, the parties not only discussed the current situation and future trends of Mongolian stock market but also exchanged their views on issues such as creating a mutual fund system in Mongolia and improving the pension scheme through the stock market.

THE SPEAKER OF THE PARLIAMENT G. ZANDANSHATAR VISITED THE MONGOLIAN STOCK EXCHANGE AND RANG THE HONORARY BELL TO OPEN THE TRADING SESSION

On September 20, 2022, the Chairman of the Parliament, G. Zandanshatar, opened the 6803rd securities trading session at the Mongolian Stock Exchange and discussed views on the current state of the stock market and its future prospects.

The ceremony was attended by Chairman of the Financial Regulation Committee D. Bayarsaikhan, Deputy Chairman T. Tserenbadral, N.Khuderchuluun, Head of the Office T.Jambaajamts, CEO of the Mongolian Stock Exchange Kh. Altai, Director of the Business Development Department T. Khash-Erdene and other guests.



THE MANAGEMENT TEAM OF THE MONGOLIAN STOCK EXCHANGE MET WITH THE REPRESENTATIVES OF THE INTERNATIONAL MONETARY FUND AND EXCHANGED THEIR VIEWS ON THE CURRENT STATE OF THE STOCK MARKET AND FUTURE TRENDS



On September 21, 2022, the management team of the Mongolian Stock Exchange welcomed the representatives of the International Monetary Fund, Sokheon Yun, and the economist Silviya Iorgova, and discussed the current state of the stock market and its future trends. Specifically, the sides went over the topic of transforming systematically important banks into public companies within the framework of reforming the banking sector.

THE STOCK MARKET OF MONGOLIA INCLUDED IN THE "FRONTIER MARKET" CATEGORY OF THE FTSE RUSSELL



On September 29, 2022, FTSE Russell, one of the leading global providers of benchmarking, analytics, and data solutions for investors, sent an official letter to the CEO of Mongolian Stock Exchange (MSE), Altai Khangai, notifying that Mongolia meets all

of the FTSE quality of Markets criteria for a Frontier market classification and has been approved for reclassification from Unclassified to Frontier Market status, effective from September 2023.

According to several technical criteria set by professional investors, the international markets are classified into 4 main categories from "Developing" to "Highly Developed", and as of September 2022, 29 countries are in the "Emerging Market" category including Bulgaria, Estonia, Kazakhstan, Latvia, Lithuania, and Vietnam.

In order to be qualified in the classification of Frontier Market, the MSE has been working with market regulators and infrastructure organizations since 2017 to adopt an internationally accepted settlement system and create a favorable environment for investors. Thus, as a result of quarterly presentations to the FTSE Russell Group about the progress and changes in the domestic market, our country's market was

included in the "Watch List" of the "Developing Market" in September 2021, and a year later it was officially included in the "Frontier market".

We believe that being recognized in the international market will help attract foreign investment, increase trading turnover, improve liquidity, and accelerate market development.

COAL TO BE EXPORTED TO BE TRADED THROUGH MSE



“Rules on open electronic trading of coal to be exported” were approved on December 14, 2022, by the Government of Mongolia. Thus, 30% of coal to be exported will be traded on the MSE until July 1, 2023 according to the rules, and the Financial Regulatory Commission is set to supervise the trading operation.



LISTED COMPANIES PRESENTED THEIR FINANCIAL AND OPERATIONAL REPORTS FOR THE FIRST HALF OF 2022

From August 3-19 2022 for the 7th time, companies listed on the MSE present their semi-annual financial and operational report to the public in order to ensure information transparency and, the implementation of the duties and corporate governance code.

A total of 20 companies presented their reports to the public including companies in classification 1 such as “Invescore”, “Mongolian Post”, “Govi”, “Ard Insurance”, “Ard Credit”, “Bi Di Sec”, “Ard Financial Union”, “APU”, “LendMN NBFi”, “Mandal Insurance”, “Tavantolgoi”, “Mick Holding”, “Suu”, “Talkh Chikher”, “Tumen Shuvuut” “Monos Foods”, “Bodi Insurance”, “Bogd Bank”, and companies in classification 2 such as “Central Express CVS” and “Erdene Resource Development Corporation”.



THE MONGOLIAN STOCK EXCHANGE JOINED THE ONE BILLION TREES NATIONAL CAMPAIGN FOR THE SECOND YEAR



The “One Billion Trees” national campaign was launched on the initiative of the President of Mongolia, U. Khurelsukh, with the purpose of reducing the impact of global climate change, protecting and increasing forest and water reserves, and preserving ecological balance.

In 2021, the staff of the “Mongolian Stock Exchange” joined the campaign and planted trees in the 24th district of Songino Khairkhan and established a grove named after the organization.

With the successful implementation of the “One Billion Trees” national campaign, the 129 square meter area, which was affected by desertification, will be reduced by 4 percent, and by 2030, this figure is estimated to increase to 9 percent, and greenhouse gas emissions will be reduced by 600,000 tons.

The Mongolian Stock Exchange has taken part in this campaign for the second year, urging its stock market participants to maintain ecological balance, specifically to prevent desertification and increase our forest reserves.

STATE BANK OFFERED 5 PERCENT OF ITS TOTAL SHARES TO THE PUBLIC

In September 2022, “State Bank” offered 5% or 37,475,000 of its total shares to the public at 590 MNT per share, to raise 22.1 billion MNT of which 70% was offered to strategic investors and the remaining 30% to the general public.

When matching the total amount of order with the balance of money in the Mongolian Central Securities Depository, 7,306 individuals and companies submitted orders to purchase securities worth 67,356,571,200 MNT which was three times more than the offer amount.



GOLOMT BANK OFFERED 10.09 PERCENT OF ITS TOTAL SHARES TO THE PUBLIC



“Golomt Bank” successfully organized primary market trading by offering 10 percent of its total shares of 80,402,743 shares to the public at MNT1,285 each to raise MNT103.3 billion.

Subscription period has started from November 23, and ended on November 30, 2022. Golomt Bank’s IPO has increased the total market value of companies listed on the Mongolian Stock Exchange by nearly 20 percent or 1 trillion MNT, becoming the second publicly traded company whose valuation has exceeded one trillion MNT.

NEW PRODUCTS

	Securities	The amount offered to the public	Subscription Amount	Subscription percentage	Number of Investors
Monbeef	Stock	₮ 2.90	₮ 6.60	228.00%	2,453
Omni active	ABS	₮ 5.00	₮ 5	100%	124
Simple asset	ABS	₮ 50	₮ 50	100%	251
Bers ABS active SPV	ABS	₮ 10	₮ 10	100%	159
State bank	Stock	₮ 25.40	₮ 67.40	265%	7,306
Golomt bank	Stock	₮ 118.80	₮ 173.20	146%	21,281
Mongolian Stock exchange	Stock	₮ 11.90	₮ 57.90	486%	7,414
LendMN	ABS	₮ 4.80	₮ 4.80	100%	299
Numur credit	ABS	₮ 10	₮ 10	100%	112
Bichil Globus	ABS	₮ 10	₮ 10	100%	160
Sendly NBFi	Stock	₮ 10	₮ 11.60	116%	3,325
Erdenes tavan tolgoi	BOND	₮ 76.60	₮ 76.60	100%	36
LendMN NBFi	BOND	₮ 3.10	₮ 3.10	100%	187
Invescore NBFi	BOND	₮ 20	₮ 20	100%	201
Erdenes solutions	Additional stock	1.8	1.9	106%	1,256
Invescore NBFi	Additional stock	16.6	16.7	100%	526



Stock market highlights

Market capitalization

6.9 trillion	+15%	+0.9 trillion
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TOP-20 Index

37,566 units	-15%	-6,845 units
------------------------	-------------	------------------------

MSE A

14,137 units	-9%	-1,345 units
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MSE B

12,667 units	+4%	+465 units
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Stock Market Overview

Stock listing

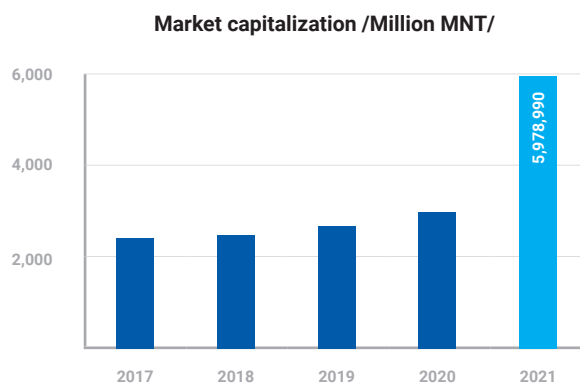
As of December 31, 2022, there are 183 companies listed in the Mongolian Stock Exchange, of which 9% or 16 are state-owned, 5% or 11 are partially state-owned, and 86% or 156 are fully privatized.

Mining	11
Heavy industry	3
Forestry	2
Agriculture	19
Food industry	17
Light industry	11
Building materials industry	12
Building and road construction	14
Transportation	9
Public supply	16
Trade	16
Service	9
Media	1
Communication	1
Finance	23
Real estate	12
Technology	3

In terms of listed securities, out of a total of 16.7 billion shares, 27.8% or 4.6 billion shares are owned by the state, and 72.2% or 12.1 billion shares are owned by investors.

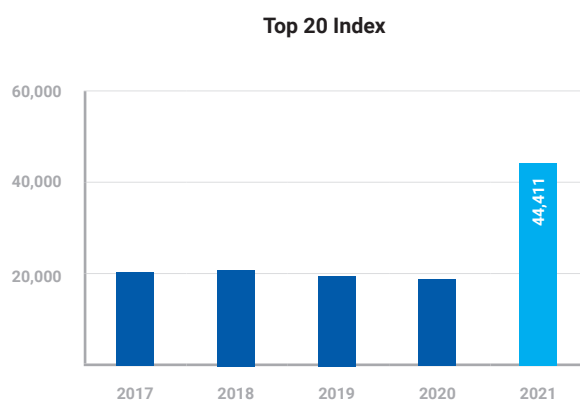
Market indicators

As of December 31, 2022, the total market capitalization of companies listed on MSE reached 6.89 trillion MNT, an increase of 909.26 billion MNT or 15.21% percent from the same period last year.



(As of 31 December 2021)

By the end of the year, the TOP-20 index dropped to 37,565 units, a decrease of 6,846 units or 15.42% from its value at the end of the previous year.



(As of 31 December 2021)

The MSE A index reached 14,137 units, a decrease of 1,344 units or 8.69% from the same period last year, while the MSE B index reached 12,667 units, an increase of 464 units or 3.81% compared to the previous year.

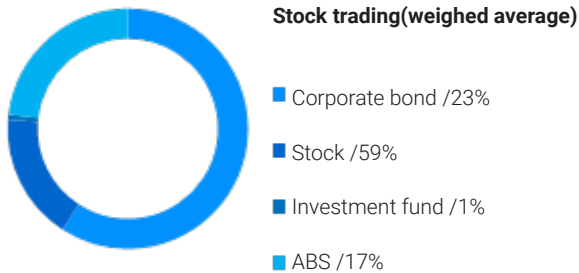
TOP 20 INDEX BASKET

According to the "Rules on Stock price index computation" of the MSE, in 2022, the TOP-20 index, the main indicator of Mongolian securities market, comprised of the following stocks.

	SYMBOL	SECURITIES NAME
1	APU	APU JSC
2	AARD	ARD FINANCIAL GROUP JSC
3	GOV	GOBI JSC
4	ERDN	Erdene Resource Development Corporation JSC
5	INV	Invescore NBFJ JSC
6	TTL	Tavan Tolgoi JSC
7	TUM	Tumen Shuwuut JSC
8	ADB	Ard Credit NBFJ JSC
9	MNDL	Mandal Insurance JSC
10	UID	State Department Store JSC
11	AIC	Ard Insurance JSC
12	SUU	Suu JSC
13	MFC	Monos Khuns JSC
14	MNP	Mongolian Post JSC
15	LEND	LendMN NBFJ JSC
16	BODI	Bodi Insurance JSC
17	NEH	Darkhan Nekhii JSC
18	MMX	Makh Impex JSC
19	BDS	BDSec JSC
20	TCK	Talkh Chikher JSC

SECURITIES TRADING

In 2022, a total of 246 securities trading sessions were held, and a total of 592.42 million shares of 154 companies were sold for 343.36 billion MNT, 0.99 million shares of asset-backed securities for 98.93 billion MNT, 8.95 million investment fund units for 4.17 billion MNT, 1.25 million corporate bonds worth 134.06 billion MNT were traded in the primary and secondary market trading.

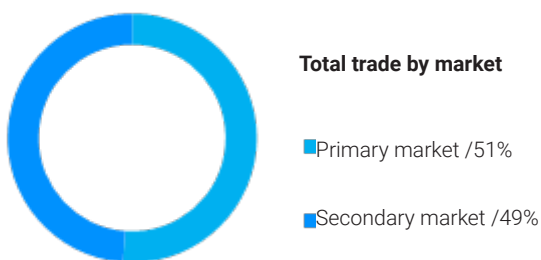


59.15% percent of the total trading value or 343.35 billion MNT was from stock trading, 17.04% percent or 98.93 billion MNT from asset-backed securities trading, 0.72% or 4.16 billion MNT from investment fund unit trading, and 23.09% or 134.06 billion MNT from corporate bond trading.

During the reporting period, an average of 2.5 million securities were traded for 2.4 billion MNT per day.

STOCK TRADING

During the reporting period, 592.42 million shares of 154 companies were traded for 343.36 billion MNT in 246 trading sessions, of which 51.20 percent or 175.78 billion MNT from the primary market trading, and 48.80 percent or 167.56 billion MNT from the secondary market trading.

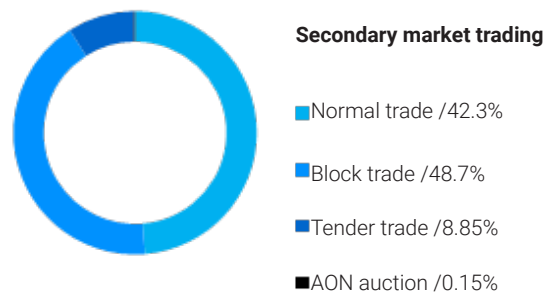


PRIMARY MARKET TRADING

A total of 288.56 million shares which is worth 175.78 billion MNT were successfully sold in the primary market, which accounts for 51.20 percent of the total stock trading. This is a 2.3 times increase compared to the same period of the previous year.

SECONDARY MARKET TRADING

42.3 percent or 70.88 billion MNT of the secondary market trading value was from block trading, 48.7 percent or 81.6 billion MNT was from stock trading, 0.15 percent or 0.25 billion MNT was from auction (AON) and 8.85 percent or 14.83 billion MNT was from tendering.



ASSET-BACKED SECURITIES TRADING

During the period, 850,000 units of asset-backed securities with a value of 85 billion MNT were successfully traded in the primary market. A total of 139.3 thousand asset backed securities were traded for 13.93 billion MNT in the secondary market.

INVESTMENT FUND

During the reporting period, 8.95 million units of the "National Privatization Fund" and "Mandal Future Growth" joint close-ended investment fund were traded in the secondary market for 4.16 billion MNT.

BLOCK TRADING

During the period, a block trading of 22 companies worth a total of 84.12 million shares or 70.88 billion MNT was made, accounting for 42.3 percent of the secondary market trading. Among them, the three companies with the highest trade values were "Ard Financial Group", "Ard Insurance", and "APU"

CORPORATE BOND

During the reporting period, a total of 997.1 thousand units of debt instruments with a total value of 99.71 billion MNT were traded in the primary market including:

- "Erdenes Tavan Tolgoi" issued a bond with 5.4 million units, worth 100,000 MNT each, with an annual interest rate of 10 percent, with a term of 2-3 years, for 543.42 billion MNT and 523.3 thousand units, each worth 100 USD, with a term of 2 years, with an annual interest rate of 5.8-6.8 percent for 149.1 billion MNT were offered to the public and a total of 5.95 million unit bonds with a value of 692.55 billion MNT were successfully traded.
- "Invescore NBF1" issued a bond with 200,000 units worth 100,000 MNT each, with an annual interest rate of 13 percent and a 2-year term for a total of 20 billion MNT.
- "LendMN NBF1" issued a "Lendbond" with 75 thousand units worth 100,000 MNT each, with an annual interest rate of 13-14 percent and a 2-year term for a total of 7.5 billion MNT.

A total of 3.2 million bonds were traded for 328.1 billion MNT in the secondary market.

LISTED COMPANIES

As of December 31, 2022, there are 23 companies in Classification I, 45 in Classification II, and 115 in Classification III.

30 ACTIVELY TRADED SECURITIES

Securities	Units /Million/	Securities	Total amount /Billion/
APU	43.80	APU	64.22
Express CVS	38.07	Ard Financial Group	23.12
Monos Khuns	28.23	Khusug Trade	14.26
Monbeef	25.70	Central Express CVS	7.52
Mandal Insurance	23.90	Golomt Bank	6.36
Tandem Invest NBFI	14.81	Invescore NBFI	4.43
Bodi Insurance	12.03	Tumen Shuwuut	3.80
Khot Development	11.29	Tavan Tolgoi	3.69
Ard Credit NBFI JSC	9.97	Mongolian Post JSC	3.56
Darkhan Nekhii	9.26	Mandal Future Growth	3.47
LendMN NBFI	8.58	Monos Khuns	3.36
Tumen Shuwuut	7.79	Erdene Resource Development Corporation	2.85
Gobi	7.55	Talkh Chikher	2.81
Remicon	5.86	Mandal Insurance	2.48
Mongolian Post JSC	5.21	Ard insurance JSC	2.42
National Privatization Fund	5.12	Gobi	2.10
Golomt Bank	5.09	State Department Store	1.94
Genco Tour Bureau	4.95	Bodi Insurance	1.79
Moninjbar	4.45	State bank	1.71
Mandal Future Growth	3.83	Crypto Nation	1.71
Ard Financial Group	3.79	Bayngol Hotel	1.38
Erdene Resource Development Corporation JSC	3.34	Ard Credit NBFI JSC	1.26
Sendly NBFI	3.32	Monbeef	1.16
Erdenes Solutions	2.73	Bogd Bank	1.07
Ard Insurance JSC	2.58	Suu	0.70
Buligaar	2.39	National Privatization Fund	0.69
Hermes Center	2.17	Khot Development	0.68
State Bank	2.12	Tengerleg Media Group JSC	0.61
Shariin gol Mongol basalt	1.83	Sendly NBFI	0.56
Khukh gan	1.79	Moninjbar	0.48

20 SECURITIES WITH THE PRICE INCREASE

SECURITIES	2021.12.31	2022.12.30	UNITS	%
Khurd	4,279.00	45,720.00	41,441.00	968.47
Teever-Achlal	2,125.00	10,920.00	8,795.00	413.88
Mongol Diesel	825.89	3,333.00	2,507.00	303.56
Monnoos	4,850.00	19,150.00	14,300.00	294.85
Khorin Khoyordugaar Baaz	730.00	2,733.00	2,003.00	274.38
Khuvsgul Usan Zam	1,679.00	6,250.00	4,571.00	272.25
Gutal	25,300.00	55,050.00	29,750.00	117.59
Shinest	115.00	201.12	86.12	74.89
Khunnu management	856.00	1,445.00	589.00	68.81
Berkh Uul	1,000.00	1,587.00	587.00	58.70
Mandalgobi Impex	450.00	710.00	260.00	57.78
Khusug Trade	3,919.00	5,955.00	2,036.00	51.95
Mongol Nekhmel	3,500.00	5,060.00	1,560.00	44.57
Bayan-Ulgii Erchim	2,379.00	3,300.00	921.00	38.71
MIK Holding	14,990.00	20,260.00	5,270.00	35.16
Darkhan Khuvun	7,500.00	10,050.00	2,550.00	34.00
Devshil Mandal	110.00	146.05	36.05	32.77
Asbi	531.30	702.63	171.33	32.25
Tavilga	1,825.00	2,412.00	587.00	32.16
Khar Tarvagatai	4,000.00	5,230.00	1,230.00	30.75

20 SECURITIES WITH THE PRICE DECREASE

SECURITIES	2021.12.31	2022.12.30	UNITS	%
Mongol Ceramic	15,200.00	1,110.00	(14,090.00)	(92.70)
Eurasia Capital Holding	985.00	165.00	(820.00)	(83.25)
Undurkhaan	10,100.00	2,600.00	(7,500.00)	(74.26)
Darkhan Hotel	230.00	72.00	(158.00)	(68.70)
Selenge Sereg	4,269.00	1,420.00	(2,849.00)	(66.74)
Ereentsavaan	3,890.00	1,400.00	(2,490.00)	(64.01)
Khasu-Mandal	6,000.00	2,600.00	(3,400.00)	(56.67)
Juulchin Gobi	8,000.00	3,500.00	(4,500.00)	(56.25)
Silikat	44.67	20.00	(24.67)	(55.23)
Global Mongolia Holding	510.00	230.00	(280.00)	(54.90)
UH-BUK	770.00	380.10	(389.90)	(50.64)
Ard Financial Group	9,785.00	4,880.00	(4,905.00)	(50.13)
Mongoliin Khugjil Undesnii Negdel JSC	2,800.00	1,400.00	(1,400.00)	(50.00)
Mongol Shevro	2,560.00	1,300.00	(1,260.00)	(49.22)
Kherlen Khivs	120.00	61.00	(59.00)	(49.17)
Gonir	900.00	460.00	(440.00)	(48.89)
Tumen Shuvuut	676.13	350.46	(325.67)	(48.17)
Erdenes Solutions	85.99	44.84	(41.15)	(47.85)
Mongeo	12,400.00	6,500.00	(5,900.00)	(47.58)
Crypto Nation	164,900.00	90,720.00	(74,180.00)	(44.98)

FINANCIAL STATEMENTS

2022



МОНГОЛЫН
ХОРОНГИЙН БИРЖ



NADIONAL AUDIT OFFICE

Audited financial statements

Audit opinion on the 2022 financial statements of the Mongolian Stock Exchange

АУДИТЫН КОД: СНАГ-2023/49/НА-СТА-ТӨААТҮГ

Энэхүү аудитын тайлантай холбоотой нэмэлт мэдээллийг дараах хаягаар авна уу.



Улаанбаатар хот

Санхүү-нийцлийн аудитын газрын захирал, тэргүүлэх аудитор: Ц.Наранчимэг
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Аудитын менежер: П.Чанцалдулам
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Аудитыг гэрээгээр гүйцэтгэсэн: "Өлзийт экаунт аудит"
ХХК-ийн захирал: Ц.Бямбажав
Утас: 70130460 Цахим хаяг: auditulziit@gmail.com

BALANCE SHEET (MNT)

Row Number	Items	12/31/2021	12/31/2022
1	Asset		
1.1	Current Asset		
1.1.1	Cash and cash equivalent	2,729,363,635.92	1,731,709,823.19
1.1.2	Trade receivable	97,240,920.31	504,659,308.86
1.1.3	Tax receivable	18,336.58	822,948.07
1.1.4	Inventories	26,570,837.69	33,650,495.17
1.1.5	Prepayment	7,666,370.89	12,775,744.36
1.1.6	Other current asset	13,160,000.00	13,160,000.00
1.1.11	Total current asset	2,874,020,101.40	2,296,778,319.65
1.2	Non-current asset		
1.2.1	Property, plant and equipment	2,121,771,489.56	5,536,483,495.32
1.2.2	Intangible assets	382,782,168.52	17,648,438,922.94
1.2.10	Total non-current asset	2,504,553,658.08	23,184,922,418.26
1.3	TOTAL ASSETS	5,378,573,759.48	25,481,700,737.91
2	LIABILITES AND EQUITY		
2.1	LIABILITIES		
2.1.1	Short term liabilities		
2.1.1.1	Trade payable	720,558,353.30	793,176,221.30
2.1.1.2	Tax payable	206,262,926.45	190,085,198.35
2.1.1.3	Deffered revenue	14,247,509.45	15,396,128.31
2.1.1.13	Total short-term liabilities	941,068,789.20	998,657,547.96
2.1.2	Long tern liabilities		
2.1.2.1	Deferred tax liability		990,846,139.66
2.1.2.6	Total long term liabilities	-	990,846,139.66
2.2	Total liabilities	941,068,789.20	1,989,503,687.62
2.3	Owner's equity		
2.3.1	Property: - State	23,130,593,600.00	23,130,593,600.00
2.3.6	Revaluation reserve	12,362,216.67	20,021,146,332.29
2.3.8	Other components of equity	446,321,902.02	446,321,902.02
2.3.9	Retained earnings	- 19,151,772,748.41	- 20,105,864,784.03
2.3.9.1	Retained earnings/ previous period /	- 22,336,322,387.40	- 20,752,093,007.67
2.3.9.2	Retained earnings / reporting period /	3,184,549,638.99	646,228,223.64
2.3.11	Total equity	4,437,504,970.28	23,492,197,050.28
2.4	TOTAL LIABILITIES AND EQUITY	5,378,573,759.48	25,481,700,737.91

INCOME STATEMENT (MNT)

	Items	12/31/2021	12/31/2022
1	Sale of goods (net)	5,483,078,582.38	4,241,344,850.62
2	Cost of sales		
3	Gross profit(loss)	5,501,624,362.55	4,241,344,850.62
4	Interest income	19,301,917.80	-
5	Other income	18,545,780.17	27,070,762.46
6	General and administrative expenses	2,136,265,973.93	3,557,629,057.47
7	Other expense	30,363,052.75	71,765,222.02
8	Foreign exchange gain (loss)	57,525.18	130,867,477.80
9	Gain (loss) on disposal of Property, plant, and equipment	(1,619,200.00)	(141,003.17)
10	Profit (loss) before tax	3,352,735,578.87	769,747,808.20
11	Income tax expense	168,185,939.88	123,519,584.56
12	Profit (loss) after tax	3,184,549,638.99	646,228,223.64
13	Profit for the reporting period		
14	Other income		20,008,784,115.62
15	Revaluation of assets		20,008,784,115.62
16	Foreign currency conversion differences		
17	Other gain(loss)		
18	Total income	3,184,549,638.99	20,655,012,339.26

STATEMENT OF STOCKHOLDER'S EQUITY (MNT)

Items	Issued capital	Revaluation reserve	Other components of equity	Retained earnings	Total
At 01 January 2021	23,130,593,600.00	12,362,216.67	446,321,902.02	(22,336,322,387.40)	1,252,955,331.29
Adjustments due to changes in accounting policies				3,184,549,638.99	3,184,549,638.99
Restated balance	23,130,593,600.00	12,362,216.67	446,321,902.02	(19,151,772,748.41)	4,437,504,970.28
Profit (loss) for the period				-	-
At 31 December 2021	23,130,593,600.00	12,362,216.67	446,321,902.02	(19,151,772,748.41)	4,437,504,970.28
Adjustments due to changes in accounting policies				-1,600,320,259.26	(1,600,320,259.26)
Restated balance	23,130,593,600.00	12,362,216.67	446,321,902.02	(20,752,093,007.67)	2,837,184,711.02
Profit (loss) for the period				646,228,223.64	646,228,223.64
Revaluation		20,008,784,115.62			20,008,784,115.62
At 31 December 2022	23,130,593,600.00	20,021,146,332.29	446,321,902.02	(20,105,864,784.03)	23,492,197,050.28

STATEMENT OF CASH FLOW (MNT)

Row number	Items	12/31/2021	12/31/2022
1	CASH FLOWS FROM OPERATING ACTIVITIES	0.0	0.0
1.1	Cash inflow(+)	5,699,769.9	3,914,481.2
1.1.1	Sales of goods, rendering of services	4,951,952.4	3,735,454.9
1.1.2	Insurance reimbursement	10,896.1	1,684.8
1.1.3	Other cash income	736,921.4	177,341.5
1.2	Cash outflow	3,427,313.6	4,619,870.4
1.2.1	Investments	0.0	0.0
1.2.2	Employee's salary payment	585,159.4	876,401.7
1.2.3	Social and health insurance	182,327.8	259,137.5
1.2.4	Inventories purchased	23,291.5	35,755.8
1.2.5	Cash paid for utility	46,951.5	65,253.7
1.2.6	Fuel, petrol, transportation fee, spare parts purchase	8,120.7	7,674.5
1.2.7	Tax payment	348,440.8	473,654.1
1.2.8	Insurance payments	0.0	0.0
1.2.9	Other cash payments	2,233,021.9	2,901,993.1
1.3	NET CASH FLOW FROM OPERATING ACTIVITIES	2,272,456.3	(705,389.2)
2	CASH FLOWS FROM INVESTING ACTIVITIES	0.0	0.0
2.1	Cash inflow	19,301.9	0.0
2.1.1	Proceeds from disposal of other long-term assets	19,301.9	0.0
2.1.2	Repayment of loan receivable and reimbursement of prepayments	0.0	0.0
2.2	Cash outflow	116,984.4	423,392.5
2.2.1	Additions to property, plant and equipment	116,984.4	286,663.7
2.2.2	Additions to intangible assets	0.0	136,728.8
2.3	NET CASH FLOW USED IN INVESTING ACTIVITIES	(97,682.5)	(423,392.5)
3	CASH FLOWS FROM FINANCING ACTIVITIES	0.0	0.0
3.1	Cash inflow(+)	0.0	0.0
3.1.1	Bank loans and bonds	0.0	0.0
3.2	Cash outflow(-)	0.0	0.0
3.2.1	Repayment of loans and debts	0.0	0.0
	Financial leases	0.0	0.0
3.3	NET CASH USED IN FINANCING ACTIVITIES	0.0	0.0
4	Foreign exchange difference	0.0	131,127.9
5	Net increase/decrease in cash and cash equivalents	2,174,773.8	(997,653.8)
6	Cash and cash equivalents at 31 Dec 2021	554,589.8	2,729,363.6
7	Cash and cash equivalents at 31 Dec 2022	2,729,363.6	1,731,709.8



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