

Semi-annual and quarterly operational reports /Form 2/

Article 20 of the Securities Market Law stipulates the ongoing obligations of the issuer, and the issuer is responsible for submitting quarterly and semi-annual operational reports to the Financial Regulatory Commission and the exchange in accordance with the below form, and shall disclose to the public through its website.

<i>Reporting period /For example: From January 1st 2023 to December 31st 2023/</i>	From January 1 st 2023 to June 30 th 2023.
<i>Issuer's name, state registration certificate number, securities symbol, phone number</i>	Name: Khot Development JSC State registration certificate number: 9010387001 Securites symbol: SDT, 490 Phone number: (+976) 89100306, 99781991
<i>Name of listed exchange</i>	Mongolian Stock Exchange
<i>Sector of business operation</i>	<ul style="list-style-type: none"> - Business consulting - Wholesale trade on a fee or contract basis - Information technology service - Project implementation
<i>Total number of shares issued by the issuer</i>	28,970,054 (twenty-eight million nine hundred seventy thousand fifty-four)
<i>Names of the specialist who prepared and the official who reviewed the semi-annual and quarterly report</i>	Prepared: Legal advisor and Secretary of the BoD Nomin B., General accountant Otgonsaikhan S. Reviewed: CEO Chuluunsukh B.

The semi-annual and quarterly financial reports /fill out the summary report indicators and attach the financial statement/

1.	<i>Balance sheet</i>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Current assets</td> <td align="right">2,064,056,605.58</td> </tr> <tr> <td>Non-current assets</td> <td align="right">432,042,603.45</td> </tr> <tr> <td>TOTAL ASSETS</td> <td align="right">2,496,099,209.03</td> </tr> <tr> <td>Total amount of liabilities</td> <td align="right">563,461,704.75</td> </tr> <tr> <td>Owner's equity</td> <td align="right">1,932,637,504.28</td> </tr> <tr> <td>LIABILITY AND OWNER'S EQUITY</td> <td align="right">2,496,099,209.03</td> </tr> </table>	Current assets	2,064,056,605.58	Non-current assets	432,042,603.45	TOTAL ASSETS	2,496,099,209.03	Total amount of liabilities	563,461,704.75	Owner's equity	1,932,637,504.28	LIABILITY AND OWNER'S EQUITY	2,496,099,209.03
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	<i>Income statement</i>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Profit (loss) before tax</td> <td align="right">(116,447,984.74)</td> </tr> </table>	Profit (loss) before tax	(116,447,984.74)										
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	<i>Statements of retained earnings</i>	Share capital	2,897,005,400.00
		Retained earnings and (loss)	(964,367,895.72)
	<i>Cash flow statement</i>	Net cash flow from operating activities	(15,735,979.24)
		Net cash flow from investment activities	(18,647,002.20)
		Net cash flow from financing activities	34,184,834.00
		Initial balance of cash and cash equivalents	329,748.63
		Final balance of cash and cash equivalents	131,601.19
2.	<i>The audit committee opinion on the semi-annual and quarterly financial statements, which was reviewed and confirmed by board audit committee</i>		
	Discussed and confirmed at the audit committee meeting.		
3.	<i>External and internal factors affecting the issuer's financial operations during the reporting period, management reports and opinions based on analysis of financial statements, income, expenses, and profit indicators</i>		
3.1.	<i>Operational performance /Financial ratios /</i>	Current assets ratio- 3.66	
3.2.	<i>Liquidity ratios and financial resources</i>	Creditworthy	
3.3.	<i>The external and internal factors affecting the activities of the issuer, changes in the range of its products and services, and measures planned to be taken by the issuer in response to these changes.</i>	In accordance with the discussion and approval at the meeting of Shareholders on February 28, 2023, business activities have been expanded and project implementation activities have begun.	
3.4.	<i>Details of off-balance sheet transactions and information on accounting policies</i>	From January 1, 2023 until June 30, 2023, no transactions have been recorded outside of the company's financial statements.	
4.	<i>Information on conflict of interest and significant transactions conducted by the issuer during the reporting period, the importance and the purpose of the transaction, and information about the person with a conflict of interest / all conflicts of interest transactions made during the reporting period shall be included/</i>		
	During the reporting period, a total of 2 conflict-of-interest and large-scale transactions were concluded. Khot Development JSC signed and notarized the Share Sale and Purchase Agreement No. 23/XXAF-02 and the Transfer of Rights Agreement No. 23/ЭШГ-03 with the investor/buyer Zann Corporation Mongolia LLC on June 14, 2023. The Seller sold 20,500,000 additional shares to the investor/buyer Zann Corporation Mongolia LLC		

	<p>under these contracts and the relevant approvals to conduct the contracts were obtained as follows:</p> <ol style="list-style-type: none"> 1. According to the resolution No. 7 of the Shareholders' meeting dated February 28, 2023, Khot Development JSC's Chief Executive Officer got authorized to conclude large-scale and conflict-of-interest transactions with Zann Corporation Mongolia LLC. According to the Company Law, a shareholder with a conflict of interest did not vote in discussion of issues related to the conclusion of these contracts. 2. Permission on issuing and registering of additional shares in a private placement has been granted by the decision No.A/57 of the Executive Director of the Mongolian Stock Exchange dated April 18, 2023. 3. Permission on issuing and registering of additional shares in a private placement has also been granted by the resolution No. 210 of the Financial Regulatory Commission dated June 10, 2023. <p>Information about the person with a conflict of interest: Bayarbat E., who owns 9.71% of the total issued shares of Khot Development JSC, is also the Chief Executive Officer of the investor/buyer Zann Corporation Mongolia LLC.</p>
5.	<i>If the issuer has issued shares to the public for the purpose of implementing a project, a report on the progress of project implementation and the use of funds raised from the start of the project</i>
	No shares were issued as a public offering.
6.	<i>Information related to corporate governance</i>
	The relevant rules, instructions and policies related to the corporate governance code were adopted by the Board of Directors at a meeting on March 1, 2023 and are being implemented in the activities and operations by executives and all employees.
7.	<i>Reports and information related to issuer governance</i>
	We have submitted our company's "Corporate governance code evaluation report" to the Mongolian Stock Exchange and the Financial Regulatory Commission respectively, in compliance with the approved form and we are waiting for the evaluation result.
	Signature of the person who prepared the information, the person who confirmed the accuracy of the information and the date:

Full name: Chuluunsukh Batzorig

Position: Chief Executive Officer of "Khot Development" JSC

Signature: 

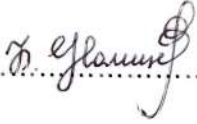
(Stamp)

Signature of the person who prepared and submitted the information and the date:

Full name: Nomin Bayasgalan

Full name: Otgonsaikhan Sukhbaatar

Position: Legal advisor Position: General accountant

Signature: 

Signature: 