

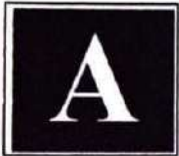
Register number **2649624**

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Form of ownership: State 100 percent private 100 percent



**DARKHAN NEKHII JOINT STOCK COMPANY
FOR THE YEAR 2021
CONSOLIDATED FINANCIAL STATEMENTS**

Name of organization receiving review	Month and day	Signature

DARHAN NEKHII JSC
consolidated financial statements for the year 2021
statement of fact

31-Dec-21

We hereby Director B. Myagmar-Ulzii, and accountant Z. Oyuntuya are responsible for ensuring that these consolidated financial report of our company for the year ended 31 December 2021, and the results of operations and financial performance of the reporting period in accordance with clause 18.1 of the Law "Accounting standard" confirm that it is accurate and complete. Which includes:

1. All transactions have actually occurred and are accurately reflected in the accounting and financial statements based on the relevant primary facts;
2. All calculations included in the financial statements are accurate;
3. The Group comprehensively covered all economic and financial processes of enterprise operations
4. In the results of the reporting period, there are no items that have not been transferred from the transactions of the previous year, and there are no omissions from the transactions of the reporting year;
5. All assets, receivables, liabilities, income and expenses are accurately reflected in accordance with International Financial Reporting Standards;
6. Everything contained in this report is the official property of our organization, and any omissions will be deleted.

Director
Accountant.....



CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Darhan Nekhii JSC
(Name of the enterprise entity)

31-Dec-21

(MNT)

Line number	BALANCE SHEET	Remainder	
		1-Jan	31-Dec
A	B	1	2
1	ASSETS		
1.1	Current assets		
1.1.1	Cash and cash equivalents	582,727,541.55	3,823,251,227.93
1.1.2	Account receivable	5,464,813,601.88	6,311,968,527.69
1.1.3	Taxes and VAT receivables	114,605,067.71	1,469,816.42
1.1.4	Other receivables		
1.1.5	Other financial assets		
1.1.6	Inventories	15,111,964,771.57	14,968,340,698.50
1.1.7	Prepayment and advances	612,879,274.18	4,393,016,501.29
1.1.8	Other working capital	(0.00)	
1.1.9	Non-current assets held for sale	2,020,302,381.92	6,032,292,585.08
1.1.11	Amount of Current assets	23,907,292,638.82	35,530,339,356.91
1.2	Non-current Assets		
1.2.1	Fixed assets	34,317,813,023.11	32,352,713,731.30
1.2.2	Intangible assets	15,498,160.60	28,274,299.00
1.2.3	Biological capital		
1.2.4	Long term investment	1,000,000.00	6,694,042,799.28
1.2.5	Exploration and evaluation assets		
1.2.6	Deferred tax assets		
1.2.7	Real estate for investment		
1.2.8	Other non-current assets		
1.2.9	Unfinished building	2,393,976,120.41	2,762,989,487.26
1.2.10	Amount of non-current assets	36,728,287,304.12	41,838,020,316.84
1.3	TOTAL ASSETS	60,635,579,942.95	77,368,359,673.75
2	LIABILITIES AND EQUITY		
2.1	PAYMENT OF DEBT		
2.1.1	Short-term liabilities		
2.1.1.1	Account payable	1,433,153,016.74	783,233,844.42
2.1.1.2	Payment of wages	9,008,973.83	7,062,354.66
2.1.1.3	Tax debt	2,592,658,193.00	3,998,099,567.46
2.1.1.4	Payment of Social Security	108,171,064.11	90,035,349.31
2.1.1.5	Short term loan	607,997,640.62	9,003,533,260.48
2.1.1.6	Interest payable		
2.1.1.7	Dividend Payable	232,150,590.00	155,567,838.71
2.1.1.8	Prepayment income	2,614,471,872.53	1,874,285,071.37
2.1.1.9	Fund (Liabilities)		
2.1.1.10	Other short-term liabilities		77,103,874.85
2.1.1.12			
2.1.1.13	Amount of short-term liabilities	7,597,611,350.83	15,988,921,161.25
2.1.2	Long-term liabilities		
2.1.2.1	Long term loan	7,940,324,535.64	5,486,043,709.10
2.1.2.2	Assets (Liabilities)		
2.1.2.6	Amount of long-term liabilities	7,940,324,535.64	5,486,043,709.10
2.2	Total amount of liabilities	15,537,935,886.47	21,474,964,870.36
	Owner's property		
2.3.1	Property : - state		
2.3.2	- personal	3,752,574,900.00	10,445,617,699.16
2.3.3	- stock	1,000,000.00	1,000,000.00
2.3.4	Reserved stock	(16,428,492.00)	(16,428,492.00)
2.3.5	Additional paid-in capital	(106,648,582.98)	(106,648,582.98)
2.3.6	Revaluation reserve	19,334,524,604.00	19,334,524,604.00
2.3.8	Other parts of the owner's property	7,353,587,206.44	8,659,891,438.25
2.3.9	(Accumulated losses) / Retained earnings	11,100,750,099.66	17,575,438,136.96
2.3.11	Per shareholders of the parent company		
2.3.12	Per non-controlling interest	3,678,284,321.36	
2.3.13	Total amount of Equity	45,097,644,056.48	55,893,394,803.4
2.4	LIABILITIES AND EQUITY	60,635,579,942.95	77,368,359,673.75

Director _____)

Accountant _____)



DETAILED STATEMENT OF CONSOLIDATED INCOME

Darhan Nekhii JSC

(Name of the enterprise entity)

12/31/2021

(MNT)

Line number	Indicator	Amount of previous year	Amount for the reporting period
1	Sales revenue (net)	16,886,245,124.00	23,414,301,028.88
2	Cost of sales	10,718,188,360.00	16,014,786,075.13
3	Total profit(loss)	6,168,056,764.00	7,399,514,953.74
4	Service income	623,819,586.44	2,361,407,196.03
5	Interest income	331,673,607.71	472,147,515.23
6	Dividend income		
7	Royalty revenue		
8	Other income	235,952,474.27	924,834,531.72
9	Sales and marketing expenses	322,184,437.00	1,057,067,511.14
10	General and administrative expenses	3,841,925,903.43	2,883,110,834.18
11	Financial costs		
12	Other cost	1,288,247,304.17	3,183,195,738.38
13	Foreign exchange gain (loss)	(8,169,713.92)	9,779,300.44
14	Gain (loss) on capital asset write-off		
15	Gain (loss) on derecognition of intangible assets		
16	Gain (loss) on sale of investment		
17	Profits and losses of subsidiaries attributable to the parent company		
18	Joint venture profit and loss attributable to the parent company		
19	Other Profit (Loss)	42,767,622.00	2,040,634.97
20	Profit (loss) before taxation	1,941,742,695.90	4,046,350,048.43
21	Income tax benefit (expense)	255,815,695.51	404,635,004.84
22	Profit (loss) after tax	1,685,927,000.39	3,641,715,043.59
0	Profit (loss) after tax from discontinued operations		
22.1	Net profit (loss) for the reporting period	1,685,927,000.39	3,641,715,043.59
22.2	Of this:		
23	Shareholders of the parent company		
23.1	Non-controlling interest	2,327,633,412.71	
23.2	Other comprehensive income		
23.3	Difference in capital revaluation increments		
23.4	Foreign currency conversion differences		
	Other gains (losses)		
23.4.1	Other detailed income amounts		
	Total income	1,685,927,000.39	3,641,715,043.59
	Profit (loss) per share-basis (in MNT)		

Director  (.....)

Accountant  (.....)

CONSOLIDATED STATEMENT OF CASH TRANSACTIONS

Darhan Nekhii JSC
(Name of the enterprise entity)

12/31/2021

(MNT)

Line number	Indicator	Amount of previous year	Amount for the reporting period
1	Cash flow from operating activities		
1.1	Amount of cash income (+)	29,587,878,004.45	30,876,903,551.55
1.1.1	Income from the sale of goods and services	16,941,241,632	30,299,222,028.24
1.1.2	Revenue from royalties, fees and charges	158,112,517	478,964,648.71
1.1.3	Money received from the insurance spouse		
1.1.4	Tax refund		
1.1.5	Subsidy and financing income		
1.1.6	Other cash income	12,488,523,856	98,716,874.60
1.2	Amount of money spent (-)	28,874,354,137.40	30,511,302,339.93
1.2.1	Paid to employees	2,212,661,425	2,437,068,111.98
1.2.2	Paid to Social Security	562,953,635	772,445,798.68
1.2.3	Paid for the purchase of inventory	10,592,763,928	17,458,590,745.34
1.2.4	Paid for operating expenses	982,795,666	264,198,982.69
1.2.5	Paid for fuel, transportation and spare parts	478,636,332	803,209,003.34
1.2.6	Paid for interest	1,588,349,959	1,279,819,103.74
1.2.7	Paid to the tax authorities	649,709,833	1,019,552,960.76
1.2.8	Paid for insurance	10,651,136	138,512,193.00
1.2.9	Other monetary expenses	11,795,832,222	6,337,905,440.40
1.3	Amount of net cash flow from operating activities	713,523,867.06	365,601,211.62
2	Cash flows from investing activities		
2.1	Amount of cash income (+)	1,275,054,378.13	1,350,918,078.44
2.1.2	Income from sale of fixed assets	791,036,541	878,617,947.00
2.1.3	Income from the sale of intangible assets		
2.1.4	Income from sale of investment		
2.1.5	Income from sale of other long-term assets		
2.1.6	Repayment of loans and cash advances to others		
2.1.7	Interest income received	484,017,837	472,300,131.44
2.1.8	Dividends received		
2.2	Amount of money spent (-)	791,211,676.85	676,404,938.72
2.2.1	Paid for acquiring fixed assets	791,211,677	262,671,825.82
2.2.2	Paid to acquire intangible assets		6,950,000.00
2.2.3	Paid to acquire investment		
2.2.4	Paid to acquire and hold other long-term assets		105,000,000.00
2.2.5	Loans and advances to others		301,783,112.90
2.3	Amount of net cash flow from investing activities	483,842,701.28	674,513,139.72
3	Cash flow from financing activities		
3.1	Amount of cash income (+)	4,697,138,595.29	21,300,129,355.72
3.1.2	Received from loans and debt securities	4,697,138,595	21,300,129,355.72
3.1.3	Received from the issuance of shares and other equity securities		
3.2	Amount of money spent (-)	5,769,783,298.94	19,099,720,020.67
3.2.1	Paid for loans and debt securities	5,754,561,299	14,082,864,241.67
3.2.2	Paid for finance leases		
3.2.3	Paid to buy back shares		5,000,000,000.00
3.2.4	Dividends paid		
3.1.4	Various donations	15,222,000	16,855,779.00
3.2.5	Exchange rate differences		
3.3	Amount of net cash flow from financing activities	(1,072,644,703.65)	2,200,409,335.05
4	All net cash flow	124,721,864.69	3,240,523,686.38
5	Cash and cash equivalents at the beginning of the year	458,005,677	582,727,541.55
6	Cash and cash equivalents at the end of the year	582,727,542	3,823,251,227.93

Director _____ (.....)

Accountant _____ (.....)



Darhan Nekhii JSC
 Register: 02649624

12/31/2021

STATEMENT OF CHANGES IN CONSOLIDATED OWNERSHIP

(MNT)

No	Indicator	Property	Reserved stock	Additional paid-in capital	Capital revaluation	Foreign	Other parts of the owner's property	Accumulated profit	Total	Non-controlling interests	Total
1	Balance as of December 31, 2019	3,753,574,900	(16,428,492)	(106,648,583)	19,334,524,604	-	4,319,122,506.53	13,075,920,619.90	40,360,065,555.45	3,678,284,321	44,038,349,876.45
2	Effect of changes in accounting policies and correction of errors									299,575,621	299,575,621.36
3	Corrected Balance	3,753,574,900	(16,428,492)	(106,648,583)	19,334,524,604	-	4,319,122,506.53	13,075,920,619.90	40,360,065,555.45	3,977,859,942	44,337,925,497.81
4	Net profit (loss) for the reporting period							1,685,927,000.40	1,685,927,000.40		1,685,927,000.40
5	Other comprehensive income										-
6	Changes in ownership						3,034,464,700.00	(3,428,946,930.64)	(394,482,230.64)		(394,482,230.64)
7	Dividend declared							(232,150,590.00)	(232,150,590.00)		(232,150,590.00)
8	Realized amount of revaluation increment										-
9	Balance as of December 31, 2020	3,753,574,900	(16,428,492)	(106,648,583)	19,334,524,604	-	7,353,587,206.53	11,100,750,099.66	41,419,359,735.2	3,977,859,942	45,397,219,677.6
10	Effect of changes in accounting policies and correction of errors	5,284,310,149						2,832,972,993.72	8,117,283,142.72	(3,977,859,942)	4,139,423,200.36
11	Corrected Balance	9,037,885,049	(16,428,492)	(106,648,583)	19,334,524,604	-	7,353,587,206.53	13,933,723,093.38	49,536,642,877.93	-	49,536,642,877.93
12	Net profit (loss) for the reporting period							3,641,715,043.59	3,641,715,043.59		3,641,715,043.59
13	Other comprehensive income										-
14	Changes in ownership	1,408,732,650					1,306,304,231.72		2,715,036,881.88		2,715,036,881.88
15	Dividend declared										-
16	Realized amount of revaluation increment										-
17	Balance as of December 31, 2021	10,446,617,699	(16,428,492)	(106,648,583)	19,334,524,604	-	8,659,891,438.25	17,575,438,136.97	55,893,394,803.40	-	55,893,394,803.4

Director _____ (.....)

Accountant _____ (.....)

