

APU COMPANY

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**APU JSC
ANNUAL GENERAL
SHAREHOLDERS'
MEETING BROCHURE**

2023

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MEETING NOTICE

According to the resolution number 23/05 of the Board of Directors (the "Board") of APU JSC (the "Company") dated 17 March 2023, the Annual General Meeting (the "AGM") of Shareholders of the Company will be held virtually on 28 April 2023 at 2:00pm.

The AGM agenda items are:

1. To approve the conclusion drawn by the Board of Directors on the 2022 operational and financial report of APU JSC; and
2. To approve the Board of Directors' remuneration.

The record date for registering the shareholders entitled to attend the meeting is **07 April 2023**.

For more information, the AGM organizing committee can be contacted at telephone: +976 344336 (ext: 338), email: agm@apu.mn and website: www.apu.mn.

ORGANIZING COMMITTEE
APU JSC, Chinggis Avenue-14, Khan-Uul District,
Ulaanbaatar-17040, Mongolia

HOW TO ATTEND THE MEETING

Dear shareholder,

You may choose one of the following two options to attend the meeting and vote on the agenda items:

Virtual participation	Ballot voting
<ol style="list-style-type: none">1. Sign up and confirm your registration online according to a step-by-step guide which will be available on the company website www.apu.mn since the meeting record date: 07 April 2023.2. Attend and vote for the virtual meeting to be commenced on 28 April 2023 at 2:00PM using your username and password.	<ol style="list-style-type: none">1. Contact your brokerage and dealing company or the tabulation committee (BDSec UTsK JSC) and fill in the ballot in advance. Ballot voting deadline is 6:00PM, 27 April 2023.2. When the Tabulation committee receives your completed ballot which is verified with a signature and stamp of your broker, your attendance and votes will be counted.

Should you have any question, please contact us either by email or phone.

Sincerely,

ORGANIZING COMMITTEE

Tel: 344336-338

Email: agm@apu.mn

AGENDA

The AGM will be held between 2:00PM and 3:30M on 28 April 2023.

	Agenda items	Resolutions	Duration	Responsibility
1	Organizational matters		2:00-2:02PM	Board secretary Ariunsan
2	Compilation and presentation of registration results	Tabulation committee resolution	2:02-2:05PM	Tabulation committee
3	Opening by the meeting chairperson		2:05-2:10PM	Chairperson Erdenebileg
4	Presentation on the 2022 operational and financial report of APU JSC		2:10-2:35PM	Chairperson Erdenebileg
5	Presentation on the Board of Directors' conclusion and work report	Shareholders' meeting resolution	2:35-2:45PM	Independent director
6	Questions and answers		2:45-2:50PM	
7	Presentation on the Board of Directors' remuneration	Shareholders' meeting resolution	2:50-3:00PM	Board secretary Ariunsan
8	Questions and answers		3:00-3:05PM	
9	Provision of online voting instructions		3:05-3:10PM	Tabulation committee
10	Online voting		3:10-3:20PM	Tabulation committee
11	Tabulation of voting results and reporting on voting results to the attendees	Tabulation committee resolution	3:20-3:27PM	Tabulation committee
12	Closing		3:27-3:30PM	Chairperson Erdenebileg

AGENDA ITEMS

1. To approve the conclusion drawn by the Board of Directors on the 2022 operational and financial report of APU JSC; and
2. To approve the Board of Directors' remuneration.

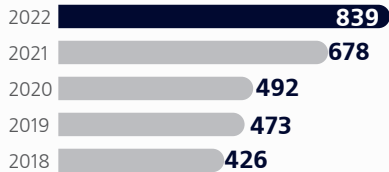
AGENDA ITEM NO. 1

TO APPROVE THE CONCLUSION DRAWN BY THE BOARD OF DIRECTORS ON THE 2021 OPERATIONAL AND FINANCIAL REPORT OF APU JSC

OPERATIONAL SUMMARY

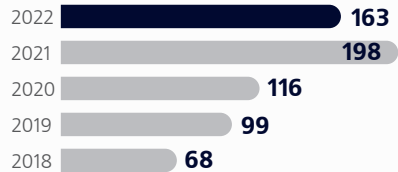
Net sales revenue

billion MNT



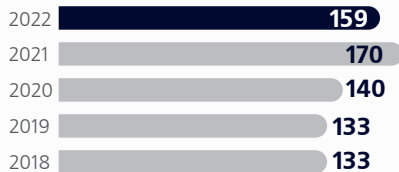
Operating profit

billion MNT



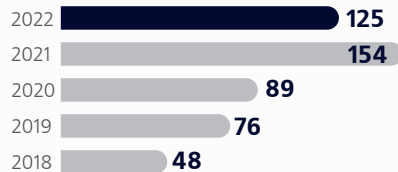
Sales volume

million L



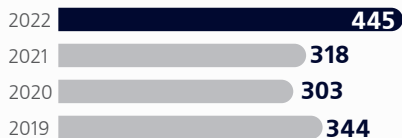
Net profit

billion MNT

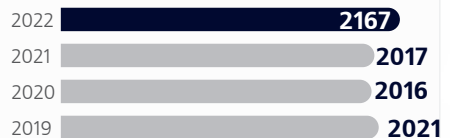


Product portfolio

SKUs



Headcount



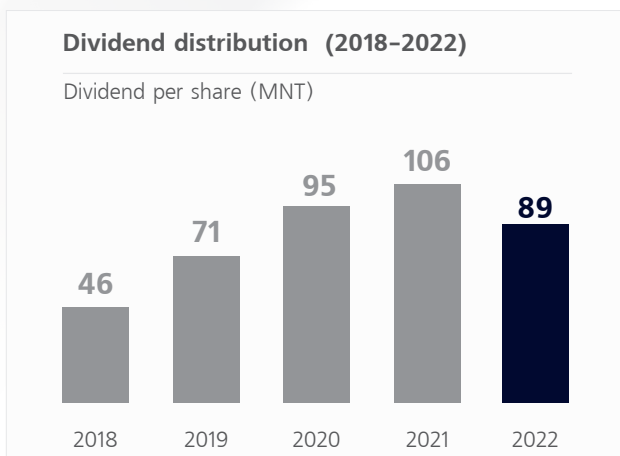
FINANCIAL SUMMARY

		Unaudited consolidated financials	Audited consolidated financials	Growth %
		2022	2021	
SALES VOLUME	thousand L	158,800	170,210	7%↓
PROFIT & LOSS				
Net sales revenue	million MNT	838,823	678,164	24%↑
Operating profit (EBIT)	million MNT	163,498	197,893	17%↓
Net profit	million MNT	124,839	153,686	19%↓
BALANCE SHEET				
Current assets	million MNT	352,753	251,637	40%↑
Non-current assets	million MNT	490,854	365,575	34%↑
Total assets	million MNT	843,607	617,212	37%↑
Total liabilities	million MNT	210,414	112,226	87%↑
Total shareholders' equity	million MNT	633,193	504,987	25%↑
Total shareholders' equity and liabilities	million MNT	843,607	617,212	37%↑
CASH FLOW				
Net cash flow from operating activities	million MNT	112,702	181,590	38%↓
Net cash flow from investing activities	million MNT	(86,658)	(65,594)	32%↑
Net cash flow from financing activities	million MNT	(64,956)	(102,778)	37%↓
Total net cash flow	million MNT	(38,912)	13,219	394%↓
Opening balance of cash and cash equivalents	million MNT	77,278	64,059	21%↑
Closing balance of cash and cash equivalents	million MNT	38,365	77,278	50%↓
TAX PAYMENT				
Excise tax	million MNT	196,919	211,313	7%↓
VAT	million MNT	71,989	69,359	4%↑
Other	million MNT	128,588	84,338	52%↑
Total tax payment	million MNT	397,495	365,010	9%↑
CAPEX				
Total CAPEX	cap.ter	86,529	69,151	25%↑

DIVIDEND DISTRIBUTION

The Board of the Company resolved to pay an annual total dividend of MNT 89 per share for 2022.

Reporting period	Dividend declaration date	Dividend per share	Record date	Payment deadline	Date of dividend payment through the Central Securities Depository
2022 H1	2022.08.03	MNT 45	2022.08.22	2023.02.10	2022.12.30
2022 H2	2023.02.13	MNT 44	2023.04.07	2023.12.31	-
TOTAL		MNT 89			



BOARD WORK REPORT

The Board adopted 52 resolutions by its 11 meetings held either in person or by circulation in the exercise of the powers, authority and responsibilities of the Board of APU JSC and the shareholder meeting of APU JSC's subsidiaries and associate companies.

The Audit committee met 3 times and each of the Nomination and Remuneration committees met once to pass recommendation, conclusion or decision according to their respective functions.

BOARD CONCLUSION ON THE 2022 OPERATIONAL AND FINANCIAL REPORT OF APU JSC

"APU Group has operated successfully in 2022, achieving its planned objectives."

AGENDA ITEM NO. 2

TO APPROVE THE BOARD OF DIRECTORS' REMUNERATION

Background

The New Corporate Governance Code of Mongolia, which was approved by the Financial Regulatory Commission by its resolution number 145 dated 23 March 2022, specifies in clause 6.1 that the amount, payment form and frequency of directors' remuneration shall be openly discussed and approved by the shareholders meeting.

Directors' remuneration

Pursuant to clause 7.22.8 of the Company Charter, the Board resolved by its resolution number 22/07 dated 06 May 2022 that the gross monthly director's fee (before tax and other legally mandated deductions) be set for Chairman – MNT 10 million and Director – MNT 6.5 million.

The directors' remuneration is proposed to the annual shareholder meeting as follow:

Amount: the aforesaid amount, no performance bonuses and incentives payable; and

Payment form and frequency: in cash and on a monthly basis.

BALLOT FORM

*Annex 2 to the Resolution No. 23/05 of
the Board of Directors of APU JSC,
dated 17 March 2023*

APU JSC ANNUAL GENERAL MEETING OF SHAREHOLDERS BALLOT

Full name of the shareholder: _____

Registration number: _____

Type of shares: ordinary

Number of shares: _____

This ballot will be used for voting at the annual general meeting to be held virtually on 28 April 2023 commencing at 2:00PM.

	Proposed resolutions to be adopted by the meeting	For	Against	Abstain	Suggestion if voted against
1	To approve the Board of Directors conclusion on the 2022 operational and financial report of APU JSC				
2	To approve the Board of Directors remuneration				

Filled in by: Shareholder _____ (signature)

Broker /if voted through broker company/ _____ (signature and stamp)

Date of voting: ____ (dd) ____ (mm) 2023

The ballot has been counted as valid by:

Head of the Tabulation Commission _____ (.....)/

If deemed invalid, the reason for such decision:

.....

.....

DRAFT RESOLUTION TO BE ADOPTED BY THE SHAREHOLDERS' MEETING

APPROVAL OF THE AGENDA ITEMS DISCUSSED

Based on the decisions of APU JSC's Annual General Meeting dated 28 April 2023 and the Tabulation Committee, it is hereby RESOLVED to:

1. Approve the conclusion drawn by the Board of Directors on the 2022 operational and financial reports of APU JSC; and
 - 1.1. APU Group has operated successfully in 2022, achieving its planned objectives.
2. Approve the Board of Directors' remuneration as per annex hereto.

CHAIRPERSON OF THE MEETING

Ts.ERDENEBILEG

*Annex to the Resolution No. of
Annual General Meeting of APU JSC,
dated 28 April 2023*

Remuneration of the Board of Directors of APU JSC

Nº	Board positions	Names	Fixed monthly fees inclusive of taxes (MNT)
1	Chairman	P.Batsaikhan	10,000,000
2	Non-executive director	B.Batbayar	6,500,000
3	Non-executive director	Sergey Gromov	6,500,000
4	Non-executive director	Kenneth Choo	6,500,000
5	Non-executive director	Seng Yi-Ying	6,500,000
6	Non-executive director	D.Miyegombo	6,500,000
7	Independent non-executive director	Yo.Gerelchuluun	6,500,000
8	Independent non-executive director	J.Unenbat	6,500,000
9	Independent non-executive director	O.Odbayar	6,500,000

Notes:

- The directors will receive a fixed monthly fee which shall be paid in cash.
- There will be no performance bonuses and incentives payable to the directors.

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