

**APU COMPANY**  
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APU JSC

# ANNUAL GENERAL MEETING BROCHURE 2025



ALWAYS FORWARD

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# MEETING NOTICE

As per the Resolution No.25/03 of the Board of Directors (the "Board") of APU JSC dated 14 March 2025, the Annual General Meeting (the "AGM" or the "Meeting") of Shareholders of APU JSC will be held virtually via [www.agm.mn/apu](http://www.agm.mn/apu) on 24 April 2025 at 14:00.

The AGM agenda:

1. To approve the conclusion drawn by the Board of Directors on the 2024 operational and financial reports 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 4 April 2025.

Options to attend the AGM:

1. For virtual participation, please sign up on the AGM website <https://www.agm.mn/apu> after the record date; or
2. For ballot voting, please visit or contact your broker dealer company or "BDSec" UtsK JSC – the AGM tabulation committee, (Address: 27/1, Zaluuchuud Avenue, 8th Khoroo, Suhkbaatar District, Ulaanbaatar, Tel: +976-75551919 /ext. 4/) during business hours on business days. The ballot voting deadline is 23 April 2025 at 18:00.

For more information, please contact the AGM organizing committee at telephone: +976-11-344336 and/or email: [agm@apu.mn](mailto:agm@apu.mn) between 10:00 and 17:00 hours on business days.

## **AGM ORGANIZING COMMITTEE**

AAPU JSC, Chinggis Avenue-14, Khan-Uul District,  
Ulaanbaatar-17040, Mongolia



# HOW TO ATTEND THE MEETING

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

Virtual Participation	Ballot Voting
1. Visit <a href="http://www.agm.mn/apu">www.agm.mn/apu</a> and sign up or secure your access using the method same as the one to access "E-Mongolia" platform through "Dan" system after the record date: 4 April 2025.	1. Contact your broker dealer company or the Tabulation Committee (BDSec UTsK JSC) to fill in the ballot paper in advance. The ballot voting deadline is 18:00 hours, 23 April 2025.
2. Attend and cast your vote at the virtual meeting to be commenced on 24 April 2025 at 14:00 hours, using your preconfigured username and password or through national identification system "DAN".	2. Upon receiving your completed ballot the Tabulation Committee verifies a signature and stamp of your broker on a ballot paper and confirms your attendance and votes to be included in the tabulation.

Should you have any clarifications, please contact us either by email or phone specified below.

Sincerely,

**THE ORGANIZING COMMITTEE**

Tel: +976-11-344336

Email: [agm@apu.mn](mailto:agm@apu.mn)



# MEETING AGENDA

The AGM will be held between 14:00 and 15:10 on 24 April 2025.

Nº	Items	Resolutions	Duration	Person in charge
1	Organizational matters		14:00-14:02	Board Secretary B.Sarantungalag
2	Compilation and presentation of attendance results	Tabulation Committee Resolution	14:02-14:05	Tabulation Committee
3	Opening remarks by the meeting chairperson and presentation on the 2024 operational and financial reports of APU JSC		14:05-14:25	Meeting Chairperson Ts.Erdenebileg
4	Presentation of the Board conclusion on the 2024 operational and financial reports of the company and the report on Board Operations	AGM resolution	14:25-14:35	Independent Director
5	Questions & Answers		14:35-14:40	
6	Presentation on the proposed Board remuneration	AGM resolution	14:40-14:45	Independent Director
7	Questions & Answers		14:45-14:50	
8	Provision of instructions for online voting		14:50-14:55	Tabulation Committee
9	Online voting on the agenda items		14:55-15:00	Tabulation Committee
10	Tabulation of voting results and report back on the voting results to the attendees	Tabulation Committee Resolution	15:00-15:05	Tabulation Committee
11	Closing remarks		15:05-15:10	Meeting Chairperson Ts.Erdenebileg



# THE AGENDA

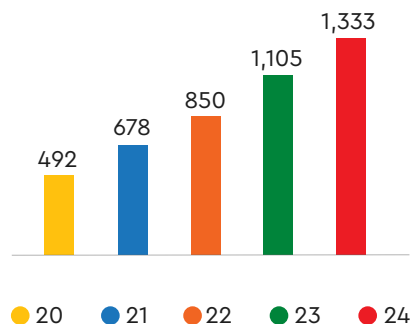
1. To approve the conclusion drawn by the Board of Directors on the 2024 operational and financial reports of APU JSC; and
2. To approve the proposed Board of Directors' remuneration.



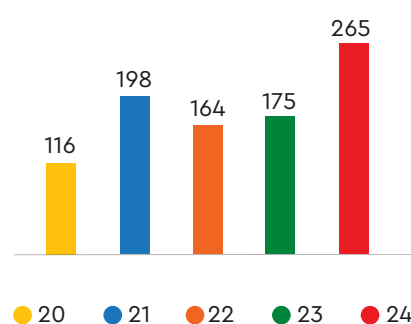
# AGENDA ITEM NO. 1

TO APPROVE THE CONCLUSION DRAWN BY THE BOARD OF DIRECTORS ON THE 2024 OPERATIONAL AND FINANCIAL REPORTS OF APU JSC

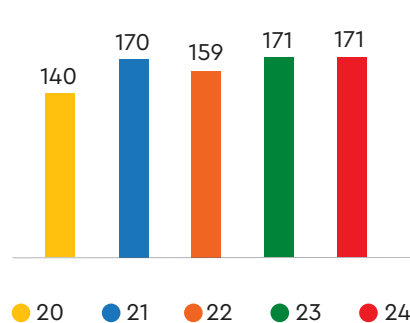
Net Sales Revenue  
/MNT billion/



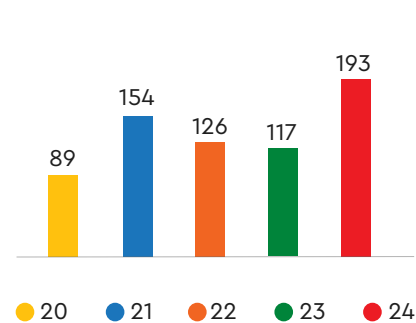
Operating Profit  
/MNT billion/



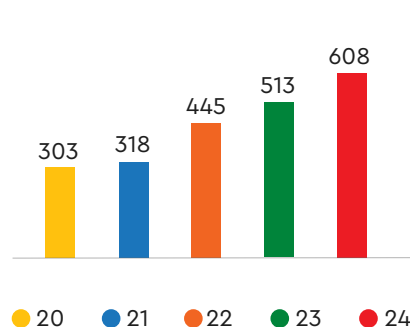
Sales Volume  
/million L/



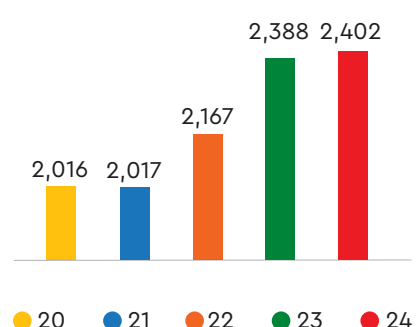
Net Profit  
/MNT billion/



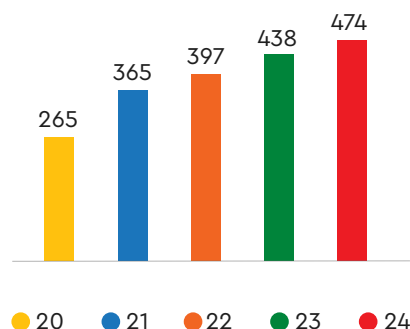
Product Portfolio  
/SKUs/



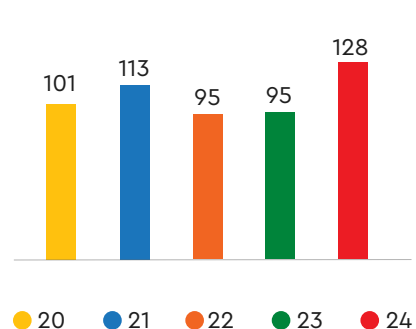
Headcount



Taxes Paid  
/MNT billion/



Dividends Distribution  
/MNT billion/



# OVERVIEW OF FINANCIAL PERFORMANCE

KEY RESULTS		Unaudited consolidated financials	Audited consolidated financials
		2024	2023
SALES VOLUME	thousand L	171,114	170,960
<b>PROFIT &amp; LOSS</b>			
Net sales revenue	million MNT	1,332,680	1,105,352
Operating profit (EBIT)	million MNT	264,914	175,345
Net profit	million MNT	192,948	117,058
<b>BALANCE SHEET</b>			
Current assets	million MNT	471,433	448,952
Non-current assets	million MNT	608,279	569,529
<b>Total assets</b>	<b>million MNT</b>	<b>1,079,712</b>	<b>1,018,481</b>
Total liabilities	million MNT	284,655	337,906
Total shareholders' equity	million MNT	795,056	680,576
<b>Total shareholders' equity and liabilities</b>	<b>million MNT</b>	<b>1,079,712</b>	<b>1,018,481</b>
<b>CASH FLOW</b>			
Net cash flow from operating activities	million MNT	261,358	184,383
Net cash flow from investing activities	million MNT	(107,390)	(117,469)
Net cash flow from financing activities	million MNT	(166,779)	18,853
Other cash flow	million MNT	(1,367)	(1,980)
Total net cash flow	million MNT	(14,178)	83,787
Opening balance of cash and cash equivalents	million MNT	122,152	38,365
Closing balance of cash and cash equivalents	million MNT	107,974	122,152
<b>TAX PAYMENT</b>			
Excise tax	million MNT	244,810	236,044
VAT	million MNT	105,126	90,049
Other taxes	million MNT	124,104	111,720
Total tax payment	million MNT	474,040	437,813
<b>CAPEX</b>			
Total CAPEX	million MNT	112,099	109,486

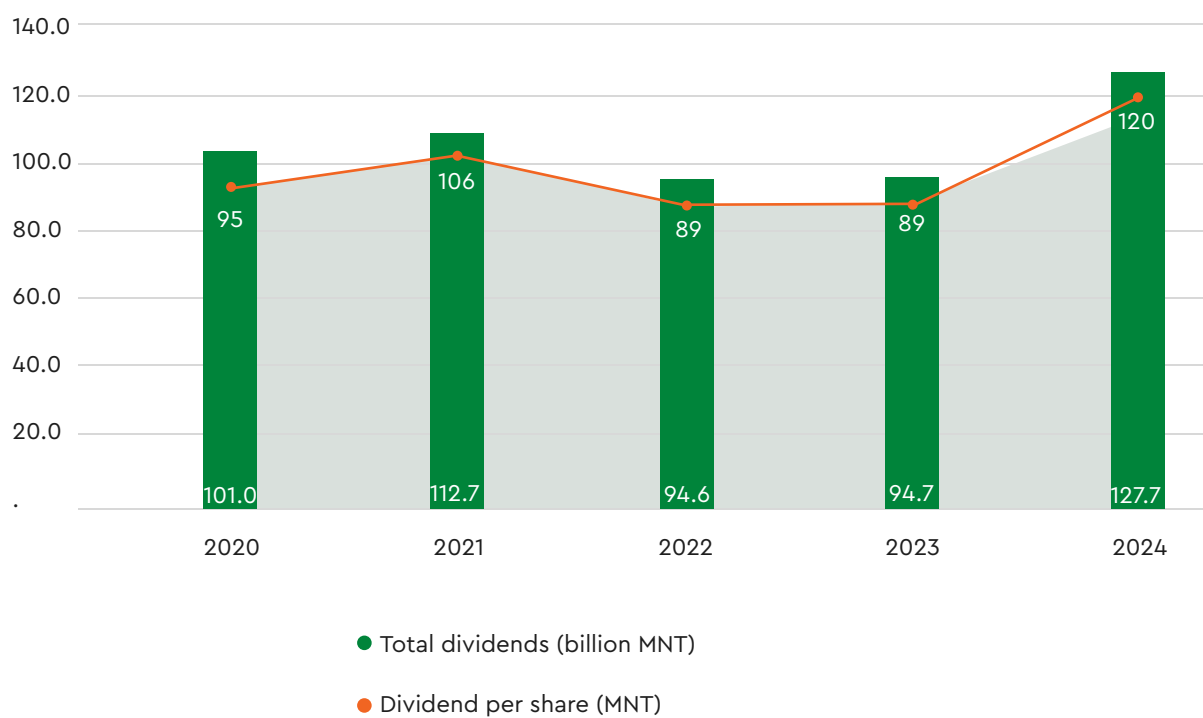




# DIVIDEND DISTRIBUTION

The Board of Directors resolved to pay an annual total dividend of MNT 120 per share on 2024 results.

Reporting period	Dividend declaration date	Dividend per share	Dividend record date	Payment deadline	Date of dividend placement in the accounts of Central Securities Depository
2024 H1	2024.08.01	55 тєг	2024.08.20	2025.02.10	2024.10.02
2024 H2	2025.02.10	65 тєг	2025.04.04	2025.08.19	2025.04.30
TOTAL		120 тєг			



# REPORT ON BOARD OPERATIONS

## Board Composition



Non-Executive Director and Chairman  
**BATSAIKHAN PUREV**



Non-Executive Director  
**SENG YI-YING**



Non-Executive Director  
**GOMBO-ERDENE BAYARTSOGT**



Independent Director  
**ODBAYAR ODONCHIMED**



Independent Director  
**UNENBAT JIGJID**



Non-Executive Director  
**BATBAYAR BURENTOGTOKH**



Non-Executive Director  
**KENNETH CHOO**



Non-Executive Director  
**GANTIG BATSAIKHAN**



Independent Director  
**GERELCHULUUN YONDON-OIDOV**



Board Secretary  
**SARANTUNGALAG BAZARRAGCHAA**

### Changes:

- As the former directors Sergey Gromov and Miyegombo Dorj submitted their resignation notices, Gantig and Gombo-Erdene were nominated to the Board and the directors above were elected by the AGM dated 30 April 2024 for the term of 3 years.
- A new board secretary, Sarantungalag, was appointed by the Board on 4 September 2024, replacing the former board secretary Ariunsan Chadraabal.



The Board adopted 58 resolutions and held 13 meetings either in person or by circulation to exercise the powers, authority and responsibilities of the Board of APU JSC and the shareholder meetings of APU JSC's subsidiaries and associate companies.

Nº	Type of resolutions of APU Group	Number of resolutions
1	APU JSC Board resolutions	24
2	APU Dairy LLC Shareholder resolutions	8
3	APU Trading LLC Shareholder resolutions	4
4	MBC Asia Pacific LLC Shareholder resolutions	7
5	SBB Trade LLC Shareholder resolutions	4
6	Spirit Bal Buram LLC Shareholder resolutions	5
7	Grand LLC, Russia Shareholder resolutions	2
8	Grand East LLC, Russia Shareholder resolutions	2
9	Inner Mongolia Aipiyou Trade LLC, China Shareholder resolutions	2
	Total	58

#### Board Sub-Committees

Under the clause 81.2 of the Company Law of Mongolia, the Board has formed Audit, Nomination and Remuneration Committees, , consisting of a minimum of two-thirds (2/3) of the committee members being the independent directors.

The Audit committee had 3 meetings and each of the Nomination and Remuneration Committees had one meeting respectively to pass recommendations, conclusions or decisions according to their respective functions set out in the Company law, Company Charter and Committee Regulations.

Board Committee	Number of meetings	Composition	Director type	Name
Audit Committee	3	Chair Member Member	Independent Director Non-Executive Director Independent Director	J.Unenbat Seng Yi-Ying O.Odbayar
Nomination Committee	1	Chair Member Member	Independent Director Non-Executive Director Independent Director	O.Odbayar P.Batsaikhan Yo.Gerelchuluun
Remuneration Committee	1	Chair Member Member	Independent Director Non-Executive Director Independent Director	Yo.Gerelchuluun J.Unenbat Kenneth Choo



# **BOARD CONCLUSION ON THE 2024 OPERATIONAL AND FINANCIAL REPORTS OF APU JSC**

"APU Group's operations and financial performance targets were successfully achieved in 2024."



# AGENDA ITEM No. 2

TO APPROVE THE PROPOSED BOARD OF DIRECTORS' REMUNERATION

## Background

The New Corporate Governance Code of Mongolia, approved by the Financial Regulatory Commission by its resolution No. 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.

## Proposed Directors' Remuneration

Pursuant to clause 7.22.8 of the Company Charter, the Board resolved by its resolution No. 22/07 dated 06 May 2022 that a gross monthly director's fee (before tax and other legally mandated deductions) be set for Chairman – MNT 10 million and Directors – MNT 6.5 million. Since then, the Board remuneration was approved without any change by shareholders at the Annual General Meetings of 2023 and 2024.

The directors' remuneration is now proposed to the Annual General Meeting 2025 as follows:

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 Resolution No. 25/03 of  
the Board of Directors of APU JSC,  
dated 14 March 2025

## BALLOT PAPER FOR APU JSC ANNUAL GENERAL MEETING TO BE HELD ON 24 APRIL 2025

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 of shareholders of APU JSC to be held virtually on 24 April 2025 commencing at 2:00 PM.

Nº	Proposed resolutions to be adopted by the meeting	For	Against	Abstain	Comments if voted against
1	To approve the Board of Directors conclusion on the 2024 operational and financial reports of APU JSC				
2	To approve the Proposed Board of Directors' remuneration				

Filled in by: Shareholder ..... (signature)

Broker (if voted through broker company)..... (signature and stamp)

Date of voting: ..... (dd) ..... (mm) 2025

The ballot has been counted as valid by:

Head of the Tabulation Commission ..... (S.Dulguun)

If deemed invalid, the reason for such decision: .....

.....  
.....

### Instructions:

1. You will vote according to the number of shares held as of the meeting registration date (4 April 2025).
2. If you are unable to attend the virtual meeting, you can vote by filling in the ballot either at your broker dealer company or BDsec UTsk JSC (the tabulation committee) before 23 April 2025 at 6:00 PM.
3. To fill in the ballot paper, please vote by marking (✓) in the box that you chose.
4. Ballots will be deemed invalid if unmarked, corrected, or erased.
5. If you intend to appoint a proxy to represent yourself, please provide your proxy with a notarized power of attorney.

# DRAFT RESOLUTION TO BE ADOPTED BY THE ANNUAL GENERAL MEETING

## APPROVAL OF AGENDA ITEMS DISCUSSED

Based on the decisions of APU JSC's Annual General Meeting dated 24 April 2025 and the Tabulation Committee, it is hereby RESOLVED to:

1. Approve the conclusion (APU Group's operational and financial performance targets for 2024 were achieved successfully) drawn by the Board of Directors on the 2024 operational and financial reports of APU JSC; and
2. Approve the Board of Directors' remuneration as per annex hereto.

CHAIRPERSON OF THE MEETING

Ts.ERDENEBILEG



## Remuneration of the Board of Directors of APU JSC

Nº	Board positions	Names	Fixed monthly fees inclusive of taxes (MNT)
1	Chairman		10,000,000
2	Non-Executive Director		6,500,000
3	Non-Executive Director		6,500,000
4	Non-Executive Director		6,500,000
5	Non-Executive Director		6,500,000
6	Non-Executive Director		6,500,000
7	Independent Non-Executive Director		6,500,000
8	Independent Non-Executive Director		6,500,000
9	Independent Non-Executive Director		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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