

**E-TRANS LOGISTICS JSC  
2024 SEMI-YEAR ACTIVITY REPORT**

2024.07.26

Борхойн тал

<b>Half-year activity report /form 1/</b>		
Article 20 of the Securities Market Law stipulates the ongoing obligations of the issuer, and the issuer is responsible for submitting annual operational report to the Financial Regulatory Commission and the exchange in accordance with the below form, and shall disclose to the public through its website.		
Reporting period	From January 1st 2023 to December 31st 2023	
Issuer's name, state registration certificate number, securities symbol, phone number	Э-Транс логистикс ХК, ETR, 99117631	
Name of listed exchange	Stock exchange	
Sector of business operation	Rail transshipment service, customs inspection zone, bonded warehouse, one-stop service	
Name and date of registration of the audit firm registered with the FRC that issued an audit opinion on the year-end financial statements	ИХМОНГОЛ ХӨЛӨГ АУДИТ ХХК, 2014 оны 09 дүгээр сарын 17	
Total number of shares issued by the issuer	46,200,000 unit	
Names of the specialist who prepared and the official who reviewed the annual report	The report was prepared by: S. Ganbat, internal affairs officer Reviewed by: Ch. Enhbold, Executive Director	
<b>1.</b>	<b>Financial report for the reporting year /fill in the indicators of the summary report and attach the financial report/</b>	
Indicator of financial condition	Amount of working capital	<b>1,184,773,484.14</b>
	Amount of non-current assets	<b>4,580,017,161.48</b>
	Total assets	<b>5,764,790,645.62</b>
	Amount of short-term liabilities	<b>121,878,414.46</b>
	Total amount of liabilities	<b>121,878,414.46</b>
	Owner's equity	<b>5,642,912,231.15</b>
	Amount of liabilities and owners' equity	<b>5,764,490,645.62</b>
Income statement	Sales revenue (net)	<b>1,455,741,577.66</b>

		Total profit (loss)	1,455,741,577.66
		Profit before tax (loss)	121,103,083.65
		Profit (loss) after tax	107,562,085.75
		The amount of total income	107,562,085.75
	Statements of retained earnings	Property	4,620,000,000.13
		Paid-up capital	154,000,000.00
		Other property of owners	774,858,080.00
		Accumulated profit	94,054,151.02
		Total amount	5,642,912,231.15
	Cash flow statement	<b>Cash flow from operating activities</b>	
		Amount of cash income (+)	1,619,771,649.21
		Cash expenditure (-)	1,358,945,968.19
		Net cash flow	260,825,681.02
		<b>Cash flows from investing activities</b>	
		Amount of cash income (+)	28,047,906.52
		Amount of monetary expenses (-)	91,113,392.52
		Amount of net cash flow from investment activities	-63,065,486.00
		<b>Cash flow from financing activities</b>	
		Financial operations net cash flow amount	
		All net cash flows	197,760,195.02
		Cash and cash equivalents the final balance	769,277,198.99
2.	<b>The opinion of the audit committee under the board of directors, which discussed and approved the half-yearly and quarterly financial reports</b>		
	By resolution No. 07 of July 4, 2024 of the board of directors of the company, the audit committee under the board was approved by J. Enkhtulga, H. Bathishig, and B. Lkhagvadorj. As the committee decided to discuss the company's financial report once a year at the end of the year, the half-year financial report was not discussed.		
3.	<b>External and internal factors affecting the issuer's financial activities during the reporting period, management reports and conclusions based on the analysis of financial statements, income, expenses, and profit indicators</b>		

As of the first half of 2024, the turnover of goods entering the country's borders was relatively stable compared to the same period of the previous year, but the income obtained by the company's activities has decreased. As of the first half of 2024, the number of vehicles that entered the customs control zone was 2455 more than the same period of the previous year, or 15,982 vehicles. However, the fee collected from vehicles that entered the customs control zone decreased from the previous year, because each vehicle that entered the control zone in 2023 was charged twice for performing the above services on its own vehicle at the request of the customs authority, because the increased amount was reflected in the report of that year. It will be seen as a decrease in income. In addition, customs inspection and registration of incoming export goods by vehicles is carried out through the company's customs inspection zone, and this service has also decreased by 257 vehicles compared to the previous year. The main activity of the company, which is the transshipment service by rail, has also decreased by 272 wagons from the same period last year, and the income from transshipment has also decreased to a certain extent due to the fact that the railway organization has not carried out the work of overloaded wagons on the company's branch roads since this year. It is explained in the lower part of the table that the shipment income shown in the report has increased by MNT 251,250,924.

It is concluded that transshipment by rail will not increase further from the current level. This situation is due to the monopoly of the UBTZ in previous years, the non-issue of wagons on branch roads, and the fact that customers look for other transshipment methods and turn to the UBTZ. However, the company is looking for other ways to earn income, in cooperation with Zamyn-Uud Sum dah Customs Organization, using the company's elevated platform to unload containers, starting 5 months ago, 1217 containers have been unloaded and unloaded in the first half of the year, and this work can continue for a long time. In addition, in order to improve the conditions for comfortable working and service of the company's office and leased employees and customers, the office and one-stop service hall were repaired.

**3.1. Operating results /financial ratio indicators/**

Gross profit margin: Does not include cost of operations  
 Net profit margin: 0.072%  
 Net profit margin: 8.1%  
 Return on Equity (ROE): 2.1%  
 Turnover Ratio: 9.72  
 Liquidity ratio: 6.65

**3.2. Liquidity and financial resources, reasonable indicator**

Asset valuation		
Type	index	Conclusion
	Half year 2024	
Return on Total Assets	0.32	Asset utilization per 1 MNT

	Percentage of working capital	20.55	The share of working capital increased and improved from the previous reporting period, and the share of fixed assets remained high.
	Depreciation rate	41%	Depreciation rate of fixed assets is 41 percent
	<b>Assessment of financial condition</b>		
	<b>Type</b>	<b>index</b>	<b>Conclusion</b>
		<b>Half year 2024</b>	Good working capital and current ratio of 9.72 indicates no short-term financial pressure on operations.
	Working capital	1,062,895,070	
	Equity ratio	0.021	Represents the portion of the total assets that is financed by credit. As of the 2nd quarter, 0.021% was financed by credit sources.
	Turn ratio	9.72	Ability to settle short-term liabilities with working capital is good.
	Debt ratio	0.97	The absence of long-term debt and the low amount of short-term debt indicate the company's ability to operate independently without the burden of debt.
<b>3.3.</b>	<b>Information on the effects of the external and internal environment on the activities of the issuer, its share in the operating industry, changes in the range of products and services, and measures planned to be taken by the issuer in response to changes in development.</b>		

д/д	Орлогын нэр	Half year 2023	Half year 2024	Different
1	Shipping revenue	75,950,700	327,201,627	251,250,924
2	Deposit and exit permit income	1,187,170,137	856,700,755	-330,469,382
3	Rental income	23,325,000	30,575,758	7,250,758
4	other income	334,283,754	271,843,403	-62,440,3251

Note: The difference in railway freight revenue is MNT 249,900,900, which is the difference arising from the difference in the registration of shipping revenue and previously the shipping revenue was recorded as the difference in the transportation fee transferred to the railway. It seems that there is a discrepancy.

3.4.	Detailed information on operations and transactions recorded outside the statement of financial position, accounting policy information /off balance/	There is none
4.	<b>Information on conflict of interest and large-scale transactions of the issuer during the reporting period, the importance of the purpose of the transaction, information about the person with a conflict of interest / information about the total conflict of interest transactions conducted during the reporting period/</b>	
	No conflict of interest or significant transactions.	
5.	<b>If the issuer has issued shares to the public for the purpose of implementing a project, the report and information on the progress of project implementation since the start of the project and the use of funds collected</b>	
	No shares were issued as public offering for project implementation.	
6.	<b>Information related to corporate governance</b>	
	<p>- The general meeting of the company's shareholders was organized on 04/30/2024 through the electronic conference system of "BiDiSec" JSC.</p> <p>The following issues were discussed and resolved at the regular meeting of shareholders:  The company's financial statements and independent audit findings  2023 Company Activity Report</p>	

Approve the report with the conclusion of the Board of Directors on the company's 2023 operational and financial statements  
 Approval of the company's 2024 business plan  
 Approval of the 2024 salary and bonus budget of the board of directors  
 Elect regular and independent members of the board of directors  
 Presenting the decision on dividends

- B. Uranbaigal and A. Bat-Orshih were newly elected as ordinary members at the shareholders' meeting, and other members were re-elected. The members' meeting was held on July 4, 2024, and the chairman of the board of directors and members of the committees under the board were newly appointed. When appointing the respective members, the heads of the committees are appointed as independent members in accordance with the corporate governance code. .
- Financial operations and reporting for the year 2023 were audited by Great Mongolian Ship Audit LLC, and the audit report was discussed and resolved at the shareholders' meeting with the participation of the audit company's representatives.
- The company's website has been updated. The rules, procedures, instructions, operations, and financial reports related to the company's governance code have been uploaded for direct viewing and download by shareholders. In the future, we are working to ensure the regular operation of the website and social media pages.
- The company's operations and financial reports are submitted to the Financial Regulatory Commission and the Stock Exchange within the time limit set by law, and the reports are regularly posted on the Stock Exchange's website.
- The guidelines and procedures to be followed in the company's operations are developed in accordance with the new exemplary procedures and are discussed and approved at the meeting of the Board of Directors and are used in the operations.
- Submitted the evaluation report on the implementation of the corporate governance code to the Stock Exchange and the Financial Regulatory Commission and made an evaluation.

**7. Reports and information related to issuer governance**

The governance evaluation report was submitted in accordance with the relevant procedures and instructions.

Signature of the person who prepared the information, the person who confirmed the accuracy of the information and the date:

Full name : Chuluun Enkhbold

Position: "E-Trans logistics" JSC's CEO

Signature:  .....

(Stamp)



Full name : .....

Position: : " Ikh Mongol khulug " LLC audit company's CEO

Signature: .....

(Stamp)

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

Full name: Sodnomtseren Ganbat

Position : Internal affairs officer

Signature:  .....