

E-Newsletter

32nd edition

News Brief

Event



INFORMATION OF GOVERNMENT SECURITIES TRADING

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MCUD, MSE AND MNCA WILL BE COOPERATED

ANGAR.D PARTICIPATED AT "MONGOLIA BUSINESS SUMMIT-2015"



ANGAR.D: CAPITAL MARKET OPEN DOOR EVENT WILL BE HELD IN THE CITY OF ERDENET

- Government bonds worth MNT91.6 billion traded through 5 trading sessions in April.
- Representatives of "Binse" JSC opened MSE's 4,989th trading session.
- Sharyn Gol JSC announces the commissioning of its coal wash-plant and execution of an agreement to export washed coal to the South Korea.
- Open Door of capital market event were organized in Erdenet city and more events will be organized in future.
- Custodian training held at MSE and market related experts participated.
- 5,000th trading session launched at Mongolian Stock Exchange.
- MCUD. MSE and MNCA will be cooperated.
- Angar.D participated at "Mongolia Business Summit-2015"
- Angar.D: Capital market Open Dorr event will be held in the city of Erdenet

STATISTICAL INFORMATION OF SECURITIES MARKET

Trading information of June 2015

TRAINING

Fundamental training of Capital market will commence on July 27.

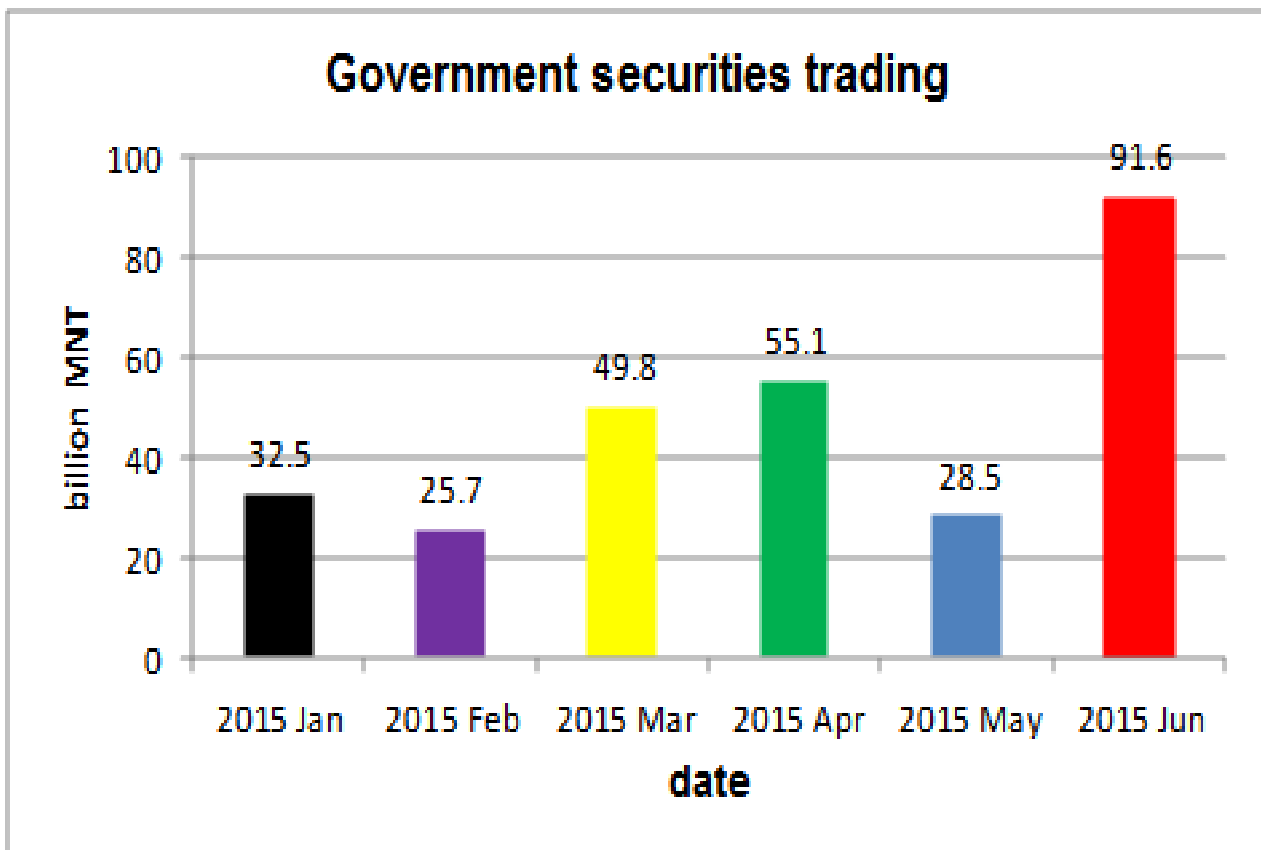
For detailed information please contact to: 11-313747 /116



INFORMATION OF GOVERNMENT SECURITIES TRADING

According to the Financial Regulatory Commission Resolution No. 389 dated 21 October 2014 and Chief Executive Officer's Order No.169 of the MSE dated 23 October 2014, Government Securities has been traded through the Mongolian Stock Exchange since November 2014. Government bonds worth MNT91.6 billion traded through 5 trading sessions in June of 2015.

Date	Name of securities	Maturity /week/	Purchased amount /unit/	Interest rate	Value /MNT/
2015.06.02	3ГХБ-Б-12-310	12	300,000	14.758%	29,014,500,000.00
2015.06.09	3ГХБ-Б-28-312	28	150,000	15.020%	13,880,400,000.00
2015.06.16	3ГХБ-Б-12-314	12	300,000	14.674%	29,019,900,000.00
2015.06.23	3ГЭБ-Б-52-315	52	100,000	15.473%	10,000,000,000.00
2015.06.30	3ГЭБ-Б-12-317	12	99,990	14.415%	9,667,932,110.00
TOTAL PURCHASED GOVERNMENT SECURITIES			949,990		91,592,732,110.00



REPRESENTATIVES OF BINSE JSC OPENED MSE'S 4,989TH TRADING SESSION



“Binse” JSC issues additional 1,000,000 shares on primary market at Mongolian Stock Exchange and Tsogtbayar.G, chairman “Binse” JSC, Batzaya.B, CEO of “Binse” JSC rang the opening bell of 4,989th trading session of MSE on 2 June 2015.

The additional shares that offered to public was at MNT744.00 per share. The primary market trading had been issued in period between June 3-16, 2015.



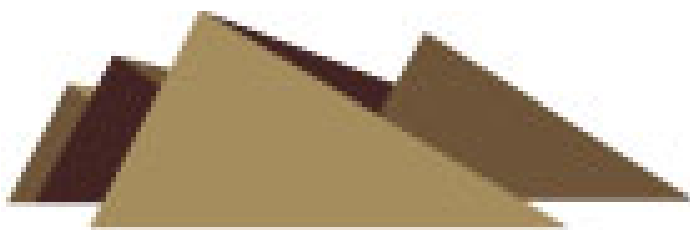
SHARYN GOL JSC ANNOUNCES THAT ITS CONTROLLING SHAREHOLDERS HAVE ENTERED INTO AN AGREEMENT FOR THE TRANSFER OF THE LISTING STATUS OF ERATAT LIFESTYLE LIMITED

Sharyn Gol JSC (MSE: SHG) is pleased to announce that it has been informed by a representative of its controlling shareholders, which are predominantly entities controlled by funds managed by affiliates of New York-based Firebird Management LLC (“Firebird”), that Mogul Coal Holdings Pte. Ltds. (“MCH”), a private Singapore-registered company created for the purpose of holding coal assets in Mongolia, has entered into an agreement (“Implementation Agreement”) pursuant to which Eratat Lifestyle Limited, a company under judicial management that is listed on the SGX (“ELL”), will transfer its Listing Status to MCH in consideration of the issue of ordinary shares in the share capital of MCH to shareholders and eligible creditors of ELL (“Transfer”).

The successful completion of the Transfer would result in Sharyn Gol JSC becoming an indirect subsidiary of MCH, which would become a listed company on the Catalist Board of the SGX (“Catalist Board”). The completion of the Transfer, which is subject to certain conditions precedent to closing, would not result in a Change of Control under Mongolian securities law, as Firebird would remain a controlling shareholder of Mogul Coal Holdings Pte. Ltd.

Sharyn Gol JSC would remain a public company listed on Mongolian Stock Exchange (“MSE”). The proposed listing of MCH would represent the first listing of a Mongolian mining company on the SGX and would benefit Sharyn Gol JSC by providing the company with access to new equity capital through the listing of its parent company on the Catalist Board.

Sharyn Gol JSC is located 215km north of Ulaanbaatar and 45km south east of the city of Darkhan on Mongolia’s main national rail line, is a leading producer of high-grade thermal coal and sells to state-owned power stations, local cement factories as well as retail consumers. In 1993, the company was listed on MSE (MSE: SHG) and was fully privatized in 2003.



SHARYN GOL JSC

SHARYN GOL ANNOUNCES THE COMMISSIONING OF ITS COAL WASH PLANT AND EXECUTION OF AN AGREEMENT TO EXPORT WASHED COAL TO SOUTH KOREA

Sharyn Gol JSC (MSE: SHG) has successfully commissioned its new coal wash plant, which is located next to its producing coal mine in Sharyn Gol city, Darkhan province. The plant, which has the capacity to wash 600,000 tons of raw coal per year, enables Sharyn Gol to produce an export grade coal, as well as a premium coal product for the domestic industrial market. The coal wash plant is Mongolia's second operating coal wash plant and the only coal wash plant that has the potential to supply the domestic market. The investment in the wash plant reflects Sharyn Gol's commitment to solutions for the production of environmentally friendly, value-added coal products.

Sharyn Gol has executed a Memorandum of Understanding with Mongol Sammok Logistics LLC, which is a joint venture between the Mongolian state and Sammok Shipping Company of South Korea. The signing ceremony took place at the Mongol Business Summit that is being held at the Ikh Tenger Complex. President of Mongolia Ts. Elbegdorj and other esteemed Mongolian dignitaries witnessed the signing of the Memorandum of Understanding.



MORE CAPITAL MARKET OPEN DOOR EVENTS WILL BE ORGANIZED IN FUTURE



Mongolian Stock Exchange and Government house of Orkhon province organized “Capital Market Open Door Event” successfully on 3 June 2015.

During the event, local citizens from Orkhon province provided information about Erdenes Tavan Tolgoi’s 1072 shares that giving from the state to every citizen, pink and blue vouchers, and information about trading accounts, dividends. Plus, brokerage companies were opening trading accounts for citizens.

In addition, small and medium local business entities attended the “How to attract investment from local exchange” training conducted by specialist of MSE. Open door event of capital

market went successfully in the Orkhon province, and more Open door events of Capital market will be organized in future.



ANGAR.D MET WITH CHAIRMAN OF QUAM FINANCIAL SERVICE GROUP

On 10 June 2015, Mr. Bernard Pouliot, Managing Director at Quam Limited Investment Arm, visited to Mongolian Stock Exchange and held meeting with Angar.D CEO of MSE. During the meeting, Angar.D presented Information about existing policies and activities of MSE, future development trend of capital market and government retail bonds trading. Mr. Bernard Pouliot acquainted information about investment opportunities in domestic market, and he expressed his interest on Government retail bonds. Since 2015, the Government retail bonds have been attracting more foreign investors.



THE CUSTODIAN TRAINING HELD AT MSE

In order to introduce custodian service into Mongolian capital market, Mongolian Stock Exchange, London Stock Exchange /LSE/ and LSE's sister company MIT group have been organizing custodian training. On 12 June 2015, Mongolian Stock Exchange conducted custodian training and specialists from MSE, SCHCD, banks, FRC and specialist from MIT group in Sri Lanka participated in the training. The training was conducted as an online and covered about custodian service registration on MIT system, bank registration and guide of participate trading.



**DECISIONS OF FINANCIAL REGULATORY COMMISSION AND
MONGOLIAN STOCK EXCHANGE**



SURVEILLANCE REPORT TRANSFERRED TO THE FRC

According to the Article N.: 74.1 of the Mongolian Securities Law, Mongolian Stock Exchange transferred the surveillance report of trading for BDSec JSC and Aduunchuluun JSC along with the resolution to the Financial Regulatory Commission.

“MONGOLYN GECEE” JSC’S SHARES WILL BE DELISTED

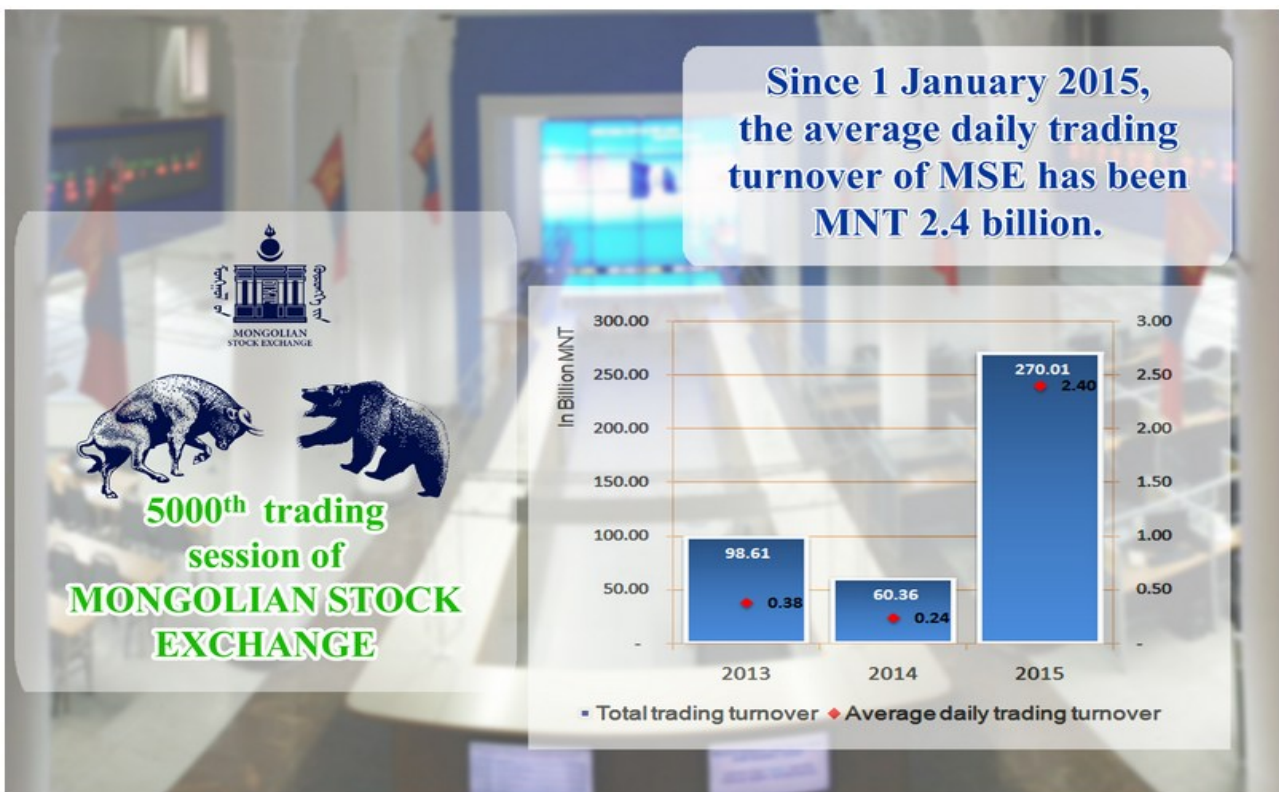
According to the resolution No.:287 of Financial Regulatory Commission dated on 24 June 2015, total 271,805 shares of “Mongolyn Gegee” JSC will be delisted from MSE’s listing.

LISTING AMENDMENT HAS BEEN MADE ON “BAYANBOGD” JSC

According to the resolution No.: 162 of Financial Regulatory Commission, the Article No.: 8.10.11 of MSE’s charter, the Article No.; 20.3 of Listing regulation of MSE, the request from “Bayanbogd”JSC dated on 20 May 2015 and the resolution of Board members meeting dated on 18 June 2015, combined amount of shares of both “Bayanbogd” JSC-97,607 “Standard Properties Group” LLC-1,530,200 resulting total of 1,627,807 shares. The legal name of the company changed to “Standard Properties Group” JSC.

5,000TH TRADING SESSION ON THE MONGOLIAN STOCK EXCHANGE

Mongolian Stock Exchange (MSE) established on 18 January 1991 and secondary market trading launched on 28 August 1995. Since then, there were 4,999 trading sessions organized at MSE and total transaction of MNT1.4 trillion has been made. As of today, there are 237 Joint Stock Companies with a total capitalization of MNT1,436,928,399,304.00 listed at MSE. Since 1 January 2015, total of MNT270.0 billion worth trading have been organized and average daily turnover reached to MNT2.4 billion.



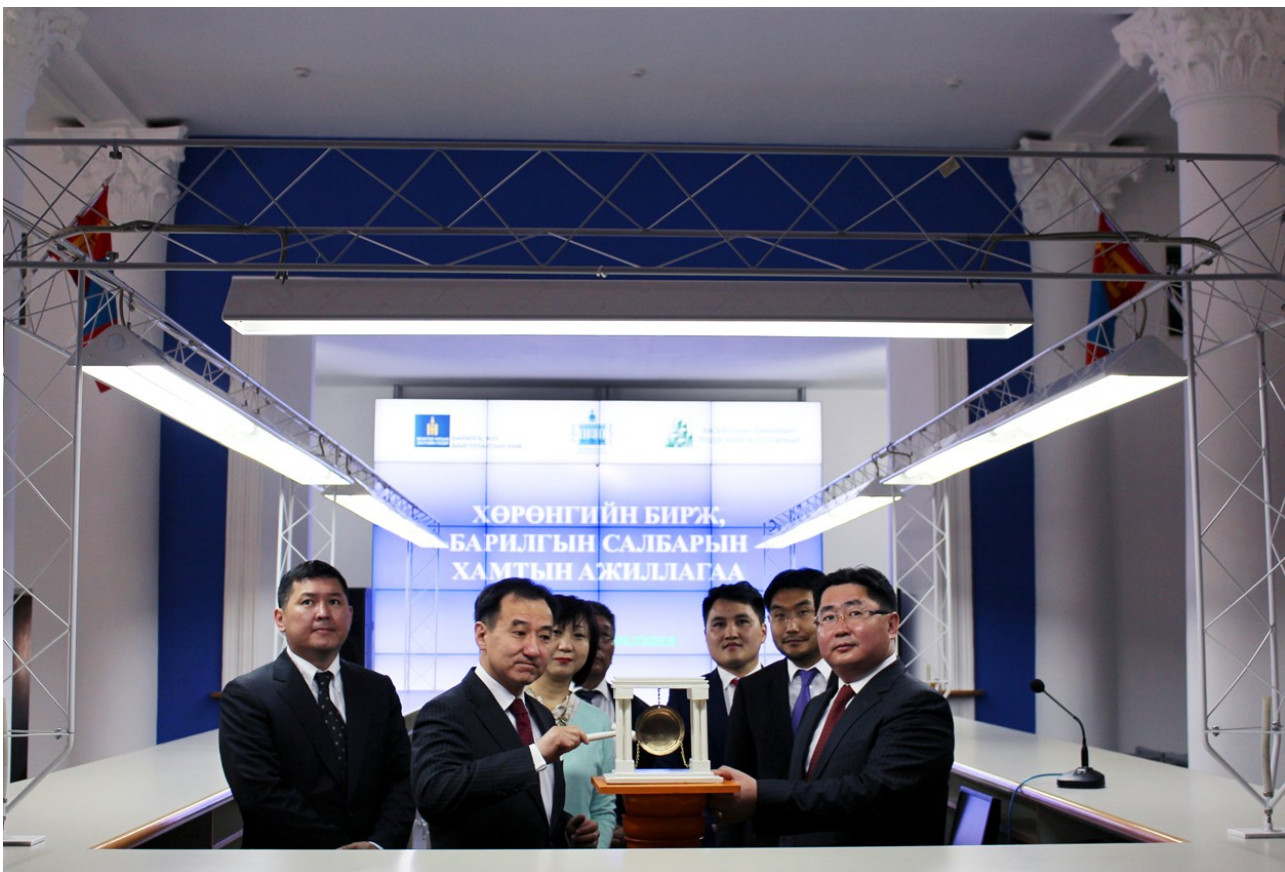
“IPO AND DUAL LISTING” SEMINAR HAS BEEN HELD

Financial Regulatory Commission /FRC/, Japan International Cooperation Agency /JICA/ of and Mongolian Chamber of Commerce co-organized the seminar called “IPO and Dual Listing” on 23 June 2015, in order to improve capacity of Mongolian capital market. During the seminar, MSE participated and presented the presentation “How to list at MSE” and how to raise money on capital market to representatives from domestic Top-100 enterprises.

MCUD, MSE AND MNCA WILL BE COOPERATED

Tsogtbaatar.D, Minister of Ministry of Construction and Urban Development, rang the opening bell of 5,005th trading at Mongolian Stock Exchange on 24 June 2015. During the ceremony, the Memorandum of Understanding (MOU) signed between Mongolian Stock Exchange (MSE), Ministry of Construction and Urban Development (MCUD) and Mongolian National Construction Association (MNCA). By signing MOU, it opening opportunities to raise capital from capital market for construction companies and following activities will be implemented:

1. To issue IPO and raise long-term funding from capital market
2. To issue Corporate bonds
3. To use other financial instruments to finance companies in construction sector
4. To organize capital market seminars and workshops and provide professional advises to construction companies



ANGAR.D PARTICIPATED AT “MONGOLIA BUSINESS SUMMIT-2015”

The Mongolia Business Summit is jointly organized by the Mongolia Economic Forum and Business Summit Foundation annually. The Mongolia Business Summit of 2015 held at “Ikh Tenger” Complex in Ulaanbaatar on 18-20 June 2015. During the forum, Angar.D, acting CEO of Mongolian Stock Exchange participated as panelist and presented about the present day of Mongolian capital market and how to issue IPO through MSE.



REPRESENTATIVES FROM TAIWAN SECURITIES ASSOCIATION VISITED TO MSE



On 22 June 2015, Hung-Wen Chien, Chairman of Taiwan Securities Association (TSA) visited to the Mongolian Stock Exchange (MSE) along with other representatives from TSA. During the meeting, representatives from TSA acquainted with Mongolian capital market and operation of MSE. Then, both parties exchanged ideas about attracting investors to the market.

REPRESENTATIVE OF MONGOLIAN PROFESSIONAL INSTITUTE OF GEOSCIENCES AND MINING VISITED TO THE MSE

On 25 June 2015, representatives of Mongolian Professional Institute of Geosciences and Mining (MPIGM) visited to the MSE and exchanged views on issue about implementing the internationally recognized national resource assessment report to mining companies and to issuing IPOs of mining companies in domestic capital market. Damba.D, president of MPIGM, Oyungerel.B, CEO of MPIGM and board member Naranbaatar.B were participated in the meeting with Angar.D, CEO of MSE along with other representatives of MSE. The MPIGM is member of Committee for Mineral Reserves International Reporting Standards (CRIRSCO) and it is non-government organization.



ANGAR.D: CAPITAL MARKET OPEN DOOR EVENT WILL BE HELD IN THE CITY OF ERDENET

We interviewed Mr. Angar D., Acting CEO of Mongolian Stock Exchange (MSE) on activities at the MSE.

-What has the MSE been up to lately?

-We have been regularly organizing open door events in Ulaanbaatar. A lot of people come. The latest open door event took place in February when we hosted over 6,500 people. There is clearly an interest in the stock market. Hence, we have decided to hold this event in other localities. The first one to take place outside of the capital will be held in the city of Erdenet.

-What will you discuss at the local events?

-The MSE focuses on supporting small and medium-sized businesses, and we have done much in this regard. In order to give them a wider reach for raising capital at the stock exchange, we managed to make the legal environment friendlier, as well as more cost- and time-efficient. So, the number of companies coming to the stock exchange has been rising. One example is Binse. We give information to local businesses about attracting investment from the stock market. Companies are usually eager to attend the event. So, we show them what opportunities there are. But it's their choice whether to use this knowledge or not.

-What updates have been made regarding the operations of the MSE?

-We have made some changes lately. For example, we lowered the trading fee for secondary market trades. The fee used to be 0.4 percent, but now it is 0.15 percent,



a 60 percent decrease. The one-time registration fee and other fees related to total turnover were decreased by over 40 percent. Trade settlement after an order is placed has been changed to one day, where it used to be three business days. Time is money. If you were to place an order today, it would typically settle by tomorrow. In other words, it's changed to T+1 – trade date plus one day. Also, the Mongolian Stock Exchange now registers new companies within 20 days whereas it used to be 60 days.

-The MSE is doing a lot to provide the public with information. Organising trade is your main role, isn't it?

-This market, as with any market, is based on reliable information. One of the many reasons behind the weak development of the stock market is the lack of information.

What we are trying to do is let people know what opportunities this market can offer and the doors that it can open for them. Almost all transactions will continue to be through banks unless our capital market develops. The economy will crash if one of the few big banks goes under. This is why it is essential that the capital market be developed. This is what we are trying to do right now.

-In Mongolia, businessmen seeking to find start-up capital for their company cannot meet the strict lending criteria of banks. Big companies raise capital from large exchanges abroad. Is there any possibility to raise money at the MSE for those who cannot meet the requirements of neither domestic banks nor big exchanges?

-We lowered the high threshold for businessmen. When we had two boards, the fixed capital requirement was a minimum of MNT one billion and 10 billion at the highest, and the business had to be operational for at least three years. Due to these former requirements, the public has the misconception that the MSE is a place for big companies. Now we have opened a third board, where start-up businesses can come. There, investors can choose profitable projects and invest in them.

-Isn't it too risky an option for investors?

-Investors won't suffer losses by doing this. Thresholds have been lowered, but requirements have been raised. We are paying extra attention to information transparency. To provide an example, we signed an agreement with the top 20 companies to make them more transparent. Now an MSE inspector can attend the board meetings of those companies. The inspector will make sure the financial reports released are accurate and handed to investors on time. Through

all these activities, the Mongolian Stock Exchange's policies are becoming more complex. On top of that, we not only enforce others but also provide information on ourselves in greater detail to public. We are the only stated-owned company that has received the "Company with good governance" award by the Independent Authority against Corruption. That is one piece of proof. We even report our employees' salaries online. All the information on income and spending is available to be checked online. We have nothing to hide.

The total amount of savings deposited in banks stands at MNT 7.8 trillion. This is the amount of money which circulates in the financial market. Where the money goes depends on the products. For example, since government bonds came into the stock market, a total of MNT 235 billion worth of trades has been conducted so far. This means that a rather small percentage of the financial market's trades and transactions happen in here. What we can see though is that investors will come on their own if there are profitable securities.

Nowadays, it is difficult to find investment from banks. If we look at 888 projects that sought investment, only 156 of them found investors because banks require collateral on top of other strict requirements. The active capital of banks has been declining in recent times, so now is an opportune time for businessmen and investors to seek capital from the stock exchange.

-You said that state owned companies can invest in government bonds at the MSE. How is that possible?

-Government bond yields are 0.2-0.4 percent higher than bank deposits of the same term. We are asking state owned companies to invest in government bonds with their leftover balances rather than letting it sit in their bank accounts. This is

profitable for both sides.

-Is it ethical for Mongolian Stock Exchange to act like a custodian bank, a broker or sometimes even an underwriter? You even bought securities yourself.

-The stock exchange itself bought MNT 500 million worth of bonds. We have profited MNT 25 million by taking it little by little. We are renovating the façade of our building with that money. This is a good example for others to see how profitable it can be if you buy shares. At a time when no one approaches the stock market, we

have to take the lead in bringing investors and businessmen together. There was a time when only banks bought and profited from government bonds which had a face value of MNT one million. Now, everyone is allowed to buy government bonds at the exchange. Some say that Mongolian Stock Exchange trades government bonds. We don't charge much. We only charge 0.00875 percent of the transaction.

Source: Zorigt.E,

Mongolian Economy Magazine



MSE'S BEGINNER COURSE CONDUCTED SUCCESSULLY



Mongolian stock exchange's "Capital market beginner course" for the residents has successfully conducted from 22 June 2015 to 26 June 2015.

This beginner course consists of combination of theory and practical aspects and capital market basic comprehensions, legal adjustment, participant's operation, practice lessons and securities trading at MSE, taught by specialists of Mongolian stock exchange and other professional organizations and professors of Mongolian Universities.

Numbers of people who want to enroll this course have increased day by day. Therefore, we plan to set next course on 27 July 2015.



2015 June

Brief Statistic

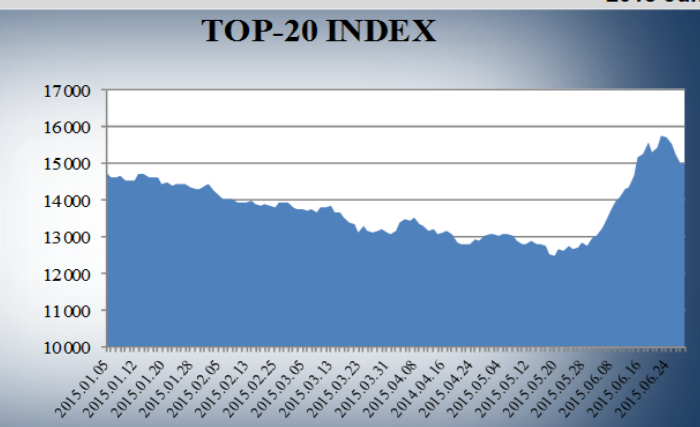
Traded Volume	3 049 949
Total Value	93 901 267 552,40
Number of Transactions	1524
Number of traded securities	69
Market Capitalization	1 408 502 503 115

Top20 Index

Close	15 023,81
Change /%/	17,77

MSE ALL Index

Close	1 025,89
Change /%/	11,31



Most actively traded securities:

Volume:				Value:			
Nº	Symbol	Securities name	Volume	Nº	Symbol	Securities name	Volume
1	ETR	E-TRANS LO	583 400	1	BDS	BDSEC	447 735 650
2	MRX	MEREX	345 613	2	APU	APU	225 449 644
3	RMC	REMICON	325 300	3	KEK	MONGOL KERAMIC	97 403 975
4	BDS	BDSEC	254 835	4	SOI	EUROASIA	97 349 000
5	HRM	HERMES CEM	110 060	5	TTL	TAVANTOLGOI	80 439 112

Most gainer securities

Nº	Symbol	Securities name	Closing price	Change %
1	HGN	KHUKH GUN	142,00	102,86
2	SHG	SHARYN GO	7 310,00	82,70
3	SHV	SHIVEE OVO	5 500,00	57,14
4	BAN	BAGANUUR	3 200,00	56,02
5	ADL	ADUUNCHUL	1 850,00	31,67

Monst loser securities

Nº	Symbol	Securities name	Closing price	Change %
1	CHR	UVS CHACH	1 000,00	-52,94
2	IBA	IKH BARILGA	4 800,00	-23,81
3	SOR	SOR	1 700,00	-17,48
4	MNS	MONNOOS	3 240,00	-14,74
5	HSX	KHISHIG UUL	650,00	-14,47

Government securities /primary market/

Nº	Securities name	Volume	Value	Face Value	Maturity /week/	Interest rate %
1	ЗГХБ-Б-12-310	300 000	29 014 500 000	96 715	12	14,758
2	ЗГХБ-Б-28-312	150 000	13 880 400 000	92 536	28	15,020
3	ЗГХБ-Б-12-314	300 000	29 019 900 000	96 733	12	14,674
4	ЗГЭБ-Б-52-315	100 000	10 000 000 000	100 000	52	15,473
5	ЗГХБ-Б-12-317	99 990	9 677 932 110	96 789	12	14,415

Government securities /secondary market/

Nº	Securities name	Volume	Value	Face Value	Maturity /week/	Interest rate %
1	Z GEB-BL-10/07/15-A0027	3 961	388 534 490	98 090	12	14,988
2	Z GEB-BL-28/07/15-A0031	3 036	300 138 960	98 860	12	14,967
3	Z GEB-BL-28/07/15-A0031	10	999 000	99 900	12	14,967
4	Z GEB-BL-28/07/15-A0031	10	988 900	98 890	12	14,967