

E-Newsletter

31st edition



INFORMATION OF GOVERNMENT SECURITIES TRADING

MSE REGISTERED ADDITIONAL ISSUED SHARES OF BINSE JSC



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SMALL AND MEDIUM SIZED ENTERPRISES ISSUE IPO

5,460 ACCOUNTS NEWLY ADDED AND INVESTOR'S INTERESTS DRAMATICALLY INCREASED



QUARTERLY BRIEF REPORT OF GLASS ACCOUNT

DECISIONS OF FINANCIAL REGULATORY COMMISSION AND MONGOLIAN STOCK EXCHANGE



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

- Government bonds worth MNT28.5 billion traded through 4 trading sessions in April.
- “Binse” JSC issues additional shares in primary market of MSE.
- TDB launched Custodian Service into Mongolian capital market. And organized opening ceremony successful.
- Second version of updated mobile application became available at “Apple” store.
- Trading participation of first quarter of 2015 increased from the same period of last year.
- 5,460 accounts newly added and investor’s interests dramatically increased
- MSE released quarterly brief report of glass account.
- Decisions of FRC and MSE
- Angar.D: Capital market Open Door event will be held in the city of Erdenet

STATISTICAL INFORMATION OF SECURITIES MARKET

Trading information of May 2015

TRAINING

Fundamental training of Capital market will commence on May 25.

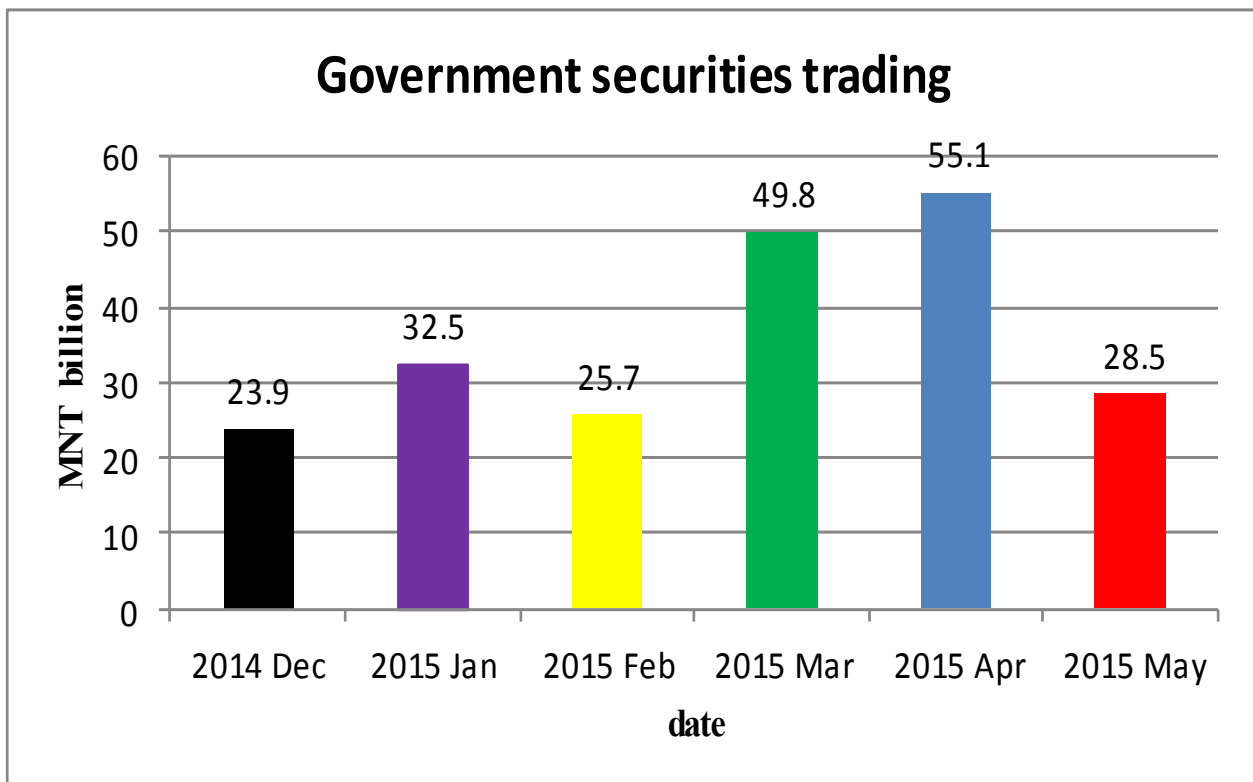
For detailed information please contact to: 11-313747 /116



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 MNT28.5billion traded through 4 trading sessions in May of 2015.

Date	Name of securities	Maturity /week/	Purchased amount /unit/	Interest rate	Value /MNT/
2015.05.05	ЗГХБ-Б-12-304	12	30,523	14.967%	2,950,658,410.00
2015.05.12	ЗГЭБ-Б-28-305	28	2,437	15.529%	224,942,411.00
2015.05.12	ЗГЭБ-У-156-306	156	185	16.875%	18,500,000.00
2015.05.19	ЗГХБ-Б-12-307	12	255,304	14.90%	24,684,067,240.00
2015.05.26	ЗГЭБ-Б-52-308	52	6,709	15.75%	670,900,000.00
2015.05.26	ЗГЭБ-У-156-309	156	141	16.875%	14,100,000.00
TOTAL PURCHASED GOVERNMENT SECURITIES			295,299		28,563,168,061.00



MONGOLIAN STOCK EXCHANGE REGISTERED ADDITIONAL ISSUED SHARES OF BINSE JSC

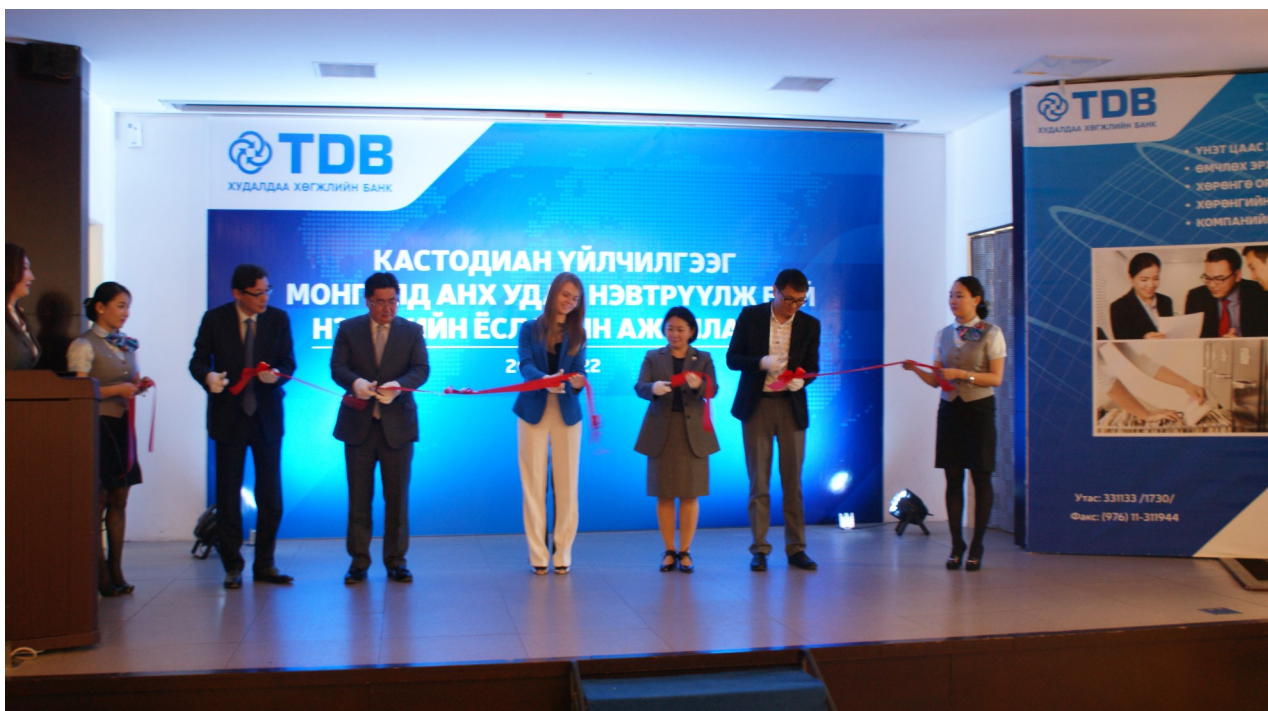


According to the Financial Regulatory Commission Resolution No. 389 dated 21 October 2014 and Chief Executive Officer's Order No.169 of the MSE dated 23 October 2014, Government Securities has been traded through the Mongolian Stock Exchange since November

2014. Government bonds worth MNT28.5billion traded through 4 trading sessions in May of 2015.

CUSTODIAN SERVICE LAUNCHED IN MONGOLIAN CAPITAL MARKET

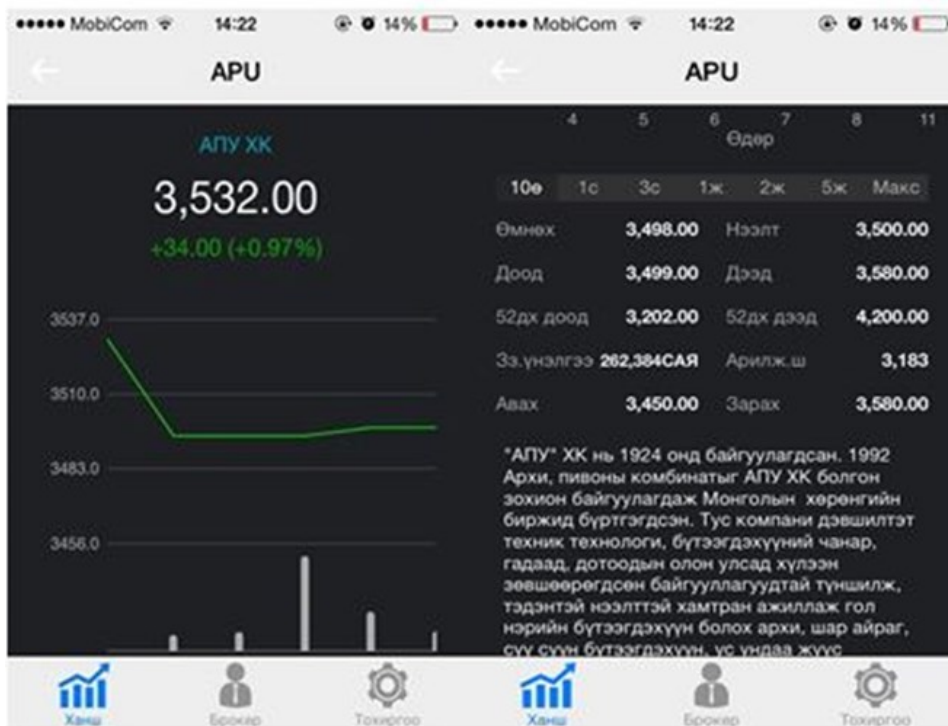
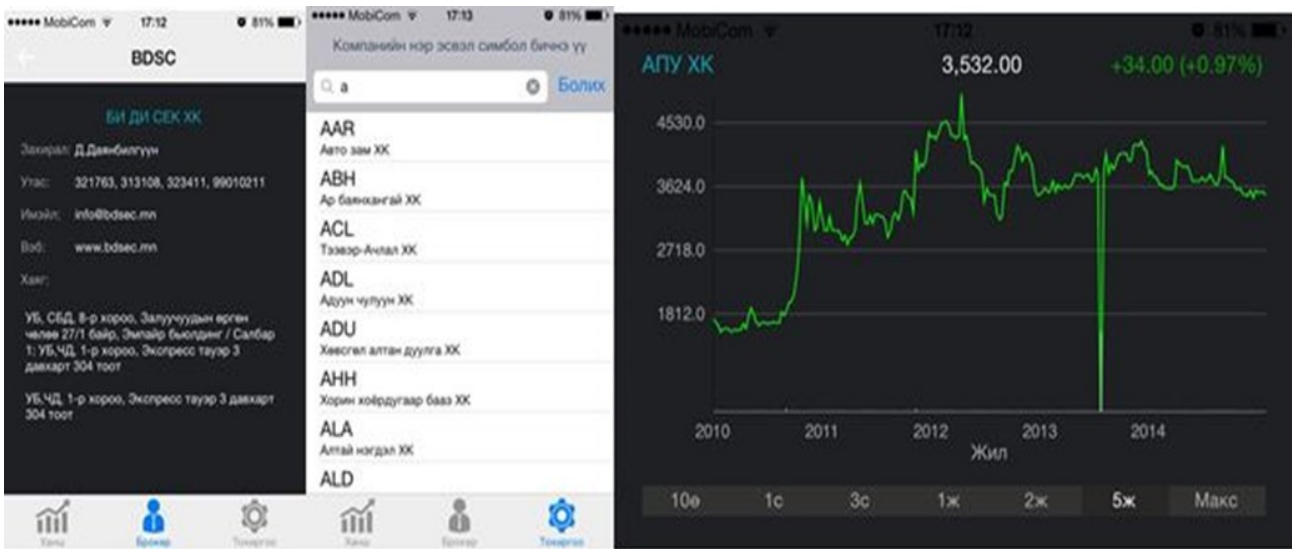
Within the framework of strategic partnership between Mongolian Stock Exchange and London Stock Exchange Group, to introduce world standard infrastructure into Mongolian capital market and one of the important step is to launching custodian service into market. Today, Trade and Development Bank of Mongolia officially launched the custodian service and conducted opening ceremony. During the opening ceremony, Angar.D, CEO of MSE said "Custodian service is like a bridge to connect capital market's participants with each other" and he wish success on the custodian business.





SECOND VERSION OF UPDATED MOBILE APPLICATION BECAME AVAILABLE AT APPLE STORE

First version of Mobile application of MSE became available at “Apple Store” on 24 October 2014. According to the requests from users, 2nd versions software of Mobile Application of MSE updated and placed at “Apple Store”. Updated version of Mobil Application of MSE contains addresses of member brokerage companies of MSE, information of company managements and the charts which display historical share prices for 10 days to 5 years.



SMALL AND MEDIUM SIZED ENTERPRISES ISSUE IPO



Mongolian Stock Exchange amended its listing regulation for small and medium enterprises to increase possibilities to make an IPO on MSE and dual listing on foreign exchange. Old listing Board A and B were removed, new classifications I, II and III were created as a new.

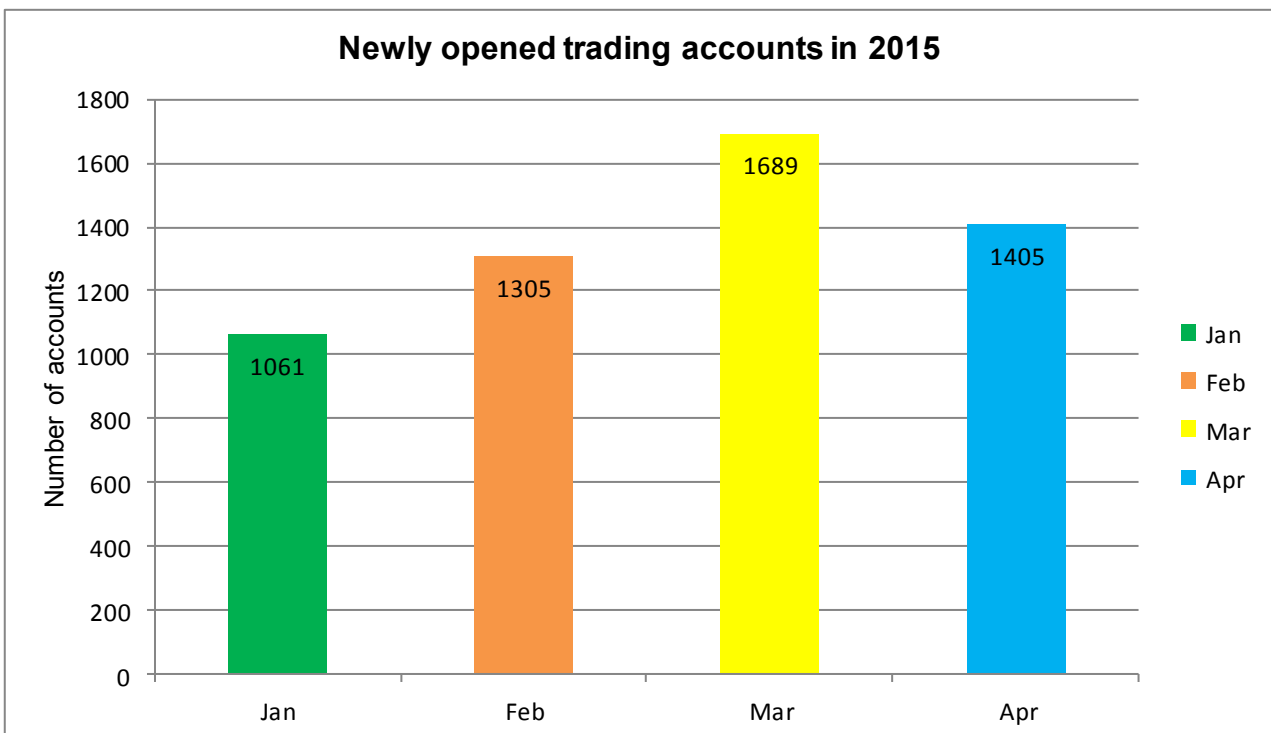
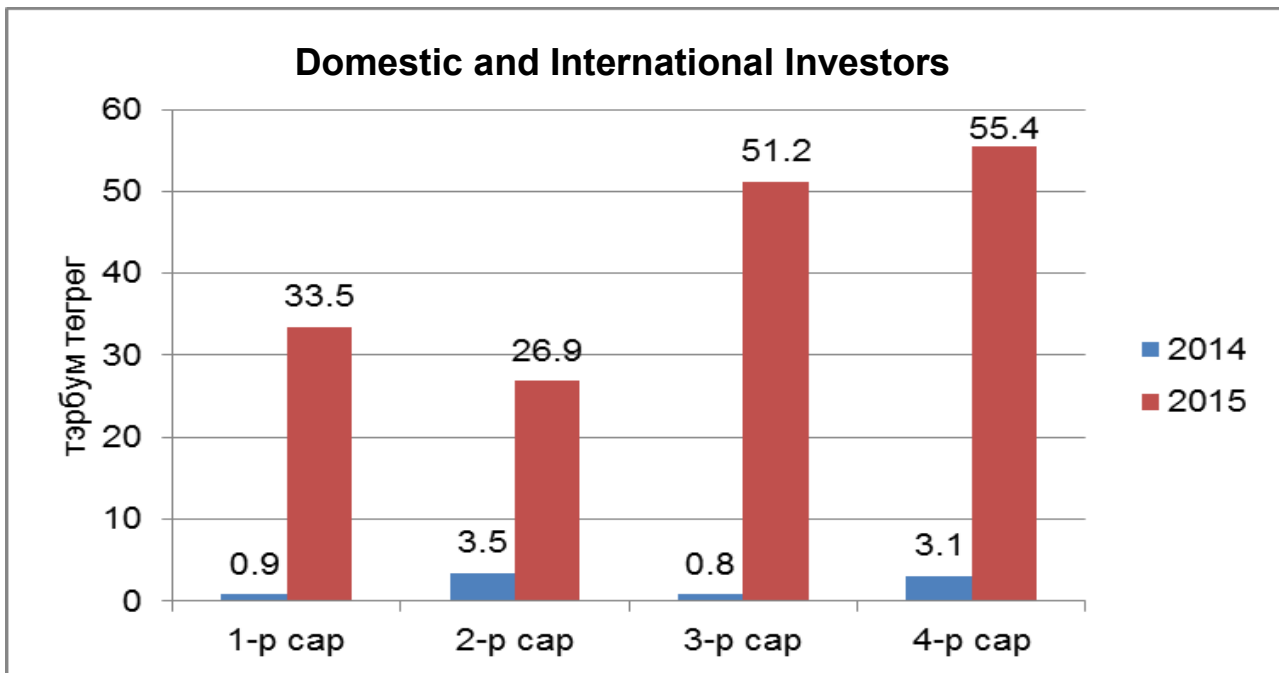
Mongolian Stock Exchange and other capital market participants were organized the capital market training for small and medium enterprises in period between 29 April 2015 and 4 May 2015. The training was covered advices from capital market experts and guide to how to make IPO at MSE.

There were representatives from around 10 domestic companies participated in the training and companies that wants to make IPO, present presentations about their business info and business plans to the underwriter companies and got advises back from them. Those companies started to cooperate with each other in capital market in future.

**5,460 ACCOUNTS NEWLY ADDED AND INVESTOR'S INTERESTS
DRAMATICALLY INCREASED**

First 4 months of 2015, foreign and domestic trading participants were increased from the same period of last year. Total amount of trading value reached to MNT 167.2 billion.

On the other hand, from beginning of 2015 to 31st of April, there were 5,460 new bonds account added and number of new participants increased in stock market since market activation has been increased .



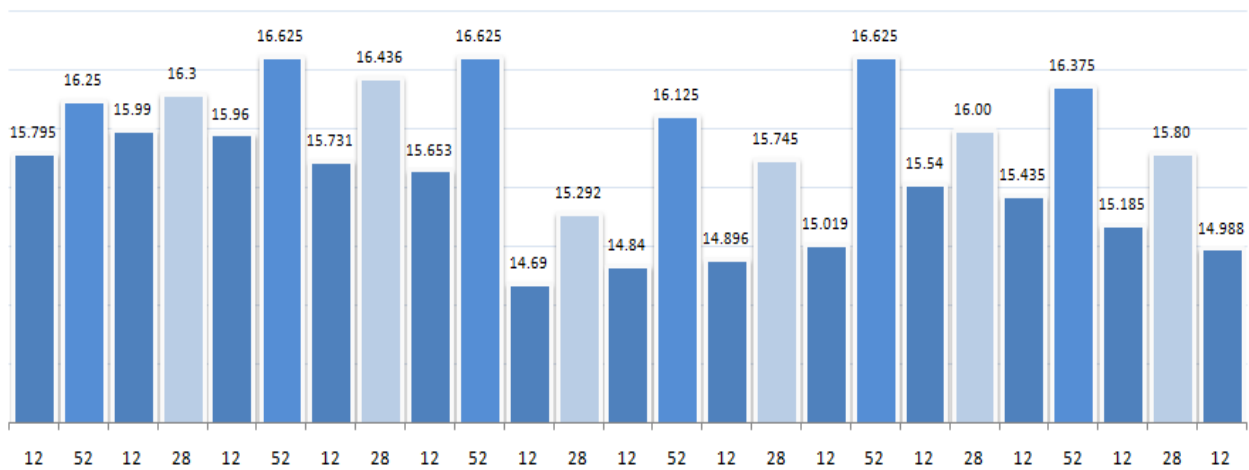
TOTAL RETURN OF GOVERNMENT SECURITIES ACCOUNTED MNT7.5 BILLION

Since November 2014, Government securities trading has been organized at Mongolian Stock Exchange and total of 2.04 million government securities traded successfully through 25 trading sessions.

During that time, total of 221 international and domestic investors invested on government securities worth MNT197.3 billion and expected to get return of MNT7.5 billion.

Interest rate of Government securities which traded through MSE is same as weighted average interest rate of Government securities which traded through Mongol Bank. In past period, Mongolian government has been saving approximately MNT107.6 million because of selling its government securities worth MNT197.3 billion with weighted average interest rate through Mongolian Stock Exchange.

Return Amount /by percent/



(maturity period: weekly)

QUARTERLY BRIEF REPORT OF GLASS ACCOUNT

In first quarter of 2015, Mongolian Stock Exchange traded total of 14 million securities worth MNT111.7 billion through 61 trading sessions. Daily average trading value reached to MNT1.8 billion, which indicated 20.97 times more than same period of previous year. In addition, trading transaction of foreign investors reached to MNT1.3 billion, which indicated 57 percent more than previous year.

In first quarter of 2015, “Mongolian Stock Exchange” JSC had revenue of MNT361,615,230.12 and expense of 261,200,062.89. Salary and related other expenses were MNT171,913,344.11 and maintenance and other expenses were MNT89,286,718.78. Overall, total profit of first quarter was MNT100,415,167.23

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



**“MONET CAPITAL” SECURITIES COMPANY CHANGED THE NAME TO
“ARD SECURITIES” SECURITIES COMPANY**

According to the resolution No.: 24 of Financial Regulatory Commission date on 27 January 2015 and the request from “Ard Securities” securities company, the legal name of “Monet capital” securities company changed to the “Ard Securities” securities companies.

TRADING LICENSE HAS BEEN REINSTATED

Trading licenses of 12 member companies suspended from 11 May 2015 due to failed to make payment of membership fee for previous year or second quarter of 2015.

“National Securities” securities company and “Frontier” securities company were made a membership fee; therefore, the trading licenses of these two companies reinstated from 18 May 2015.

TRADING LICENSES OF THREE MEMBER COMPANIES REINSTATED

Trading licenses of 12 member companies suspended from 11 May 2015 due to failed to make payment of membership fee for previous year or second quarter of 2015.

“Mongol Securities” securities company, “Bumbat-Altai” securities company and “ZJB” securities company were made a membership fee; therefore, the trading licenses of these two companies reinstated from 14 May 2015.

JOURNALIST WERE PARTICIPATED CAPITAL MARKET TRADING

Mongolian Stock Exchange has been conducting variety of activities to helping public to improve their knowledge of capital market.

This time, Mongolian Stock Exchange organized the capital market training for journalists from medias including TV's, newspapers and magazines. The training was mainly covered about subjects including Mongolian capital market overview, brief information about how to issue IPO on capital market. In addition, journalist were exchanged views on how to broadcast correct urgent news to the public



MSE LOWERED ITS TRADING COMMISSION

The decision of lowering trading commission has been approved from Board of Directors meeting of Mongolian Stock Exchange dated 30 April 2015. By approving this decision, MSE's trading commission decreased to 0.15 percent from 0.4. The goal of this decision was to encourage capital market participants, investors and professional organizations. This amendments stated on the regulation of Mongolian Stock Exchange and it will be effective when Financial Regulatory Commission ratify the amendment.

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 SUCCESSFULLY



Mongolian stock exchange's "Capital market beginner course" for the residents has successfully conducted from 25 May 2015 to 29 May 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 22 June 2015.



ӨДРИЙН АРИЛЖААНЫ МЭДЭЭ

2015 оны 05 дугаар сар

Арилжааны товч мэдээ

Арилжигдсан ширхэг	1,099,931
Нийт үнийн дүн /төг/	29,499,092,201.30
Хэлцлийн тоо	942
Арилжигдсан үнэт цаасны тоо	63
Зах зээлийн үнэлгээ /төг/	1,253,898,741,087

ТОП-20 индекс

Хаалт	12,756.58
Өөрчлөлт /%/	-2.49

MSE ALL индекс

Хаалт	921.67
Өөрчлөлт /%/	-3.18



Идэвхтэй арилжигдсан үнэт цаас:

Тоо ширхэгээр:				Үнийн дүнгээр:			
№	Симбол	Үнэт цаасны нэр	Арилжигдсан ширхэг	№	Симбол	Үнэт цаасны нэр	Үнийн дүн
1	MRX	МЕРЕКС	490,523	1	APU	АПУ	100,736,867
2	HRM	ГЕРМЕС ЦЕНТР	175,413	2	MRX	МЕРЕКС	43,210,935
3	RMC	РЕМИКОН	32,415	3	GOV	ГОВЬ	42,485,665
4	APU	АПУ	28,930	4	TCK	ТАЛХ ЧИХЭР	36,645,030
5	JTB	Ж БНКО ТУР БЮРО	19,469	5	HRM	ГЕРМЕС ЦЕНТР	24,394,663

Хамгийн их өсөлттэй үнэт цаас:

№	Симбол	Үнэт цаасны нэр	Хаалтын ханш	Ханшийн өөрчлөлт	
					%
1	TEX	ТЕХНИК ИМПОРТ	919.13		32.25
2	AOI	АВТО ИМПЕКС	3,680.00		11.52
3	TTL	ТАВАН ТОЛГОЙ	3,717.00		9.29
4	SUL	ГАЗАР СҮЛЖМЭЛ	53,000.00		6.00
5	MVO	МОНГОЛ ШЕВРО	2,530.00		5.42

Хамгийн их бууралттай үнэт цаас:

№	Симбол	Үнэт цаасны нэр	Хаалтын ханш	Ханшийн өөрчлөлт	
					%
1	HGN	ХӨХ ГАН	70.00		-25.53
2	NXE	НЭХЭЭСГҮЙ ЭДЛЭЛ	1,200.00		-20.00
3	UYN	МОНГОЛ САВХИ	800.00		-15.88
4	BDL	МОГОЙН ГОЛ	6,800.00		-15.00
5	BTG	БАЯНТЭЭГ	18,600.00		-14.99

Засгийн газрын үнэт цаас: /анхдагч зах зээл/

№	Үнэт цаасны нэр	Арилжигдсан ширхэг	Үнийн дүн	Үнэ	Хугацаа /долоо хоног/	Хүүгийн хэмжээ %
1	ЗГХБ-Б-12-304	30,523	2,950,658,410	96,670	12	14.967
2	ЗГЭБ-Б-28-305	2,437	224,942,411	92,303	28	15.529
3	ЗГЭБ-У-156-306	185	18,500,000	100,000	156	16.875
4	ЗГХБ-Б-12-307	255,304	24,684,067,240	96,685	12	14.90
5	ЗГЭБ-Б-52-308	6,709	670,900,000	100,000	52	15.75
6	ЗГЭБ-У-156-309	141	14,100,000	100,000	156	16.875

Засгийн газрын үнэт цаас: /хоёрдогч зах зээл/

№	Үнэт цаасны нэр	Арилжигдсан ширхэг	Үнийн дүн	Үнэ	Хугацаа /долоо хоног/	Хүүгийн хэмжээ %
1	ZGEB-BD-28/04/16-A0029-16	51	5,100,000	100,000	52	16
2	ZGEB-BD-28/04/16-A0029-16	10	1,000,000	100,000	52	16
3	ZGEB-BL-30/06/15-A0023-0	6	581,280	96,880	12	15.185
4	ZGEB-BL-28/07/15-A0031-0	20	1,933,400	96,670	12	14.967
5	ZGEB-BL-02/06/15-A0019-0	10	995,000	99,500	12	15.54
6	ZGEB-BL-02/06/15-A0019-0	10	997,000	99,700	12	15.54
7	ZGEB-BL-19/05/15-A0016-0	100	9,976,000	99,760	12	15.019
8	ZGEB-BL-02/06/15-A0019-0	3,326	329,939,200	99,200	12	15.54
9	ZGEB-BD-01/03/16-A0017-16.625	1	100,010	100,010	52	16.625
10	ZGEB-BD-01/03/16-A0017-16.625	69	6,900,690	100,010	52	16.625
11	ZGEB-BD-26/05/16-A0035-15.75	30	2,996,100	99,870	52	15.75
12	ZGEB-BL-10/07/15-A0028-0	10	984,000	98,400	12	14.988
13	ZGEB-BL-10/07/15-A0027-0	11	1,082,400	98,400	12	14.988
14	ZGEB-BL-10/07/15-A0027-0	2,242	219,917,780	98,090	12	14.988