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E-Newsletter

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News Brief



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MSE’S BEGINNER COURSE CONDUCTED SUCCESSFULLY

MONTHLY TRADING REPORT OF MONGOLIAN STOCK EXCHANGE

- Government bonds worth MNT13.7 billion traded through 4 trading sessions in March 2016.
- Shareholders meeting date of MSE’s listed companies.
- “I Tools” JSC registered on “II” classification of Mongolian Stock Exchange.
- The official Twitter page of Mongolian Stock Exchange working properly and provide real time information of stock trading and other related news.
- “How to make IPO and dual list at other stock exchange” the training organized by FRC, JAICA and MSE.
- Bolor.M: Potential to raise funds cheaply through the Mongolian Stock Exchange
- Capital market beginner course conducted successfully.

STATISTICAL INFORMATION OF SECURITIES MARKET

Trading information of March 2016

TRAINING

Fundamental training of Capital market will commence on April 27.

For detailed information please contact to: 11-313747 /3314



INFORMATION OF GOVERNMENT SECURITIES TRADING

PRIMARY MARKET GOVERNMENT SECURITIES TRADING

The buy order of Government Securities /MNT100,000 per share/ starts from Tuesday until Monday of every week. In March of 2016, there were 4 primary market Government Securities Trading organized and total of MNT13.7 billion transaction has been made.

Date	Name of securities	Maturity /week/	Purchased amount /unit/	Interest rate	Value /MNT/
2016.03.07	ЗГХБ-Б-28-360	28	31,386	14.930%	2,905,653,108
2016.03.07	ЗГЭБ-У-156-361	156	9,000	15.75%	900,000,000
2016.03.14	ЗГХБ-Б-39-362	39	969	14.915%	87,175,116
2016.03.21	ЗГХБ-Б-12-364	12	72,168	14.50%	6,983,769,528
2016.03.28	ЗГХБ-Б-52-366	52	32,408	14.941%	2,820,533,056
TOTAL PURCHASED GOVERNMENT SECURITIES			145,931		13,697,130,808.00

SECONDARY MARKET GOVERNMENT SECURITIES TRADING

There were 6 secondary market Government Securities trading organized in March 2016, total of 1,101 Government securities worth MNT107.7 million traded through Mongolian Stock Exchange.

Date	Name of securities	Purchased amount /unit/	Discounted price	Value /MNT/
2016.03.11	ZGEB-BL-25/07/16-A0094-0	10	94,500	945,000
2016.03.15	ZGEB-BL-31/08/16-A0108-0	20	93,550	2,058,100
2016.03.22	ZGEB-BL-16/05/16-A0111-0	903	98,000	88,494,000
2016.03.22	ZGEB-BL-16/05/16-A0111-0	11	98,000	1,078,000
2016.03.28	ZGEB-BL-16/05/16-A0111-0	152	98,090	14,909,680
2016.03.28	ZGEB-BL-25/07/16-A0094-0	3	95,300	285,900
TOTAL PURCHASED GOVERNMENT SECURITIES		1,101		107,770,680

SHAREHOLDERS MEETING ANNOUNCEMENT

GOVI JSC

Shareholders meeting of “Govi” JSC will be held on 8 April 2016, follow issues will be discussed in the meeting:

1. To review and discuss the BoD’s resolution about operation and financial report of 2015.
2. To present newly introduced “Ameb” management’s performance and result
3. Present dividends report of 2014, the Resolution of BoD about dividends from 2015 Financial report.
4. To discuss amendment of company charter, approve the nomination of BoD members

BAGANUUR JSC

Shareholders meeting of “Baganuur” JSC will be held on 11 April 2016, follow issues will be discussed in the meeting:

1. Preemptive offering issue to shareholders in relation to the issuance of additional shares;
2. Application of discounts to preemptive offering price within the legal grounds.

ZOOS GOYOL JSC

Shareholders meeting of “Zoos Goyol” JSC will be held on 22 April 2016, follow issues will be discussed in the meeting:

1. Discuss about performance of company’s business operation of 2015, and reverse splitting share plan
2. The BoD’s resolution on audited financial report of 2015
3. About MNT17,000 per share as a dividends from profit of 2015

MIK HOLDING JSC

Shareholders meeting of “Mik Holding” JSC will be held on 28 April 2016, follow issues will be discussed in the meeting:

1. To discuss and approve BoD’s resolution about operation and financial report of company in 2015
2. To present the BoD’s resolution about dividends of company
3. To approve amendment of company charter

SHAREHOLDERS MEETING ANNOUNCEMENT

TALIIN GAL JSC

Shareholders meeting of “Taliin Gal” JSC will be held on 29 April 2016 at 11:00 o'clock at company building in Baruun-Urt Sum, 9th team.

REMICON JSC

Shareholders meeting of “Remicon” JSC will be held on 28 April 2016 at 11:00o'clock at building of “Khera Industrial Park” and follow issues will be discussed in the meeting:

1. To discuss and approve BoD's resolution about operation and financial report of company in 2015
2. To present financial and operational budget and plan of the company in 2015
3. Pursuant to the Clause No.:62.1.7 of the Company Law of Mongolia, to extend the rights of BoD's members, and nominate the new members
4. To present not distributing dividends pursuant to the Clause No.:46.6 of Company Law of Mongolia, present the BoD's financial report pursuant to the Clause No.:96.4 of Company Law of Mongolia.

DARKHAN KHUVUN JSC

The shareholders meeting of “Darkhan Khuvun” JSC reset on 31 March 2016 at 16:00 due to low performance /33.5 percent/ attendance of the meeting. The issues of new shareholders meeting will be the same.

“I TOOLS” JSC REGISTERED ON “II” CLASSIFICATION OF MSE

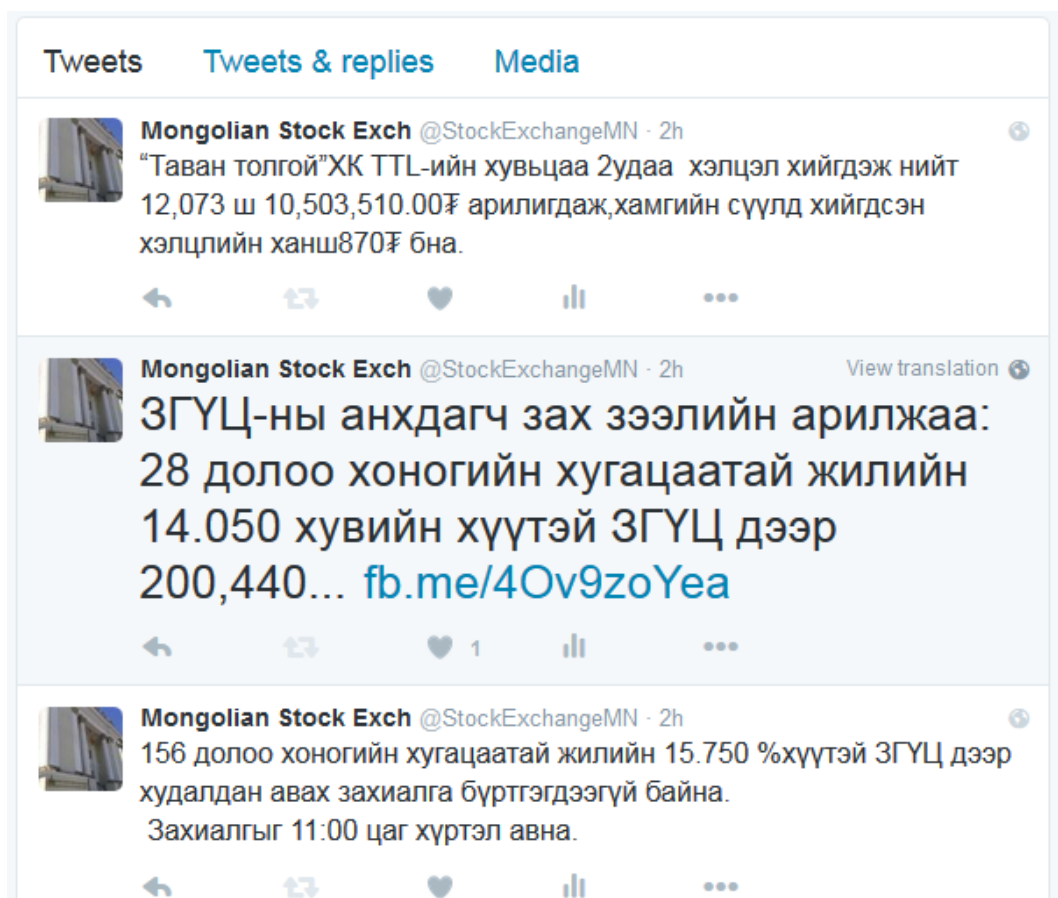


According to the Resolution No.:20 of Financial Regulatory Committee dated on 29 January 2016 and “Listing Regulation” of Mongolian Stock Exchange, total of 4,324,263 shares of “I Tools” JSC with face value of MNT1,000.00 registered on “II” classification of Mongolian stock Exchange on 03 March 2016.

TWITTER PAGE OF MONGOLIAN STOCK EXCHANGE @StockExchangeMN



Official Twitter page of Mongolian Stock Exchange /@StockExchangeMN/ is properly working and tweeting real time information of the trading and other related capital market news.



The screenshot shows a Twitter feed with three tweets from the account @StockExchangeMN. The tweets are in Mongolian and discuss market news and company listings.

- Tweet 1:** "Таван толгой"ХК ТТЛ-ийн хувьцаа 2удаа хэлцэл хийгдэж нийт 12,073 ш 10,503,510.00₮ арилигдаж,хамгийн сүүлд хийгдсэн хэлцлийн ханш870₮ бна.
- Tweet 2:** ЗГҮЦ-ны анхдагч зах зээлийн арилжаа: 28 долоо хоногийн хугацаатай жилийн 14.050 хувийн хүүтэй ЗГҮЦ дээр 200,440... fb.me/4Ov9zoYea
- Tweet 3:** 156 долоо хоногийн хугацаатай жилийн 15.750 %хүүтэй ЗГҮЦ дээр худалдан авах захиалга бүртгэгдээгүй байна. Захиалгыг 11:00 цаг хүртэл авна.

“HOW TO MAKE IPO” TRAINING WERE ORGANIZED



On 18 March 2016, second training of “How to make IPO and how to dual list” organized successfully by Financial Regulatory Commission /FRC/, Japanese International Cooperation Agency /JAICA/ and Mongolian Stock Exchange at ballroom of the “Tuushin Best Western” hotel.

During the training, Ryota Shugishita, head of advising team of JAICA, Seigi Adach, head of Asian business strategy planning and Bolor.M, acting CEO of Mongolian Stock Exchange, were giving speeches about current situation of Mongolian capital market, reform of capital market and offering IPO to the public.



BOLOR.M: POTENTIAL TO RAISE FUNDS CHEAPLY THROUGH THE MONGOLIAN STOCK EXCHANGE

We sat down with M.Bolor, CEO of the Mongolian Stock Exchange. The beginning of this year marks the 25th anniversary of the establishment of the MSE. We talked with him about the capital market's most significant achievements and the future of its development.

-The Mongolian Stock Exchange was buzzing with news in recent months. Two major IPOs were held. How about we begin our interview with this topic?

-First off, I would like to congratulate the companies listed on the exchange, securities firms, underwriters, investors and partners that made invaluable contributions to the development of the capital market, as this year marks the 25th anniversary of the founding of the MSE. We have you, all your effort and contributions, to thank for the achievements of the stock exchange. Also generations of management and employees contributed greatly.

The capital market did not develop in just a day. The MSE, which was established on January 18, 1991, gained a lot of valuable experience and has had its ups and downs since then. But now we must work towards building a brighter future. During the previous month period, the IPOs held by MIK Holding and Mongol Post brought increased confidence in the Mongolian capital market and demonstrated that there are high expectations. As such, we're working to further bolster the market and produce more products in the future.

-MIK Holding JSC raised MNT 37 billion in just a month. Shortly thereafter 34 percent of Mongol Post's shares were offered to the public. We see that it's possible to raise capital on the domestic market. What would you like to say regarding this?

-These two IPOs are just the beginning. MIK Holding JSC raised MNT 37.0 billion through the MSE becoming the most successful IPO in



the history of our institution. Moreover, even though Mongol Post set out to raise MNT 6.3 billion, they actually raised double that amount. MNT 12.6 billion, due to unanticipated demand. In other words, it shows that there's the potential to raise funds cheaply through the capital market. It shows that the stock market is blossoming and has room to develop further. We also see that domestic investors are interested in actively investing, despite the difficult economic situation.

-The entities placing orders for smaller amounts of shares were given priority when Mongol Post's shares were offered. Why weren't such arrangements implemented before?

-It was the first time a state-owned enterprise held an IPO on the Mongolian Stock Exchange. In carrying out the initial trading, a rule was instituted where a certain number was set and

people or entities placing orders for shares lower than that set amount would see their orders cleared immediately. More specifically, Mongol Post cleared the orders to buy 10,000 or fewer shares before the larger orders. Some even ordered one single share. Shares were distributed to the public openly and accessibly. The remaining shares were sold proportionately to the investors that ordered more than 10,000 shares.

You asked why such arrangements weren't implemented before. There are varying reasons for holding an IPO. The government instituted a policy to equally distribute the shares of the Mongol Post SOE to citizens and investors. For example, the unit price of the shares offered to the public was set at MNT185.0 If a private company wants to do an IPO, they can set their own starting price. Companies may also wish to raise capital by attracting a small number of large investors. The stock exchange, securities firms and underwriters are working to provide a variety of opportunities and create flexible financial instruments for investors and companies wanting to raise funds.

-During the privatization of Mongol Post, Prime Minister Saikhanbileg.Ch said it's just the beginning and that over a dozen SOEs are waiting. What other companies are going to be privatized through the stock exchange in the future?

-As for state-owned enterprises, IPOs are planned for power plants and two mines. If the privatization of an SOE takes place outside of the stock exchange, ownership gets concentrated in the hands of a few. Privatization of state property via the stock exchange has many advantages: creating shareholding companies that comply with international standards, boosting confidence in the capital market, making the privatization process transparent, reflection of real value and increasing the value. It also provides an opportunity for citizens to invest and reap returns. The finances and corporate governance of a company also stand to improve.

Not only SOEs, but also many private companies are interested in expanding their busi-

nesses by becoming a shareholding company. There are many advantages to incorporating a private company and attracting funds from the capital market, such as raising money from cheap sources and having regular customers. The more shareholders they have, the fairer, more reliable and consistent customers they get. A person who purchased a share will think of buying and using the company's products. Further on, they will encourage their families, relatives and friend to use that product, and the company's sales and profits will increase as a result

-Currently, are there any private companies that have come to you to do an IPO?

-Yes. There are about 10 companies that have contacted and received advice from us. In addition, companies are expressing their interests to securities firms. However, we can't just work with any companies seeking to become a public company and announce an IPO. There are very specific criteria. If a company was established yesterday and wants to become a public company, investors wouldn't want to invest and raising cap-ital would be impossible. Investors are only interested only in organizations that have a proven track record, have a corporate culture and have conducted profitable, meaningful projects. Investors would suffer losses if risky companies come onto the stock exchange. The stock exchange will make decisions after taking into consideration several aspects, such as the overall economy, risks, governance and market capitalization. We must protect the investors' interests. It's also necessary for the companies that submit offers and documentation. However, we won't let them go by just saying your company isn't going to work for us; We advise them to take care of aspects where they fall short and come to a solution together.

The stock market stands out because it's open and transparent and allows investors to participate and exit as they wish. Therefore, investors buy securities depending on market conditions and leave when they profit sufficiently. Today, entering the construction business and then leaving for the mining business or another sector after a week is unheard of. Only with stock market is such a thing possible.

In recent years, the mindset of entrepreneurs has changed drastically. They are starting to understand that doing business collectively on the stock market will give better results and successes by than doing everything alone. People gained and lost during these past 25 years, but they have also gained enough business experience. Hence, the future of the stock market is very bright.

-One of the main problems of the Mongolian financial market is interest rates on loans. Is there a way to lower in-terest rates?

-To date, the majority of the Mongolian financial market has been operating accord-ing closed market principles. A closed market stands on the relationship between only two subjects. The idea that one gives and the other receives means one of the two will always have an advantage over the other. For instance, the possibility to lower interest rates is limited when one is bowing to request a loan and the other is towering over him for giving the loan. However, if this relationship goes through the open market or stock exchange, all the players can participate in any trading on equal terms, so interest rates will move to the middle. This means the situa-tion where one bows and the other stands tall will be eliminated, since everyone will be on equal standing. In addition, it's possible to increase the sources of funding by circulating money as many times as possible by improv-ing the liquidity of the stock market. In this situation, issue of interest rates will be discussed on a different plane. As such, it is of utmost importance to make the stock market even more active.

-The stock exchange has become a self-regulatory organization. Does this provide an impetus for the development of the capital market?

-The Financial Regulatory Committee decided to make the MSE a self-regulatory organiza-tion because they deemed the move benefi-cial to the economy. They showed that they are confident in us. Self-regulatory organiza-tion means having the right to monitor

members and participants in accordance with the law and establishing the norms of the securities market. In other words, the stock exchange is taking some of the rights and responsibilities of the FRC on itself. Following this, certain rights and responsibilities are changing. New rules took effect starting January 1, 2016. Previously, the FRC made the decision on whether to accept a proposal to issue securities and double checked it by bringing it to the stock exchange. There's even a case of a request to issue securities being held up for half a year. Doing one job twice is lost time. The new registration procedure sorts out all of these and has been changed to be faster, more effective, accessible, fitting and without over-lap. Aside from registration, there are regulations on monitoring, trading, membership and information. In the past, there were a lot of rules, but now those are being boiled down to five key policies.

-Some are interested in playing the stock market, instead of receiving interest from a savings account. However, infor-mation is less than insufficient. Is there any chance of seriously improving the state of availability of information?

-It's true that the stock market lacks products and falls short when it comes to getting information out there. The new se-curities market law includes much needed provisions, so opportunities on the stock exchange are becoming more open. We're focusing on adding products and delivering information to customers.

The MSE is making significant changes to its website. In the past, the stock exchange just talked about what their operations are about. We're updating our approach and developing a database for what can be done on the stock market. We're mostly aiming to develop info-graphics in order to make it easier for people to understand. It will have separate categories such as how to trade as a capital raiser or in-vestor. We believe that it will be Convenient for individuals to make their choice.



MSE'S BEGINNER COURSE CONDUCTED SUCCESSFULLY



Mongolian stock exchange's "Capital market beginner course" for the residents has successfully conducted from 24 March 2016 to 01 April 2016.

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 April 2016.



Brief Trading Report

Total Volume	533,103
Total Value	14,328,898,923
Number of securities transaction	1,446
Number of traded securities	69
Market Capitalization	1,297,295,579,978

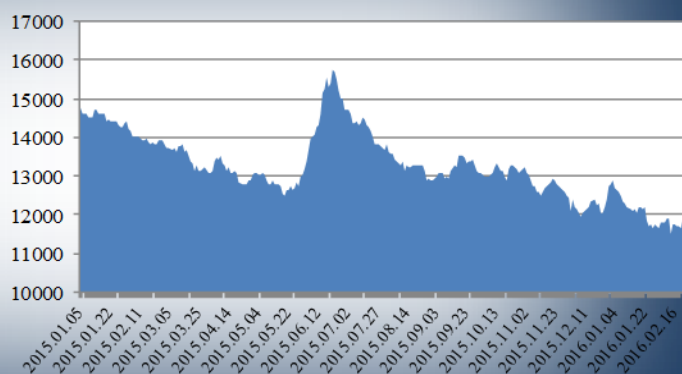
TOP-20 index

Close	11,082.62
Change /%/	-7.40

MSE ALL index

Close	802.93
Change /%/	-6.92

TOP-20 INDEX



Most actively traded securities:

In numbers:

No	Symbol	Securities Name	Volume
1	TTL	TAVAN TOLGOI	158,041
2	APU	APU	62,190
3	MRX	MEREX	46,036
4	RMC	REMICON	19,690
5	JTB	GENCO TOUR BUREAU	19,488

By value:

No	Symbol	Securities Name	Value
1	APU	APU	228,995,906
2	TTL	TAVAN TOLGOI	145,464,171
3	GOV	GOVI	29,980,205
4	TCK	TALKH CHIKHER	20,465,030
5	NEH	DARKHAN NEKHII	17,649,720

Securities with most growth:

No	Symbol	Securities Name	Volume	Price change
				%
1	HML	GLOBAL MONGOLIA HOLDING	470.00	49.21
2	TEX	TECHNIC IMPORT	2,800.00	32.01
3	BUK	UB BUK	35,000.00	16.67
4	BBD	STANDART PROPERTY GROUF	123.49	14.99
5	MIB	MONINJBAR	126.00	14.42

Хамгийн их бууралттай үнэт цаас:

No	Symbol	Securities Name	Closing Price	Price change
				%
1	TTL	TAVAN TOLGOI	870.03	-53.94
2	BAN	BAGANUUR	1,400.00	-41.03
3	BEU	BERKH UUL	1,000.00	-39.39
4	SHG	SHARYN GOL	2,047.00	-38.90
5	SHV	SHMEE OVOO	2,249.00	-31.64

Government Securities: /primary market/

No	Securities Name	Volume	Value	Price	Maturity /weeks/	Coupon rate %
1	ЗГХБ-Б-28-360	31,386	2,905,653,108	92,578	28	14.930
2	ЗГХБ-Б-156-361	9,000	900,000,000	100,000	156	15.750
3	ЗГХБ-Б-39-362	969	87,175,116	89,964	39	14.915
4	ЗГХБ-Б-12-365	72,168	6,983,769,528	96,771	12	14.500
5	ЗГХБ-Б-52-366	32,408	2,820,533,056	87,032	52	14.941

Government Securities: /secondary market/

No	Securities Name	Volume	Value	High	Low	Closing price
1	ZGEB-BL-25/07/16-A0094-0	10	945,000	94,500	94,500	94,500
2	ZGEB-BL-31/08/16-A0108-0	22	2,058,100	93,550	93,550	93,550
3	ZGEB-BL-16/05/16-A0111-0	903	88,494,000	98,000	98,000	98,000
4	ZGEB-BL-16/05/16-A0111-0	11	1,078,000	98,000	98,000	98,000
5	ZGEB-BL-16/05/16-A0111-0	152	14,909,680	98,090	98,090	98,090
6	ZGEB-BL-25/07/16-A0094-0	3	285,900	95,300	95,300	95,300