



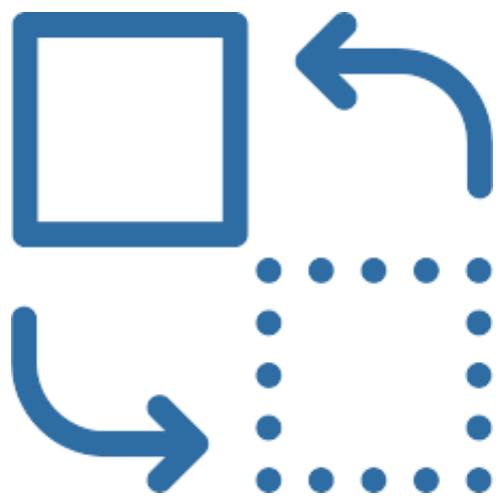
2019 SEMI-ANNUAL REPORT

OPERATIONAL HIGHLIGHTS



New listing

During the reporting period, MSE received **3 new listing applications** and listed **960.6 million shares of 4 issuers** that **successfully raised proceeds of MNT 42.5 billion** from public.



Listing amendment—Stock split

According to the requests from **"Mandal Daatgal" JSC** and **"Bayan-Aldar" JSC** to implement a stock split of 1:100, listing examination on the **"Mandal Daatgal" JSC** were **completed and delivered to the Financial Regulatory Commission for final approval** while **"Bayan-Albar" JSC's** request is being under examination.



Listing amendment—Reverse takeover

The reverse takeover involving **"ARD Financial Group" JSC** and **"Jinst Uvs" JSC**, was approved by the Financial Regulatory Commission in May 2019 and its **28,614,263 shares** were listed at MSE.

OPERATIONAL HIGHLIGHTS



Other listing amendment – FPO

"Darkhan guril tejeel" JSC's **FPO request** is under examination.

Debt to equity swap



"Sharyn Gol" JSC has requested for exchanging its MNT 2.2 billion **debt to equity** and the **examination is under process**.

Delisting



In the first half of 2019, **22 companies were delisted from the Mongolian Stock Exchange** including:

Bayalag Nalaikh JSC, Almaas JSC, Uv-usjuulagch JSC, Kharshyn Gegee JSC, Tuv Us JSC, Ar Tarkhi JSC, Chandmani Uul JSC, Khangal JSC, Buteel JSC, Eurofeu Asia JSC, Ikh uusgel JSC, Bayalag sharyn gol JSC, Jinst JSC, Munkh jim JSC, Ikh nuur JSC, Selenge impex JSC, Khargia JSC, Chandmani Dundgobi JSC, Sav shim JSC, Mon-asar JSC, Bayantooroi JSC and Dornod teever JSC.



OPERATIONAL HIGHLIGHTS

Members of MSE



2 companies have submitted their **request for admitting to** the MSE as a member and the requests are under examination. In relation to the license revocation of **"Frontier" LLC and "MWTS" LLC** by Financial Regulatory Commission, MSE cancelled their membership of the Stock Exchange.

Government securities



During the reporting period, the Ministry of Finance has **not issued new Government securities** due to its fiscal and budget policy. However, **280,162 units of matured Government securities were delisted.**


ACTIVITY OVERVIEW

Capital Market Open Day



In order to improve capital market knowledge of rural citizens, Mongolian Stock Exchange JSC organized **'Capital Markets Open Day'** event in **Uvurkhangai, Bayankhongor, Gobisumber, Dornogobi** and **Selenge** provinces in cooperation with professional entities, market regulator and "Erdenes Tavantolgoi" JSC. During the event, the training covered the following concepts:

- **basic capital markets concepts;**
- **participating in the stock and bond trades; and**
- **capital raising opportunities from the capital market.**



In addition, the event organizers provided the most recent news and information about 'Erdenes Tavan Tolgoi' JSC's 1072 shares and checked the balance of the shares granted by pink and blue vouchers given during the state privatization programs in 1991. Overall, around **7,000 citizens** were involved in the event.

NEW RULES

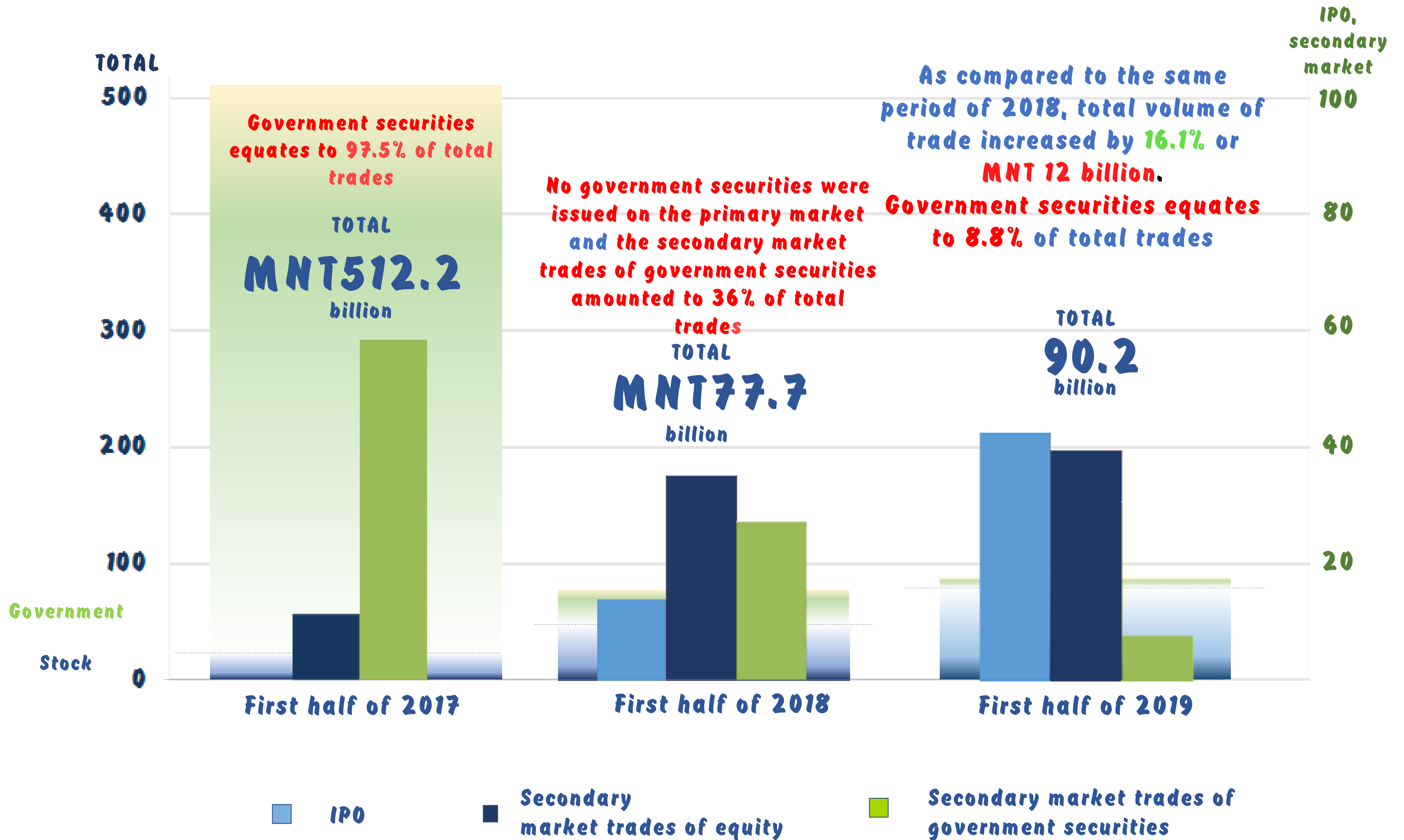
Closed-End Funds Listing Rules

In recent years, Mongolian capital market is currently going through a rapid transformation and an IPO boom and in 2018, we reached our historical record in our equity trading turnover, the number of IPOs as well as admitted the first securities dual-listing. In order to **improve the market liquidity and expand the stock market**, we need to increase the participation of professional investors in the market, and thus, we **drafted and adopted the Closed-End Funds Listing Rules on June 28, 2019** and submitted to the Financial Regulatory Commission for further approval. These Rules will enable investors to get provided with sound investment management



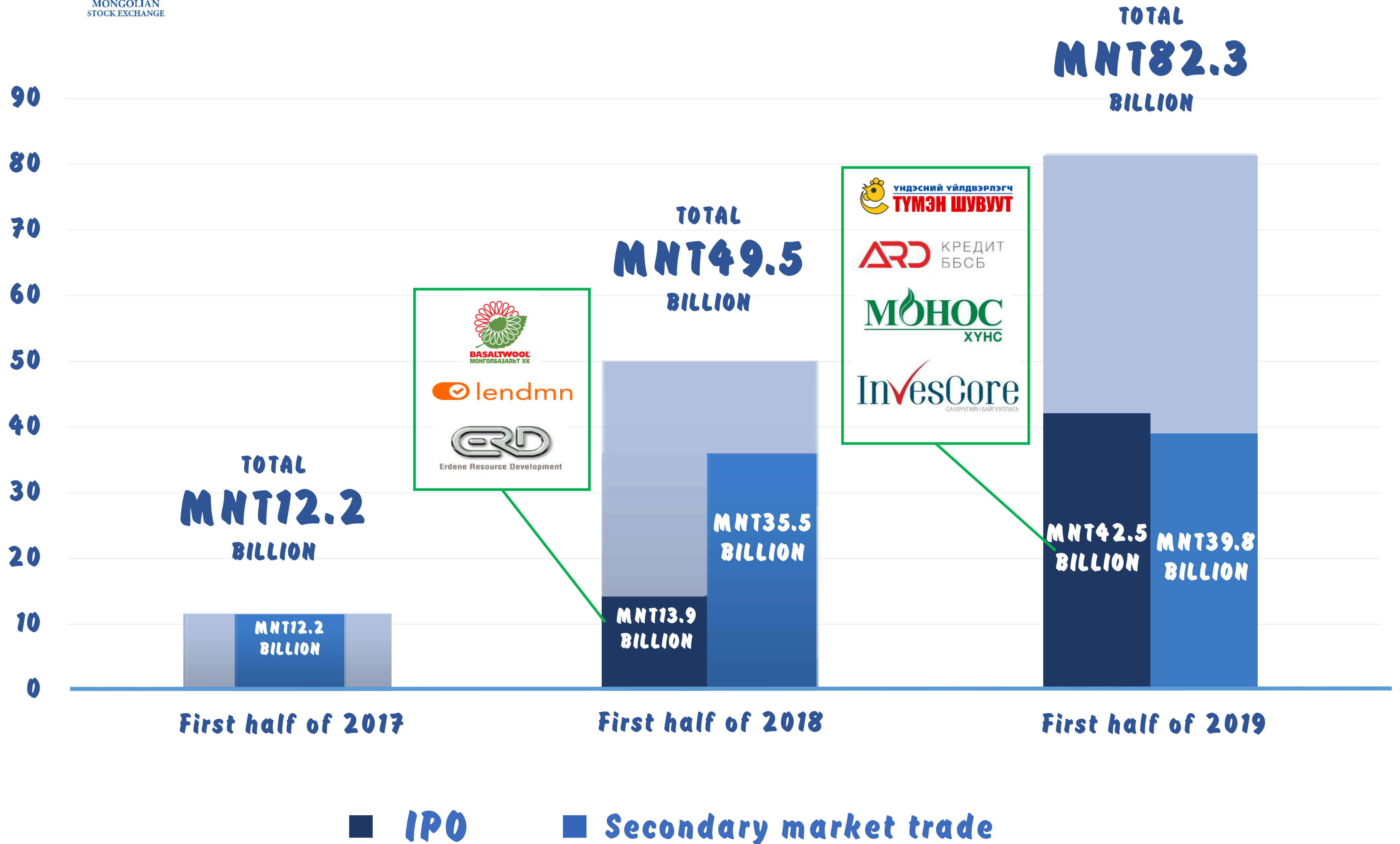


TRADE SUMMARY





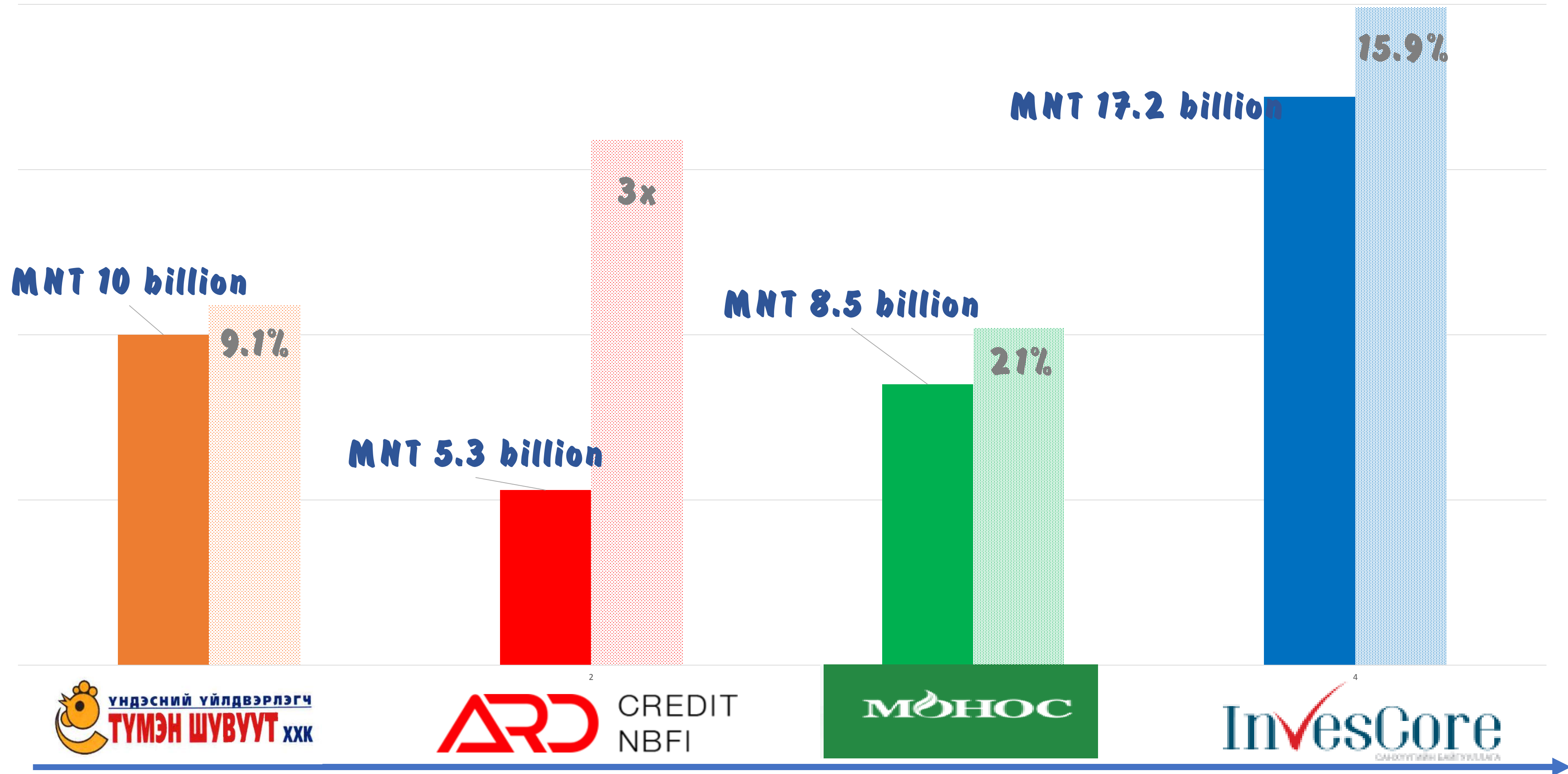
STOCK TRADES





MARKET ACTIVITY

In the first half of 2019, the IPOs of “Tumen shuvuut” JSC, “Monos Foods” JSC, “Invescore NBFI” JSC and “Ard credit NBFI” JSC were oversubscribed by 9.1%, 21%, 15.9% and three times, respectively, which shows a dramatic increase in the market appetite.





MARKET INDICATORS



In the reporting period, MSE Top 20 index is **20649.61** points on average. Comparing to previous period of 2018, Top 20 index increased by **4.13%** or **823.75** points reaching **20785.21**.

TOP-20 INDEX COMPOSITION IS RENEWED ONCE A EVERY YEAR AND ACCORDING TO THE RECENT REVIEW, 11 STOCKS REMAINED AS A COMPONENT SECURITY, WHILE, "HB OIL" JSC, "JENCO TOUR BUREAU" JSC, "JINST UVS" JSC, "ITTOOLS" JSC, "LENDMN NBFJ" JSC, "MONGOL BASALT" JSC, "KHUVSGUL ALTAN DUULGA" JSC, "MANDAL DAATGAL" JSC AND "ARD DAATGAL" JSC WERE NEWLY ADDED IN THE INDEX COMPOSITION.



MARKET CAPITALIZATION

Comparing to the previous period of 2018, the market capitalization grew by **4.83%** or **MNT 119.7 billion** and reached **MNT 2 trillion 601.6 billion**.

First half of
2018

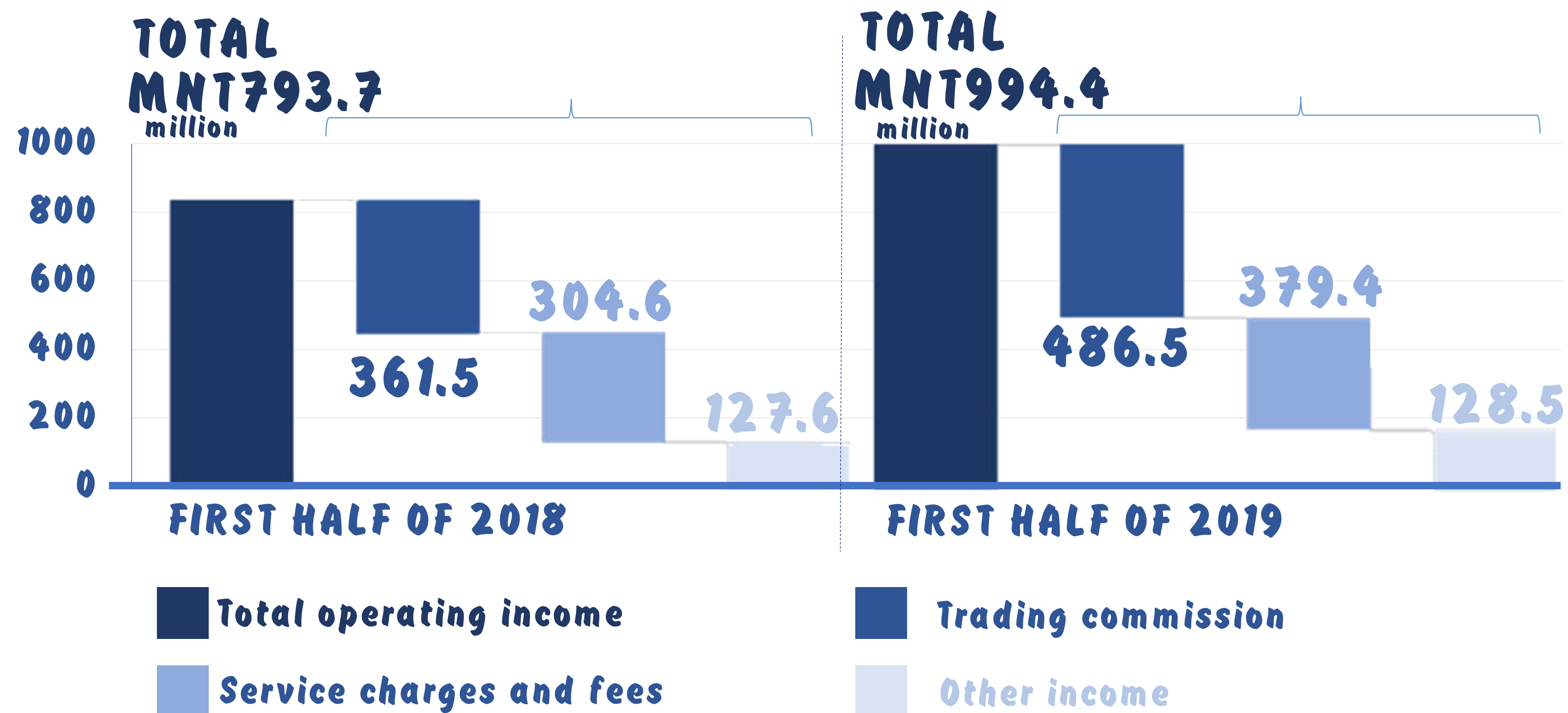
2,481,879,441,146

First half of
2019

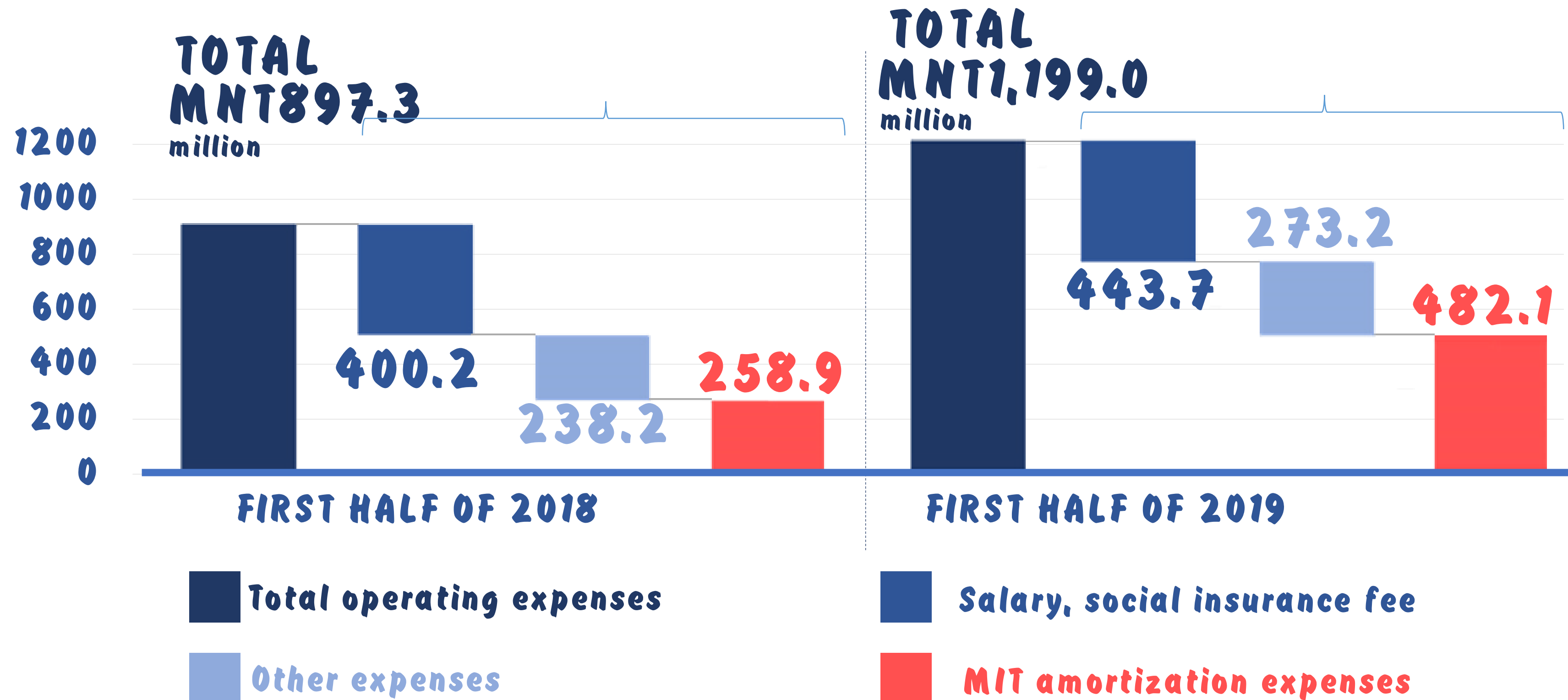
2,601,660,661,176

TOTAL INCOME

In the first half of 2019, Mongolian Stock Exchange, the state-owned company, generated an operating income of **MNT 994.4 million**. Compared to the previous period of 2018, **total revenue, trading commission and service charges and fees** increased by **25.3%, 34.6%** and **24.6%**, respectively.



TOTAL EXPENSES

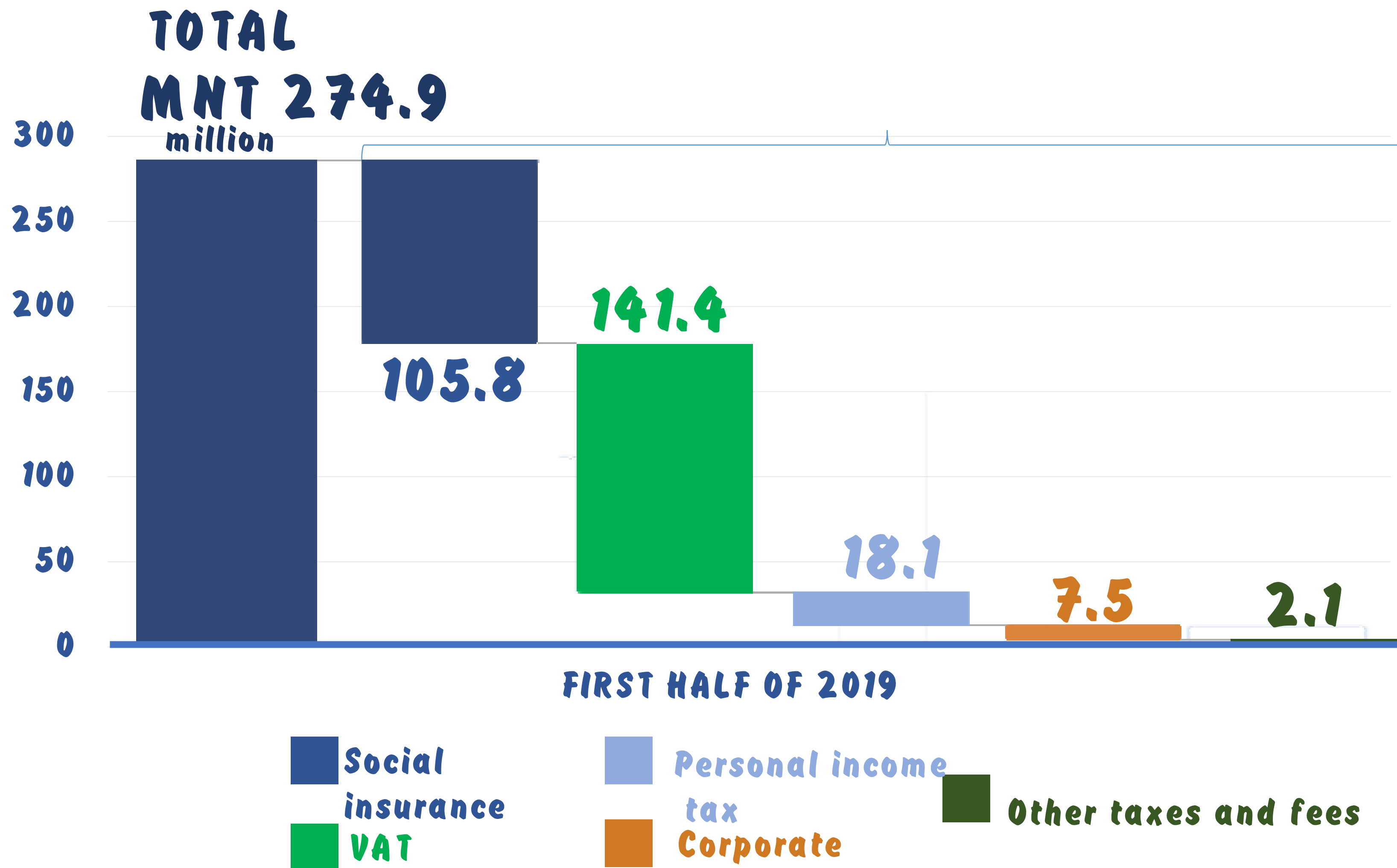


In the first half of 2019, the Mongolian Stock Exchange recorded an operating income of **MNT 994.4 million** and an operating expenses of **MNT 716.9 million** which results in a surplus of current period operations of **MNT 277.4 million**. It recorded a pretax loss of **MNT 204.6 million** after recognizing the accumulated depreciation and amortization and service charges of **MNT 482.1 million** related to Millennium IT system.




TAXES PAID TO STATE BUDGET

The taxes and commissions paid to the State budget rose by 25.1% to MNT274.9 billion compared to the previous year.





**THANK YOU FOR YOUR
ATTENTION.**



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