



E-News

20th edition

December 2013



Mongolian Stock Exchange in 2013

Highlights of Mongolian Stock Exchange in 2013



Decisions issued from Financial Regulatory Commission

“Beren Mining” JSC starts promotion to offer its securities on the primary market



FRC registers securities issued by “Merex” LLC that are offered to the public

To the attention of “Darkhan Khuns” JSC shareholders



- MSE starts to accept requests, proposals and complaints online and by phone from individuals and organization

Events

- Mongolian Stock Exchange in 2013
- Decisions of Financial Regulatory Commission
- “Beren Mining” JSC starts promotion to offer its securities on the primary market
- “FRC registers securities issued by “Merex” LLC that are offered to the public
- To the attention of “Darkhan Khuns” JSC
- MSE starts to accept requests, proposals and complaints online and by phone from individuals and organization

STATISTICAL INFORMATION OF SECURITIES MARKET

- Trading information of December

TRAINING

- Training to give basic knowledge of securities market will start from 06 January.

For detailed information
Tel: 11-313747
www.mse.mn



Mongolian Stock Exchange

HIGHLIGHTS OF MONGOLIAN STOCK EXCHANGE IN 2013



MONGOLIAN STOCK EXCHANGE INDICATORS:

As of 31 December 2013

- Listed JSC 261
 - Member BDC 79
 - Total Trading 98,5 billion MNT
 - Market capitalization has become 1,6 trillion MNT, and by latest half year performance it rose 13.5%.
 - Top-20 index has become 16,301.81 units, and by latest half year performance it rose 13.2%.
- ◆ “Beren Mining”, “Merex” JSC securities were listed on to Mongolian Stock Exchange listing, and preparation works are under way to offer and trade these JSC’s securities on primary market to the public.

- ◆ “Securities Market Law” new version draft has been debated in joint session of State Great Khural and has been approved.

This law will be in force from 01 January 2014, and policy level initiatives that were discussed at Parliament and Government level to make capital market upgrade work more effective, attract domestic and international investment, create modern competitive financial market, finance rebuilding and reconstruction projects, furthermore, organize dual listing of securities on domestic and foreign exchanges will become a reality.

- ◆ Within the framework of renewing capital market renovation broker dealer companies began to participate in the securities trading from their offices or from remote location.
- ◆ “Investment fund law” has been approved by joint session of State Great Khural. This law will also become in force beginning from 01 January 2014, and by this law establishing of investment funds and indirect investment support mechanisms will be created which are of great importance to capital market’s future development.
- ◆ We have concluded an agreement to cooperate on processing and calculating Financial index with FTSE Group of UK, a leading international capital market index calculation and research. This will enable us to have international standard index calculation that correctly measures market movement, and will increase investors trust which will attract them to domestic market.
- ◆ FTSE has placed Mongolian capital market to a “Watch List” for possible inclusion to the “Frontier Market” category. By being included in “Frontier Market” category, our capital market will become internationally recognized, will attract large professional investors, supply necessary investment for fast growing sectors with low cost and for the long-term.
- ◆ Have organized meetings with professional international investors in world financial centers—New York, London, Hong Kong, Singapore- to conduct promotional meetings about investment and promoted domestic market and new legal environment and began the work of cooperation.

DEAR CLIENTS AND PARTICIPANTS OF SECURITIES MARKETS, MONGOLIAN STOCK EXCHANGE TEAM WISHES YOU HAPPY NEW YEAR!



FINANCIAL REGULATORY COMMISSION Japan's Financial Services Agency has long-term partnership.



Team of 9 from Financial Regulatory Commission has successfully participated in specialized training organized by Financial Services Agency on 18-22 November 2013. This training had a purpose of getting acquainted with operations of Japan Financial Services Agency, Securities and Exchange Supervision Commission, Japan Stock Exchange Group, Tokyo Commodities Exchange,

and research their experience, and make official meeting with relevant management, and had a general purpose of laying foundations for future long-term cooperation.

FRC representatives, besides getting covered by specialized training program within framework of this seminar, Japan Financial Services Agency chairman Mr. R.Hatanaka have met with them, and the fact that Mr. R.Hatanaka and FRC vice-chairman B.Daajamba has agreed to conclude memorandum of understanding within a short period is opening an opportunity to successfully lay the beginning of two organization's cooperation and expand future cooperation. Also, Financial Services Agency side expressed its decision to support FRC becoming and enlisting as an active member of International Organization of Securities Commission Organization (IOSCO).



MSE STARTS TO ACCEPT REQUESTS, PROPOSALS AND COMPLAINTS ONLINE AND BY PHONE

You can now dial Mongolian Stock Exchange telephone number 11-323715 and press 2 button and connect with Surveillance Department, or go to upper right corner of a website and go to "Proposal and complain" link and according to relevant form send your proposals or complaints to us by feedback@mse.mn mail address.



TO THE ATTENTION OF "DARKHAN KHUNS" JSC SHAREHOLDERS

By the decree no.:414 of Financial Regulatory Commission from 06 November 2013, it agreed to uphold issuance of 239 943 additional shares with face value of 100 MNT and right to own it for a loan of 615,213,981 (six hundred fifteen million and two hundred thirteen thousand nine hundred eighty one) MNT that was given by B.Batnasan, D.Bat-Erdene, B.Odontsetseg, S.Oyunchimeg, Bat-Ulzii who are shareholders of "Darkhan Khuns" JSC. In relation to the company issuing additional shares in private placement shareholders who did not participate in scheduled meeting of shareholders and who do not agree with decisions issued from the meeting, we hereby, announce that by article 54 of the "Company's Law" they have an automatic right arisen to demand from the company to buyback its shares.



FINANCIAL REGULATORY COMMISSION'S DECISIONS

Financial Regulatory Committee has issued following decisions in December 2013 within Securities regulation framework.

These are:

- ◆ “Shinest” JSC securities trading has been renewed.
- ◆ Based on clause 6.1.3 of “Law about legal status of Financial Regulatory Commission”, 34.1.4 of “Securities Market Law”, 10.1.4 and 13.1 of “Law about business activities licensing”, FRC’s “Rule of licensing to conduct professional work and services on securities market” clauses 8.12, 8.1.3, 8.1.6, respectively, by the decree no.: 502, 503, 504 of FRC from 12 December 2013 “BBSS”, “Monhan Trade”, “Tengri Securities” LLC’s licenses to conduct broker, dealer activities on securities market have been suspended for 3 months period. It warned that within above mentioned period in case if the companies did not correct their breaches and shortcomings that were present in official demand and did not fulfill duties and tasks given by the Commission, licenses will be annulled.
- ◆ “SG Capital” LLC license to conduct broker, dealer and investment advisory operations have been extended.
- ◆ “Ten D Sec”, “Baga Kheer”, “NIKI”, “UGS”, “Sankhuugin Khugjil Invest”, “Ochir-Erdene Invest” LLC’s license to conduct broker, dealer operations have been suspended.
- ◆ “Great Securities” LLC license to conduct broker, dealer and investment advisory operations has been suspended.
- ◆ “Khansh Invest” LLC license to conduct broker, dealer operations has been revoked.

Mongolia,
Ulaanbaatar City 15160,
Chingeltei District, Baga
Toiruu 3,
Government Building IV.
Financial Regulatory
Commission

<https://www.frc.mn>



“Beren Mining” JSC starts promotion to offer its securities on the primary market

“Beren Mining” JSC was first established as a daughter company of “Beren Group” LLC in 2006 and started its operation in the metallurgical sector of Mongolia. In a year of 2007, an iron ore concentration factory was established based on “Tamyр River” iron ore deposit in Tuvshruuleh souм, Arkhangai province with an annual manufacturing capacity of 250 million tons of 63-67% iron ore concentrate.

The security issuer owns 4 deposit areas: Tamyр River iron ore deposit, Khadat Tolgoi deposit, Ulziit deposit and Tsenkher deposit in Tuvshruulekh souм, Arkhangai province, of which the total reserve amounts 84.6 million tons.

In order to exploit the reserve efficiently, “Beren Mining” JSC is expanding the current capacity of its iron ore concentration factory from 250 thousand tons to 500 thousand tons, and establishing Direct Reduced Iron (DRI) factory which has 300 thousand tons of output capacity by offering 30% of the company or 522,243,996 shares to the public.

The shares can be subscribed through brokerage and dealer companies that are registered on the Mongolian Stock Exchange. In detail and summary prospectus can be obtained from www.frc.mn, www.mse.mn, www.beren.mn, www.bdsec.mn or the underwriter BDSec JSC.

Offered to the public:

Price:	250 MNT
Number of shares:	522 243 996
Percentage:	30%
Method:	Of set price

Face value: 157.35 төгрөг

Please [click here](#) to view “Beren mining” JSC’s prospectus /Mongolian/

B.BATBAATAR HAS BEEN APPOINTED AS DEPUTY CEO OF “SHARYN GOL” JSC

B.Batbaatar who is working as a member of BoD of “Sharyn gol” JSC (MSE:SHG) since 2010 has been appointed as **SHARYN GOL JSC** Deputy CEO of the company by the decision of its BoD. “Sharyn Gol” JSC BoD chairman B.Batmunkh has expressed his hope that to implement the company’s main goal of becoming a key producer of coal and main coal supplier to northern Mongolian customers and solidify this position newly appointed CEO’s knowledge, experience and skills will have an important influence.

FRC REGISTERS “MEREX” LLC SECURITIES THAT WILL BE OFFERED TO THE PUBLIC

“Merex” LLC is changing its organizational type and becoming a public JSC and in connection with this FRC has discussed this matter through their meeting from 18 December 2013 and agreed to list it to the securities registration.

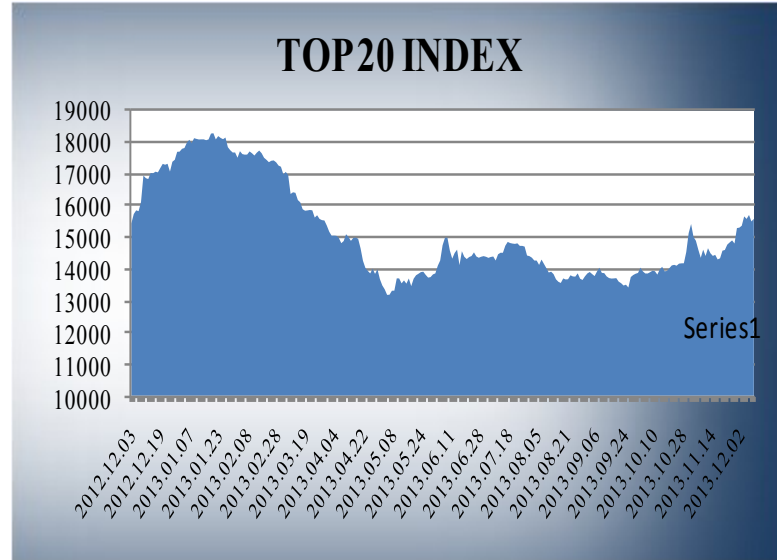
Please see decree no.:514 of Financial Regulatory Commission to register “Merex” LLC securities to be offered to the public [by clicking here](#).

Brief statistics

Traded volume	1 273 071
Total traded value /MNT/	3 270 828 440
Number of transactions	1 857
Number of traded securities	86
Market capitalization /MNT/	1 670 531 200 066.38

TOP-20 Index

Close	1 6301.81
Pre-Close	15 301.3
Change/MNT/	-16 301.81
Change /%/	93.86
52 weeks High	18 301.93
52 weeks Low	13 188.46



Actively traded securities:

By volume:

No	Symbol	Securities name	Volume	Price
1	RMC	REMICON	356 243	60 122 064
2	BDS	BDSEC	309 889	595 446 130
3	HGN	KHUKH GAN	89 903	11 590 775.24
4	DHL	SELENGE DULAANKHAN	76 440	7 644 000
5	HBO	HBOil	74 067	25 198 900

By value:

No	Symbol	Securities name	Volume	Price
1	DZG	DARKHAN HOTEL	71 093	1 800 074 760
2	BDS	BDSEC	309 889	595 446 130
3	TTL	TAVAN TOLGOI	43 795	243 163 285
4	APU	APU	19 596	78 606 656
5	RMC	REMICON	356 243	60 122 064

Risers:

No	Symbol	Securities name	Pre-close	Closing price	Change	
					MNT	%
1	HSR	KHASU MANDAL	1 800	2 645	0	46.94
2	TTL	TAVAN TOLGOI	4 292	6 055	845	41.08
3	MNH	MONGOL NEKHMEL	4 697	6 200	1763	32
4	NXE	NEKHEESGUI EDLEL	2 620	3 399	1503	29.73
5	ATI	ARGOTECHIMPEX	1 100	1 400	779	27.27

Fallers:

No	Symbol	Securities name	Pre-close	Closing price	Change	
					MNT	%
1	UBH	ULAANBAATAR KHIYS	14 880	11 000	0	-26.07
2	DAR	DARKHAN GURIL TEJEEL	991	770	-3 880	-22.3
3	NIE	NOYOT KHAIRKHAN	1 996	1 600	-221	-19.8
4	SOR	SOR	1 894	1 600	-396	-15.5
5	HAM	MONGOLIIN KHUGJIL UN-DESNIH NEGDEL	5 960	5 070	-294	-14.9