

**NOT FOR DISTRIBUTION TO ANY PERSON LOCATED OR RESIDENT IN ANY JURISDICTION  
WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS DOCUMENT**

**January 10, 2023**



**GOVERNMENT OF MONGOLIA**

On January 9, 2023 the Government of Mongolia (the “**Government**”) announced its offers (the “**Offers**”) (i) to purchase for cash any and all of the 2023 Notes; (ii) subject to the Maximum Exchange Acceptance Amount, to exchange 2023 Notes for New Notes; (iii) subject to the Maximum Exchange Acceptance Amount, to exchange 2024 Notes for New Notes; and (iv) to purchase for cash up to the Maximum 2024 Tender Acceptance Amount of 2024 Notes; held by Eligible Holders, for, at the election of each Eligible Holder, the relevant Offer Consideration.

The Offers are made on the terms and subject to conditions to set out in an offer to exchange and tender offer memorandum dated January 9, 2023 (the “**ETOM**”), which is available, subject to eligibility and registration, on the Offer Website: <https://projects.morrowsodali.com/mongolia> (the “**Offer Website**”). All capitalized terms used but not defined in this announcement have the respective meanings specified in the ETOM. The table below sets forth certain information relating to the Offers.

**Announcement of Pricing of the New Notes Issuance**

On January 10, 2023 the Government priced the notes to be issued as part of the New Notes Issuance at an issue price of 98.812% of their principal amount. The New Notes (if any) to be issued pursuant to the Exchange Offers will be issued on the same terms and form a single series with the notes to be issued as part of the New Notes Issuance.

The table below sets forth certain information relating to the notes to be issued as part of the New Notes Issuance.

Issuer	The Government of Mongolia
Gross Proceeds <sup>1</sup>	U.S.\$444,654,000
Principal Amount of the Notes	U.S.\$450,000,000
Offering Price	98.812%
Use of Proceeds	The Government intends to use the net proceeds of the issuance of the New Notes to repurchase any and all 2023 Notes and with any remaining proceeds to purchase a portion of 2024 Notes pursuant to the Offers and to pay costs and expenses related to the New Notes Issuance and the Offers. To the extent there are additional

---

<sup>1</sup> Excludes underwriting commissions and expenses related to the New Notes Issuance and the Offers.

proceeds after the application described above, the Government intends to use them to refinance existing near-term maturity debt obligations.

Coupon	8.65%
Interest Payments	The New Notes will bear interest from and including January 19, 2023 at the rate of 8.65% per annum, payable semi-annually in arrears
Day Count Fraction	30/360
Maturity	January 19, 2028
Yield to Maturity	8.95%
Ratings of the Notes	Expected “B” by Standard & Poor's Rating Services (S&P) and “B” by “Fitch Ratings” (Fitch).
Interest Payment Dates	January 19 and July 19
First Interest Payment Date	July 19, 2023
Redemption Provisions	The New Notes will not be redeemable prior to maturity
Delivery	DTC
Listing	Approval in-principle has been received for the listing and quotation of the Notes on the Singapore Exchange Securities Trading Limited
ISIN	144A: US60937LAG05 Reg S: USY6142NAG35
CUSIP	144A: 60937LAG0 Reg S: Y6142NAG3
Denomination	U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof
Form of Notes	Registered book-entry form through DTC
Settlement Date	January 19, 2023 (T+6)
Joint Lead Managers and Joint Bookrunners	Credit Suisse (Hong Kong) Limited, J.P. Morgan Securities plc, MUFG Securities Asia Limited and The Hongkong and Shanghai Banking Corporation Limited

## **Announcement of Exchange Ratios and Exchange Consideration**

The Exchange Ratios (rounded to six decimal places, with 0.0000005 rounded upwards) for the Old Notes have been determined as set forth below.

Old Notes	ISIN / CUSIP	Exchange Price per US\$1,000 of Old Notes tendered for exchange	Exchange Ratio
2023 Notes	<b>Reg S:</b> USY6142NAB48/ Y6142N AB4  <b>Rule 144A:</b> US60937LAB18/ 60937L AB1	US\$1,000	1.012023
2024 Notes	<b>Reg S:</b> USY6142NAA64/ Y6142NAA6  <b>Rule 144A:</b> US60937LAA35/ 60937LAA3	US\$1,000	1.012023

Following, the determination of the Exchange Ratios, the Exchange Considerations per \$1,000 of Old Notes tendered for Exchange will amount to US\$1,012.023 in principal amount of New Notes *plus* Accrued Interest for the 2023 Notes and US\$1,012.023 in principal amount of New Notes *plus* Accrued Interest for the 2024 Notes.

If, as a result of the application of the relevant Exchange Ratio and/or any applicable proration, an Eligible Holder would be entitled to receive an aggregate nominal amount of New Notes that is not an integral multiple of US\$1,000, in the Exchange Offers, such New Notes nominal amount will be rounded down to the nearest US\$1,000, and the Government will pay, or procure that it is paid, in cash to that Eligible Holder on the Settlement Date a Cash Rounding Amount, which is the amount equal to (i) the fractional portion of such aggregate nominal amount that is not such an integral multiple, multiplied by (ii) the New Notes Issue Price (rounded to the nearest US\$0.01, with half a cent being rounded upwards).

### **Maximum Exchange Acceptance Amount**

The Exchange Offers are subject to a cap on the aggregate principal amount of Old Notes that the Government will accept for exchange for New Notes (the “**Maximum Exchange Acceptance Amount**”).

The Government has determined that the Maximum Exchange Acceptance Amount applicable to the Exchange Offers is such amount of Old Notes that will result in the issuance of US\$200,000,000 in aggregate principal amount of New Notes.

If the aggregate principal amount of Old Notes tendered for exchange in the Exchange Offers exceeds the Maximum Exchange Acceptance Amount, the Government intends to prioritize accepting 2023 Notes tendered in the 2023 Exchange Offer over 2024 Notes tendered in the 2024 Exchange Offer.

The Government reserves the right to increase or decrease, in its sole and absolute discretion, the Maximum Exchange Acceptance Amount and will make a further announcement as soon as practicable should the Government change the Maximum Exchange Acceptance Amount.

THE OFFERS WILL EXPIRE AT 5:00 P.M., NEW YORK TIME, ON 13 JANUARY, 2023, UNLESS EXTENDED OR TERMINATED BY THE GOVERNMENT AT THE GOVERNMENT'S SOLE DISCRETION (SUCH DATE AND TIME, AS THE SAME MAY BE EXTENDED, THE “EXPIRATION DATE”). THE DEADLINES SET BY ANY INTERMEDIARY OR CLEARING SYSTEM MAY BE EARLIER THAN THE DEADLINES SET OUT IN THE EXCHANGE AND TENDER OFFER MEMORANDUM.

INSTRUCTIONS ONCE GIVEN, ARE IRREVOCABLE AND MAY NOT BE WITHDRAWN.

The information in this announcement is only a summary. Before making a decision with respect to the Offers, Holders should carefully consider all of the information in the ETOM. You may request a copy of the ETOM the Information, Exchange and Tender Agent at the addresses, and telephone numbers set forth below, or you may download the ETOM at the Offer Website: <https://projects.morrowsodali.com/mongolia>.

*The Information, Exchange and Tender Agent for the Offers is:*

**Morrow Sodali Limited**

*In London:*  
103 Wigmore Street  
W1U 1QS London  
United Kingdom  
Telephone: +44 20 4513 6933

*In Stamford:*  
333 Ludlow Street  
South Tower, 5th Floor  
Stamford, CT 06902  
United States of America  
Telephone: +1 203 609 4910

*In Hong Kong:*  
The Hive  
33-35 Hillier Street  
Sheung Wan  
Hong Kong  
Telephone: +852 2319 4130

Email: [mongolia@investor.morrowsodali.com](mailto:mongolia@investor.morrowsodali.com)  
Offer Website: <https://projects.morrowsodali.com/mongolia>

*The Dealer Managers for the Offers are:*

**Credit Suisse (Hong Kong) Limited**  
Attention: Legal – Investment  
Banking and Capital Markets  
Level 88, International Commerce  
Centre  
1 Austin Road West  
Kowloon, Hong Kong  
Telephone: +852 2101 6000  
Fax: +852 2284 7184  
Email:  
[liabilitymanagementasia@credit-suisse.com](mailto:liabilitymanagementasia@credit-suisse.com)

**J.P. Morgan Securities plc**  
Attention: Liability Management  
Desk  
25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom  
Telephone:  
+852 2800 8219 (Hong Kong)  
+852 2800 7632 (Hong Kong)  
E-mail:  
[liability\\_Management\\_HK@jpmorgan.com](mailto:liability_Management_HK@jpmorgan.com)

**MUFG Securities Asia Limited**  
Attention: Liability Management  
Group  
11/F AIA Central, 1 Connaught  
Road, Central, Hong Kong  
Telephone: +33 1709 14279  
+852 2860 1678  
Email:  
[liability.management@mufgsecurities.com](mailto:liability.management@mufgsecurities.com)

**The Hongkong and Shanghai Banking Corporation Limited**  
Attention: Liability Management  
Level 17, HSBC Main Building  
1 Queen's Road Central  
Hong Kong  
Telephone:  
US Toll Free: 1-888-HSBC-4LM  
+852 3941 0223 (Hong Kong)  
+44 207 992 6237 (London)  
+1 212 525 5552 (New York)  
E-mail:  
[liability.management@hsbcib.com](mailto:liability.management@hsbcib.com)

**This announcement is not an offer or a solicitation of offers. The Offers are made solely by means of the ETOM. The Offers do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction where an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.**

**This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any New Notes and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful.**

The 2023 Tender Offer and the 2024 Tender Offer are being made pursuant to exemptions from the U.S. tender offer rules provided for in Rule 3a12-3 of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). Accordingly, the Offers will be subject to disclosure and other procedural requirements, including with respect to the offer timetable, settlement procedures and timing of payments that are different from those applicable to tender offers subject to Section 14 of the Exchange Act.

The Old Notes and the New Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Pursuant to this offering, the securities may only be offered or

sold to investors who are either (a) QIBs or (b) outside the United States in offshore transactions in reliance on Regulation S. The communication of this announcement and any other document or materials relating to the Offers are not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the "FSMA").

Accordingly, the announcement and such other documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom, save in circumstances where section 21(1) of the FSMA does not apply, and are only for circulation to and directed at persons outside the United Kingdom or to persons within the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or within Article 43(2) of the Order, or to other persons to whom the ETOM and such other documents and/or materials may lawfully be communicated in accordance with the Order (all such persons together being referred to as "**Relevant Persons**"). Any investment or investment activity to which this ETOM and/or such other documents and/or materials relates is available only to and will be engaged in only with Relevant Persons, and any person who is not a Relevant Person should not rely on them. It is a condition of you receiving such documents and/or materials that you represent and warrant to the Government and its professional advisers and contractors that (i) you are a Relevant Person; and (ii) you have read and agree to comply with the contents of this notice.

Neither this announcement nor any other documents or materials relating to the Offers have been submitted to or will be submitted for approval or recognition to the FSMA (*Autorité des services et marchés financiers / Autoriteit Financiële diensten en markten*) and, accordingly, the Offers may not be made in Belgium by way of a public offering, as defined in Articles 3, §1, 1° and 6 of the Belgian Takeover Law as amended or replaced from time to time. Accordingly, the Offers may not be advertised and the Offers will not be extended, and neither this ETOM nor any other documents or materials relating to the Offers (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than (i) to "qualified investors" in the sense of Article 10 of the Belgian Law of June 16, 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets, acting on their own account; or (ii) in any circumstances set out in Article 6, §4 of the Belgian Takeover Law. This ETOM has been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Offers. Accordingly, the information contained in this ETOM may not be used for any other purpose or disclosed to any other person in Belgium.

This announcement is not being distributed in the context of a public offer in France and has accordingly not been submitted to the *Autorité des marchés financiers* for prior approval and clearance. This announcement is not to be further distributed or reproduced (in whole or in part) by the recipients.

The Offers have not been and will not be made, directly or indirectly, to the public in France and neither this announcement nor any offering material relating to the Offers will be distributed or caused to be distributed to the public in France. Offers, sales and distributions have been and shall only be made in France to (i) qualified investors other than individuals acting for their own account or (ii) providers of investment services relating to portfolio management for the account of third parties as defined in and in accordance with Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

With respect to persons in Hong Kong, the Offers are only made (a) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (b) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under the SFO; or (c) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the New Notes (including this announcement) has been issued or been in the possession of the Dealer Managers for the purposes of issue, and will not be issued or be in

the possession of the Dealer Managers for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under that Ordinance.

Neither this announcement nor any other documents or materials relating to the Offers have been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* (the “**CONSOB**”) pursuant to Italian laws and regulations. The Offers are being carried out in Italy as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of February 24, 1998, as amended (the “**Financial Services Act**”) and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of May 14, 1999, as amended (the “**Issuers’ Regulation**”), as the case may be. The Offers are also being carried out in compliance with article 35-bis, paragraph 7 of the Issuers’ Regulation.

A Holder located in Italy can tender the Old Notes through authorized persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Consolidated Financial Act, the CONSOB Regulation No. 20307 of 15 February 2018, as amended, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the New Notes or the Offers.

The Offers are made in Switzerland to Holders only. Neither this announcement nor any other document related to the Offers constitute a prospectus within the meaning of Art. 652a or Art. 1156 of the Swiss Code of Obligations.