



# Mongolia Growth Group Announces Shareholder Meeting and Corporate Matters

TORONTO, ONTARIO, CANADA, May 15, 2017 - Mongolia Growth Group Ltd. (YAK - TSXV and MNGGF - USA) (“MGG” or “the Corporation”) is pleased to announce that its annual and special shareholder meeting is scheduled for June 14, 2017 (the “Meeting”). MGG is also pleased to announce that its board of directors (the “Board”) has adopted a shareholder rights plan (the “Rights Plan”) pursuant to a rights agreement between the Corporation and Computershare Trust Company of Canada, dated May 5, 2017. MGG is also pleased to announce that it has amended its General By-Law to, among other things, include advance notice provisions (“Advance Notice Provisions”) for the election of directors at meetings.

## **Shareholder Rights Plan**

The terms of the Rights Plan are similar to those in rights plans recently approved by shareholders of other Canadian corporations and take into consideration the take-over bid regime adopted by the Canadian Securities Administrators in 2016 (the “CSA Amendments”).

MGG is not aware of any specific take-over bid for the Corporation in process or currently being contemplated.

The Rights Plan is designed both to encourage the fair and equal treatment of MGG’s shareholders in connection with any potential take-over bid and to ensure that MGG’s shareholders and the Board, in compliance with corporate and securities laws, have sufficient time to consider whether there are other options that would more effectively maximize shareholder value. The Rights Plan is not intended to deter take-over proposals.

The rights issued under the Rights Plan become exercisable when a person, together with any parties related to it, acquires or announces its intention to acquire, 20% or more of the Corporation’s outstanding common shares without complying with the “Permitted Bid” provisions of the Rights Plan or without approval of the Board. Should such an acquisition occur each right would entitle a holder, other than the acquiring person or persons related to it, to purchase common shares of MGG at a significant discount to the then current market price. A “Permitted Bid” is a bid made to all MGG shareholders that is open for a period of 105 days or such shorter minimum period that a take-over bid must remain open for deposits of securities in the applicable circumstances, under the CSA Amendments. If at the end of the 105 day period more than 50% of MGG’s then outstanding common shares, other than those common shares owned by the party making the bid and certain related persons, have been tendered to the bid, such party may take up and pay for the common shares but must extend the bid for a further 10 days to allow other shareholders to tender.

Consistent with the CSA Amendments, the Rights Plan encourages a potential acquirer to proceed with their bid in accordance with the Canadian take-over bid rules, which requires that the bid satisfy certain minimum standards intended to promote fairness, or have the approval of the Board, by:

- protecting against “creeping bids” (the accumulation of more than 20% of the common shares through purchases exempt from Canadian take-over bid rules, such as: (i) purchases from a small group of shareholders under private agreements at a premium to the market price not available to all shareholders, (ii) acquiring control through the slow accumulation of common shares over a stock exchange without paying a control premium, or (iii) through other transactions outside of Canada not subject to Canadian take-over bid rules), and requiring the bid to be made to all shareholders; and
- preventing a potential acquirer from entering into lock-up agreements with existing shareholders prior to launching a take-over bid, except for permitted lock-up agreements as specified in the Rights Plan.

The Rights Plan must be ratified by shareholders at the Meeting, which is currently scheduled for June 14, 2017, failing which it will cease to have effect. Upon ratification by MGG shareholders, the Rights Plan will continue to be in effect until the annual meeting of shareholders held in 2020 and is subject to reconfirmation by shareholders at the third annual meeting held after each confirmation.



At any time prior to the rights becoming exercisable, the Board may waive the operation of the Rights Plan with respect to certain events before they occur. The rights issued under the Rights Plan are attached to and trade with MGG's common shares and no separate certificates will be issued unless an event triggering these rights occurs.

A copy of the Rights Plan will be available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **Advance Notice Bylaw**

The Corporation has amended its General By-Law to, among other things, include Advance Notice Provisions for the election of directors at shareholder meetings. The Advance Notice Provisions provide that:

- in the case of an annual general meeting (which may also be an annual and special meeting of shareholders), not less than 30 and not more than 65 days prior to the date of the annual general meeting; provided, however, that in the event that the annual general meeting is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first Public Announcement of the date of the annual general meeting was made, the Shareholder Notice may be given not later than 5 p.m. in the time zone of the Head Office on the tenth (10th) day following the Notice Date; and
- in the case of a special meeting (which is not also an annual meeting of shareholders) called for the purpose of electing directors (whether or not called for other purposes), not later than 5 p.m. in the time zone of the Head Office on the fifteenth (15th) day following the first Public Announcement of the date of the special meeting.

The amendments to the General By-Law (including the Advance Notice Provisions) must be ratified by shareholders at the Meeting, which is currently scheduled for June 14, 2017, failing which it will cease to have effect.

For further information please contact:

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Mongolia Growth Group Ltd. is a publicly traded and leading property investment and development company in Ulaanbaatar, Mongolia. Mongolia Growth Group Ltd. owns an extensive property portfolio in diversified segments of the property market, with an emphasis on institutional-grade commercial assets.

#### **Forward-looking Information and Statements**

This press release contains certain statements or disclosures relating to MGG that are based on the expectations of its management as well as assumptions made by and information currently available to MGG which may constitute forward-looking statements or information ("forward-looking statements") under applicable securities laws. All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that MGG anticipates or expects may, or will occur in the future (in whole or in part) should be considered forward-looking statements. In some cases, forward-looking statements can be identified by terms such as "forecast", "future", "may", "will", "expect", "anticipate", "believe", "potential", "enable", "plan", "continue", "contemplate", "pro-forma", or other comparable terminology.

In particular, forward-looking statements in this press release include, but are not limited to, statements concerning MGG's upcoming annual meeting of shareholders and the timing thereof, the approval of the Rights Plan, the operation of the Rights Plan in the event of certain circumstances, and the amendments to the General By-Law.

Forward-looking statements are necessarily based upon a number of assumptions that, while considered reasonable by MGG as of the date of such statements, are inherently subject to business, economic and competitive uncertainties and contingencies. The assumptions of MGG used for this news release may prove to be incorrect. Forward-looking statements are based on current expectations, estimates and projections that involve a number of risks which could cause actual results to vary and in some instances to differ materially from those anticipated by MGG and described in the forward-looking statements contained in this press release.



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Although MGG believes that the material factors, expectations and assumptions expressed in such forward-looking statements are reasonable based on information available to it on the date such statements were made, no assurances can be given as to future results, levels of activity and achievements and such statements are not guarantees of future performance. MGG's actual results may differ materially from those expressed or implied in forward-looking statements and readers should no place undue importance or reliance on the forward looking-statements. Statements including forward looking statements are made as of the date they are given and, except as required by applicable securities laws, MGG disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.