Mongolia Growth Group
Announces Annual Results

TORONTO, CANADA, April 20, 2016 /FSC/ - Mongolia Growth Group Ltd.
(YAK - TSXV and MNGGF - USA) ("MGG") or ("the Company") a commercial real estate investment and development company participating in the growth of the Mongolian economy announces its financial results for the full financial year ended December 31, 2015 and is pleased to report continued progress on improving operations and reducing costs as it targets positive Adjusted Funds From Operations (AFFO)*.

Highlights for the year:

- Dramatic improvements in operational performance have reduced negative annual AFFO by (89%) year over year to CDN $451,898 compared to 2014 when negative AFFO was CDN $4,127,427.
- Reduced expenses excluding non-cash, non-capitalized development expense from $5,578,213 to $2,665,165, a decrease of 52%, despite an increase in expenses associated with the operation of Tuguldur Center and various marketing initiatives

  "We are proud to report significant improvements in AFFO despite the accelerating weakness in the Mongolian economy," said Harris Kupperman, Chairman and CEO of MGG.

  "We have spent 2015 focused on improving our operations and reducing costs. The results on the expense side show the continued and dramatic progress that has been made to eliminate costs that were largely unnecessary spending. Unfortunately, this improvement has been offset by an accelerating decline in lease rates which has led our AFFO to continue to be negative, though dramatically less negative than prior years.

  While we believe that there are some additional cost savings that we can crystalize during 2016, the revenue side of the equation is expected to get worse in future quarters. With rental rates in in a downward trend, our focus during 2016 will continue to be on efficiency gains and cost reductions while we push ahead with our agency business.

  We continue to believe that we have an outstanding team along with a great collection of property assets in Ulaanbaatar. Despite a weakening economy, along with increased vacancy, tenant turnover and bad debt expense, we believe that our portfolio is substantially outperforming the rest of the industry in terms of occupancy and rent collection. While we are hopeful that the economy will recover within the next year or two, we anticipate that the next few quarters will be incredibly difficult for the overall economy and we will do our best to lose less money during this downturn."

Over the next quarter, MGG expects to realize milestones in a number of areas:

- Continue to increase agency revenues quarter over quarter
- Identify additional cost cutting opportunities

Prior Quarter Scorecard

Goal- *Lease two vacant buildings that have not been part of our leasing pool over the past year*

Result-We successfully leased both properties with revenues expected to begin accruing during the second quarter of 2016. We still have one vacant building that we are looking to rent in the future.
Goal- *Lease our newly installed billboards*

Result-While we have earned revenue from these billboards, the returns have been below expectations due to high turnover and vacancy as companies reduce marketing budgets to conserve cash.
Goal- Begin to generate 3rd party fee revenue by brokering transactions for clients

Result-We have completed a number of transactions and continue to believe that this is a growth business.
Goal- Complete the development of a ~200 meter extension to Tuguldur's retail space

Result- This development has been completed and a lease was signed with a well-respected Mongolian firm, though the terms are below prior budgeted expectations due to the economic situation

Selected Annual Financial Information (CAD)

	Year Ended 31-December 2015 ($)	Year Ended 31 December 2014 ($)
Total Revenue		
Rental Revenue	2,002,512	1,822,392
Gain (loss) on Disposal of investment property	(116,182)	56,105
Other revenue	61,178	40,419
Total Revenue	**1,947,508**	**1,918,916**
Expenses		
Salaries and wages	1,065,273	2,677,203
Share based payment	977,725	1,838,904
Depreciation	137,608	126,018
Development expense	174,429	-
Administration	132,146	177,609
Repairs and maintenance	71,471	110,398
Office	85,571	143,048
Professional fees	615,319	1,518,494
Travel	108,158	148,745
Advertising	13,257	48,461
Land and property tax	198,668	277,350
Insurance	113,199	68,519
Utilities	172,140	143,708
Other	89,963	264,678
Total Expenses	**3,954,927**	**7,543,135**
Finance Expense	-	**250,230**
Impairment	219,749	402,339
Net Investment income	30,571	66,606
Unrealized gain (loss) on fair value adjustment of investment properties	(7,926,701)	10,683,896
Net income(loss) before income tax	**(10,123,298)**	**4,473,714**
Income taxes	(192,328)	321,932
Net income (loss) for the period	**(9,930,970)**	**4,151,782**
Net Income (loss) per share (basic)	**(0.28)**	**0.12**
Net income (loss) per share (diluted)	**(0.28)**	**0.12**

Funds From Operations (FFO) And Adjusted Funds From Operations (AFFO)

The analysis below shows a reconciliation of the Corporation's net income to FFO and AFFO for the years ended December 31, 2015 and December 31, 2014.

	Year ended 31-December 2015 ($)	Year ended 31-December 2014 ($)
Net Income for the period	**(9,930,970)**	**4,151,782**
Add (deduct) items not affecting cash		
Unrealized Change in fair value of investment properties	7,926,701	(10,683,896)
Depreciation and amortization of investment Properties	137,608	126,018
Loss (gain) from sales of investment properties	116,182	(56,105)
Tax on sales on investment property	35,710	84,507
Deferred Taxes	(109,032)	9,024
Impairment on all real estate assets	-	-
Impairment of other assets	-	402,339
Loss (gain) on PP&E properties	219,749	-
Share Based Payments	977,725	1,838,904
Funds From Operations	**(626,327)**	**(4,127,427)**
Add (deduct)		
Development costs not capitalized	174,429	-
Significant one-time expenses	-	-
Adjusted Funds From Operations	**(451,898)**	**(4,127,427)**
Per Unit – Basic		
Funds From Operations	(0.01)	(0.12)
Adjusted Funds From Operations	(0.01)	(0.12)
Per Unit – Diluted		
Funds From Operations	(0.00)	(0.02)
Adjusted Funds From Operations	(0.00)	(0.02)

Overall AFFO showed a significant improvement due to a 52% decline in expenses excluding share based payments, depreciation and non-capitalized development expenses.

Balance Sheet

	31-December 2015 ($)	31-December 2014 ($)
Current Assets		
Cash and cash equivalents	1,035,272	1,645,421
Other assets	327,999	1,027,703
Non-current assets		
Investment properties	46,473,749	48,458,517
Property and equipment	2,978,150	2,974,950
Total assets	50,815,170	54,106,591
Liabilities		
Current liabilities		
Trade payables and accrued liabilities	704,426	1,925,655
Income taxes payable	146,290	151,346
Non-current liabilities		
Deferred income tax liability	990,109	1,099,141
Total liabilities	1,840,825	3,176,142
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Equity		
Share capital	54,369,332	53,789,459
Contributed surplus	6,738,875	5,815,656
Accumulated other comprehensive loss	(1,135,265)	(7,607,039)
Deficit	(10,998,597)	(1,067,627)
Total equity	48,974,345	50,930,449
Total equity and liabilities	50,815,170	54,106,591

Unrealized Change in Fair Value of Properties

During the year, the Company determined that property market values had declined as a result of the weakening economy. The company recognized a decline in the fair value of properties of CDN $7,926,701 versus a fair value adjustment gain of $10,683,896 during the prior year in order to mark the portfolio to current market conditions. It is anticipated that with the accelerating weakness in the economy, the Company may experience future impairments to its portfolio.

Liquidity and Capital Resources

The Company ended the year with $1,035,272 of cash and cash equivalents and no debt. The Company intends to address its reduced cash balance through additional asset sales during 2016. While overall liquidity in the market has greatly diminished, there is still moderate demand for well-located properties.

Portfolio Data

The following table represents properties classified as Investment Properties, as of December 31, 2015:

			2015			2014
	# of Properties	Value at 31-Dec-15 $CDN	Meters	# of Properties	Value at 31-Dec-14 $CDN	Meters
Residential	1	285,170	-	2	357,160	-
Office	3	4,649,657	2,650	3	5,039,196	2,650
Retail	26	25,842,765	8,532	35	27,645,411	9,497
Land and Redevelopment	4	15,696,158	7,058	4	15,416,750	7,058
Total	**34**	**46,473,750**	**18,240**	**44**	**48,458,517**	**19,205**

Outlook

Anecdotal evidence shows that over the past year, office rental rates have declined by greater than half, while retail rates have declined by roughly a third in Mongolian Tögrög terms. In both cases, the rate of decline is rapidly accelerating. As leases are renewed at current market rates, it is expected that this will translate into a decline in overall rent received on the contracts that are currently in place. Additionally, recent weakness in the Mongolian Tögrög to Canadian Dollar exchange rate that began in early 2016 has put additional pressure on our rents when translated into Canadian Dollars. Roughly half of the Company's expenses are denominated in US and Canadian Dollars; hence a decline in the Tögrög increases the Company's costs while reducing rental revenues, offsetting the prior trend during much of 2015. Fortunately, the Company has reduced run-rate expenses by more than half over the past year, which somewhat mitigates the anticipated decline in future revenues.

Despite these economic headwinds, the Company has had its best quarterly AFFO performance since inception during the fourth quarter of 2015. Preliminary first quarter, 2016 results show additional improvement. The Company still believes that positive AFFO is achievable without having to raise additional equity capital, but current headwinds make positive AFFO difficult until the economy begins to recover. Going forward, the Company is hopeful that it can keep cash losses to a minimum as it awaits an eventual recovery in the Mongolian economy.

Disclaimer

Please see the Company's audited financial statements (the "Financial Statements") and related Management's Discussion & Analysis ("MD&A") for the financial year ended December 31, 2015 for more details. The Financial Statements and MD&A have been reviewed and approved by the Company's Audit Committee and Board of Directors. The Company has prepared this news release to alert shareholders to the foregoing and that a more detailed explanation and analysis is readily available in the MD&A. These Financial Statements and MD&A have been are available for viewing under the Company's profile on SEDAR at www.sedar.com.

Non IFRS Measures

The Corporation refers to Funds from Operations ("FFO") and Adjusted Funds from Operations ("AFFO"). "FFO " is not defined under IFRS. The Corporation calculates FFO in accordance with the Real Property Association of Canada ("REALpac") White Paper on Funds from Operations issued April 2014. FFO is defined as net income (loss) and comprehensive income (loss) calculated in accordance with IFRS, excluding: (i) Unrealized change in fair value of investment properties (ii) depreciation and amortization of investment properties; (iii) gains (or losses) from sales of investment properties and equipment; (iv) tax on gains or losses of sale on investment properties (v) deferred income tax (expense) recovery; (vi) impairment/losses on all real estate assets (vii) Gains or losses on PPE properties (viii) share based payments. "AFFO " is not defined under IFRS and may not be comparable to AFFO used by other issuers. The Corporation has defined AFFO as FFO subject to certain adjustments, including: development expenses not capitalized, large one-time expenses and other adjustments as determined by Management.

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

MGG undertakes its own property acquisitions, develops brownfield land assets and repositions outdated properties, relying on in-house services for all facets of both the investment portfolio and development side of the business. In addition, MGG acts as a full-service third-party provider for institutional clients and tailors transactions covering acquisition-to-suit, build-to-suit, as well as refurbish-to-suit, for property owners and major tenants.

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Forward-looking Information and Statements

Information and statements contained in this news release that are not historical facts are "forward-looking information" within the meaning of applicable Canadian securities legislation and involve risks and uncertainties. Forward-looking information and statements contained in this news release include information with respect to our intention to move forward into the construction of international standard properties in Mongolia.

Forward-looking information is necessarily based upon a number of assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. MGG cautions the reader that such forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from those expressed or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to: risks associated with investment in and development of real property in Mongolia; competition, financing and refinancing risks; risks related to economic conditions; risks related to regulation of the real estate business in Mongolia; political risk in Mongolia; changes in Mongolian taxation rules; reliance on key personnel; environmental matters; tenant risks; and other risk factors more particularly described in in MGG's filings with Canadian securities regulators, which filings are available at www.sedar.com. Additional risks and uncertainties not presently known to MGG or that MGG currently believes to be less significant may also adversely affect MGG. Forward-looking information is designed to help you understand management's current views of our near and longer term prospects, and it may not be appropriate for other purposes. MGG does not undertake any obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise, except to the extent legally required.