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MONGOLIA INVESTMENT GROUP LIMITED

蒙古投資集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 402)

**ANNOUNCEMENT RELATED TO THE RETIREMENT OF DIRECTORS
AT THE CONCLUSION OF THE ANNUAL GENERAL MEETING
OF THE COMPANY HELD ON 3 AUGUST 2012**

Reference is made to the announcement of Mongolia Investment Group Limited (the “Company”) dated 3 August 2012 in which the Company announced that Mr. LIM Siong, Dennis (“Mr. Lim”) and Mr. ENEBISH Burenkhoo (“Mr. Enebish”) were not re-elected as executive directors of the Company at the annual general meeting of the Company (the “AGM”) held on 3 August 2012. In various meetings of the board of directors of the Company (the “Board”) held since 26 August 2011 (the date of the AGM held in 2011) and 3 August 2012, there were disagreements between these 2 outgoing directors and the Board on a number of matters including those particularized below:

Date of each

Board meeting

Issues which were disagreed by Mr. Lim and Mr. Enebish

12 September 2011

Appointment of a consultant for the Company; and

Authorization for Leung, Chung Tak Barry, an executive director of the Company, to sign off the letter of representation to the auditors of the Company in connection with the annual audit of the Company and its subsidiaries (the “Group”) for the financial year ended 31 March 2012.

8 December 2011

Approval of the memorandum of understanding referred to in the announcement of the Company dated 12 December 2011 and incidental matters.

28 March 2012

Extension of the settlement date of a promissory note issued by the Company.

16 April 2012

Engagement of a mining expert.

26 May 2012

Non-adjourning of the Board meeting; and

Execution of the sale and purchase agreement referred to in the announcement of the Company dated 7 August 2012 and incidental matters.

Date of each Board meeting	Issues which were disagreed by Mr. Lim and Mr. Enebish
19 June 2012	Revision of the production schedule of the Mongolian mines; and Making provision for a smokeless coal plant.
29 June 2012	Approval and publication of the draft audited consolidated financial statements of the Group for the financial year ended 31 March 2012; Approval and publication of the draft annual report of the Group for the financial year ended 31 March 2012; No distribution of dividend; Approval of annual results announcement of the Group for the financial year ended 31 March 2012; and Re-appointment of auditors.

In each of the Board meetings mentioned above, Mr. Enebish's view was communicated to the Board via Mr. Lim. In respect of the retirement of Mr. Lim and Mr. Enebish, the Board takes the view that there is no other matter that needs to be brought to the attention of holders of securities of the Company.

By order of the Board
Mongolia Investment Group Limited
LEUNG, Chung Tak Barry
Executive Director

Hong Kong, 23 August 2012

As at the date of this announcement, the executive directors are Mr. YUEN Chow Ming (Chairman), Mr. YUEN Wai Keung (Deputy Chairman and Chief Executive Officer), Mr. SO Yiu Cheung (Deputy Chairman), Mr. CHEUNG Chi Man, Dennis and Mr. LEUNG, Chung Tak Barry, the non-executive directors are Mr. WONG, Kwok Kee and Mr. NG, Wing Keung, and the independent non-executive directors are Mr. CHAN, Sai Kit Kevin, Mr. LIAO Cheung Tin, Stephen, Mr. TAM, Tsz Kan and Mr. HUI, Yat On.