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### 1.3. HISTORY OF THE ISSUER

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Issuer company operates as preparation of livestock and processes the supplied livestock by industrial meat processing, produce a final products such as meat and meat related products and supply both domestic and foreign market.

Issuer company stopped the old expensive way of processing meat and introduced new system called zoned meat processing in 2007.

Today the issuer company has established branches that cover 11 provinces and the capacity to slaughter 10710 head of cattle within a day, storage capacity of 19200 ton.

#### **History of the Business:**

In 2000 “Just Group” LLC made a strategic decision that enter into agribusiness, and export meat that are processed in the local area. The operation was runned by internal business department of the group. Last 10 years this department purchased old meat processing plants and invested, rebuilt the buildings, installed new equipments and technologies and combined it in one system. For example:

In November 2002, National Property Committee held a auction to sell an unfinished meat storage warehouse with capacity of 10,000 ton, three meat, meat related product manufacturing companies and one citizen participated in the auction and citizen Ch.Burdembat, “SJ” LLC, “New Agro” LLC and “Just Group” LLC purchased it.

As a result in November 2003 they finished the unfinished building and purchased new equipments from Japan and Korea, installed it and finally established the “Makh-Market” LLC.

In February 2006 “Just Group” LLC purchased the 30% of “Makh Market” LLC shares from “SJ” LLC so that “Just Group” LLC owns 60% of the “Makh-Market” LLC.

In 2007 “Just Group” LLC purchased the 40% of “Makh-Market” LLC’s shares from “New Agro” LLC and from citizen Ch. Burdembat so that “Just Group” LLC owns 100% of the “Makh-Market” LLC.

Starting from 2007, introduced new way of preparing livestock system that purchase livestock directly from herders through their branches located in the local area, without any middle man.



In 2010, introduced Hazard Analysis and Critical Control Points, an international systematic approach to food safety in result, hygiene requirements at all stages of plant and of employees have increased. In effect, products hygiene and quality assurances have improved and our standards are drawing closer to the world standard.

In January 2011, the main factory's railroad started to operate so that exporting became more fast and flexible.

**Capital Investment:**

From 2006, the issuer company started to invest and purchase plants in the local area in order to increase the capacity of the plants, increase the exporting amount, and introduce new livestock preparing system without any middle man.

In 2006 Sukhbaatar makh market, in 2007 Zavkhan makh market, Bulgan makh market, Bayan-Olgii makh market, Uvs makh market, in 2008 Khuvgul makh market, Dornod makh market, in 2009 Baganuur makh market, Selenge makh markets plants were rearranged and expanded.

In 2010 invested 962 million MNT to renew the cooling system of Bulgan, Zavkhan and Sukhbaatar's makh markets plants. As a result the production refrigeration has increased twice as the capacity to refrigerate 19200 tons, also they stop the pyrone's refrigerating system as internationally prohibited to use.

In order to introduce the HACCP system, the issuer company purchased the required equipments, installed it and held training.

In 2010,Ulaanbaatar city's Makh Market factory's refrigerating system renewed. As a result the main factory's storage capacity increased by 2500 tons and total of 7000 tons.

Planning to bring the Uvurkhangai Makh- Market plant into operation in October 2011.

