
TO INVESTORS

Company is issuing bonds in accordance with the “Company Law” of Mongolia and all related regulation pursuant to Mongolian Financial Regulatory Committee Law.

In accordance with article 7.1 of the “Securities Law” this publicly offered bonds are registered at Financial Regulatory Committee. In doing so, you should carefully consider that any risk involved in issuing bonds is not guaranteed.

You should also be aware of that participating in making investment by trading bonds are **always risky** action can quickly lead to large losses as well as gains.

In addition, you should carefully review this prospectus including the process of issuing bonds for better investment decision.

Try to include all the necessary information that will help the investors to make their decision to buy the bonds in this prospectus. Somehow all required information may not include in this prospectus so if the investors need more information you can contact with the issuing company and the underwriting company.

To prepare this prospectus the underwriting company followed the article 28 of the “Securities Law” and used financial statements that are audited by an official auditing company.



INTRODUCTION

The issuer company operates as livestock purchase, slaughtering, meat processing and semi-finished meat products and supplies both domestic and foreign markets. From 2005 the company started a long term investment strategy, within this work they installed latest equipment and using modern technology meeting world industry standards as a result the company alone serves for 32.3% (41634 livestock) meat supply, 26% of total slaughter capacity (large cattle-1810, small cattle-8900 in one day), 30% of total storage capacity (19200 ton), 22.8% of meat exports (4518.9 ton of meat exported in 2010) of Mongolia. Also in 2010 the company supplied 40% of the industrial processed meat (2111 ton), procures 1/3 of the strategic meat reserve and meat export out of Ulaanbaatar city (produced 6918.9 tons of meat and meat products).

From 2006 the company removed the old slaughtering, meat processing system and introduced new system. Through this new system the company established a large network of slaughtering and packaging plants that covers 11 province of Mongolia.

There are total of 35 small and big sized slaughtering plants in operation with capacity to produce 90,000 tons of industrial processed meat a year, but due to current assets the slaughtering plants are only using 20-30% of their total capacity. Most of the meat supplies are made through a middle man this is great danger to the food safety.

Advantages of the Issuer:

- ✓ Company established a large network of slaughtering and packaging plants that have location advantages. This advantage will minimize the impact of force majeure and other animal disease.
- ✓ The distance to mill is decreased till 50-200km, this gives the advantage to increase the amount of cut ability from one livestock, and also the company can control the increasing cost of meat processing.



- ✓ “Makh Market” LLC has introduced Hazard Analysis and Critical Control Points System.
- ✓ Slaughtering and packaging plants that are located in the Selenge, Baganuur, Dornod and Ulaanbaatar are connected to rail roads.
- ✓ In 2011 the meat processing and exporting contracts are made in advance, For example:
 - In March 10th of 2011 made a contract with “Uni trade” Co. to export 4600 tons of lamb to Iran within February 28th of 2012 by using 2 times of transportation.
 - In April 15th of 2011 made a contract with Russian company “Buryatmyasprom” Co. to export 12000 tons of beef and horsemeat that worth 30,720,000 USD within August 1st of 2011 till December 31st of 2012.
- ✓ Issuer guarantees their bonds and the interest payment by their real estates. These are the advantages of the issuer that it will use the funding efficiently and repay the bonds in time.

Security issuer’ financial performance before the securities are introduced is total 3.85 billion MNT of debts, of which 2,81 billion MNT is short term loan from Savings Bank of Mongolia to fund their current asset.

According to the first loan agreement of 1,900,000,000 MNT which is made on 29October, 2010, Savings Bank has financed 1,900,000,000 MNT with the condition of 21.6% of interest with 1 year, on January 21st of 2011 there was an amendment on the agreement, and the amendment was to increase the amount of the loan by 915,000,000 MNT with the condition of 15.6% of interest, extended the payment period till October 20th of 2012.

According to the collaborate agreement made between “Golomt Bank” LLC, “Just Agro” LLC and “BDSec” JSC on May 17th of 2011, Golomt Bank wants to buy from the Issuer company’s issuing bonds with the amount equal to 10 billion MNT.



INFORMATION OF THE ISSUING BOND

Type of Bond:	Nominal and intangible
Par value:	10,000 MNT
Number of bonds offered to the public:	3,000,000
Required investment:	30,000,000,000 MNT
Maturity:	12 months
Yield, per year, /per month/:	16,2% , /1,35%/
Yield payment frequency:	Per quarter
Public placing of Bonds:	Partially
Frequency of bond issues:	Three times
Amount of issuance in each part:	10,000,000,000 MNT
Calling a bond:	Bond will be redeemed at the end of maturity period
Purpose of issuing a bond:	Financing meat processing activities
Guarantee:	Bond is guaranteed by assets and meat sales contracts.
Overrunning of the period of payment:	Additional overdue charges, 0.02% of total amount of interest, will be paid for each additional day.
Underwriter:	“BDSEC” JSC
Registration, depository, clearing and settlement of the Bond:	“Mongolian Securities Clearing House and Central Depository” LLC
Bond trading:	All of the Bonds will be offered to the public through Mongolian Stock exchange.



BOND PLACEMENT ON THE PRIMARY MARKET

3,000,000 volume of bond's valid period on the primary market placement is 12 months. Bond placement on the primary market it will be divided into three tranche and placed partially.

Period	2011						2012								
	Cap	8	9	10	11	12	1	2	3	4	5	6	7	8	9
MMB 1		10 Billion MNT													
MMB 2		10 Billion MNT													
MMB 3		10 Billion MNT													
Interest Payment 1				+			+			+			+		
Interest Payment 1					+			+			+			+	
Interest Payment 1						+			+			+			+
Capital Payment 1													+		
Capital Payment 1														+	
Capital Payment 1															+

- I. After getting the permission from “Financial Regulatory Commission”, first part of the issuing bonds will be placed on the primary market within August 30th, 2011. After the successful first tranche placement on primary market successfully, deliver the records to the competent authorities’ and announce to the public within 15 working days.
- II. The second tranche of the issuing bonds will be placed on the primary market within August-September 2011, after the first issued bonds are successfully traded. After the successful second tranche placement on primary market successfully, deliver the records to the competent authorities’ and announce to the public within 15 working days.
- III. The third tranche of the issuing bonds will be placed on the primary market within 30th of October of 2011, after the second part of the issued bonds are successfully traded. After the successful third tranche placement on primary market successfully, deliver the records to the competent authorities’ and announce to the public within 15 working days.

