

1.17. EVALUATION COMPANY’S CONCLUSION ON THE ISSUER COMPANY’S ASSET AND BUSINESS

The company’s assets and business evaluation has been executed by “Burtgel- Erdem Association” LLC for their issuing bonds.

The company’s assets were evaluated by every plants, and by the type of the assets, the total assets are calculated to be 45,206.9 million MNT.

- The evaluations of the total assets are calculated as following: current asset minus total amount of debt. From the audited financial statements of the issuer the following conclusions are made:

The current asset is recorded as 5576.3 million MNT but 12.3 million MNT were transferred to prepaid expenses. To evaluate the current asset we calculated as following: the net income is calculated 15% of the ending balance of the finished goods and evaluation were increased by 467.7 million MNT, while the debts of 1900.0 million MNT between the subsidiaries of “Just Agro” LLC was removed from the short term debt, and evaluated the current asset as 4,144.0 million MNT and the short term debt is 3,633.1 million MNT.

- Accounted 28,237.3 million MNT as an long-term debt is totally invested capital by “Just Group” LLC for the last five year to fund the “Just Agro” LLC, so according to the conclusion of “Dalaivan Audit” LLC the amount of long term debt is decreased, and according to the charge of the Chief Executive Director of “Just Group” LLC on March 30th of 2010, the long term debts removed and on table 3 the new evaluation of current asset is calculated.

CORRECTED BALANCE SHEET AFTER ASSET EVALUATION (million MNT)

Asset	Financial statement of 2010		Adjustment of evaluation	Revalued evaluation
	Balance	Auditors adjustment		
1. Current Asset				
- Cash and cash equivalents				16.9
- Account receivables and other receivables	16.9	-12.3		333.5
- Settlements of parties	345.8		-1 900.0	
- Raw material	1 900.0		467.7	3781.3
- Prepaid expenses	3 313 .6	12.3		12.3
Amount of current asset	5 576.3		-1 432.3	4 144.0
2. Non-Current Asset				
- Fixed asset (net) and unfinished buildings	32 587.9	-431.8	13 050.8	45 206.9
- Intangible assets	3.2			3.2
Amount of non-current asset	32 591.1	-431.8	13 050.8	45 210.1
Total Asset	38 167.4	-431.8	11 618.5	49 354.1





PRESCRIPTION OF THE BOND

3. Short term debt				
- Account payables	1 025,5			1 025.5
- Other payables, урьдчилсан орлого	137.7			137.7
- Payables for party	2 469.9	-1 900.0		569.9
- Bank loans	1 900.0			1 900.0
Amount of short term debt	5 533.1	-1 900.0		3 633.1
4. Long term debt	28 237.8	-28 237.8		
Total Liabilities	33 770.9	-28 237.8	-1 900.0	3 633.1
5. Amount of owners equity	4 396.5	27 806.0	13 518.5	45 721.0

After the evaluation of the net assets the total asset amount was 45,721.0 million MNT and it's 9 times higher than the end of the 2010 financial statement.

67.3% or 21806.0 million MNT of long term debt was transferred to owners equity account and 32.7% or 518.5 million MNT was increased by the reevaluation. After considering all these evaluation the net asset (total asset minus all the debts) of "Just Agro" LLC is 45.720 billion MNT (this amount is rounded).

The total amount of the evaluation is evaluated by the following ways: 45% of importance to the asset evaluation, 55% of importance to the business evaluation and by the average 45.720 billion MNT is multiplied by 45% and 60.072 billion MNT multiplied by 55% and plus the answers is 612.5 million MNT, the total asset and business evaluation of "Just Agro" LLC's 53.300 billion MNT, all the detailed reports and evaluation methods are send to the customer.