

# DON AGRO INTERNATIONAL LIMITED

Registration No. 201835258H  
(Incorporated in the Republic of Singapore)  
(**Company**)

MINUTES OF THE ANNUAL GENERAL MEETING OF THE COMPANY HELD AT CARLTON HOTEL SINGAPORE, EMPRESS BALLROOM 1, LEVEL 2, 76 BRAS BASAH ROAD, SINGAPORE 189558 AND BY WAY OF ELECTRONIC MEANS ON MONDAY, 29 APRIL 2024, AT 03:01 PM (SINGAPORE TIME).

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PRESENT:

Directors:

Mr Ravi Chidambaram	-	Chairman of the Annual General Meeting, Lead Independent Non-Executive Director
Mr Evgeny Tugolukov (via live webcast)	-	Executive Chairman
Mr Marat Devlet-Kildeev	-	Chief Executive Officer and Executive Director
Mr Gavin Mark McIntyre	-	Independent Non-Executive Director

Management, Company Secretary, shareholders and invitees: - As set out in the attendance record maintained by the Company.

*Due to the restriction on the use of personal data pursuant to the provisions of the Personal Data Protection Act 2012, the names of the shareholders and proxies present at the meeting will not be published in this minutes.*

1. WELCOME ADDRESS

At 3:01 pm (Singapore time), Mr Evgeny Tugolukov, the Executive Chairman of the Company welcomed everyone at the Company's Annual General Meeting (**AGM or Meeting**) and as he joined the Meeting remotely on the live webcast, he had requested for Mr Ravi Chidambaram, the lead independent director of the Company to chair the AGM. Mr Chidambaram (**Chairman**) welcomed everyone at the AGM and responded that he would be pleased to chair the Meeting.

The Chairman informed the Meeting that the Company is holding a hybrid Meeting by way of physical and electronic means and in the event the broadcasting of the live webcast and/or audio-stream should be disrupted, he would like to seek shareholders' co-operation and understanding while the Company takes steps to resolve relevant technical difficulties. In the event that such difficulties cannot be resolved within 20 minutes, the AGM will be adjourned to such date and time which will be announced on SGXNet and posted on the Company's website.

The Chairman introduced members of the Board of Directors and the management team present at the Meeting, namely:

- (a) Mr Evgeny Tugolukov, the Executive Chairman and the Company's shareholder who joined the Meeting on the live webcast;
- (b) Mr Marat Devlet-Kildeev, Chief Executive Officer, Executive Director and the Company's shareholder;
- (c) Mr Gavin Mark McIntyre, Independent Non- Executive Director;
- (d) Mr Artur Nazaryan, Chief Financial Officer; and
- (e) Mr Vadim Novikov, Chief Operating Officer.

The Chairman also introduced the Company Secretaries, DrewCorp Services Pte Ltd, the Sponsor, PrimePartners Corporate Finance Pte. Ltd., the Auditors, Foo Kon Tan LLP, the Scrutineer, Cypress Pines Asia Advisory Pte. Ltd., the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. and the Polling Agent, Convene SG Pte. Ltd.

## 2. QUORUM

After confirming that a quorum was present, the Chairman declared the AGM open.

## 3. NOTICE OF AGM

The notice of the AGM dated 13 April 2024 having been dispatched to shareholders and also published in the Business Times, and on the Company's corporate website, was taken as read. The Chairman proposed all 7 resolutions tabled at the Meeting.

The Chairman explained that all resolutions tabled at the Meeting will be voted in accordance with the Listing Manual Section B: Rules of Catalist (**Catalist Rules**) of the Singapore Exchange Securities Trading Limited (**Exchange**) and the Company's Constitution. The Chairman informed that he had been appointed as proxy for some shareholders who had directed the Chairman to vote for or against the resolutions. Therefore, in the course of the Meeting, the Chairman would be voting for and against certain resolutions in accordance with the wishes of shareholders who had appointed the Chairman as proxy. For shareholders who had not submitted their proxy form appointing the Chairman as their proxy, they may cast their votes in real time.

The Chairman informed the Meeting that Cypress Pines Asia Advisory Pte. Ltd., the appointed Scrutineer for the Meeting, had supervised and verified the counting of the votes of all valid proxy forms received from the shareholders within the submission deadline of 3:00 p.m. on 26 April 2024. The Scrutineer would also independently verify the votes cast by the shareholders during the Meeting.

The Chairman informed the Meeting that the resolutions tabled at the Meeting shall be voted by poll in accordance with the Catalist Rule 730A(2) of the Exchange. At the invitation of the Chairman, the polling agent, Convene SG Pte. Ltd., proceeded to play a video on the procedure on the conduct of the poll and carried out a test poll.

The Chairman informed the Meeting that the Company had received questions from shareholders prior to the Meeting. The Chairman thanked the shareholders for the questions and invited Mr Artur Nazaryan, the Chief Financial Officer to respond to the substantial and relevant questions posted to the Company. The Chairman also invited the shareholders present at the Meeting and via live webcast to raise their questions if any during the Meeting.

At this juncture, the Chairman invited Mr Artur Nazaryan to respond to the substantial and relevant questions submitted by the shareholders prior to this AGM and thereafter, to present an overview of the Company's financial year ended 31 December 2023 (**FY2023**) results.

## 4. QUESTIONS AND ANSWERS

Mr Artur Nazaryan welcomed all the shareholders attending this AGM physically and virtually and responded to the substantial and relevant questions submitted by the shareholder prior to this AGM as follows:

### First question:

On page 9 of the annual report for FY2023 (**Annual Report**) – “a decrease of approximately \$0.9 million due to the decrease in government grants received from the Ministry of Agriculture as a result decrease support for agricultural producers from unfriendly jurisdictions.”

Could you please explain the above? And what are “unfriendly jurisdictions”, and are there other differences in treatment between friendly/unfriendly jurisdictions other than government grants, for example heavier taxes?

Answer to the first question:

Mr Artur Nazaryan explained that during FY2023, the Company had received a significantly lesser amount in state support and government grants. During the recent changes in Russian legislation, Russia has prepared a list of so-called “unfriendly jurisdictions”, which includes countries that support sanctions against Russia. A number of Russian laws and regulations had also set a strict prohibition on capital outflow to these countries, including banning a major part of Russian state subsidies for agricultural producers that are controlled directly or indirectly by a company registered in an unfriendly jurisdiction. It was noted that the Company previously received about S\$1 million in government grants from the Ministry of Agriculture, however the government grants had decreased significantly in FY2023.

Second question:

The simple small-scale, small meeting room for extraordinary general meeting (**EGM**) of 2023 costed a hefty S\$100,000. Are you able to give a breakdown of the expenditure? What is the estimated total cost for the coming physical-online AGM?

Answer to the second question:

Mr Artur Nazaryan presented the breakdown of expenses relating to the EGM held on 18 August 2023 and the AGM held on 29 April 2024. He clarified that the total cost for the EGM held in 2023 is approximately S\$67,000 and were mainly related to (a) the cost of drafting the circular; (b) typesetting and printing of the circular for the EGM including publishing of the advertisement in the Business Times newspaper; (c) fees payable to the service provider for the live webcast for the EGM; (d) fees payable to the scrutineer and other professionals; and (e) booking of the venue of the EGM. He further explained that the venue for the EGM cost approximately S\$3,200.

Mr Artur Nazaryan further explained that the total costs for the AGM held on 29 April 2024 is approximately S\$45,000 and were mainly related to: (a) the typesetting and printing of the Company’s Annual Report including the publishing of the advertisement in the Business Times newspaper; (b) fees payable the service provider for the live webcast for the AGM; and (c) fees payable to the scrutineer and other professionals. He shared that that the venue for the AGM cost approximately S\$4,300.

Third question:

About the proposed disposal, I understand that the Company elected not to re-negotiate with the purchaser for the consideration for the proposed disposal to a lower amount. May I know whether did the Company receive the proposal for the new terms? If not, why had the Company chose not to hear them out? If yes, what were the new terms?

Answer to the third question:

Mr Artur Nazaryan explained that in the period 23 July 2023 to 19 December 2023, the key interest rate of the Central Bank of Russia increased from 7.5% to 16%. The significant increase in the interest rate took place on 15 August 2023. The effective cost of bank borrowing for long-term funds increased up to the 19% to 20% level. The Company has not received any formal refusal from the purchaser, but the Management had reason to believe that the purchaser was planning to use a bank loan to finance the acquisition but the interest rate was excessively high for their consideration. The Management team and Directors of the Company had attempted to contact the purchaser, but the Company had not received any updates from the purchaser after the proposed transaction was approved at the EGM in August 2023. Mr Artur Nazaryan also shared that the Executive Chairman had received an informal call from the major shareholder of the purchaser with a proposal to sell the Group for not more than \$4 billion Russian Ruble. The Company had considered the proposal non-constructive and viewed the proposed consideration as unfair. Hence, the Company rejected the proposal. Subsequently, the Company did not receive any further proposals and requests from the potential purchaser.

Fourth question:

Why are you still in business when your gross margin is negative?

Answer to the fourth question:

Mr Artur Nazaryan explained that the agricultural sector in Russia became very challenging in the year 2022 due to several reasons. It was noted that Russia had a record breaking harvest in the years 2022 and 2023 and the price for agricultural produces therefore became significantly low. At the same time, freight costs had increased significantly due to difficulties with the insurance of vessels for the export of the Company's crops. In addition, Russian government imposed export duties on the wheat and sunflowers crops, and the Company experienced a significant price pressure on the matter. Mr Artur Nazaryan also shared that there were also logistical issues with the support of the Company's key raw materials as most of the spare parts had increased significantly in price. Mr Artur Nazaryan further shared that agricultural sector in the year 2023 became not so attractive, however, the Group still received several proposals from different potential buyers. The Company had released an announcement via SGXNet before the trading hours and prior to the AGM on 29 April 2024 relating to a proposed transaction on the Company's sale of its agricultural division with a reasonable consideration of approximately \$4.5 billion Russian Rubles. The Company is currently working with the respective consultants for the preparation of the circular to the Company's shareholders to seek the shareholders' approval at the Company's EGM and the fulfilment of the other conditions required to complete the proposed transaction.

5. OVERVIEW OF THE COMPANY'S FY2023 RESULTS

Mr Artur Nazaryan gave a brief overview of the Company's FY2023 results as follows:

The exchange rate of Russian Ruble to Singapore Dollars had depreciated significantly by one-third in the year 2023 as compared to the average exchange rate in 2022 and the Company's financial performance were affected by this factor.

The property, plant and equipment decreased by S\$7 million from 2022 to 2023 due to the translation of currencies from Russian Rubles to Singapore Dollars, despite an actual growth in Russian Rubles from 2022 to 2023 for the property, plant, and equipment.

Mr Artur Nazaryan explained that the Company's inventories were about S\$20 million at the end of year 2022 and it had decreased by about S\$6 million in the year 2023 to S\$13.6 million mainly due to shift in timing of the sale of the produce. At the end of 2023, the Group's closing inventories were 16,000 tonnes of sunflower (which is the same in 2022). However, the stocks for winter wheat were lower at 14,000 tonnes in 2023 as compared to 21,000 tonnes in 2022.

The Company's net debt is about S\$3.6 million and it is considered at a "managing level". In terms of cash flow, the Company's net cash generated from operations is positive and improved from the year 2022. With reference to the consolidated statement of comprehensive income, the Company's revenue had decreased by S\$7 million due to the depreciation of the exchange rate from Russian Rubles to Singapore dollars. Cost of sales had decreased slightly but due to the negative change in the fair value of biological assets which is mostly affected by the lower price of the agricultural produce the Company faced a gross loss for the first time.

The Group's other operating income had increased significantly from zero to S\$2.1 million mainly due to payment received by the Group from the prospective buyer in previous year and kept with the Company as a result of the withdrawal of the transaction. Mr Artur Nazaryan shared that the Company had a net loss of S\$4.3 million in the year 2023 as compared to net loss of S\$2 million in the year 2022.

Mr Artur Nazaryan ended his presentation and handed the Meeting back to Chairman. The Chairman proceeded with the resolutions tabled at this Meeting.

## ORDINARY BUSINESS

### 6. RESOLUTION 1 - DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

The Chairman informed the Meeting that the first item on the agenda was to receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2023, together with the Auditors' Report thereon.

There being no questions raised, the Chairman proposed Resolution 1 and put the motion to vote by poll. The Chairman informed shareholders to vote for or against Resolution 1 by voting using the various electronic devices.

The Chairman declared the results of the poll on votes casted by the shareholders as follows:

The votes casted "FOR": 99.9958%  
The votes casted "AGAINST": 0.0042%

The Chairman declared Ordinary Resolution 1 carried.

### 7. RESOLUTION 2 - RE-ELECTION OF MR EVGENY TUGOLUKOV AS A DIRECTOR

The Chairman moved to the next item on the agenda relating to the re-election of Mr Evgeny Tugolukov who is retiring by rotation as a director of the Company under regulation 94 of the Company's Constitution and Mr Tugolukov has offered himself for re-election.

If re-elected, Mr Evgeny Tugolukov will remain as the Executive Chairman of the Company.

There being no questions raised, the Chairman proposed Resolution 2 and put the motion to vote by poll. The Chairman informed shareholders to vote for or against Resolution 2 by voting using the various electronic devices.

The Chairman declared the results of the poll on votes casted by the shareholders as follows:

The votes casted "FOR": 99.9958%  
The votes casted "AGAINST": 0.0042%

The Chairman declared Ordinary Resolution 2 carried.

### 8. RESOLUTION 3 - RE-APPOINTMENT OF MR GAVIN MARK MCINTYRE AS A DIRECTOR

The Chairman moved to the next item on the agenda relating to the re-election of Mr Gavin Mark McIntyre as a director of the Company under Regulation 100 of the Company's Constitution.

If re-elected, Mr Gavin Mark McIntyre will remain as the Chairman of the Audit and Risk Committee and member of the Nominating Committee and Remuneration Committee of the Company. He is considered an independent director pursuant to Rule 704(7) of the Catalist Rules of the Exchange.

There being no questions raised, the Chairman proposed Resolution 3 and put the motion to vote by poll. The Chairman informed shareholders to vote for or against Resolution 3 by voting using the various electronic devices.

The Chairman declared the results of the poll on votes casted by the shareholders as follows:

The votes casted "FOR": 99.9958%  
The votes casted "AGAINST": 0.0042%

The Chairman declared Ordinary Resolution 3 carried.

9. RESOLUTION 4 - DIRECTORS' FEES

The Chairman moved to the next item on the agenda to approve the payment of Directors' fees of S\$180,000 for the financial year ending 31 December 2024, payable by the Company in arrears not later than 31 December 2024.

There being no questions raised, the Chairman proposed Resolution 4 and put the motion to vote by poll. The Chairman informed shareholders to vote for or against Resolution 4 by voting using the various electronic devices.

The Chairman declared the results of the poll on votes casted by the shareholders as follows:

The votes casted "FOR": 99.9949%

The votes casted "AGAINST": 0.0051%

The Chairman declared Ordinary Resolution 4 carried.

10. RESOLUTION 5 - RE-APPOINTMENT OF AUDITORS

The Chairman moved to the next item on the agenda relating to the re-appointment of Foo Kon Tan LLP as auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to fix their remuneration. Foo Kon Tan LLP had expressed their willingness to continue as auditors of the Company.

There being no questions raised, the Chairman proposed Resolution 5 and put the motion to vote by poll. The Chairman informed shareholders to vote for or against Resolution 5 by voting using the various electronic devices.

The Chairman declared the results of the poll on votes casted by the shareholders as follows:

The votes casted "FOR": 99.9958%

The votes casted "AGAINST": 0.0042%

The Chairman declared Ordinary Resolution 5 carried.

**SPECIAL BUSINESS**

11. RESOLUTION 6 - AUTHORITY TO ALLOT AND ISSUE SHARES

The Chairman proceeded to deal with the special business on the agenda. The two Ordinary Resolutions under this section have been set out in the notice of the AGM.

The proposed Resolution 6 is to seek shareholders' approval to authorise the directors to issue further shares in the capital of the Company under section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual Section B: Rules of Catalist of the Exchange, which has been set out in the notice of the AGM dated 13 April 2024, be taken as read.

There being no questions raised, the Chairman proposed Resolution 6 and put the motion to vote by poll. The Chairman informed shareholders to vote for or against Resolution 6 by voting using the various electronic devices.

The Chairman declared the results of the poll on votes casted by the shareholders as follows:

The votes casted "FOR": 99.9125%

The votes casted "AGAINST": 0.0875%

The Chairman declared Ordinary Resolution 6 carried.

12. RESOLUTION 7 - AUTHORITY TO GRANT OPTIONS AND ISSUE SHARES UNDER THE DON AGRO EMPLOYEE SHARE OPTION SCHEME

The proposed Resolution 7 is to seek shareholders' approval to authorise and empower the Directors of the Company, to grant options and to allot and issue shares under Don Agro Employee Share Option Scheme, which has been set out in the notice of the AGM dated 13 April 2024, be taken as read.

There being no questions raised, the Chairman proposed Resolution 7 and put the motion to vote by poll. The Chairman informed shareholders to vote for or against Resolution 7 by voting using the various electronic devices.

The Chairman declared the results of the poll on votes casted by the shareholders as follows:

The votes casted "FOR": 99.9125%

The votes casted "AGAINST": 0.0875%

The Chairman declared Ordinary Resolution 7 carried.

13. CONCLUSION OF MEETING

There being no further business, the Chairman declared the AGM closed at 3:31 pm (Singapore time) and informed the Meeting that the results of this AGM will be announced through SGXNet on 29 April 2024 and will also be published on the Company's website.

On behalf of the Board, the Chairman thanked all for their participation and patience and wished everyone good health and prosperity and hope to see all soon.

Confirmed by:

Mr Ravi Chidambaram  
Chairman