



**DON AGRO INTERNATIONAL LIMITED**  
(Company Registration No. 201835258H)  
(Incorporated in the Republic of Singapore)

- 
- (1) ENTRY INTO PRELIMINARY SALE AND PURCHASE AGREEMENTS IN RELATION TO THE PROPOSED DISPOSAL OF DON AGRO LLC, DON AGRARIAN GROUP JSC, AND DON MUCHNOV LLC; AND**
  - (2) ENTRY INTO A PRELIMINARY SALE AND PURCHASE AGREEMENT IN RELATION TO THE PROPOSED DISPOSAL OF VOLGO-AGRO LLC**
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## **1. INTRODUCTION**

### **1.1. The Proposed Target Group Disposal**

The board of directors (the **"Board"**) of Don Agro International Limited (the **"Company"** and together with its subsidiaries, the **"Group"**) wishes to announce to shareholders of the Company (the **"Shareholders"**) that JSC Tetra, a wholly-owned subsidiary of the Company (**"Tetra"**), had on 26 April 2024 entered into preliminary sale and purchase agreements (**"Agroholding Prostory Agreements"**) with Agroholding "Prostory" JSC (**"Agroholding Prostory"**) to set out the key terms on which Tetra and Agroholding Prostory will enter, subject to the satisfaction of the Target Group Conditions Precedent (as defined below), into main sale and purchase agreements with Agroholding Prostory to be signed concurrently on the Target Group Closing Date (as defined below) for the disposal of the following shares (the **"Target Group Sale Shares"**) held by Tetra: (i) 99.99% of the shares in Don Agro LLC (**"Don Agro Shares"**); (ii) 99.99% of the shares in Don Agrarian Group JSC (also known as Don Agro, JSC) (**"DAG Shares"**); and (iii) 90% of the shares in Don Muchnov LLC (formerly known as LLC ZMK 161) (**"Don Muchnov Shares"**) (collectively, the **"Target Group"**) (the **"Proposed Target Group Disposal"**).

### **1.2. The Proposed Volgo-Agro Disposal**

The Board of the Company also wishes to announce to Shareholders that Tetra had on 26 April 2024, entered into a preliminary sale and purchase agreement (**"DonTK Agreement"**) with Donskaya trastovaya kompaniya LLC, as Trustee of the Closed Unit Investment Fund Combined "Aldan" (**"DonTK"**) to set out the key terms on which Tetra and DonTK will enter, subject to the satisfaction of the Volgo-Agro Conditions Precedent (as defined below), into a main sale and purchase agreement with DonTK to be signed concurrently on the Volgo-Agro Closing Date (as defined below) for the disposal of 99.99% of the shares in Volgo-Agro LLC held by Tetra (**"Volgo-Agro Shares"**) (the **"Proposed Volgo-Agro Disposal"**).

- 1.3. The Proposed Target Group Disposal and the Proposed Volgo-Agro Disposal (the "Proposed Disposals") are considered a "major transaction" of the Company as defined under Chapter 10 of the Listing Manual Section B: Rules of Catalist (the "Catalist Rules") of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). Accordingly, the Proposed Disposals will be subject to, amongst others, the approval of the Shareholders.**

## **2. THE PROPOSED TARGET GROUP DISPOSAL**

### **2.1. Information on Agroholding Prostory**

Agroholding Prostory was incorporated in 2022 in Moscow, Russia.

Agroholding Prostory is in the business of cultivating crops, oilseed and raw milk production. It has a land bank of more than 250,000 hectares of agricultural land in Rostov and Stavropol regions in south of Russia. Based on the size of its land bank, Agroholding Prostory is one of the top 20 agricultural land owners in the Russian Federation.

As at the date of this announcement, Agroholding Prostory is not a subject of sanctions risks and is an independent third party. Agroholding Prostory and its directors and shareholders do not hold any shares of the Company and are not related to the Company, the Group, the Directors or the controlling shareholders of the Company and their respective associates.

## 2.2. Information on the Target Group

### (a) Corporate Information

The Target Group operates in the agricultural industry and focuses primarily on crop, milk and flour production. The Target Group has under its control a land bank of approximately 55,000 hectares in Rostov region, Russia.

Don Agro LLC is a company limited by shares incorporated in the Russian Federation. As at the date of this announcement, Don Agro LLC has a total issued share capital of Russian Ruble (“RR”) 371,173,115 (equivalent to approximately S\$5,480,228<sup>1</sup>), 99.99% of which is owned by Tetra. Don Agro LLC is principally in the business of crop and milk production.

Don Agrarian Group JSC is a joint stock company incorporated in the Russian Federation. As at the date of this announcement, Don Agrarian Group JSC has a total issued share capital of RR 120,000,000 (equivalent to approximately S\$1,771,754<sup>1</sup>) comprising 250,000,000 ordinary shares, 99.99% of which are owned by Tetra. Don Agrarian Group JSC is a holding company.

Don Muchnov LLC is a company limited by shares incorporated in the Russian Federation. As at the date of this announcement, Don Muchnov LLC has a total issued share capital of RR 10,000 (equivalent to approximately S\$148<sup>1</sup>), 90% of which is owned by Tetra. Don Muchnov LLC is in the business of flour production.

### (b) Financial Information

Based on the unaudited management accounts<sup>2</sup> of the Target Group, the Target Group’s key financial figures for the financial year ended 31 December (“FY”) 2022 and FY2023, are as follows:

Financial year/period	FY2022	FY2023
Revenue (S\$’000)	36,644	29,559
Profit/(Loss) before income tax (“PBILT”) (S\$’000)	327	(2,936)
Profit/(Loss) for the year (S\$’000)	144	(3,095)

## 2.3. Principal Terms of the Proposed Target Group Disposal

### (a) Target Group Sale Shares

Subject to the terms and conditions of the Agroholding Prostory Agreements, Agroholding Prostory shall purchase, and Tetra shall sell to Agroholding Prostory, the Target Group Sale Shares, at Target Group Closing (as defined below).

<sup>1</sup> Based on the exchange rate of S\$1.00 = RR 67.7295 as at 31 December 2023.

<sup>2</sup> The management accounts of the Target Group have been reviewed by the auditors of the Company only for the purpose of consolidation of the Group’s audited financial statements. The computation of the financial figures of the Target Group such as the revenue, PBILT, net profit have not been audited by the Company’s auditors.

(b) Target Group Consideration

The aggregate consideration payable by Agroholding Prostory to Tetra for the Proposed Target Group Disposal is RR 4,450,000,000 (equivalent to approximately S\$65,702,537<sup>1</sup>) (the “**Target Group Consideration**”) which includes the following:

- (i) RR 4,060,000,000 (equivalent to approximately S\$59,944,337<sup>1</sup>) as consideration for Don Agro Shares (the “**Consideration for Don Agro Shares**”);
- (ii) RR 130,000,000 (equivalent to approximately S\$1,919,400<sup>1</sup>) as consideration for the Don Muchnov Shares; and
- (iii) RR 260,000,000 (equivalent to approximately S\$3,838,800<sup>1</sup>) as consideration for the DAG Shares.

The Target Group Consideration shall be payable by Agroholding Prostory to Tetra in the following manner:

- (i) RR 1,720,000,000 (equivalent to approximately S\$25,395,138<sup>1</sup>) shall be paid in the form of wire transfer to Tetra's bank account within five (5) business days of the execution of the Agroholding Prostory Agreements and will be credited as part of the Consideration for Don Agro Shares; and
- (ii) RR 2,730,000,000 (equivalent to approximately S\$40,307,400<sup>1</sup>) shall be paid in the following manner:
  - a. partial payment for Don Agro Shares in the amount of RR 1,840,000,000 (equivalent to approximately S\$27,166,892<sup>1</sup>) shall be paid in the form of a letter of credit, such sum to be released by the issuing bank when Tetra provides the relevant documents specified in the terms of the letter of credit;
  - b. payments for:
    - (A) Don Muchnov Shares in the amount of RR 130,000,000 (equivalent to approximately S\$1,919,400<sup>1</sup>); and
    - (B) DAG Shares in the amount of RR 260,000,000 (equivalent to approximately S\$3,838,800<sup>1</sup>),shall be paid in the form of wire transfer to Tetra's bank account within five (5) days of the transfer of Target Group Sale Shares to Agroholding Prostory;
  - c. partial payment for Don Agro Shares in the amount of RR 250,000,000 (equivalent to approximately S\$3,691,154<sup>1</sup>), less any amount owing by the Target Group to Tetra, shall be paid in the form of wire transfer to Tetra's bank account by 30 September 2024; and
  - d. remaining payment for Don Agro Shares in the amount of RR 250,000,000 (equivalent to approximately S\$3,691,154<sup>1</sup>), less any amount owing by the Target Group to Tetra, shall be paid in the form of wire transfer to Tetra's bank account by 31 January 2025.

The Target Group Consideration was arrived at on a willing-buyer and willing-seller basis after arm's length negotiations, taking into account, *inter alia*, (i) the market value of the key assets of the Target Group; (ii) the net profits after tax recorded in the unaudited management accounts of the Target Group; and (iii) the prevailing economic conditions.

(c) Target Group Closing

According to the terms of the Agroholding Prostory Agreements:

- (i) the date of closing of the Proposed Target Group Disposal ("**Target Group Closing**") shall be determined as follows:
    - a. within three (3) business days from the date of the satisfaction of the Agroholding Prostory Conditions Precedent (as defined below), a notification with supporting documents shall be sent by Tetra (or Agroholding Prostory (as the case may be)) to the other party;
    - b. within five (5) business days from the date of the notice above, Agroholding Prostory shall open the letter of credit and notify Tetra within one (1) business day of opening of the letter of credit; and
    - c. within three (3) business days of receipt of the notice above from Agroholding Prostory, Tetra shall send a notice to Agroholding Prostory, notifying Agroholding Prostory of the Target Group Closing date ("**Target Group Closing Date**");
  - (ii) the parties to the Agroholding Prostory Agreements undertake to make every effort to ensure that the Target Group Conditions Precedent are fulfilled on or before 5 July 2024. The parties can separately agree in writing to a new deadline, failing which the Agroholding Prostory Agreements shall automatically terminate; and
  - (iii) at Target Group Closing, Tetra and Agroholding Prostory shall enter into sale and purchase agreements for each of Don Agro Shares, DAG Shares and Don Muchnov Shares ("**Main Target Group Agreements**"), according to which the Target Group Sale Shares shall be transferred to the Purchaser.
- (d) Conditions Precedent to the Proposed Target Group Disposal

Closing under the Agroholding Prostory Agreements is conditional upon certain conditions precedent ("**Target Group Conditions Precedent**") having been satisfied, including but not limited to the following:

- (i) consent from the Federal Antimonopoly Service of the Russian Federation being received for the Proposed Target Group Disposal;
- (ii) termination of all obligations of the Target Group owed to Tetra, the Company, other Affiliates of Tetra, except for obligations arising from the Agroholding Prostory Agreements and the loan agreements entered into between any of the companies in the Target Group and Tetra after the signing of the Agroholding Prostory Agreements;
- (iii) alienation by Don Agro LLC of 1% of shares in the authorised capital of Happy Cow LLC (with a nominal value of RR 1,000) in favour of a person that is not a company in the Target Group or a subsidiary of the Target Group;
- (iv) the shareholding restructuring of Don Muchnov LLC such that Tetra holds 90% of its share capital and Don Agro LLC holds the remaining 10% of its share capital;
- (v) the shareholding restructuring of Don Agro LLC such that Tetra holds 99.99% of its share capital and Don Agrarian Group JSC holds the remaining 0.01% of its share capital;
- (vi) transfer of ownership in relation to Tetra's land plots and other immovable property indicated in the Agroholding Prostory Agreements and leased by Don Muchnov LLC from Tetra pursuant to a rent agreement No. 1-A dated 18 March 2023, as well as Tetra's movable property following sales and purchase agreements between Tetra and Don Muchnov LLC;

- (vii) receipt of consent from Tetra’s creditors and creditors of the Target Group for the entry into the Main Target Group Agreements according to the agreements listed in the Agroholding Prostory Agreements; and
- (viii) the Company obtaining Shareholders’ approval for the Proposed Target Group Disposal at the extraordinary general meeting.

(e) Other terms of the Agroholding Prostory Agreements

The Agroholding Prostory Agreements contain customary provisions relating to the Proposed Target Group Disposal, including representations and warranties and pre-closing covenants regarding the operation of the business, limitations of Tetra’s liabilities and other commercial terms.

### 3. THE PROPOSED VOLGO-AGRO DISPOSAL

#### 3.1. Information on DonTK

DonTK was incorporated in 2016 in Rostov-on-Don, Russia. It is a licensed manager for several investments funds collecting investments in different sectors of business activity.

As at the date of this announcement, DonTK is not a subject of sanctions risks and is an independent third party. DonTK and its directors and shareholders do not hold any shares of the Company and are not related to the Company, the Group, the Directors or the controlling shareholders of the Company and their respective associates.

#### 3.2. Information on Volgo-Agro LLC

(a) Corporate Information

Volgo-Agro LLC operates in the agricultural industry and focuses primarily on crop production. Volgo-Agro LLC has under its control a land bank of approximately 10,000 hectares in Volgograd region, Russia.

Volgo-Agro LLC is a company limited by shares incorporated in the Russian Federation. As at the date of this announcement, Volgo-Agro LLC has a total issued share capital of RR 94,474,577 (equivalent to approximately S\$1,394,881<sup>1</sup>), 99.99% of which is held by Tetra.

(b) Financial Information

Based on the unaudited management accounts<sup>3</sup> of Volgo-Agro LLC, Volgo-Agro LLC’s key financial figures for the financial year ended 31 December (“FY”) 2022 and FY2023, are as follows:

Financial year/period	FY2022	FY2023
Revenue (S\$’000)	1,292	1,420
Profit/(Loss) before income tax (“PBILT”) (S\$’000)	72	(594)
Profit/(Loss) for the year (S\$’000)	63	(594)

#### 3.3. Principal Terms of the Proposed Volgo-Agro Disposal

(a) Volgo-Agro Shares

<sup>3</sup> The management accounts of Volgo-Agro LLC have been reviewed by the auditors of the Company only for the purpose of consolidation of the Group’s audited financial statements. The computation of the financial figures of Volgo-Agro LLC such as the revenue, PBILT, net profit have not been audited by the Company’s auditors.

Subject to the terms and conditions of the DonTK Agreement, DonTK shall purchase, and Tetra shall sell to DonTK, the Volgo-Agro Shares, at Volgo-Agro Closing (as defined below).

(b) Volgo-Agro Consideration

The consideration payable by DonTK to Tetra for the Proposed Volgo-Agro Disposal is RR 50,000,000 (equivalent to approximately S\$738,231<sup>1</sup>) (the “**Volgo-Agro Consideration**”) and shall be payable by DonTK to Tetra within five (5) days of the transfer of Volgo-Agro Shares to DonTK.

The Volgo-Agro Consideration was arrived at on a willing-buyer and willing-seller basis after arm’s length negotiations, taking into account, *inter alia*, (i) the market value of the key assets of Volgo-Agro LLC; (ii) the net profits after tax recorded in the unaudited management accounts of Volgo-Agro LLC; and (iii) the prevailing economic conditions.

(c) Volgo-Agro Closing

According to the terms of the DonTK Agreement:

- (i) the date of closing of the Proposed Volgo-Agro Disposal (“**Volgo-Agro Closing**”) shall be the date falling 10 business days after (and excluding) the date of the notification sent by Tetra to DonTK, notifying DonTK of the Volgo-Agro Closing date, or such other date agreed upon by Tetra and DonTK in writing (“**Volgo-Agro Closing Date**”);
- (ii) the parties to the DonTK Agreement undertake to make every effort to ensure that the Volgo-Agro Conditions Precedent are fulfilled on or before 9 August 2024. The parties can separately agree in writing to a new deadline, failing which the DonTK Agreement shall automatically terminate; and
- (iii) at Volgo-Agro Closing, Tetra and DonTK shall enter into a sale and purchase agreement for the Volgo-Agro Shares (“**Main Volgo-Agro Agreement**”), according to which Volgo-Agro Shares shall be transferred to DonTK.

(d) Conditions Precedent to the Proposed Volgo-Agro Disposal

Closing under the DonTK Agreement is conditional upon certain conditions precedent (“**Volgo-Agro Conditions Precedent**”) having been satisfied, including but not limited to the following:

- (i) termination of all obligations of Volgo-Agro LLC and Agro 34 LLC (“**Volgo-Agro Group**”) owed to Tetra, the Company, other Affiliates of Tetra, except for obligations arising from the DonTK Agreement and the loan agreements entered into between any of the companies in the Volgo-Agro Group and Tetra after the signing of the DonTK Agreement;
- (ii) the shareholding restructuring of Volgo-Agro LLC such that Tetra holds 99.99% of its share capital and Agro 34 LLC holds the remaining 0.01% of its share capital;
- (iii) consent from the South-West Bank of PJSC SBERBANK for change of control/owners of Volgo-Agro LLC in relation to the credit facility agreement between the Volgo-Agro LLC as the borrower and South-West Bank of PJSC SBERBANK as the lender; and
- (iv) the Company obtaining Shareholders’ approval for the Proposed Volgo-Agro Disposal at the extraordinary general meeting.

(e) Other terms of the DonTK Agreement

The DonTK Agreement contains customary provisions relating to the Proposed Volgo-Agro Disposal, including representations and warranties and pre-closing covenants regarding the operation of the business, limitations of Tetra’s liabilities and other commercial terms.

**4. Rationale for the Proposed Disposals, Future Direction and Use of Proceeds from the Proposed Disposals**

The Proposed Disposals will unlock the value of the assets in the Target Group and Volgo-Agro LLC and re-strategise the financial and capital resources of the Group as the proposed consideration is significantly above the market capitalisation of the Group.

Happy Cow, LLC will be the remaining subsidiary of Tetra following the completion of the Proposed Disposals. As Happy Cow, LLC is not an operating subsidiary, the Group will not have any operating businesses following the completion of the Proposed Disposals.

The Group intends to explore new suitable business opportunities in both the current and/or new industries and will make relevant announcements when there are material developments. If the Company upon completion of the Proposed Disposals is ascertained to be a cash company in accordance with the Catalyst Rule 1017, the Company shall comply with the relevant Catalyst Rules.

The Company will review and determine the best use for the proceeds from the Proposed Disposals, including but not limited to potential acquisitions and/or distributions back to Shareholders.

**5. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES**

For the purpose of Chapter 10 of the Catalyst Rules, and in particular Rule 1005 of the Catalyst Rules, under which separate transactions completed within the last 12 months may be required to be aggregated and treated as if they were one transaction, the aggregated relative figures for the Proposed Disposals computed on the applicable bases set out in Rule 1006 of the Catalyst Rules, based on the latest announced audited consolidated financial statements of the Group for FY2023 (being the latest announced consolidated accounts of the Group), are as follows:

<b>Rule</b>	<b>Bases of computation</b>	<b>Relative figure for the Proposed Target Group Disposal</b>	<b>Relative figure for the Proposed Volgo-Agro Disposal</b>	<b>Relative figure for the Proposed Disposals</b>
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	92.9% <sup>(1)</sup>	-0.6% <sup>(2)</sup>	92.3% <sup>(3)</sup>
1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	73.6% <sup>(4)</sup>	14.9% <sup>(5)</sup>	88.5% <sup>(6)</sup>
1006(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	301.5% <sup>(7)</sup>	3.4% <sup>(8)</sup>	304.9% <sup>(9)</sup>
1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of	Not applicable <sup>(10)</sup>		

	equity securities previously in issue.	
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable <sup>(11)</sup>

**Notes:**

- (1) Based on the NAV of the Target Group being S\$53,191,372 compared with the Group's NAV of S\$57,284,000.
- (2) Based on the NAV of Volgo-Agro LLC being S\$(336,043) compared with the Group's NAV of S\$57,284,000.
- (3) Based on the NAV of the Target Group and Volgo-Agro LLC being S\$52,855,329 compared with the Group's NAV of S\$57,284,000.
- (4) The relative figure for Rule 1006(b) has been computed based on the (a) net loss attributable to the Target Group of approximately RR 186,112,000 (or approximately S\$2,936,000 based on the average exchange rate of S\$1.00 = RR63.3957) for FY2023; and (b) the Group's net loss of approximately S\$3,987,000 for FY2023.
- (5) The relative figure for Rule 1006(b) has been computed based on the (a) net loss attributable to Volgo-Agro LLC of approximately RR 37,649,000 (or approximately S\$594,000 based on the average exchange rate of S\$1.00 = RR63.3957) for FY2023; and (b) the Group's net loss of approximately S\$3,987,000 for FY2023.
- (6) The relative figure for Rule 1006(b) has been computed based on the (a) net loss attributable to the Target Group and Volgo-Agro LLC of approximately RR 223,761,000 (or approximately S\$3,530,000 based on the average exchange rate of S\$1.00 = RR63.3957) for FY2023; and (b) the Group's net loss of approximately S\$3,987,000 for FY2023.
- (7) Based on the Target Group Consideration of approximately RR 4,450,000,000 (or approximately S\$65,702,537<sup>1</sup>) and the market capitalisation of the Company of approximately S\$21,789,542. The market capitalisation is determined by multiplying 150,272,700 issued shares in the Company by S\$0.145, being the weighted average price of the Company's shares transacted on the market day preceding the date of the Agroholding Prostory Agreements and the DonTK Agreement.
- (8) Based on the Volgo-Agro Consideration of approximately RR 50,000,000 (or approximately S\$738,231<sup>1</sup>) and the market capitalisation of the Company of approximately S\$21,789,542. The market capitalisation is determined by multiplying 150,272,700 issued shares in the Company by S\$0.145, being the weighted average price of the Company's shares transacted on the market day preceding the date of the Agroholding Prostory Agreements and the DonTK Agreement.
- (9) Based on the Consideration of approximately RR 4,500,000,000 (or approximately S\$66,440,768<sup>1</sup>) and the market capitalisation of the Company of approximately S\$21,789,542. The market capitalisation is determined by multiplying 150,272,700 issued shares in the Company by S\$0.145, being the weighted average price of the Company's shares transacted on the market day preceding the date of the Agroholding Prostory Agreements and the DonTK Agreement.
- (10) This basis is not applicable to the Proposed Disposals as no equity securities is to be issued as part of the consideration for the Proposed Disposals.
- (11) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

Under Rule 1014 of the Catalist Rules, if any of the relative figures computed on the bases set out in Rule 1006 exceeds fifty per cent (50%), the transaction is classified as a major transaction that must be made conditional upon approval by Shareholders in general meeting.



As the relative figures for the Proposed Disposals as computed on the bases set out in Rules 1006(a), 1006(b) and 1006(c) exceed 50%, the Proposed Disposals will be classified as a major transaction under Chapter 10 of the Catalist Rules. The Company will seek Shareholders' approval for the major transaction at an extraordinary general meeting in due course.

## 6. FINANCIAL INFORMATION ON THE PROPOSED DISPOSALS

### 6.1 Valuation of the Target Group & Volgo-Agro LLC

Pursuant to Rule 1014(5) of the Catalist Rules, the Company must appoint a competent and independent valuer to value the Target Group and Volgo-Agro LLC as three of the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 75%.

In connection with the Proposed Disposals, the Company has appointed LLC AAR as the independent valuer to value the Target Group and Volgo-Agro LLC. The final valuation report will be prepared before the Company's extraordinary general meeting to be held to approve the Proposed Disposals, and the Company will include a summary of the independent valuation ("**Summary Valuation Letter**") in the Shareholders' circular ("**Circular**") in respect of the Proposed Disposals. The Summary Valuation Letter will provide Shareholders with an independent view of the market value of the Target Group and Volgo-Agro LLC.

### 6.2 Financial Effects of the Proposed Disposals

The unaudited pro forma financial effects of the Proposed Disposals set out below are for illustrative purposes only and do not necessarily reflect the actual results and financial position of the Group following completion of the Proposed Disposals. The unaudited pro forma financial effects are prepared based on (i) the Group's audited financial statements for FY2023; and (ii) the following assumptions:

- (a) that the Proposed Disposals had been completed on 31 December 2023 for the purposes of the pro forma financial effect on the net tangible assets (the "**NTA**") per share of the Group:

	Before the Proposed Disposals	After the Proposed Target Group Disposal	After the Proposed Volgo-Agro Disposal	After the Proposed Disposals
<b>NTA (S\$'000)</b>	57,284	141,095	1,075	142,170
<b>Number of issued shares</b>	150,272,700	150,272,700	150,272,700	150,272,700
<b>NTA per share (cents)</b>	38.12	93.89	0.72	94.61

- (b) that the Proposed Disposals had been completed on 1 January 2023 for the purposes of the pro forma financial effect on loss/earnings per share (the "**LPS**" or "**EPS**") of the Group:

	Before the Proposed Disposals	After the Proposed Target Group Disposal	After the Proposed Volgo-Agro Disposal	After the Proposed Disposals
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<b>Net (loss)/ profit after tax (S\$'000)</b>	-3,987	8,524	1,074	9,598
<b>Weighted average number of shares</b>	150,272,700	150,272,700	150,272,700	150,272,700
<b>LPS/EPS (cents)</b>	-2.65	5.67	0.72	6.39

### 6.3 Excess of Proceeds over Book Value

- (a) Based on the audited consolidated financial statements of the Group for FY2023, the book value and net tangible asset value of the Target Group is approximately RR 3,602,625,000 (equivalent to approximately S\$53,191,372<sup>1</sup>) as at 31 December 2023. There is no open market value for the Target Group as they are not publicly traded. The Target Group Consideration (being the proceeds of the Proposed Target Group Disposal) amounts to RR 4,450,000,000 (equivalent to approximately S\$65,702,537<sup>1</sup>) and is an excess of approximately RR 847,375,000 (equivalent to approximately S\$12,511,166<sup>1</sup>) over the book value of the Target Group as at 31 December 2023. Accordingly, the Group will record a gain on disposal of RR 847,375,000 (equivalent to approximately S\$12,511,166<sup>1</sup>) from the Proposed Target Group Disposal.
- (b) Based on the audited consolidated financial statements of the Group for FY2023, the book value and net tangible liability value of Volgo-Agro LLC is approximately RR 22,760,000 (equivalent to approximately S\$336,043<sup>1</sup>) as at 31 December 2023. There is no open market value for Volgo-Agro LLC as it is not publicly traded. The Volgo-Agro Consideration (being the proceeds of the Proposed Volgo-Agro Disposal) amounts to RR 50,000,000 (equivalent to approximately S\$738,231<sup>1</sup>) and is an excess of approximately RR 72,760,000 (equivalent to approximately S\$1,074,273<sup>1</sup>) over the book value of Volgo-Agro LLC as at 31 December 2023. Accordingly, the Group will record a gain on disposal of RR 72,760,000 (equivalent to approximately S\$1,074,273<sup>1</sup>) from the Proposed Volgo-Agro Disposal.

## 7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors and substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Disposals, other than through their shareholdings in the Company, if any.

## 8. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Disposals and no service contracts in relation thereto is proposed to be entered into by the Company.

## 9. CIRCULAR TO SHAREHOLDERS

In compliance with the Catalist Rules, the Circular containing, *inter alia*, further details on the Proposed Disposals, the Summary Valuation Letter, and a notice of extraordinary general meeting to be held, will be issued to Shareholders in due course.

## 10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agroholding Prostory Agreements and the DonTK Agreement is available for inspection during normal business hours at the registered office of the Company at 10 Collyer Quay, #10-01 Ocean Financial Centre, Singapore 049315, for a period of three (3) months commencing from the date of this announcement. A copy of the Summary Valuation Letter will be similarly made available for inspection for up to three (3) months from the date of the Circular.

## 11. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company should note that there is no certainty or assurance as at the date of this announcement that the Main Target Group Agreements or the Main Volgo-Agro Agreement for the sale of Target Group and Volgo-Agro LLC respectively will be entered into and the Proposed Disposals will be completed.

Should the closing of the Proposed Disposals result in the Company being deemed a cash company, the securities of the Company will normally be suspended pursuant to Rule 1017 of the Catalist Rules.

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

### By Order of the Board

Marat Devlet-Kildeev  
Chief Executive Officer and Executive Director

**29 April 2024**

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*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

*The contact person for the Sponsor is Mr Shervyn Essex, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.*