

DON AGRO INTERNATIONAL LIMITED

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

RESPONSES TO QUERIES RECEIVED FROM THE SINGAPORE EXCHANGE REGULATION

The Board of Directors of Don Agro International Limited (the “**Company**”) wishes to announce its responses to the queries raised by the Singapore Exchange Regulation (“**SGX RegCo**”) to the Company on 15 May 2024 in relation to the Company’s announcement dated 29 April 2024 in relation to the Proposed Disposals of (i) Don Agro LLC, Don Agrarian Group JSC and Don Muchnov LLC (collectively, “**Target Group**”); and (ii) Volgo-Agro LLC (“**Announcement**”).

Save as expressly stated or the context otherwise requires, capitalised terms shall have the meaning ascribed to them in the Announcement.

SGX Queries	Company’s Responses
<p>1. We note that Volgo-Agro LLC operates in the agricultural industry and focuses primarily on crop production. It also controls a land bank of approximately 10,000 hectares in Volgograd region, Russia. The purchaser of Volgo-Agro LLC, Donskaya trastovaya kompaniya LLC, as Trustee of the Closed Unit Investment Fund Combined “Aldan” (“DonTK”) is a licensed manager for several investments funds collecting investments in different sectors of business activity.</p> <p>Does DonTK have relevant track record and experience in the production of agricultural products? What is the rationale for DonTK’s proposed acquisition of Volgo-Agro LLC?</p>	<p>1. According to the information provided by management of the buyer, DonTK has relevant experience of investments in agricultural land and enterprises. The Company does not possess the information about the exact deals of DonTK in agricultural industry. The Company is not aware about DonTK’s rationale to acquire Volgo-Agro LLC.</p>
<p>2. Please explain why the partial payment for Don Agro Shares in the amount of RR1,840,000,000 is to be paid by Agroholding Prostory in the form of a letter of credit. What are the relevant documents specified in the terms of the letter of credit that Tetra is required to provide, prior to the issuing bank releasing the sum to Tetra?</p>	<p>2. In the Board’s opinion, a letter of credit is the best way to secure Company’s rights as a seller as it allows to avoid a risk of non-payment from Agroholding Prostory after the Target Group Sale Shares are transferred to Agroholding Prostory. Tetra will have to provide documents that confirm the transfer of the Target Group Sales Shares to Agroholding Prostory. Documents specified in the terms of the letter of credit that Tetra is required to provide include:</p> <p>(a) extracts from the Unified State Register of Legal Entities (“USRLE”) regarding Don Agro LLC and Don Muchnov LLC in which the legal ownership of Agroholding</p>

	<p>Prostory to Don Agro Shares and to Don Muchnov Shares respectively is indicated as well as the legal ownership of Don Agrarian Group JSC to 0.1% of shares in Don Agro LLC and the legal ownership of Don Agro LLC to 10% in Don Muchnov LLC and no encumbers on such legal ownerships are shown;</p> <p>(b) extract from USRLE regarding Degtevscoe LLC (the subsidiary of Don Argo LLC) in which the legal shareholding of Don Agro LLC to 98.3685% in Degtevscoe LLC is indicated and no encumbrances on such legal ownership are shown;</p> <p>(c) documents form the Share Registrar of Don Agrarian Group JSC evidencing the transfer of the legal ownership to DAG Shares from Tetra to Agroholding Prostory;</p> <p>(d) documents from the Share Registrar of Selkhoztekhinka OJSC and Rassvet JSC (subsidiaries of Don Agrarian Group JSC) indicating the legal ownership of Don Agrarian Group to at least one hundred fifteen thousand eight hundred thirty seven (115 837) ordinary shares of Selkhoztekhinka OJSC and to at least twenty nine thousand five hundred fifty six (29 556) preferred shares of Selkhoztekhinka OJSC and to at least fourteen thousand nine hundred seventy five (14 975) ordinary shares of Rassvet JSC with no encumbrances to such legal ownership.</p>
<p>3. Both the Target Group Consideration and the Volgo-Agro Consideration were arrived at on a willing-buyer and willing-seller basis after arm's length negotiations, taking into account, inter alia, the market value of the key assets of the Target Group and Volgo-Agro LLC.</p>	
<p>(i) What is the market value of the key assets of the Target Group and Volgo-Agro LLC?</p>	<p>(i) The Company appointed an adviser to find a potential buyer for the Target Group and Volgo-Agro. The adviser addressed all the major players in the agricultural business and received several proposals ranging from RUB 3 bln to RUB 4.5 bln. After negotiations the Company selected proposal with the highest bid. The market value referred to in the Announcement refers to such proposals which gave the indicative market value.</p> <p>Nevertheless, the Company has appointed AAR LLC as an independent valuer to determine the market value of the Target Group and Volgo-Agro LLC. The Company expects to receive the valuation report by the end of May 2024.</p>
<p>(ii) How was the market value of the key assets of both the Target Group and Volgo-Agro LLC derived? Was a separate valuer(s)</p>	<p>(ii) The same independent valuer, AAR LLC, was appointed to value both the Target Group and Volgo-Agro LLC. The Company expects to receive the valuation report by the end of May 2024, and a Summary Valuation letter</p>

<p>appointed to value the Target Group and Volgo-Agro LLC? If so, please provide the name of the valuer(s), the party who commissioned the valuation(s), and the basis and date of the valuation(s).</p>	<p>will be disclosed in the Circular in respect of the Proposed Disposals. AAR LLC is using both income approach and comparative assessment methods to determine the fair value of the Target Group and Volgo-Agro LLC.</p>
<p>(iii) We note that the Company has appointed LLC AAR as the independent valuer to value the Target Group and Volgo-Agro LLC and the final valuation report will be prepared before the Company's extraordinary general meeting to be held to approve the Proposed Disposals.</p> <p>Do the terms of the Agroholding Prostory Agreements and the DonTK Agreement provide for any adjustments to the respective considerations in the event that the final valuation is higher than the consideration? If not, please explain how this is in the best interests of the Company and its shareholders.</p>	<p>(iii) Terms of the Agroholding Prostory Agreements and the DonTK Agreement do not provide for any adjustments to the respective considerations in the event that the final valuation is higher than the consideration. The Company is of the view that the market value of the Target Group and Volgo-Agro LLC will be lower than the proposed consideration as the Target Group and Volgo-Agro LLC were loss making for the last year, i.e. for FY2023.</p> <p>The Board is of the opinion that the Proposed Disposals is in the best interests of the Company and its shareholders because the amount of the proposed consideration is significantly higher than market capitalization of the Group.</p>

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-KILDEYEV
Chief Executive Officer and Executive Director

20 May 2024

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. ("**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**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.

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