



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

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**FULFILMENT OF THE CONDITIONS STIPULATED IN THE WAIVERS AND APPLICATION CONFIRMATION FROM THE SGX-ST IN RELATION TO THE FOLLOWING:**

- (1) **APPLICATION FOR WAIVER FROM COMPLIANCE WITH RULE 1017(1)(a) OF THE CATALIST RULES TO UTILISE THE GROUP'S CASH AND SHORT-DATED SECURITIES REQUIRED TO BE ESCROWED FOR THE PURPOSE OF PAYING THE REFUNDABLE DEPOSIT IN RELATION TO THE PROPOSED ACQUISITIONS OF THE MEDICAL BUSINESS LOCATED IN RUSSIA;**
- (2) **APPLICATION FOR WAIVER FROM COMPLIANCE WITH RULE 1017(1)(a) OF THE CATALIST RULES TO UTILISE A FINANCIAL INSTITUTION BASED IN RUSSIA IN LIEU OF A FINANCIAL INSTITUTION LICENSED AND APPROVED BY THE MONETARY AUTHORITY OF SINGAPORE (THE "AUTHORITY"); AND**
- (3) **APPLICATION FOR CONTINUED TRADING OF THE COMPANY'S SHARES AFTER THE COMPANY BECAME A CASH COMPANY PURSUANT TO RULE 1017(1) OF THE CATALIST RULES.**

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**1. INTRODUCTION**

- 1.1 The board of directors (the "**Board**") of Don Agro International Limited (the "**Company**") refers to the Company's announcements to Shareholders, dated 12 September 2024 and 14 September 2024 in relation to the Company's proposed acquisition of 812 Capital LLC and Centre for Innovative Medical Technologies, LLC, and the Company's announcement to Shareholders, dated 21 January 2025 (the "**Waiver Announcement**") in relation to the Company's receipt of Singapore Exchange Securities Trading Limited (the "**SGX-ST**")'s letter of no objection to the Company's application for the Waivers and the Continued Trading Application (collectively, the "**Announcements**").
- 1.2 As disclosed in the Waiver Announcement, the Company had, through its Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"), applied to the SGX-ST for the Waivers and the Continued Trading Application on 22 August 2024 and 18 December 2024, respectively.
- 1.3 Unless otherwise expressly defined or described herein, all capitalised terms used in this announcement shall have the same meaning as defined in the Announcements.

**2. REASONS FOR SEEKING THE WAIVERS AND THE CONTINUED TRADING APPLICATION**

- 2.1 The reasons for the Company making applications to the SGX-ST for the Waiver and Continued Trading Application are listed below.
- 2.2 **Cash Utilisation Waiver**
  - 2.2.1 The Group intends to use part of the Escrow Amount for payment of the Consideration Advance Payments and the CIMT Stake Consideration. The terms "Consideration Advance Payments" and "payment of the CIMT Stake Consideration" have been referred in earlier Announcements as a

“Refundable Deposit”. For avoidance of confusion and for consistency, such payments shall be collectively referred henceforth as the “Consideration Advance Payments” in this announcement and subsequent announcements, where the context allows or is appropriate.

The Consideration Advance Payments comprised (i) RR 2,100,000,000 (equivalent to approximately S\$30,215,175<sup>1</sup>) being advance payment for the Balance Stake of 89.01% Acquisition; and (ii) RR 120,000,000 (equivalent to approximately S\$1,726,582.21<sup>1</sup>), being advance payment for the CIMT Acquisition.

2.2.2 The Company applied for the Cash Utilisation Waiver in respect of the Consideration Advance Payments for the following reasons:

- (a) the Consideration Advance Payments is a material term of the legal agreements in relation to the Proposed Acquisitions required by the Vendors, serving to demonstrate the Company’s commitment to complete the Proposed Acquisitions, taking into account the time that is required to complete extensive due diligence on the Target Group for a very substantial acquisition under the Catalist Rules;
- (b) the Consideration Advance Payments are:
  - (i) refundable by the Vendors within five (5) business days from the date of termination of the Balance Stake Preliminary Agreement and the CIMT Stake Preliminary Agreement (collectively, “**Acquisition Agreements**”); and
  - (ii) secured by a pledge of 89.01% of the Vendors’ stakeholding (the “**Pledged Shares**”) in 812 Capital LLC to Tetra;
- (c) the Company and its appointed professionals to be able to conduct financial, tax and legal due diligence on the Target Group. An independent valuation of the Target Group (together with financial, tax and legal due diligence on the Target Group, the “**VSA Due Diligence**”) is also underway; and
- (d) the Consideration Advance Payments are refundable in full should the Proposed Acquisitions not proceed to completion.

2.2.3 The Company has entered into the agreements in relation to the Proposed Acquisitions (of the Target Group) which it believes will, subject to satisfactory completion of the VSA Due Diligence, satisfy the SGX’s requirements for a new listing under the Rule 1017(1) of the Catalist Rules and will allow the Company to exit its cash company status and enhance value for its Shareholders.

2.2.4 As previously disclosed in the Announcements, the Target Group operates in the Medical Business. The Board believes that the specialist medical business segment, in which the Target Group operates, is expected to remain stable and resilient in the Russian Federation with growth potential.

2.2.5 To protect its interests and the Consideration Advance Payments, the Company has implemented various safeguards (collectively, the “**Safeguards**”), which include (but are not limited to):

- (a) comprehensive due diligence
  - (i) conducting preliminary financial, tax and legal due diligence whereby it was noted that the Target Group generated approximately S\$10 million in last twelve month (“**LTM**”) EBITDA and S\$5 million in LTM net profit after tax in June 2024 based on the preliminary due diligence reports;
  - (ii) conducting an audit of the Target Group’s internal controls by an independent internal auditor;

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<sup>1</sup> Based on the average exchange rate of S\$1.00 = RR 69.5015 as at 6 September 2024 as extracted from S&P Capital IQ.

- (iii) commissioning the Preliminary Valuation of the Target Group to ensure its value aligns with market values; and
  - (iv) conducting sanctions checks to ensure neither the Vendors nor the Target Group is subject to sanctions binding on the Company;
- (b) assuming operational control
- (i) putting in place the Company's management team in the Target Group, particularly, the Company's CFO currently serves as the Target Group's CFO to ensure oversight of financial matters and cash flows; and
  - (ii) holding by Tetra of approval rights over certain significant decision impacting the Target Group's business:
- (c) security for the Consideration Advance Payments
- (i) obtaining the Pledged Shares to secure the Consideration Advance Payments; and
  - (ii) registering the Pledge Agreement with the Russian state companies registry. Registration effectively prevents any transactions or actions related to the Pledged Shares without explicit consent from Tetra;
  - (iii) ensuring that the terms of the Pledge Agreement provide for alternative forms of enforcement and foreclosure on the Pledged Shares by Tetra (the "pledgee") via:
    - (A) a compulsory transfer of the Pledged Shares to itself;
    - (B) sale through a bidding process in accordance with the Civil Code of Russian Federation to a thirty party;
    - (C) the private sale of the Pledged Shares under a commission agreement concluded by the pledgee with an agent, the terms of which are determined at the sole discretion of the pledgee; or
    - (D) the private sale of the Pledged Shares directly to a third party without an agent,

provided that in all cases cited above, an independent valuer should be engaged by the pledgee to value the Pledged Shares; and
  - (iv) ensuring that Tetra recovers an amount equal to, or as close as possible to, the Consideration Advance Payments amount by way of mechanisms of enforcement and foreclosure of the Pledge Shares and payment of the proceed from the sale of the Pledge Shares following enforcement and foreclosure is made directly to the pledgee, which protects the Company's financial interests in case the Proposed Acquisitions does not proceed for any reason.

## 2.3 Escrow Requirement Waiver

- 2.3.1 The Company also sought a waiver from having to place the net escrow amount (after the payment of the Consideration Advance Payments) (the "**Net Escrowed Amount**") in an account opened with and operated by an escrow agent which is part of any financial institution licensed and approved by the Authority, in compliance with the Rule 1017(1)(a) of the Catalist Rules. As stated in the Waiver Announcement, the SGX-ST has indicated its no-objection to the Company placing the Net Escrowed Amount with Alfa-Bank, which is one of the largest private banks in Russia with the headquarter in Moscow.

2.3.2 The Company sought permission to place the Net Escrowed Amount with Alfa-Bank for the following reasons:

- (a) placing the Net Escrowed Amount with a financial institution in Russia is unavoidable owing to international sanctions imposed on Russia including Russian banks, as a result of which remittance of and deposit of funds from Russia to Singapore would not be cleared. The same was confirmed in communication of the Company with the representatives from one of the local banks in March and August 2024 on the possibility of accepting remittances from the Group's bank accounts located in Russia;
- (b) placing the Net Escrowed Amount with Alfa-Bank until the completion of the Proposed Acquisitions ensures that the Net Escrowed Amount is adequately and securely managed, considering that:
  - (i) Alfa-Bank is one of the largest banking and financial institutions in Russia with more than 500 offices and employing more than 20,000 employees;
  - (ii) Alfa-Bank possesses the requisite licenses and is registered with the Central Bank of Russia;
  - (iii) Alfa-Bank is one of the thirteen credit institutions designated as systemically important credit institutions; and
  - (iv) the Company's external sanctions counsel, Hogan Lovells, has set out in the legal opinion that dealing with Alfa-Bank, including remittance to and deposit of funds with Alfa-Bank is not in violation of applicable sanctions-related laws and regulations;
- (c) the Company also contacted several non-traditional financial institutions, comprising corporate finance and investment companies on the possibility to engage them act as escrow agents. Having reviewed these financial companies' businesses, the Board formed the view that the higher risks posed by non-traditional financial institutions are unacceptable, since the Net Escrowed Amount is significant;
- (d) depositing the Net Escrowed Amount with Alfa-Bank also considers the higher interest rates offered by Alfa-Bank compared to other large traditional Russian financial institutions.

2.3.3 To ensure that the Net Escrowed Amount which amounts to RR 1,265,460,368 (equivalent to approximately S\$18,207,670<sup>1</sup>) is safeguarded, the Company has implemented robust processes to access the Net Escrowed Amount which are set out as follows:

- (a) the Company shall prepare the Board resolutions setting out, *inter alia*, the amount to be utilised, the purpose of the utilisation, the identity of the recipient of the funds and other key information;
- (b) the Board resolutions will be duly passed only upon the unanimous approval of all members of the Board;
- (c) Alfa-Bank will be instructed that no request or instructions to utilise Net Escrowed Amount from the deposit account made by the authorised signatories to the account may be acted on without a notarised copy of the Board resolutions in relation to the utilisation of funds from the deposit account;
- (d) the Independent Directors and the Audit and Risk Committee are authorised to engage legal or other professionals (at the expense of the Company) to review and assess any request of the management of the Company to utilise the Net Escrowed

Amount from the deposit account with Alfa-Bank, including initiating direct contact with Alfa-Bank, if for any reason they have any concerns arising from any such requested utilisation;

- (e) the Board resolutions passed by the Board must be implemented by the board of directors of Tetra ("**Tetra's Board**");
- (f) documents required by Alfa-Bank for the utilisation of Net Escrowed Amount following the Board resolutions passed and as implemented by Tetra's Board should be signed by at least two authorised signatories of the Company, the first of which shall be the Company's COO and the General Director of Tetra, Mr Vadim Novikov, and the second signatory shall be either of the Company's CEO, Mr Marat Devlet-Kildejev, or the Company's CFO, Mr Artur Nazaryan; and
- (g) the authorised signatories for the deposit account for the Net Escrow Amount with Alfa-Bank and any additional or change of the authorised signatories, including signing instructions and approval limits must be unanimously approved by all members of the Board.

#### 2.4 Continued Trading Application

The Company intends that the Shares continue to be quoted and traded on the SGX-ST and it applied for obtaining SGX's consent to allow continued trading of the Shares for the following reasons:

- (a) continued trading will allow Shareholders to be able to trade the Shares and avail themselves of the opportunity to exit through the open market and realise returns from their shareholdings in the Company; and
- (b) continued trading will allow Shareholders and/or potential investors who are confident in the Company's future prospects and/or the Proposed Acquisitions to invest in the Shares through the purchase of the Shares in the open market.

### 3. UPDATE ON THE STATUS OF THE CONDITIONS

The Board is pleased to announce that the Company has fulfilled the Conditions stipulated in the Waivers and Application Confirmation from the SGX-ST as set out below:

#### 3.1 Moratorium Undertaking

The Company has procured the written undertakings from (i) its Executive Chairman and controlling shareholder, Mr. Evgeny Tugolukov and his associates; and (ii) its Director and Chief Executive Officer, Mr. Marat Devlet-Kildejev, to observe a moratorium on the transfer or disposal of their interests, direct or indirect, in the securities of the Company for a stated period of time as stipulated by the SGX-ST.

#### 3.2 Waivers Announcements

The Company has announced the rationale, justifications and outcome of the Waivers in the (i) Company's announcement to Shareholders dated 21 January 2025 in relation to the Company's receipt of SGX-ST's letter of no objection to the Company's application for the Waivers and the Continued Trading Application and (ii) this announcement ("**Waivers Announcements**"). The Waivers Announcements have included, amongst others, the Board's considerations, the legal opinion(s) obtained / to be obtained, the safeguards put in place in relation to the Consideration Advance Payments, the Net Escrowed Amount, as well as the Board's justifications on how the Waivers are in the best interest of the Company and its Shareholders.

### 3.3 Legal Opinion

The Company had obtained the legal opinion from its legal adviser to international sanctions laws, Hogan Lovells, that the remittance to and deposit of the Escrow Amount with Alfa-Bank is not in violation with relevant sanctions-related laws and regulations pursuant to Condition (c) of the Waivers and Application Confirmation.

### 3.4 Placing Net Escrowed Amount with Alfa-Bank until Completion of Proposed Acquisitions

The Company has placed the Net Escrowed Amount with Alfa-Bank until the completion of the Proposed Acquisitions.

### 3.5 Draw-down of Consideration Advance Payments

The Board confirms that funds drawn down will only be used for paying the Consideration Advance Payments and have been earmarked for the sole purpose of the Proposed Acquisitions. In the event the Proposed Acquisitions fail to complete, such funds will be refunded to the Company's deposit account with Alfa-Bank and may not be utilised for any other acquisitions / transactions without the specific approval of the SGX-ST.

### 3.6 Monthly Announcement

The Company continues to provide monthly valuation of its assets and the utilisation of cash and shall make monthly announcements to update Shareholders on its efforts and progress in relation to the Proposed Acquisitions to the Shareholders via the SGXNet.

### 3.7 Irrevocable Undertaking

Mr. Evgeny Tugolukov, the controlling Shareholder of the Company, holding more than 50% of the existing issued share capital, has provided an irrevocable undertaking to the Company to vote in favour of the Proposed Acquisitions at the extraordinary general meeting to be convened for the Proposed Acquisitions in due course.

### 3.8 Satisfaction of Requirements for New Listing

Based on the preliminary due diligence reports provided by the Company's professionals, the Board is of the view that subject to satisfactory completion of the VSA Due Diligence, the Proposed Acquisitions satisfy the requirements for a new listing pursuant to Catalist Rule 1017(1) for the following reasons:

- (a) the Target Group is revenue generating;
- (b) the Target Group has a consistent track record of dividend payments, demonstrating strong cash flow. Dividends declared and paid during the following financial year ended 31 December ("FY") were:
  - FY2019: RR 757 million (approximately S\$15,965,130<sup>2</sup>);
  - FY2020: RR 475 million (approximately S\$15,965,130<sup>3</sup>);
  - FY2022: RR 572.4 million (approximately S\$11,737,448<sup>4</sup>);
  - FY2023: RR 535 million (approximately S\$8,495,800<sup>5</sup>); and
- (c) the Preliminary Valuation of the Target Group is aligned with comparable market valuations and is attractive to the Company; and

<sup>2</sup> Based on the average exchange rate of S\$1.00 = RR 47.4330 for FY2019 as extracted from S&P Capital IQ.

<sup>3</sup> Based on the average exchange rate of S\$1.00 = RR 52.4698 for FY2020 as extracted from S&P Capital IQ.

<sup>4</sup> Based on the average exchange rate of S\$1.00 = RR 50.8168 for FY2022 as extracted from S&P Capital IQ.

<sup>5</sup> Based on the average exchange rate of S\$1.00 = RR 63.6364 for FY2023 as extracted from S&P Capital IQ.

- (d) together with the moratorium undertakings given by Mr. Evgeny Tugolukov and Mr. Marat Devlet-Kildeev (as described in paragraph 3.1 of this announcement, as the Company's shares are already quoted and traded on the SGX-ST, the Company is in compliance with the relevant requirements of Chapter 4 of the Catalist Rules for admission for listing on Catalist, subject to any other conditions that may be required by the SGX-ST upon completion of the Proposed Acquisitions.

Notwithstanding the above, 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 Proposed Acquisitions will be completed.

### **3.9 Consideration Advance Payments are in the Best Interest of the Company and its Shareholders**

The Board confirms that payment of the Consideration Advance Payments is in the best interest of the Company and its Shareholders for the following reasons:

- (a) the Consideration Advance Payments are a condition of the legal agreements in relation to the Proposed Acquisitions and was critical in securing the Balance Stake Preliminary Agreement and the CIMT Stake Preliminary Agreement with the Vendors for the acquisitions of 89.01% of the shares in 812 Capital LLC and 11.50% of the shares in CIMT, LLC. The Vendors were and are unwilling to accept the uncertainty of having to wait six to eight months for the VSA Due Diligence to be completed without a commitment shown by way of an upfront payment;
- (b) as mentioned in paragraph 2.2.5 of this announcement, the Consideration Advance Payments are adequately protected since they are refundable in accordance with the terms and conditions of the legal agreements in relation to the Proposed Acquisitions, and additionally, Safeguards have been put in place for enhanced protection; and
- (c) payment of the Consideration Advance Payments will ensure that the Proposed Acquisitions can now proceed to completion without the risk of termination of the legal agreements in relation to the Proposed Acquisitions owing to a breach by the Company of the said advance payment condition, subject to satisfactory completion of the VSA Due Diligence. The successful completion of the Proposed Acquisitions will position the Company to continue to create value for its Shareholders and stakeholders alike.

## **4. MISCELLANEOUS**

The Company will continue to provide updates on any material developments in relation to the Proposed Acquisitions to the SGX-ST and Shareholders via announcements to be released on the SGXNET.

## **5. CAUTIONARY STATEMENT**

Shareholders and investors of the Company are advised to exercise caution when dealing in the Shares of the Company. In the event of any doubt as to the actions they should take, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers immediately.

By order of the Board

Marat Devlet-Kildeev  
Chief Executive Officer and Executive Director

**27 February 2025**

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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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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