DON AGRO INTERNATIONAL LIMITED

(Company Registration No.:201835258H)
(Incorporated in the Republic of Singapore on 16 October 2018)

ONE OF THE LARGEST AGRICULTURAL COMPANIES IN THE ROSTOV REGION OF RUSSIA

Placement of 23,000,000 Placement Shares at S$0.22 for each Placement Share, payable in full on application

OFFER DOCUMENT DATED 6 FEBRUARY 2020
(Registered by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), acting as agent on behalf of the Monetary Authority of Singapore (the "**Authority**") on 6 February 2020)

This offer is made in or accompanied by an offer document (the "Offer Document") that has been registered by the SGX-ST, acting as agent on behalf of the Authority on 6 February 2020. The registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority, does not imply that the Securities and Futures Act (Chapter 289) of Singapore, or any other legal or regulatory requirements or requirements under the SGX-ST's listing rules, have been complied with.

This document is important. Before making any investment in the securities being offered, you should consider the information provided in this Offer Document carefully, and consider whether you understand what is described in this Offer Document. You should also consider whether an investment in the securities being offered is suitable for you, taking into account your investment objectives and risk appetite. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser(s). You are responsible for your own investment choices.

PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") has made an application to the SGX-ST for permission to deal in, and for quotation of, all the ordinary shares (the "**Shares**") in the capital of Don Agro International Limited (the "**Company**") already issued (including the PPCF Shares (as defined herein)), the new Shares which are the subject of this Placement (the "**Placement Shares**") and the new Shares which may be issued upon the exercise of the options which may be granted under the Don Agro Employee Share Option Scheme (the "**Option Shares**") on Catalist. Acceptance of applications will be conditional upon, *inter alia*, issue of the Placement Shares and permission being granted by the SGX-ST for the listing and quotation of all our existing issued Shares (including the PPCF Shares), the Placement Shares and the Option Shares on Catalist. Monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom and you will have no claim against us or the Sponsor, Issue Manager and Placement Agent (as defined herein), if the admission and listing do not proceed. The dealing in and quotation of the Shares will be in Singapore dollars.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission to Catalist but relies on the Sponsor confirming that the Company is suitable to be listed and complies with the Catalist Rules (as defined herein). Neither the Authority nor the SGX-ST has in any way considered the merits of the Shares or units of Shares being offered for investment.

We have not lodged or registered this Offer Document in any other jurisdiction.

YOUR ATTENTION IS DRAWN TO THE SECTION ENTITLED "RISK FACTORS" OF THIS OFFER DOCUMENT WHICH HIGHLIGHTS CERTAIN GENERAL RISKS AND RISKS RELATING TO OUR OPERATIONS IN RUSSIA. IN PARTICULAR, YOU SHOULD NOTE THAT OUR GROUP'S BUSINESS AND OPERATIONS ARE ONLY IN RUSSIA. YOU ARE ADVISED TO TAKE THESE FACTORS INTO CONSIDERATION WHEN INVESTING IN OUR SHARES.

After the expiration of six (6) months from the date of registration of this Offer Document, no person shall make an offer of securities, or allot, issue or sell any securities, on the basis of this Offer Document; and no officer or equivalent person or promoter of the Company will authorise or permit the offer of any securities or the allotment, issue or sale of any securities, on the basis of this Offer Document.

Sponsor, Issue Manager and Placement Agent

PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.

(Company Registration No.:200207389D)
(Incorporated in the Republic of Singapore)

ABOUT DON AGRO INTERNATIONAL LIMITED

Incorporated in Singapore on 16 October 2018, Don Agro International Limited and its subsidiaries are one of the largest agricultural companies in the Rostov region in Russia, principally engaged in the cultivation of agricultural crops and the production of raw milk. Our Group operates three (3) production divisions in the Rostov region, namely the Northern, Western and Eastern production divisions, and have a controlled land bank of approximately 53,200 hectares, of which approximately 41,167 hectares are arable land.

Business Overview

Crop segment

- All of our arable land is located in the Rostov region, one of the most fertile regions in Russia
- We produced more than 80,000 tonnes of crops in FY2018, with key agricultural produce being, winter wheat, sunflower and corn
- We have eight (8) grain storage facilities with total capacity of up to 63,000 tonnes

Livestock segment

- We are one of the top farms in terms of milk production in the Rostov region with approximately 4,201 heads of dairy cattle and more than 12,000 tonnes of raw milk produced in FY2018
- Our raw milk is produced and sold to dairy processing companies for production of fresh milk and other high-end processed dairy products

Overview of the Russian Agriculture Industry

Agriculture sector plays an important role in Russia's economy

- A leading exporter of agricultural products for the global market
- During the 2018, Russia was:
  - the world's largest exporter of wheat
  - the world's 2nd largest producer of sunflower seeds
  - the world's 4th largest producer of milk

Opportunities for growth

- Strategic government policies (such as state subsidies and import bans on major agricultural crops from some Western countries), the depreciation of the Russian Ruble and favourable weather conditions have contributed to Russia's position as a strong global player in the agricultural market
- Climate studies showed that an increase in temperature in Russia's grain producing area, with the greatest increase in winter, which would translate to longer growing seasons and higher crop yields

Our Location

Millerovo District, Rostov Region
Controlled land bank of approximately 53,200 hectares

We are located approximately 220 km away from Azov Sea and Don River international ports, allowing customers (mainly traders and exporters) to save on transportation costs

Competitive Strengths

Large land bank in the Rostov region

- Stable and predictable weather conditions in the Rostov region
- Rich in black soils and has a favourable geographic location with close proximity to the Azov Sea and Don River international ports
- Controlled land bank of approximately 53,200 hectares, of which approximately 40,785 hectares are leased

Strong management team who is supported by experienced staff

- Experienced industry executives with a clear long-term vision of the business and future plans
- We are supported by operational leaders who have extensive experience in the day-to-day operations of our crop fields, dairy farms and all other aspects of our business

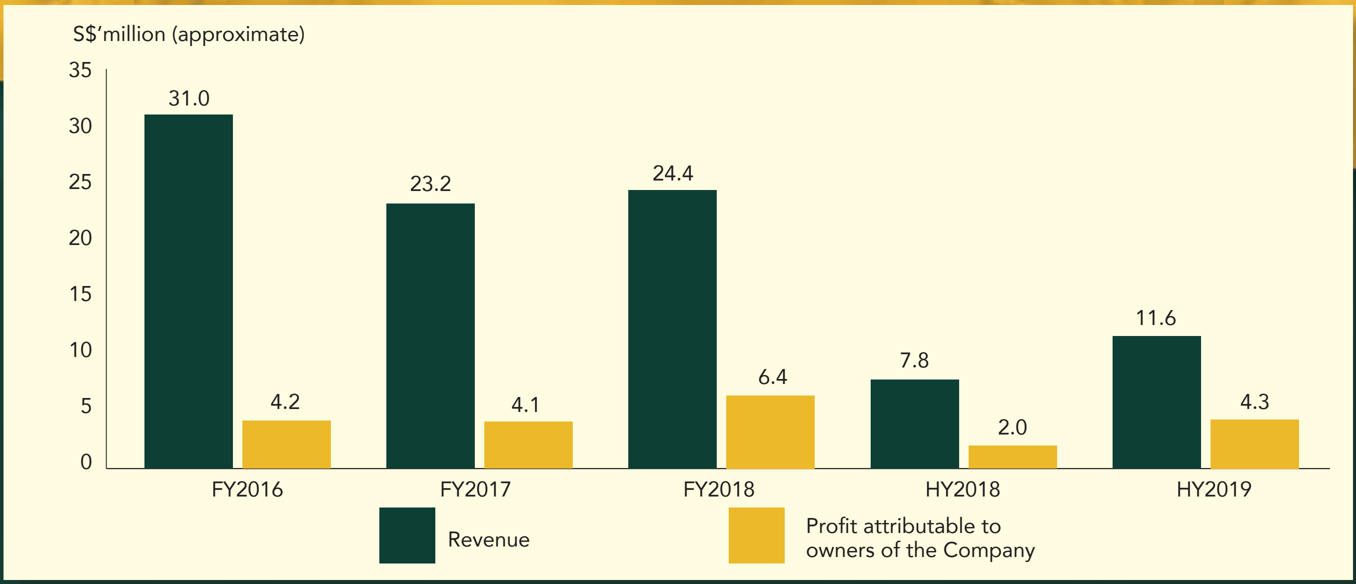
One of the leading crop and dairy farming businesses in the Rostov region

- Based on data from the Ministry of Agriculture of Rostov and our management's estimation, we are one of the leading crop and dairy farming businesses in the Rostov region
- Our success in crop and dairy farming may be attributed to experienced, structured and hands-on farm management practices to maximise yields and produce high quality crops and raw milk

Established relationships with customers and suppliers

- We have established a reputation as a reliable producer of good quality crops and raw milk as demonstrated by customers' repeat participation in tenders for our products
- We have built strong rapport with suppliers which allows us to source for good quality seeds and fertilisers from established brands

Financial Highlights



Proposed Dividends

Our Company currently does not have a fixed dividend policy, However, subject to certain factors, our Directors intend to recommend and distribute dividends of up to 20.0% of net profit after tax attributable to shareholders for each of FY2019, FY2020 and FY2021 to reward shareholders for participating in our growth.

Prospects

Strong government initiatives continue to drive the development of Russian agriculture industry

- The Russian government adopted the Food Security Doctrine in 2010 to achieve self-sufficiency in various food commodities
- The Russian government implemented the State Program on Development of Agriculture and Regulation of Agricultural Commodity Markets 2013-2020 to develop and promote growth in the domestic agriculture industry
- The Russian government introduced various subsidies including partial compensation of capital expenditure for new and modernised agricultural facilities and subsidies for dairy farmers who demonstrate increased milk yields

Stable consumption of domestic agriculture produce

- Sales of wheat in the Russian domestic market have been strong mainly due to the increased costs of imported agricultural produce as a result of the overall depreciation of the Russian Ruble and the import ban on a range of EU food and agriculture produce in 2014

Expansion of Russian agriculture export to other countries

- Sales and export of Russian agriculture products expected to increase as Russia explores new trade opportunities abroad in Southeast Asia, the Middle East and Latin America
- Agriculture products increased from approximately 3.0% of total exports in 2013 to approximately 6.0% of total exports in 2017
- According to the USDA FAS:
  - > Export of wheat increased from approximately 18 million tonnes in 2013 to approximately 41 million tonnes in 2017
  - > It is projected that global wheat trade will increase by nearly 32.7 million tonnes or approximately 17.7% during the period from 2019 to 2029

Business Strategies and Future Plans

Expansion of arable land bank

- Acquisition of arable plots of land
- Acquisition of companies engaging in similar businesses

Acquisition of new equipment and machinery

- Acquisition of new equipment and machinery to upgrade existing ones and also in line with the expansion of our land bank

Explore opportunities in mergers and acquisitions, joint ventures and strategic alliances

- Mergers and acquisitions, joint ventures and strategic alliances with domestic and foreign companies
- Expand network and learn from business partners with relevant expertise and relationships
- Seek new and suitable opportunities to expand into other high growth regional markets within Russia

TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Evgeny Tugolukov (Executive Chairman) Marat Devlet-Kildeyev (Chief Executive Officer and Executive Director) Ravi Chidambaram (Lead Independent Director) Tan Han Beng (Independent Director) Edwin Tham Soong Meng (Independent Director)
COMPANY SECRETARY	:	Raymond Lam Kuo Wei (LL.B. (Hons) and Fellow, Chartered Secretaries Institute of Singapore)
REGISTERED OFFICE	:	10 Collyer Quay #10-01 Ocean Financial Centre Singapore 049315
PRINCIPAL PLACE OF BUSINESS	:	12 Sedova St. City of Millerovo, Millerovskiy District Rostov Region, 346130, Russia
SHARE REGISTRAR AND SHARE TRANSFER AGENT	:	**Tricor Barbinder Share Registration Services** (a division of Tricor Singapore Pte. Ltd.) 80 Robinson Road #02-00 Singapore 068898
SPONSOR, ISSUE MANAGER AND PLACEMENT AGENT	:	**PrimePartners Corporate Finance Pte. Ltd.** 16 Collyer Quay #10-00 Income at Raffles Singapore 049318
INDEPENDENT AUDITORS AND REPORTING ACCOUNTANTS	:	**KPMG LLP** Public Accountants and Chartered Accountants 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581 Partner-in-charge: Lim Pang Yew, Victor (a member of the Institute of Singapore Chartered Accountants)
SOLICITORS TO THE PLACEMENT AND LEGAL ADVISER TO OUR COMPANY ON SINGAPORE LAW	:	**Drew & Napier LLC** 10 Collyer Quay #10-01 Ocean Financial Centre Singapore 049315
LEGAL ADVISER TO OUR COMPANY ON RUSSIAN LAW	:	**Nektorov, Saveliev & Partners** 5th floor, 17, Build 1 Gogolevsky Blvd. Moscow 119019, Russia

LEGAL ADVISER TO OUR COMPANY ON INTERNATIONAL SANCTIONS LAWS	:	**Hogan Lovells** 11th Floor, One Pacific Place 88 Queensway Hong Kong
PRINCIPAL BANKERS	:	**Joint-Stock Company “Rosselkhozbank”** Gagarinsky Street, 3 Moscow, 119034, Russia **Public Joint-Stock Company “Sberbank”** Vavilova Street, 19 Moscow, 117312, Russia
RECEIVING BANKER	:	**Oversea-Chinese Banking Corporation Limited** 65 Chulia Street OCBC Centre Singapore 049513

In this Offer Document and the accompanying Application Forms, unless the context otherwise requires, the following definitions apply throughout where the context so admits:

Companies within our Group

"*Company*"	:	Don Agro International Limited. The terms "we", "our", "our Company" or "us" have correlative meanings
"*Don Agro LLC*"	:	Our subsidiary, Limited Liability Company "Don Agro"
"*Don Agro JSC*"	:	Our subsidiary, Joint-Stock Company "Don Agricultural Group"
"*Degtevskoe*"	:	Our subsidiary, Limited Liability Company "Degtevskoe"
"*Group*" or "*Group Companies*"	:	Our Company and subsidiaries as at the date of this Offer Document, and any Associated Companies in the future
"*Happy Cow*"	:	Our subsidiary, Limited Liability Company "HAPPY COW"
"*Rassvet*"	:	Our subsidiary, Closed Joint-Stock Company "Rassvet"
"*Selkhoztekhnika*"	:	Our subsidiary, Opened Joint-Stock Company "Selkhoztekhnika"
"*Tetra JSC*"	:	Our subsidiary, Joint-Stock Company "TETRA"

Other Companies, Organisations and Agencies

"*Authority*"	:	Monetary Authority of Singapore
"*CDP*" or "*Depository*"	:	The Central Depository (Pte) Limited
"*CPF*"	:	Central Provident Fund
"*Krinichansky*"	:	Opened Joint-Stock Company "Krinichansky"
"*OFAC*"	:	The Office of Foreign Assets Control of the U.S. Treasury Department
"*ProdAlliance*"	:	ProdAlliance Limited
"*RSHB*"	:	Joint-Stock Company "Rosselkhozbank"
"*RZT LLC*"	:	Limited Liability Company "Rostovskiy Zernovoi Terminal", a subsidiary of Bunge Limited, an international agribusiness and food company

"*Sberbank*"	:	Public Joint-Stock Company "Sberbank"
"*SCCS*"	:	Securities Clearing & Computer Services (Pte) Ltd
"*SGX-ST*"	:	Singapore Exchange Securities Trading Limited
"*Share Registrar*"	:	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.)
"*Sponsor*", "*Issue Manager*", "*Placement Agent*" or "*PPCF*"	:	PrimePartners Corporate Finance Pte. Ltd.
"*Vallerd Investments*"	:	Vallerd Investments Limited
"*Vnesheconombank*"	:	State Development Corporation VEB.RF (formerly known as State Corporation "Bank for Development and Foreign Economic Affairs (Vnesheconombank)")
"*Volgo-Agro*"	:	Limited Liability Company "Volgo-Agro"
"*Voronejskijj*"	:	Public Joint-Stock Company "Voronejskijj Molochnyjj Kombinat", a subsidiary of the Molvest group, a major dairy product manufacturer in Russia

General

"*Application Forms*"	:	The printed application forms to be used for the Placement Shares and which form part of this Offer Document
"*Application List*"	:	The list of applications for the subscription of the Placement Shares
"*Associate*"	:	As defined in the Catalist Rules, (a) in relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or

		(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; and
		(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more or may, where the context so requires, have the meaning ascribed to it in the Fourth Schedule to the SFR
"*Associated Company*"	:	A company in which at least 20.0% but not more than 50.0% of its shares are held by the listed company or group
"*Audit Committee*"	:	The audit committee of our Company as at the date of this Offer Document, unless otherwise stated
"*Board*" or "*Board of Directors*"	:	The board of Directors of our Company as at the date of this Offer Document, unless otherwise stated
"Breached Facilities"	:	Has the meaning set out in the section entitled "Capitalisation and Indebtedness – Credit Facilities" of this Offer Document
"*Catalist*"	:	The sponsor-supervised listing platform of the SGX-ST
"*Catalist Rule*" or "*Catalist Rules*"	:	Any or all of the rules in the SGX-ST Listing Manual Section B: Rules of Catalist, as amended, supplemented or modified from time to time
"*Chief Executive Officer*"	:	The chief executive officer of our Company as at the date of this Offer Document, unless otherwise stated
"*Chief Financial Officer*"	:	The chief financial officer of our Company as at the date to this Offer Document, unless otherwise stated
"*Chief Operating Officer*"	:	The chief operating officer of our Company as at the date of this Offer Document, unless otherwise stated
"*Companies Act*"	:	The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time
"*Constitution*"	:	The constitution of our Company, as amended, supplemented or modified from time to time

"*Controlling Shareholder*"	:	As defined in the Catalist Rules, a person who: (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in the Company (unless otherwise determined by the SGX-ST); or (b) in fact exercises control over a company, or may, where the context so requires, have the meaning ascribed to it in the Fourth Schedule to the SFR
"*Director*"	:	A director of our Company as at the date of this Offer Document, unless otherwise stated
"*Entity at Risk*"	:	(a) Our Company; (b) a subsidiary of our Company that is not listed on the SGX-ST or an approved exchange; or (c) an Associated Company that is not listed on the SGX-ST or an approved exchange, provided that our Group or our Group and our Interested Person(s), has control over the Associated Company
"*EPS*"	:	Earnings per Share
"*Don Agro Employee Share Option Scheme*" or "*ESOS*"	:	The employee share option scheme of our Company, known as the "Don Agro Employee Share Option Scheme", the terms of which are set out in "Appendix D – Rules of the Don Agro Employee Share Option Scheme" of this Offer Document
"*EU*"	:	European Union
"*Executive Chairman*"	:	The executive chairman of our Company as at the date of this Offer Document, unless otherwise stated
"*Executive Directors*"	:	The executive Directors of our Company as at the date of this Offer Document, unless otherwise stated
"*Executive Officers*"	:	The executive officers of our Company as at the date of this Offer Document, who are also key executives as defined under the SFR, unless otherwise stated
"*FY*"	:	Financial year ended or ending, as the case may be, 31 December, unless otherwise stated
"*G20 Countries*"	:	The 20 major economies which include Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom, the U.S. and the EU

"*HY*"	:	Half year ended or, as the case may be, ending 30 June, unless otherwise stated
"*Independent Directors*"	:	The independent Directors of our Company as at the date of this Offer Document, unless otherwise stated
"*Interested Person*"	:	(a) a Director, Chief Executive Officer or Controlling Shareholder of our Company; or (b) an Associate of any such Director, Chief Executive Officer or Controlling Shareholder
"*Interested Person Transaction*"	:	Means a transaction between an Entity at Risk and an Interested Person
"*International Sanctions Laws*"	:	All applicable laws and regulations related to economic sanctions, export controls, trade embargoes and wider prohibitions and restrictions on international trade and investment related activities which are adopted, administered and enforced by the U.S., the EU, the United Nations, Australia or Singapore
"*JSC Law*"	:	The Federal Law No. 208-FZ "On Joint-Stock Companies" dated 26 December 1998, as amended, supplemented or modified from time to time
"*Latest Practicable Date*" or "*LPD*"	:	13 November 2019, being the latest practicable date before the lodgement of this Offer Document with the SGX-ST, acting as agent on behalf of the Authority
"*Listing*"	:	The listing and quotation of all our Shares on Catalist
"*Listing Manual*"	:	The listing manual of the SGX-ST as amended, supplemented or modified from time to time
"*LLC Law*"	:	The Federal Law No. 14-FZ "On Limited Liability Companies" dated 8 February 1998, as amended, supplemented or modified from time to time
"*Management Agreement*"	:	The full sponsorship and management agreement between our Company and PPCF pursuant to which PPCF agrees to sponsor and manage the Listing as described in the sections entitled "Plan of Distribution" and "General and Statutory Information – Management and Placement Arrangements" of this Offer Document
"*Market Day*"	:	A day on which the SGX-ST is open for trading in securities
"*NAV*"	:	Net asset value

"*NSDC Sanctions*"	:	The Ukrainian National Security and Defense Council's Special Economic and Other Restrictive Measures (Sanctions)
"*NTA*"	:	Net tangible assets
"*Nominating Committee*"	:	The nominating committee of our Company as at the date of this Offer Document
"*Offer Document*"	:	This Offer Document dated 6 February 2020 issued by our Company in respect of the Placement
"*Option Shares*"	:	The new Shares which may be issued and allotted upon the exercise of the options granted under the ESOS
"*Period Under Review*"	:	The period comprising FY2016, FY2017, FY2018 and HY2019
"*Placement*"	:	The placement of the Placement Shares by the Placement Agent on behalf of our Company for subscription at the Placement Price subject to and on the terms and conditions set out in this Offer Document
"*Placement Agreement*"	:	The placement agreement entered into between our Company and the Placement Agent pursuant to which the Placement Agent agrees to procure subscribers of the Placement Shares at the Placement Price as described in the sections entitled "Plan of Distribution" and "General and Statutory Information – Management and Placement Arrangements" of this Offer Document
"*Placement Price*"	:	S$0.22 for each Placement Share
"*Placement Shares*"	:	The 23,000,000 new Shares which are the subject of the Placement
"*PPCF Shares*"	:	The 2,272,700 new Shares to be issued and allotted by our Company to PPCF as part of the PPCF's management fees as the Sponsor and Issue Manager
"*Principal Subsidiary*"	:	A subsidiary whose latest audited consolidated pre-tax profits (excluding the minority interest relating to that subsidiary) as compared with the latest audited consolidated pre-tax profits of our Group (excluding the minority interest relating to that subsidiary) account for 20.0% or more of such pre-tax profits of our Group. In determining profits, exceptional and extraordinary items are to be excluded

"*Relevant Period*"	:	The period comprising FY2016, FY2017, FY2018, HY2019 and the period from 1 July 2019 to the Latest Practicable Date
"*Remuneration Committee*"	:	The remuneration committee of our Company as at the date of this Offer Document, unless otherwise stated
"*Restructuring Exercise*"	:	The restructuring exercise implemented in connection with the Listing, more fully described in the section entitled "Restructuring Exercise" of this Offer Document
"*Russia*"	:	The Russian Federation
"*Sanctioned Activity*"	:	Any activity that is subject to and in violation of any sanction law or regulation which is imposed by a relevant jurisdiction (being any jurisdiction that is relevant to our Group or which our Group would otherwise have any nexus with, and has sanction laws or regulations) and applicable to our Group
"*Sanctioned Subjects*"	:	Any individual or entity or government which is: (a) listed or designated on any sanction list(s); and/or (b) owned or controlled by an individual or entity or government listed in (a)
"*Sanctions Screening*"	:	The screening of a subject using a reputable third-party database which cover global sanction lists which include those imposed/established by jurisdictions and/or governmental/global/regional bodies such as OFAC, the EU and the United Nations Security Council
"*SDN Lists*"	:	The list of Specially Designated Nationals and Blocked Persons maintained by OFAC, which sets forth individuals and entities that are subject to its sanctions and restricted from dealing with U.S. persons
"*Securities Account*"	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account
"*Securities and Futures Act*" or "*SFA*"	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, supplemented or modified from time to time

"*Service Agreements*"	:	The service agreements entered into between our Company and our Executive Directors, namely Evgeny Tugolukov and Marat Devlet-Kildeyev and our Executive Officers, namely Artur Nazaryan and Vadim Novikov as described in the section entitled "Directors, Management and Staff – Service Agreements" of this Offer Document
"*SFR*"	:	The Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore, as amended, supplemented or modified from time to time
"*SFRS(I)*"	:	The Singapore Financial Reporting Standards (International)
"*SGXNET*"	:	Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
"*Share(s)*"	:	Ordinary share(s) in the capital of our Company
"*Shareholder(s)*"	:	Registered holder(s) of Shares, except where the registered holder is CDP, the term "Shareholder" shall, in relation to such Shares mean the Depositors whose Securities Accounts are credited with Shares
"*Singapore*"	:	The Republic of Singapore
"*Substantial Shareholder(s)*"	:	Person(s) who have an interest in one or more voting shares, and the total votes attaching to that share or those shares, represent not less than 5.0% of the total votes attaching to all the voting shares in our Company
"*U.S.*"	:	United States of America

Currencies, Units and Others

"*RR*"	:	Russian Ruble
"*S$*" and "*cents*"	:	Singapore dollars and cents, respectively
"*US$*"	:	United States dollars
"*hectare*"	:	A metric unit of square measure, equivalent to 10,000 square metres
"*mm*"	:	millimetre

"*%*" or "*per cent.*"	:	Per centum or percentage
"*kg*"	:	Kilogram
"*sq ft*"	:	Square feet
"*sq m*"	:	Square metre

Any capitalised terms relating to the Don Agro Employee Share Option Scheme which are not defined in this section of the Offer Document shall have the meanings ascribed to them as stated in the section entitled "Appendix D – Rules of the Don Agro Employee Share Option Scheme" of the Offer Document.

The expression "subsidiary" shall have the meaning ascribed to it in the Companies Act and the SFR.

The expression "Entity" includes a corporation, an unincorporated association, a partnership and the government of any state, but does not include a trust.

The expressions "Depositor", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

References in this Offer Document to Appendix or Appendices are references to an appendix or appendices respectively to this Offer Document.

Any discrepancies in tables included herein between the total sum of amounts listed and the totals shown thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Offer Document and the Application Forms to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted.

Any word defined under the Companies Act, the SFA, the SFR or any statutory modification thereof and used in this Offer Document and the Application Forms shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the SFR or any statutory modification thereto, as the case may be.

Any reference in this Offer Document and the Application Forms to Shares being allotted to an applicant includes allotment to CDP the account of that applicant.

Any reference to a time of day in this Offer Document and the Application Forms is a reference to Singapore time unless otherwise stated.

Any reference in this Offer Document to "we", "our", "us" or their other grammatical variations is a reference to our Company, or our Group, or any member of our Group, as the context requires.

Any information on our website or any other website directly or indirectly linked to such website does not form part of this Offer Document and should not be relied upon.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of the business of our Group, the following glossary provides a description of some of the technical terms and abbreviations commonly used in our industry. The terms and abbreviations and their assigned meanings should not be treated as being definitive of their meanings, and may not correspond to standard industry or common meanings or usage of these terms.

"*Awning-type farm*"	:	A single-storey farm building with an awning roof
"*Agronomist*"	:	A specialist in agronomy, being the science and technology of producing and using plants for food, fuel, fibre and land reclamation
"*Bovine TB*"	:	Bovine tuberculosis, a chronic, highly infectious disease that primarily affects cattle but can be transmitted to humans, and is caused by Mycobacterium bovis, a group of bacteria that usually affects the respiratory system
"*Bovine paratuberculosis*"	:	Bovine paratuberculosis or Johne's disease, a chronic wasting disease characterised in cattle by persistent diarrhea, progressive weight loss, debilitation, and eventually death
"*Brucellosis*"	:	A highly contagious disease in cattle that is spread by infected material at time of calving or abortion and that can result in infertility, morbidity and reduced milk yield
"*Cultivator*"	:	A type of agriculture equipment that is used to pierce the soil as it is dragged through it linearly. Cultivators stir and pulverise the soil, either to aerate the soil and to prepare a smooth and loose seedbed which is desired during the sowing stage or to kill weeds during the cultivation process. Cultivators are usually either self-propelled or drawn as an attachment behind either a tractor
"*Deep soil tilling*"	:	A deeper and more thorough loosening of the soil through methods such as ploughing and harrowing
"*Fallow field*"	:	Cultivated land that is left for a period without being sown in order to restore its fertility or to avoid surplus production
"*FMD*"	:	Foot and mouth disease, a highly infectious and contagious livestock disease affecting cattle, pigs, sheep, goats, deer, elk and other cloven-hoofed animals which can cause significant loss of productivity, such as reduced milk yield or lameness, and even fatality in young animals
"*Forage harvester*"	:	An agricultural equipment that harvests forage plants to make silage. A forage harvester can operate either by attachment to a tractor or as a self-propelled unit

GLOSSARY OF TECHNICAL TERMS

"*Hay*"	:	Grass, legumes or other herbaceous plants that have been cut, dried, and stored for use as animal fodder, particularly for grazing animals such as cattle, horses, goats and sheep
"*Haylage*"	:	High dry matter silage of approximately 45.0% to 75.0% made from alfalfa
"*Heifer*"	:	A female bovine animal older than six (6) months that has not given birth to a calf
"*Holstein*"	:	A breed of dairy cows typically having high milk yield
"*Mastitis*"	:	The inflammation of the mammary gland that, when infected, can significantly reduce milk production and, in some circumstances, fertility, as well as delay the onset of heat cycles in cattle
"*No-till farming*"	:	An agriculture technique without disturbing the soil through tillage
"*Plant protectors*"	:	Chemical treatments used in agriculture to keep crops healthy by protecting them against pests and diseases
"*Red Steppe*"	:	A breed of dairy cows typically having strong immune system
"*Seeder*"	:	An agricultural equipment that is used to plant seeds
"*Silage*"	:	Grass, corn or other plant that has been chopped into small pieces, and compacted together to form fermented, high moisture stored fodder which can be fed to cattle, sheep and other such ruminants. Silage is made by one or more of the following methods: (i) placing cut green vegetation in a silo or pit; (ii) piling the vegetation in a large heap and compressing it down so as to purge as much oxygen as possible, then covering it with a plastic sheet; or (iii) wrapping large round bales tightly in plastic film
"*Sprayer*"	:	An agricultural equipment that is used to apply herbicides, pesticides, and fertilisers on agricultural crops. Sprayers range in size from man-portable units to trailed sprayers that are connected to a tractor, to self-propelled units similar to tractors
"*Tiller*"	:	A type of cultivator which has stronger digging power
"*Zootechnician*"	:	A specialist in animal husbandry

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Document, statements made in press releases and oral statements that may be made by us or our Directors, Executive Officers or employees acting on our behalf, that are not statements of historical fact, constitute "forward-looking statements". You can identify some of these forward-looking statements by terms such as "expects", "believes", "plans", "intends", "estimates", "anticipates", "may", "will", "would" and "could" or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements, including without limitation, statements as to:

(a) our revenue and profitability;

(b) trends in demand and costs;

(c) any expected growth;

(d) expected industry trends and development;

(e) anticipated expansion plans; and

(f) other matters discussed in this Offer Document regarding matters that are not historical fact,

are only predictions. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumption upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include in no particular order of priority and amongst others, the following:

(a) changes in political, social and economic conditions and the regulatory environment in Russia in which we conduct business or expect to conduct business;

(b) war or acts of international or domestic terrorism;

(c) changes in currency exchange rates and interest rate fluctuations;

(d) outbreaks of livestock and crop diseases;

(e) changes in commodity prices of our agricultural produce;

(f) our anticipated growth strategies and expected internal growth;

(g) changes in the availability and prices of raw materials which we require for the operation of our business;

(h) changes in competitive conditions and our ability to compete under such conditions;

(i) dependency on key personnel;

(j) changes in our future capital needs and the availability of financing and capital to fund such needs; and

(k) other factors beyond our control.

The list of important factors is not exhaustive. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the sections entitled "Risk Factors", "Management's Discussion and Analysis of Results of Operations and Financial Position", "General Information on Our Group – Industry Prospects" and "General Information on Our Group – Trend Information" of this Offer Document. All forward-looking statements by or attributable to us, or persons acting on our behalf, contained in this Offer Document are expressly qualified in their entirety by such factors.

The sections entitled "General Information on our Group – Industry Prospects" and "General Information on our Group – Trend Information" of this Offer Document, as well as other parts of this Offer Document (to the extent applicable or relevant), contain data, information, financial analyses, forecasts, figures and statements (including market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications) which are forward-looking and based on certain assumptions and projections. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but we are unable to assure you that such information is accurate or complete. These forward-looking statements are applicable only as at the date of this Offer Document.

None of us, the Sponsor, Issue Manager and Placement Agent or any person(s) acting on our or their behalf has conducted an independent review or verified the accuracy or veracity of such data, information, financial analyses, forecasts, figures, statements, assumptions and projections (the "**Third Party Data**"). Where any of the Third Party Data or any information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors, the Sponsor, Issue Manager and Placement Agent or any person(s) acting on our or their behalf has been to ensure that such Third Party Data or information has been accurately and correctly extracted from these sources and/or reproduced in this Offer Document in its proper form and context. No representation is made by us, the Sponsor, Issue Manager and Placement Agent or any person(s) acting on our or their behalf in respect of any of the Third Party Data and none of us, the Sponsor, Issue Manager and Placement Agent or any person(s) acting on our or their behalf takes any responsibility for any of the Third Party Data.

This Offer Document includes market share, market position and industry data and forecasts. In particular, market and industry data contained in the section entitled "General information on our Group – Prospects" of this Offer Document also contains references to other third party sources. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While we have taken reasonable actions to ensure that the information is extracted accurately and in its proper context, we have not independently verified all of the data from third party sources or ascertained the underlying economic assumptions relied upon therein, and none of the Company, the Sponsor, Issue Manager and Placement Agent nor any other person involved in the Placement makes any representation as to the accuracy or completeness of that information.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Document, undue reliance must not be placed on these statements which apply only as at the date of this Offer Document. Neither the Company, the Sponsor, Issue Manager and Placement Agent nor any other person represents or warrants that our Group's actual future results, performance or achievements will be as discussed in those statements.

Our actual results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. We and the Sponsor, Issue Manager and Placement Agent disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future. We are, however, subject to the provisions of the SFA, the SFR and the Catalist Rules regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after the registration of the Offer Document but before the close of the Placement, our Company becomes aware of (a) a false or misleading statement or matter in the Offer Document; (b) an omission from the Offer Document of any information that should have been included in it under Section 243 of the SFA; or (c) a new circumstance that has arisen since the Offer Document was lodged with the SGX-ST, acting as agent on behalf of the Authority and would have been required by Section 243 of the SFA to be included in the Offer Document if it had arisen before the Offer Document was lodged and that is materially adverse from the point of view of an investor, our Company may lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority.

SELLING RESTRICTIONS

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for our Placement Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory requirements of any jurisdiction, except for the lodgement and/or registration of this Offer Document in Singapore in order to permit a public offering of our Placement Shares and the public distribution of this Offer Document in Singapore. The distribution of this Offer Document and the offering of our Placement Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offer Document are required by us and the Sponsor, Issue Manager and Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to us and the Sponsor, Issue Manager and Placement Agent.

Persons to whom a copy of this Offer Document has been issued shall not circulate to any other person, reproduce or otherwise distribute this Offer Document or any information herein for any purpose whatsoever nor permit or cause the same to occur.

Russia

This Offer Document or information contained therein is not an offer, or an invitation to make offers, to sell, exchange or otherwise transfer securities in the Russian Federation to or for the benefit of any Russian person or entity and does not constitute an advertisement or offering of securities in the Russian Federation within the meaning of Russian securities laws. Information contained herein is intended only for persons who are "qualified investors" within the meaning of Article 51.2 of the Federal Law no. 39-FZ "On the Securities Market" dated 22 April 1996, as amended (the "**Russian QIs**") and must not be distributed or circulated into Russia or made available in Russia to any persons who are not Russian QIs, unless and to the extent they are otherwise permitted to access such information under Russian law. The Shares have not been and will not be registered in Russia and are not intended for "placement" or "public circulation" in Russia (each as defined in Russian securities laws) unless and to the extent otherwise permitted under Russian law.

DETAILS OF THE PLACEMENT

LISTING ON CATALIST

A copy of this Offer Document has been lodged with and registered by the SGX-ST, acting as agent on behalf of the Authority. The registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority does not imply that the SFA, the SFR and the Catalist Rules or any other legal or regulatory requirements, have been complied with. Neither the Authority or SGX-ST has, in any way, considered the merits of our existing issued Shares (including the PPCF Shares), the Placement Shares, or the Option Shares, as the case may be, being offered or in respect of which the Placement is made. We have not lodged this Offer Document in any other jurisdiction.

The Sponsor and Issue Manager has made an application to the SGX-ST for permission to deal in, and for the listing and quotation of, all our Shares already issued (including the PPCF Shares), the Placement Shares, which are the subject of the Placement, as well as the Option Shares on Catalist. Such permission will be granted when we have been admitted to the Official List of Catalist. Acceptance of applications will be conditional upon, *inter alia*, the issue of the Placement Shares and permission being granted by the SGX-ST for the listing and quotation of all our existing issued Shares (including the PPCF Shares), the Placement Shares and the Option Shares on Catalist. If the completion of the Placement does not proceed or the said permission is not granted for any reason, monies paid in respect of any application accepted will be returned, without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk, and the applicant will not have any claim whatsoever against us and the Sponsor, Issue Manager and Placement Agent.

No Shares will be issued and allotted and/or reallocated on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.

Notification under Section 309B of the SFA – The Shares are classified as "prescribed capital markets" as defined in the Securities and Futures (Capital Markets Products) Regulations 2018.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission to Catalist but relies on the Sponsor and Issue Manager to confirm that the Company is suitable to be listed and complies with the Catalist Rules. Neither the Authority nor the SGX-ST has, in any way, considered the merits of the Shares or units of Shares being offered for investment.

Admission to Catalist is not to be taken as an indication of the merits of the Placement, our Company, our subsidiaries, our existing issued Shares (including the PPCF Shares), the Placement Shares or the Option Shares.

We are subject to the provisions of the SFA, the SFR and the Catalist Rules regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after the registration of this Offer Document, but before the close of the Placement, we become aware of:

(a) a false or misleading statement or matter in the Offer Document;

(b) an omission from the Offer Document of any information that should have been included in it under Section 243 of the SFA; or

(c) a new circumstance that has arisen since the Offer Document was lodged with the SGX-ST, acting as agent on behalf of the Authority and would have been required by Section 243 of the SFA to be included in the Offer Document if it had arisen before this Offer Document was lodged,

that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority.

In the event that a supplementary or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Placement shall be kept open for at least 14 days after the lodgement of such supplementary or replacement offer document.

Where prior to the lodgement of the supplementary or replacement offer document, applications have been made under this Offer Document to subscribe for the Placement Shares and:

(a) where the Placement Shares have not been issued to the applicants, our Company shall:

    (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, and provide the applicants with an option to withdraw their applications and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document to the applicants who have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;

    (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; or

    (iii) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and our Company shall, within seven (7) days from the date of lodgement of the supplementary or replacement offer document, as the case may be return all monies paid in respect of any application, without interest or a share of revenue or other benefit arising therefrom and the applicants shall not have any right or claim against us or the Sponsor, Issue Manager and Placement Agent; or

(b) where the Placement Shares have been issued to the applicants, our Company shall:

    (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to the applicants who have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;

(ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to our Company the Placement Shares, which they do not wish to retain title in; or

(iii) treat the issue of the Placement Shares as void, in which case the issue shall be deemed void and our Company shall within seven (7) days from the date of lodgement of the supplementary or replacement offer document, as the case may be, return all monies paid in respect of any application, without interest or a share of revenue or other benefit arising therefrom and at the applicants' own risk and applicants shall not have any right to claim against us or the Sponsor, Issue Manager and Placement Agent.

Any applicant who wishes to exercise his option under paragraph (a)(i) or (a)(ii) to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, as the case may be, notify our Company of this, whereupon our Company shall, within seven (7) days from the receipt of such notification, return the application monies without interest or any share of revenue or other benefit arising therefrom and at his own risk, and he will not have any claim against our Company and the Sponsor, Issue Manager and Placement Agent.

An applicant who wishes to exercise his option under paragraph (b)(i) or (b)(ii) to return the Placement Shares issued to him shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, as the case may be, notify our Company of this and return all documents, if any, purporting to be evidence of title to those Placement Shares to our Company, whereupon our Company shall, within seven (7) days from the receipt of such notification and documents, if any, pay to him all monies paid by him for those Placement Shares, without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the issue of those Placement Shares shall be deemed to be void, and he will not have any claim against our Company and the Sponsor, Issue Manager and Placement Agent.

Pursuant to Section 242 of the SFA, the Authority may, in certain circumstances issue a stop order (the "**Stop Order**") to our Company, directing that no Shares or no further Shares to which this Offer Document relates, be allotted or issued or sold. Such circumstances will include a situation where (i) this Offer Document contains any statement or matter which, in the Authority's opinion, is false or misleading; (ii) this Offer Document omits any information that should have been included in it under Section 243 of the SFA; (iii) the Offer Document does not, in the Authority's opinion, comply with the requirements of the SFA; or (iv) the Authority is of the opinion that it is in the public interest to do so.

In the event that the Authority issues a Stop Order and applications to subscribe for the Placement Shares have been made prior to the Stop Order, then:

(a) where the Placement Shares have not been issued to the applicants, the applications for the Placement Shares shall be deemed to have been withdrawn and cancelled and our Company shall, within 14 days from the date of the Stop Order, pay to the applicants all monies the applicants have paid on account of their applications for the Placement Shares; or

(b) where the Placement Shares have been issued to the applicants, the issue of the Placement Shares shall be deemed to be void and our Company shall, within 14 days from the date of the Stop Order, pay to the applicants all monies paid by them for the Placement Shares.

Such monies paid in respect of an application will be returned to the applicants at their own risk, without interest or any share or revenue or other benefit arising therefrom, and they will not have any claims against our Company and the Sponsor, Issue Manager and Placement Agent.

This Offer Document has been seen and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Placement and our Group, and our Directors are not aware of any facts the omission of which would make any statement in the Offer Document misleading. Where information in the Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Offer Document in its proper form and context, all material respects as at the date of this Offer Document and that there are no material facts the omission of which would make any statements in the Offer Document misleading, and that this Offer Document constitutes full and true disclosure of all material facts about the Placement and our Group.

Neither our Company and the Sponsor, Issue Manager and Placement Agent nor any other parties involved in the Placement is making any representation to any person regarding the legality of an investment by such person under any investment or other laws or regulations. No information in this Offer Document should be considered as being business, legal or tax advice regarding an investment in our Shares. Each prospective investor should consult his own professional or other advisers for business, legal or tax advice regarding an investment in our Shares and the Placement Shares.

No person has been or is authorised to give any information or to make any representation not contained in this Offer Document in connection with the Placement and, if given or made, such information or representation must not be relied upon as having been authorised by us and/or the Sponsor, Issue Manager and Placement Agent. Neither the delivery of this Offer Document and the Application Forms nor any documents relating to the Placement, nor the Placement shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change in our affairs or in the statements of fact or information contained in this Offer Document since the date of this Offer Document. Where such changes occur and are material or are required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, we may make an announcement of the same to the SGX-ST and/or the Authority and/or the public and if required, we may lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority and will comply with the requirements of the SFA and/or any other requirements of the SGX-ST and/or Authority. All applicants should take note of any such announcements, or supplementary or replacement offer document and, upon the release of such an announcement, or supplementary or replacement offer document, shall be deemed to have notice of such changes.

DETAILS OF THE PLACEMENT

Save as expressly stated in this Offer Document, nothing herein is, or may be relied upon as, a promise or representation as to our future performance or policies. The Placement Shares are offered for subscription solely on the basis of the information contained and representations made in this Offer Document.

This Offer Document has been prepared solely for the purpose of the Placement and may not be relied upon by any other persons other than the applicants in connection with their application for the Placement Shares or for any other purpose.

This Offer Document does not constitute an offer, solicitation or invitation of the Placement Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or unauthorised nor does it constitute an offer, solicitation or invitation to any person to whom it is unlawful to make such offer, solicitation or invitation.

Copies of this Offer Document and the Application Forms may be obtained upon request, subject to availability during office hours, from:

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Income at Raffles
Singapore 049318

A copy of this Offer Document is also available on the SGX-ST's website at http://www.sgx.com.

The Placement will be open from 6 February 2020 (immediately upon the registration of the Offer Document with the SGX-ST, acting as agent on behalf of the Authority (the "Registration")) until 12.00 noon on 12 February 2020.

The Application List will open upon Registration and will remain open until 12.00 noon on 12 February 2020 or for such further period or periods as our Directors may, in consultation with the Sponsor, Issue Manager and Placement Agent, in their absolute discretion decide, subject to any limitation under all applicable laws and regulations. In the event a supplementary or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Application List will remain open for at least 14 days after the lodgement of the supplementary or replacement offer document.

Details of the procedures for application of the Placement Shares are set out in Appendix G entitled "Terms, Conditions and Procedures for Application and Acceptance" of this Offer Document.

DETAILS OF THE PLACEMENT

INDICATIVE TIMETABLE FOR LISTING

An indicative timetable on the Placement and the trading of our Shares is set out below:

Indicative date/time	Event
6 February 2020 (immediately upon the Registration)	Open of Placement
12 February 2020, 12.00 noon	Close of Application List
14 February 2020, 9.00 a.m.	Commence trading on a "ready" basis
19 February 2020	Settlement date for all trades done on a "ready" basis

The above timetable is only indicative as it assumes that the date of closing of the Application List will be on 12 February 2020, the date of admission of our Shares to Catalist will be 14 February 2020, the shareholding spread requirement will be complied with and the Placement Shares will be issued and fully paid-up prior to 14 February 2020. **The actual date on which our Shares will commence trading on a "ready" basis will be announced when it is confirmed by the SGX-ST.** All dates and times referred to above are Singapore dates and times.

Please note that the above timetable is indicative only and is subject to change (whether in relation to the Placement Shares or any mode of application thereof) at the discretion of our Company, with the agreement of the Sponsor, Issue Manager and Placement Agent. We may, at our discretion, in consultation with the Sponsor, Issue Manager and Placement Agent and subject to all laws and regulations and the Catalist Rules, agree to extend or shorten the Placement period, provided that the Offer may not be less than two (2) Market Days.

The above timetable and procedures may be subject to such modification(s) as the SGX-ST may, in its absolute discretion, decide, including the commencement of trading on a "ready" basis and the commencement date of such trading. All persons trading in our Shares before their Securities Accounts with CDP are credited with the relevant number of Shares may do so at the risk of selling Shares, which neither they nor their nominees, as the case may be, have been allotted or are otherwise beneficially entitled to.

In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same:

(i) through a SGXNET announcement to be posted on the Internet at the SGX-ST; website http://www.sgx.com; and

(ii) in a local newspaper(s) in Singapore.

We reserve the right to reject or accept, in whole or in part, or to scale down any application for the Placement Shares, without assigning any reason, and no enquiry and/or correspondence on our decision will be entertained. In deciding the basis of allocation, due consideration will be given to the desirability of allocating our Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

The manner and method of applications and acceptances under the Placement will be determined by us and the Sponsor, Issue Manager and Placement Agent.

DETAILS OF THE PLACEMENT

We will publicly announce the level of subscription and the results of the distribution of the Placement Shares pursuant to the Placement, as soon as it is practicable, after the close of the Application List through channels in (i) and (ii) above.

You should consult the SGX-ST's announcement on the "ready" trading date released on the internet (at the SGX-ST's website at http://www.sgx.com) or the local newspapers, or check with your brokers on the date on which trading on a "ready" basis will commence.

The Placement is for 23,000,000 Placement Shares offered in Singapore and the Listing is managed and sponsored by the Issue Manager and Sponsor.

Prior to the Placement, there had been no public market for our Shares. The Placement Price is determined by us, in consultation with the Sponsor, Issue Manager and Placement Agent, taking into account, *inter alia*, prevailing market conditions and the estimated market demand for our Shares, determined through a book-building process. The Placement Price is the same for all Placement Shares and is payable in full on application.

Investors may apply to subscribe for the Placement Shares in lots of 100 Placement Shares or integral multiples thereof subject to a minimum of 1,000 Placement Shares. In order to ensure a reasonable spread of Shareholders, we have the absolute discretion to prescribe a limit to the number of Placement Shares to be allotted and/or allocated to any single applicant and allot and/or allocate the Placement Shares above or under such prescribed limit as we shall deem fit.

Pursuant to the Management Agreement entered into between us and PPCF as set out in the section entitled "General and Statutory Information – Management and Placement Arrangements" of this Offer Document, we have appointed PPCF and PPCF has agreed to manage and to be the full sponsor of the Listing. The Sponsor and Issue Manager will receive a management fee for its services rendered in connection with the Placement.

The Placement Shares are made available to members of the public and institutional investors who may apply through their brokers or financial institutions by way of the Application Forms. Applications for the Placement Shares may only be made by way of printed Application Forms as described in Appendix G entitled "Terms, Conditions and Procedures for Application and Acceptance" of this Offer Document.

Pursuant to the Placement Agreement entered into between us and the Placement Agent as set out in the section entitled "General and Statutory Information – Management and Placement Arrangements" of this Offer Document, we have appointed PPCF as the Placement Agent and PPCF has agreed to procure subscribers for the Placement Shares for a placement commission of 5.0% of the aggregate Placement Price, payable by us, for the total number of Placement Shares successfully subscribed for. Subject to any applicable laws and regulations, the Company agrees that the Placement Agent shall be at liberty at its own expense to appoint one or more sub-placement agents under the Placement Agreement upon such terms and conditions as the Placement Agent may deem fit.

Subscribers of the Placement Shares may be required to pay brokerage or selling commission of up to 1.0% of the Placement Price (and the prevailing goods & services tax thereon, if applicable) to the Placement Agent or any sub-placement agent that may be appointed by the Placement Agent.

To the best of our knowledge and belief, none of our Directors or Substantial Shareholders intend to subscribe for Placement Shares pursuant to the Placement. In the event that any Placement Shares are subscribed for by our Directors, Substantial Shareholders and/or their respective Associates, such subscriptions will be disclosed in an announcement in accordance with Rule 428 of the Catalist Rules.

To the best of our knowledge and belief, as of the date of this Offer Document, we are not aware of any of our Independent Directors, the members of our Company's management or employees intend to subscribe for more than 5.0% of the Placement Shares in the Placement.

To the best of our knowledge and belief, as at the date of this Offer Document, we are not aware of any person who intends to subscribe for more than 5.0% of the Placement Shares. However, through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate an interest to subscribe for Shares amounting to more than 5.0% of the Placement Shares. If such person(s) were to make an application for more than 5.0% of the Placement Shares pursuant to the Placement and are subsequently allotted such number of Shares, we will make the necessary announcements at an appropriate time. The final allotment and allocation of Placement Shares will be in accordance with the shareholding spread and distribution guidelines as set out in Rule 406(1) of the Catalist Rules.

No Shares shall be issued and allotted on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.

Interests of Sponsor, Issue Manager and Placement Agent

In the reasonable opinion of our Directors, the Sponsor, Issue Manager and Placement Agent, PPCF, does not have a material relationship with our Company save as disclosed below and in the section entitled "General and Statutory Information – Management and Placement Arrangements" of this Offer Document:

(a) PPCF is the Sponsor, Issue Manager and Placement Agent in relation to the Listing;

(b) PPCF will be the continuing Sponsor of our Company for a period of three (3) years from the date our Company is admitted and listed on the Catalist; and

(c) pursuant to the Management Agreement and as part of PPCF's fees as the Sponsor and Issue Manager, our Company issued and allotted 2,272,700 PPCF Shares at the Placement Price to PPCF, representing approximately 1.5% of the issued and paid-up share capital of our Company immediately after the Placement. After the expiry of the relevant moratorium period as set out in the section entitled "Shareholders – Moratorium" of this Offer Document, PPCF may dispose its shareholding interests in our Company at its discretion.

OFFER DOCUMENT SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information (including the notes thereto) appearing elsewhere in this Offer Document. Terms defined elsewhere in this Offer Document have the same meaning when used herein. You should carefully consider all the information presented in this Offer Document, particularly the matters set out in the section entitled "Risk Factors" of this Offer Document before deciding to invest in our Shares.

OUR COMPANY

Our Company (Company Registration Number: 201835258H) was incorporated in Singapore on 16 October 2018 under the Companies Act as a private company limited by shares under the name of "Don Agro International Private Limited". In preparation for our listing, we undertook the Restructuring Exercise whereby our Company became the holding company for all of our subsidiaries. Please refer to the section entitled "Restructuring Exercise" of this Offer Document for further details. On 4 February 2020, our Company changed its name to "Don Agro International Limited" in connection with its conversion into a public company limited by shares.

OUR BUSINESS

We are one of the largest agricultural companies in the Rostov region in Russia principally engaged in the cultivation of agricultural crops and the production of raw milk. We have a controlled land bank of approximately 53,200 hectares, of which approximately 41,167 hectares are arable land. As at the Latest Practicable Date, we own approximately 13,640 hectares of our controlled land bank.

Our principal operating subsidiary is Don Agro LLC and we operate three (3) production divisions in the Rostov region, namely the Northern production division, the Western production division and the Eastern production division. All of our production divisions undertake both crop production and milk production and each production division has its own storage facilities and dedicated parking area for our machinery.

Crop segment

Crop production is one of our core businesses and all of our arable land is located in the Rostov region, which is one of the most fertile regions in Russia, and is approximately 220 km away from the Azov Sea and Don River international ports. This allows our customers, who are mainly traders and exporters, to save on transportation costs and, as a result, be able to offer higher prices for our crops. We are primarily engaged in the farming of commercial crops such as winter wheat, sunflower, sorghum, corn and flax.

Our grain production is executed based on modern agricultural technologies and our Group also employs modern machinery and equipment manufactured by John Deere, New Holland and Claas Jaguar to optimise our efficiency and productivity.

We have eight (8) grain storage facilities with total grain storage capacity of up to 63,000 tonnes, all of which are typically fully utilised from July to January. Our grain storage facilities are located in our Northern and Western production divisions.

We sell our agricultural produce primarily to international and local grain traders and exporters on an invited tender basis.

Livestock segment

According to data from the Ministry of Agriculture of Rostov[1], we are one of the top farms in terms of milk production in the Rostov region, and as at the Latest Practicable Date, we own approximately 4,201 heads of dairy cattle which includes approximately 2,073 milking cows. We produce and sell raw milk to dairy processing companies for the production of fresh milk and other high-end processed dairy products. Our customers compete for our raw milk and we generally choose to sell to a single large dairy processing company in any given year based on the highest price terms and conditions offered. While we typically enter into a general supply agreement with such customer, such supply agreement will allow for price negotiations on a regular basis based on market conditions.

We operate five (5) dairy farms and have facilities to house our dairy herd, our calves and heifers as well as for fodder storage on each of our farms. In general, our milk is sold at our dairy farms and transportation of the raw milk is undertaken by our customers.

Please refer to the section entitled "General Information on Our Group – Business Overview" of this Offer Document for more details.

OUR COMPETITIVE STRENGTHS

Our Directors believe that our competitive strengths are as follows:

(a) **We have a large land bank in the Rostov region**

We operate in the Rostov region which generally has a stable and predictable weather condition with precipitation levels of approximately 450mm to 500mm per year which is favourable for the cultivation of our main commercial crops, namely winter wheat and sunflower. The Rostov region is one of the most fertile regions in Russia which is rich in black soils and has a favourable geographic location due to its close proximity to the Azov Sea and Don River international ports where the terminals of international grain traders and exporters such as Cargill, Bunge, Glencore, Louis Dreyfus are located.

(b) **We are one of the leading crop and dairy farming businesses in the Rostov region in Russia**

According to data from the Ministry of Agriculture of Rostov[1], we are one of the top farms in terms of milk production in the Rostov region in Russia, accounting for approximately 9.7% of the total milk produced (excluding household milk production) in the Rostov region in 2018. We produced 9,635 tonnes, 11,259 tonnes, 12,147 tonnes and 7,654 tonnes of raw milk in FY2016, FY2017, FY2018 and HY2019, respectively. According to our management's estimation, we are also one of the leading crop businesses in the Rostov region in Russia, accounting for approximately 0.5% of the total winter wheat produced in the Rostov region in 2018. We produced 78,349 tonnes, 76,271 tonnes and 53,674 tonnes of winter wheat in

1 The Ministry of Agriculture of Rostov has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the information extracted from their databases, reports or articles, and is therefore not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor, Issue Manager and Placement Agent have taken reasonable actions to ensure that the information from the Ministry of Agriculture of Rostov has been reproduced in its proper form and context, and that the information has been extracted accurately and fairly from such database, reports and articles, neither we, the Sponsor, Issue Manager and Placement Agent nor any other party has conducted an independent review of the information contained in that database, reports or articles or verified the accuracy of the contents of the relevant information.

FY2016, FY2017 and FY2018, respectively. No crop was produced in HY2019 as the harvest will take place in the second half of FY2019. As at the Latest Practicable Date, our Directors are of the view that there are no known factors which may have a material impact on the harvest of our winter wheat, corn, sunflower and flax in the second half of 2019. Our Group has not cultivated sorghum in FY2018 and as such no sorghum will be harvested in FY2019. Please refer to the section entitled "General Information on Our Group – Business" of this Offer Document for more information.

We believe that our success in crop and dairy farming may be attributed to our experienced, structured and hands-on farm management practices which maximise our yields and produce high quality crops and raw milk. These practices include (i) no-till farming for our crop business; and (ii) insemination and breeding processes and herd management, which include animal nutrition and milking techniques, for our dairy business.

In addition, our dairy business is supported by two (2) large-scale milk processors near our dairy operations in the Rostov region, where there is a shortage of milk production.

(c) **We have a strong management team who is supported by experienced staff**

Our management team consists of experienced industry executives with a clear long-term vision of our business and future plans. Our key management team comprising our Executive Chairman, Chief Executive Officer, Chief Operating Officer and Chief Financial Officer, has been with our Group since the acquisition of Don Agro LLC in 2012. Our management team is supported by operational leaders who have extensive experience in the day-to-day operations of our crop fields, dairy farms and all other aspects of our business and who are integral to our success. Consequently, we have established efficient and effective protocols, such as well-built and transparent sales and purchasing systems and technologically-aided quality management systems. Our team also employs the use of modern machinery, equipment and software to enhance our operations and workflow.

In addition to our experience and expertise in the local Russian market, our management team, in particular, our Executive Chairman, Evgeny Tugolukov, and our Chief Executive Officer, Marat Devlet-Kildeyev, have extensive experience with international businesses. With their experience, our Group has implemented high levels of corporate governance and management standards to ensure our business and operations are conducted with transparency and accountability.

(d) **We have established relationships with our customers and suppliers**

We have established a reputation as a reliable producer of good quality crops and raw milk as demonstrated by our customers' repeat participations in our tenders for our products. We have also built strong rapport with our suppliers which allows us to source for good quality seeds and fertilisers from established brands and provides us with competitive prices for quality products and timely delivery.

Please refer to the section entitled "General Information on Our Group – Competitive Strengths" of this Offer Document for more details.

OUR BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans for the continued growth of our business are as follows:

(a) **Expansion of our arable land bank**

We intend to expand our arable land bank through the acquisition of companies engaging in similar businesses and/or the acquisition of arable plots of land. While we have not identified any specific plots of land or companies for acquisition, we intend to focus our acquisition of land on plots of land which are near our current operations and/or nearer the ports in the Rostov region. Our sources for our land bank acquisitions may be through the sale of distressed assets by banks, land brokers and/or our personal connections.

(b) **Acquisition of new equipment and machinery**

We intend to acquire new machinery to upgrade our existing equipment and machinery and/or expand our equipment and machinery in line with our expansion of our land bank. Such equipment and machinery may include seeders, tractors and harvesters. We believe that the acquisition of such new equipment and machinery will improve our efficiency, productivity and yield for our crop business.

(c) **Explore opportunities in mergers and acquisitions, joint ventures and strategic alliances**

We recognise that there may be opportunities that may arise through mergers and acquisitions, joint ventures and strategic alliances with domestic and foreign companies. This would enable us to expand our Group's network and provide us with opportunities to learn from our business partners who have the relevant expertise and relationships. By leveraging on our expertise and experience, we intend to seek new and suitable opportunities to expand into other high growth regional markets within Russia, such as other districts within the Rostov region and the Krasnodar region in Russia. To-date, we have not identified any specific investment targets.

A detailed discussion of our business strategies and future plans is set out in the section entitled "General Information on our Group – Business Strategies and Future Plans" of this Offer Document.

OUR CONTACT DETAILS

Our Company's registered office and principal place of business is located at 10 Collyer Quay, #10-01 Ocean Financial Centre, Singapore 049315 and 12 Sedova St., City of Millerovo, Millerovskiy District, Rostov Region, 346130, Russia, respectively. Our Company's telephone number is +7(86385) 20279 and our facsimile number is +7(86385) 20166. Our internet address is www.donagroint.com. **Information contained in our website does not constitute part of this Offer Document.**

The following summary financial data should be read in conjunction with the full text of this Offer Document, including the sections entitled "Management's Discussion and Analysis of Results of Operations and Financial Position", the "Independent Auditors' Report and the Audited Combined Financial Statements for the Years Ended 31 December 2016, 31 December 2017 and 31 December 2018 of Don Agro International Limited and its Subsidiaries" and the "Independent Auditors' Review Report and Unaudited Condensed Combined Interim Financial Statements for the Six-month Period Ended 30 June 2019 of Don Agro International Limited and its Subsidiaries" as set out in Appendices A and B, respectively, of this Offer Document.

SUMMARY OF OUR COMBINED FINANCIAL INFORMATION

A summary of the financial information of our Group in respect of FY2016, FY2017 and FY2018 as extracted from the "Independent Auditors' Report and the Audited Combined Financial Statements for the Years Ended 31 December 2016, 31 December 2017 and 31 December 2018 of Don Agro International Limited and its Subsidiaries" as set out in Appendix A of this Offer Document and the HY2018 and HY2019 as extracted from the "Independent Auditors' Review Report and Unaudited Condensed Combined Interim Financial Statements for the Six-month Period Ended 30 June 2019 of Don Agro International Limited and its Subsidiaries" as set out in Appendix B of this Offer Document is set out below:

	←	Audited	→	← Unaudited	→
S$'000	**FY2016**	**FY2017**	**FY2018**	**HY2018**	**HY2019**
Revenue	30,979	23,193	24,375	7,826	11,640
Cost of sales	(31,668)	(21,495)	(22,017)	(7,196)	(9,624)
Gain from change in fair value of biological assets and agricultural produce	6,602	5,049	6,704	1,826	3,226
Gross profit	5,913	6,747	9,062	2,456	5,242
Profit before tax	4,335	4,174	6,442	2,059	4,406
Profit attributable to owners of the Company	4,237	4,101	6,389	2,035	4,259
Pre-Placement EPS (cents)[(1)]	3.33	3.22	5.02	1.60	3.35
Post-Placement EPS (cents)[(2)(3)]	2.82	2.73	4.25	1.35	2.83

Notes:

(1) For comparative purposes, the pre-Placement EPS for the Period Under Review have been computed based on the profit attributable to owners of the Company and our Company's pre-Placement share capital of 127,272,700 Shares.

(2) Had the Service Agreements (as set out in the section entitled "Directors, Management and Staff – Service Agreements" of this Offer Document) been in place since 1 January 2018, our audited combined profit before tax, profit attributable to owners of the Company and EPS computed based on our Company's post-Placement share capital of 150,272,700 Shares for FY2018 would have been approximately S$5.9 million, S$5.8 million and 3.88 cents respectively, after an adjustment of approximately S$0.6 million.

(3) For comparative purposes, the post-Placement EPS for the Period Under Review have been computed based on the profit attributable to owners of the Company and our Company's post-Placement share capital of 150,272,700 Shares.

S$'000	Audited As at 31 December 2016	Audited As at 31 December 2017	Audited As at 31 December 2018	Unaudited As at 30 June 2019
Non-current assets	18,103	21,138	18,824	25,791
Current assets	16,612	20,695	19,986	28,829
Total assets	34,715	41,833	38,810	54,620
Non-current liabilities	11,676	319	1,298	6,146
Current liabilities(1)	3,339	14,034	8,068	12,692
Total liabilities	15,015	14,353	9,366	18,838
Total equity	19,700	27,480	29,444	35,782
Equity attributable to owners of the Company	19,676	27,461	29,426	35,741
NAV per Share (cents)(2)(3)	15.46	21.58	23.12	28.08

Notes:

(1) The decrease in current liabilities from approximately S$14.0 million as at 31 December 2017 to approximately S$8.1 million as at 31 December 2018 was mainly due to (i) the repayment of certain loans to RSHB and Sberbank; and (ii) the reclassification of the Breached Facilities from current liabilities to non-current liabilities following the receipt of written confirmations from the relevant banks. Please refer to the section entitled "Capitalisation and Indebtedness" for details of the Breached Facilities.

(2) NAV is based on equity attributable to owners of the Company.

(3) The NAV per Share is computed based on the equity attributable to owners of the Company and our Company's pre-Placement share capital of 127,272,700 Shares.

THE PLACEMENT

Placement Size	:	23,000,000 Placement Shares. The Placement Shares will, upon issue and allotment, rank *pari passu* in all respects with our existing issued Shares.
Placement Price	:	S$0.22 for each Placement Share, payable in full on application.
Purpose of the Placement	:	Our Directors consider that the listing and quotation of our Shares on Catalist will enhance our corporate profile internationally and enable us to tap the capital markets for the expansion of our business operations. The Placement will also provide the members of the public, our management, employees and business associates who have contributed to our success with an opportunity to participate in the equity of our Company. In addition, the proceeds of the issue of the Placement Shares will also provide us with, *inter alia*, additional capital to finance our business expansion.
The Placement	:	The Placement comprises a placement by the Placement Agent of 23,000,000 Placement Shares at the Placement Price, subject to and on the terms of this Offer Document.
Listing Status	:	Prior to the Listing, there had been no public market for our Shares. Our Shares will be quoted in Singapore dollars on Catalist, subject to, amongst others, admission of our Company to Catalist and permission for dealing in, and for quotation of, all our issued Shares (including the PPCF Shares), the Placement Shares and the Option Shares being granted by the SGX-ST, and the Authority not issuing a stop order.
Risk factors	:	Investing in our Shares involves risks which are described in the section entitled "Risk Factors" of this Offer Document.
Use of Proceeds	:	Please refer to the section entitled "Use of Proceeds and Listing Expenses" of this Offer Document for more details.

An investment in our Shares involves risks. You should evaluate carefully each of the following risk factors and all of the other information set forth in this Offer Document before deciding to invest in our Shares. Some of the following considerations relate principally to the industry in which we operate and our business in general. Other considerations relate principally to general social, economic, political and regulatory conditions, the securities market and ownership of our Shares, including possible future dilution in the value of our Shares. The following does not state risks unknown to us now but which could occur in future and risks which we currently believe to be immaterial, which could turn out to be material.

If any of the following risk factors and uncertainties develops into actual events, our business, financial condition or results of operations or cash flows could be materially and adversely affected. In such circumstances, the trading price of our Shares could decline and you may lose all or part of your investment. To the best of our Directors' belief and knowledge, all the risk factors that are material to investors in making an informed judgement have been set out below. You should also note that certain of the statements set forth below constitute "forward-looking statements" that involve risks and uncertainties.

RISKS RELATING TO OUR BUSINESS AND THE INDUSTRY

Outbreaks of disease affecting crops or cows could have a material adverse effect on our business, results of operations and financial condition

Our production is vulnerable to crop diseases and pest infestations, which may vary in severity, depending on the stage of production at the time of infection or infestation, the type of treatment applied and climatic conditions. The costs to control these diseases and other infestations vary depending on the severity of the damage and the extent of the plantings affected. Moreover, available technologies to control such diseases or infestations may not continue to be effective. These diseases or infestations can increase costs, decrease revenues and lead to additional expenses, which may have a material and adverse effect on our business, results of operations and financial condition.

A major outbreak of livestock diseases at our dairy farms could have a significant adverse impact on our milk production capacity and volume. We cannot guarantee that animal diseases, including but not limited to, FMD, brucellosis, bovine TB and bovine paratuberculosis, will not occur at our dairy farms or that we will always be able to monitor or detect any illness or diseases promptly among our cows.

An outbreak of certain livestock diseases could result in any of the following, all of which could have a material adverse effect on our business:

- we may be required to destroy one or more of our herds;
- the demand for our products may decrease significantly;
- our dairy farms may experience a significant shortfall in our raw milk production; and/or
- one or more of our facilities may be placed in quarantine until the threat of disease spreading is eliminated.

There may be insufficient compensation being paid in the event that livestock must be culled. In addition, any outbreak of disease in Russia, even if there is no outbreak at our facilities, could create adverse publicity, and any negative perception by potential customers, government authorities, lenders or general insurance providers could harm us through a loss of customers, imposition of new regulations or livestock culling requirements, leading to the failure to obtain financing or the loss of insurance coverage generally, as the case may be. Any of these consequences could have a material adverse effect on our business, results of operations, financial condition and/or prospects.

During the Relevant Period, none of the circumstances described above has occurred which has adversely affected our business, results of operations and financial condition.

International sanctions, and their possible expansion, could materially and adversely affect the value of investments in Russia, as well as our business, results of operations and financial condition

The crisis in Ukraine has led to a significant deterioration of Russia's relations with the western economies, which intensified following the introduction by the U.S., the EU as well as a number of other countries of a variety of economic sanctions against Russia. Pursuant to these sanctions, certain persons, including a number of Russian government officials, businessmen, banks and companies, were identified as 'designated nationals' with the basic practical consequences that U.S. persons cannot do business with them while EU persons cannot provide funds or other economic resources to them, their assets in the EU and the U.S. are subject to seizure and in the case of individuals they can be subject to travel bans. Another form that these sanctions have taken is 'sectoral' sanctions with the basic consequence that several of Russia's leading banks and energy companies cannot access capital markets in the western economies. These sectoral sanctions have had the effect, magnifying over time, of adding to the overall cost of capital in Russia. Other sanctions have been imposed in respect of, *inter alia*, Russian military defence entities, dual-use technologies, sophisticated off-shore oil drilling technologies and doing business in Crimea.

To date, no individual or entity within our Group has been designated by the U.S., the EU or any other country as a specific target of their respective sanctions. No assurance can be given, however, that any such individual or entity will not be so designated in the future, or that broader sanctions against Russia that affect our Group, will not be imposed.

In connection with the Listing, we have provided certain undertakings to the Sponsor and Issue Manager as well as to the Singapore Exchange Regulation Pte. Ltd.. Please refer to the section entitled "General Information on our Group – Sanctions Laws and Regulations" of this Offer Document for details of such undertakings.

We engage in transactions with entities which may be subject to various trade and economic sanctions

Our Group's operations are currently entirely based in Russia. Our customers include major Russian food producers, while our suppliers include major Russian chemical and fertiliser producers and diesel/petrol distributors. Accordingly, certain of our customers and suppliers are or may be subject to various trade and economic sanctions as part of international sanctions against Russia. Please refer to the sections entitled "General Information on our Group – Our Major Customers", "General Information on our Group – Our Major Suppliers" and "General Information on our Group – Sanctions Laws and Regulations" of this Offer Document for (i) details of our customers and suppliers which are or may be subject to such sanctions; and (ii) the views of Nektorov, Saveliev & Partners, the Legal Adviser to our Company on Russian Law and Hogan Lovells, the Legal Adviser to our Company on International Sanctions Laws.

In addition, our principal bankers, RSHB and Sberbank, are state-owned banks and are included in certain economic and diplomatic sanctions imposed by the U.S., the EU, Australia and Ukraine. Please refer to the section entitled "Capitalisation and Indebtedness" and "General Information on our Group – Sanctions Laws and Regulations" of this Offer Document for details of such sanctions.

Based on the views of Nektorov, Saveliev & Partners, the Legal Adviser to our Company on Russian Law and Hogan Lovells, the Legal Advisor to our Company on International Sanctions Laws (as set out in the sections entitled "General Information on our Group – Our Major Customers", "General Information on our Group – Our Major Suppliers", "Capitalisation and Indebtedness" and "General Information on our Group – Sanctions Laws and Regulations" of this Offer Document), we believe that the current sanctions do not preclude us from our current dealings with the aforementioned customers, suppliers and banks. However, new sanctions imposed by the international community may affect or restrict certain of our dealings with our customers, suppliers and banks. To the extent applicable, existing and new or expanded future sanctions on our customers, suppliers and/or bankers may expose us to negative legal and business consequences, including government investigations, business disruptions and reputational harm. Please refer to the section entitled "General Information on our Group – Sanctions Laws and Regulations" of this Offer Document for more details of our Group's dealings with certain entities which are or may be subject to certain sanctions.

During the Relevant Period, the existing sanctions on the aforementioned customers, suppliers and banks have not adversely affected our business, results of operations and financial condition.

In connection with the Listing, we have provided an undertaking to the SGX-ST that, amongst others, (i) the Board will undertake efforts to remediate and resolve material sanctions risks which arise post-Listing to the satisfaction of the SGX-ST within a reasonable period; and (ii) the Company will seek a voluntary suspension from trading and/or delisting from the SGX-ST pursuant to Catalist Rule 1307 in the event that material sanctions risks arise and it is unwilling or unable to remediate the sanctions risks to the satisfaction of the SGX-ST. In the event that there are material risks of our Group infringing any sanctions laws or if material sanctions risks arise and the Company is unwilling or unable to remediate or resolve such sanctions risks to the satisfaction of the SGX-ST after the Listing, the SGX-ST may exercise its powers under Rule 1303(7) of the Catalist Rules to suspend the trading of our Shares or securities, and remove our Company from its official list without our agreement pursuant to Rule 1305(1)(d) of the Catalist Rules.

We may not be able to renew our land leases

As at the Latest Practicable Date, we have a controlled land bank of approximately 53,200 hectares, of which approximately 40,785 hectares or approximately 76.7% are leased pursuant to lease agreements with local government authorities and individuals. The lease terms generally range from one (1) year to 49 years. Please refer to the section entitled "General Information on Our Group – Properties and Fixed Assets" and Appendix E entitled "Properties and Leases" of this Offer Document for more details on our leased properties. Our land leases are subject to uncertainties such as termination or breach by the land owners. Upon expiry of any such lease agreements, the lessor may refuse to extend the lease agreement or decide to re-enter into the lease agreement for an indefinite period of time. Under Russian law, land lease agreements concluded for an indefinite term may be terminated by either party at any time at his or her own discretion with three (3) months' prior notice unless another notice period is agreed by the parties.

There is no assurance that we will be able to renew our land leases on terms that will be commercially acceptable to us, or at all. We may compete against other potential tenants, including other agricultural businesses which may have comparable or superior financial and other resources, to lease our land after the expiry of our lease terms. In the event that we are unable to renew our land leases on terms that are commercially acceptable to us, we may be required to identify alternative land for our operations and may incur additional costs for such relocation. If we fail to renew leases for a considerable part of our land or find other land in the locations where we operate, we may be unable to implement our strategy in our agricultural business or may be forced to reduce our agricultural operations, which would materially adversely affect our business, results of operations and financial condition.

In 2017, we were not able to renew the leases for approximately 5,000 hectares of land, of which approximately 4,000 hectares of land was arable land, due to commercial reasons. However, such non-renewal did not have any material adverse effect on our business, results of operations and financial condition as our Group's crop yield per hectare had generally increased due to the use of technology and improved farming techniques.

Our results of operations are subject to biological fair value adjustments, which can be highly volatile and are subject to a number of assumptions

Our results of operations, particularly our gross profit, operating profit and net profit, are affected by fair value adjustments on our biological assets and agricultural produce. We expect that our results of operations will continue to be affected by these fair value adjustments.

The fair value of our biological assets and agricultural produce is conducted by our management and reviewed by our auditors. In the valuation and review of our biological assets and agricultural produce, our management will assess the valuation methods and assumptions such as the level of expenses, the market prices of agricultural produce, discount rate, yield and production usage. The fair value of our biological assets and agricultural produce could be affected by, among other factors, the accuracy of those assumptions, as well as the quality of our herd, raw milk prices and grain prices. In addition, while the assumptions adopted in the valuation process are based on historical results, there can be no assurance that there will be no significant deviation in the valuation of our biological assets and agricultural produce in the future. Accordingly, our gain or loss in fair value of biological assets and agricultural produce may fluctuate from period to period depending on the aforementioned factors and assumptions. For FY2016, FY2017, FY2018 and HY2019, we had recorded gain from change in fair value of biological assets and agricultural produce of approximately S$6.6 million, S$5.0 million, S$6.7 million and S$3.2 million, respectively.

Please refer to the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position – Gain from change in fair value of biological assets and agricultural produce" of this Offer Document for further details.

We recorded cashflows used in operating activities during the Period Under Review and our business may require additional financing

During the Period Under Review, we recorded cashflows used in operating activities of approximately S$3.9 million in FY2017. Our Group's operating expenses may increase in the future in connection with the continued development and expansion of our business operations. Furthermore, subsequent to the Listing, we will incur additional legal, accounting, compliance and other expenses which are not incurred as a private company. There can be no assurance that we will be able to expand our business to generate significant revenue to attain profitability. In the event the revenue generated from our Group's operations proves insufficient for our working capital and expansion plans, we may need to access the capital markets for debt or equity financing to fund future capital expenditure and such financing may result in a dilution to Shareholders. There is no assurance that our Group will be able to obtain any additional financing on terms that are acceptable to our Group or at all. If our Group is unable to obtain such financing, our financial performance may be materially and adversely affected.

Our business is influenced by a number of factors, some of which are beyond our control

Production of crops is vulnerable to extreme weather conditions such as windstorms, hailstorms, droughts and temperature extremes, as well as natural disasters. Natural disasters or adverse conditions may occur in Russia, including severe weather, such as excessive rainfall and drought as well as power outages or other events which are beyond our control. Unfavourable conditions can reduce both crop yield and crop quality. Though we operate in a region with generally predictable and favourable weather conditions, these factors can create substantial volatility relating to our business. We take into account the possibility of the occurrence of these adverse seasonal weather conditions in making our production plans to mitigate such risks. However, such events are difficult to foresee or plan for and may occur at any time of the year, and the occurrence of any of these events may create the volatility for our business and results of operations. For example, we had a late harvest of corn and sunflower in late 2017 due to prolonged wet weather conditions which also resulted in our Group incurring expenses to dry our corn and sunflower before storage and sale. In addition, due to good weather conditions in early 2017, there was a record harvest in Russia but the quality of crop was lower as lesser fertiliser was used. As such, the oversupply of lower quality agricultural produce had resulted in lower local market prices for agricultural produce.

Agriculture is extremely vulnerable to climate change, including large-scale changes such as global warming. Global warming is projected to have a significant impact on conditions affecting agriculture, including temperature, carbon dioxide concentration, precipitation and the interaction of these elements. Higher temperatures may eventually reduce yields of desirable crops while encouraging weed and pest proliferation. Increased atmospheric carbon dioxide concentration may lead to a decrease in global crop production. Changes in precipitation patterns increase the likelihood of short-run crop failures and long-run production declines. Even a high level of farm-level adaptation in the agricultural sector will not entirely mitigate such negative effects. Rapid and severe climate changes may decrease our crop production, which may materially and adversely affect our business, results of operations and financial condition.

The quality of our raw milk and yield of our dairy cows are two (2) important determinants of the success of our dairy business. Our quality of raw milk and yield are influenced by a number of factors, including, but not limited to:

- feed supply factors – the volume and quality of milk produced by dairy cows being linked closely to the nutritional quality of the feed provided;

- seasonal factors – dairy cows generally produce more milk in temperate weather than in extremely cold or hot weather. Extended unseasonal cold or hot weather could potentially lead to lower than expected yield;

- breeding factors – the genetic quality of a dairy cow having a direct impact on the yield and quality of milk produced by such dairy cow; and

- health factors – potential outbreaks of diseases among our dairy cows and dairy cows from neighbouring farms.

The quality and well-being of our dairy cows have a direct impact on the protein content and fat content of our raw milk, which in turn could affect the selling price of our raw milk. Accordingly, if the quality and yield of our raw milk are affected by any of the above factors, it could have a materially adverse impact on our business, results of operations, financial condition and reputation.

Our business and financial results are dependent on demand and price levels for our Group's agricultural produce

The selling prices and operating costs associated with producing our agricultural produce are volatile and are determined by market conditions. Prices for agricultural produce are one of the main determinants of our income. In FY2016, agricultural commodity prices in Russia generally increased and in FY2018, the prices of winter wheat and sunflower increased; however, in FY2017, prices of certain crop such as winter wheat, on which we are significantly dependent, decreased.

Among the key factors affecting the market are the increased output by other agricultural businesses (both in Russia and internationally), growing conditions during the year, crop or vegetable diseases or infestations, price controls or import or export regulation by the Russian government, the availability of subsidies to producers (both seasonal and long term) and the supply of, and the prices for, alternative produce or supply. In addition, our Group has in the past experienced fluctuations in the earnings due to seasonality of demand for agricultural products. In a typical year, the prices for sunflower seeds and winter wheat, for example, generally peak in March and April, followed by a decrease in prices during the autumn months which correspond with the harvesting period.

If any or all of these factors depress prices or increase our operating costs, our business, results of operations and financial condition may be adversely affected.

Our agricultural business is dependent upon the price and availability of fertilisers, pesticides and other related chemicals

The cost for the purchase of fertilisers, pesticides and other related chemicals accounted for approximately 8.1%, 12.9%, 11.6% and 18.6% of our Group's cost of sales for FY2016, FY2017, FY2018 and HY2019, respectively. Prices for fertilisers, pesticides and other related chemicals in Russia may be affected by global prices. In the event of a rise in prices, our Group may reduce the usage of fertilisers, thereby potentially reducing crop yields and quality, continue to acquire similar quantities of fertiliser at a higher price, thereby incurring greater costs, or employ a combination of these approaches. In addition, our Group purchases substantial quantities of crop protection chemicals which could also experience increases in price. Such factors could materially and adversely affect our Group's costs and/or crop output and, as a result, our Group's business, results of operations and financial condition.

During the Relevant Period, none of the circumstances described above has occurred which has adversely affected our business, results of operations and financial condition.

We may face disputes with our customers, suppliers, landlords and/or other parties

We may face disputes with our customers, suppliers, landlords and/or other parties in the course of our business due to various reasons such as delays or non-payment of monies owing, delays in delivery and non-compliance with other contractual terms and conditions. Such disputes may lead to legal or other proceedings and may result in substantial costs and diversion of our management's resources and attention from our business. If such legal or other proceedings are not concluded in our favour and we are found liable in such disputes for any claims and/or damages and incur legal and other costs, or if we accept settlement terms that are unfavourable to us, our business, results of operations, financial condition and prospects, as well as our reputation, may be adversely affected.

During the Relevant Period, none of the circumstances described above has occurred which has adversely affected our business, results of operations and financial condition.

Our success depends upon our management team and other key personnel, the loss of any of whom could disrupt our business operations

We believe that our future success is dependent upon the continued service of our senior management team and other key personnel who have valuable and long-standing experience in the business in which we operate and an important depth of understanding of the demands, technicalities and intricacies of our business and our customers' needs. While we believe we offer competitive terms of employment, there can be no assurance that we will retain our key management personnel or that we will be able to attract, train or retain qualified personnel in the future. The loss of key management personnel (particularly to one of our competitors) may adversely affect the implementation of our business strategies, which could have a material adverse effect on our business, results of operations, financial condition and/or prospects.

We are subject to laws and regulations imposed by various government and regulatory authorities

Although there are regulations governing crops and milk production, we do not require any specific licences and permits for the conduct of our business and operations in Russia except for the subsoil use licences which are held by Don Agro LLC and Selkhoztekhnika for the extraction of ground water for supply to agricultural units. However, any changes in government legislations, regulations or policies affecting industries relevant to our business operations could have a negative impact on our business. The compliance with any changes or new government legislations, regulations or policies may require us to obtain specific licences, permits and/or approvals and increase our costs and any significant increase in compliance costs arising from such amended or new government legislations, regulations or policies may adversely affect our results of operations. There is no assurance that we will be able to obtain all necessary licences and permits in such event or that any changes in government legislations, regulations or policies will not have an adverse effect on our business, results of operations, financial condition and/or prospects.

We may be exposed to payment delays and/or default by our customers

We typically sell our products on a prepayment basis. However, we may grant credit terms of up to five (5) days on a case-by-case basis to our customers, depending on, amongst others, their credit-worthiness and our prior working experience with them. For FY2016, FY2017, FY2018 and HY2019, our trade receivables turnover days were approximately 10 days, two (2) days, two (2) days and two (2) days, respectively. Despite the low trade receivables turnover days, our credit customers may be unable to meet their contractual payment obligations to us, either in a timely manner or at all. In such event, we may therefore be unable to recover the costs incurred from our customers, notwithstanding that we have delivered our products to our customers. Persistent payment delays and/or defaults by our customers may also necessitate our termination of their agreements and there is no assurance that we will be able to secure a replacement customer in a timely manner or at all.

If any of the above events occur especially in the case of a substantial order, our working capital and/or cash flows will be affected and may become inadequate. This will adversely affect our business, results of operations, financial condition and prospects.

During the Relevant Period, our Group has not made any provisions or write-off for any trade receivables and none of the circumstances described above has occurred which has adversely affected our business, results of operations and financial condition.

We may not have sufficient insurance coverage against risks of liability

Our insurance coverage may not be adequate to protect us from the key risks associated with our business. We insure our principal assets against risk of physical loss or damage caused by accident, fire and/or natural disasters. However, we only maintain limited insurance coverage and certain types of losses, such as those arising from wars or acts of God, may not be fully covered by our insurance policies or may not be insured because they are either uninsurable or not economical to insure. In addition, there can be no assurance that we will be able to continue to maintain our existing insurance coverage or obtain insurance policies on economic viable terms. If we were to suffer a loss that is not adequately covered by insurance, our business, results of operations, financial condition prospects could be materially adversely affected. Please refer to the section entitled "General Information of our Group – Insurance" of this Offer Document for more details of our existing insurance policies.

During the Relevant Period, none of the circumstances described above has occurred which has adversely affected our business, results of operations and financial condition.

Our financing costs may be adversely impacted by increase in interest costs

We may be subject to risks normally associated with debt financing, including exposure to fluctuations in interest rates and the inability to meet payments of the principal amount and interest. This is because a significant increase in interest rates would increase our Group's borrowing and financing costs, which would in turn weaken our Group's financial standing when seeking future financing. This may adversely affect the business, results of operations, financial condition and prospects of our Group.

During the Relevant Period, none of the circumstances described above has occurred which has adversely affected our business, results of operations and financial condition.

We are subject to currency-related risks

Our functional currency is in RR. Currently, a majority of our revenue and costs are denominated in RR. A small portion of our revenue and costs are denominated in US$ and S$. Our cash flows and revenue may be affected by the foreign exchange rate between RR and S$ and US$. For instance, to the extent that we need to convert RR into S$ for dividend distribution or our operational needs in Singapore, and if S$ should appreciate against the RR at that time, our cash flows would be reduced which could materially and adversely affect our business.

As our presentation currency is in S$, assets and liabilities are translated from RR to S$ at rate of exchange ruling at the respective date. As such, any adverse fluctuations in currencies exchange may result in valuation adjustments in our assets and liabilities which could affect our financial position and results of our Group.

Please refer to the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position – Foreign Exchange Management" of this Offer Document for more details on our foreign exchange exposure.

We are exposed to risks associated with acquisitions, joint ventures or strategic alliances

As part of our growth strategy and depending on available opportunities, feasibility and market conditions, we may enter into acquisitions, joint ventures and/or strategic alliances with third parties. Participation in acquisitions, joint ventures, strategic alliances, and/or other investment opportunities involves numerous risks, including the possible diversion of management resources, the inability to successfully integrate any new businesses and the loss of capital.

There can be no assurance that we will be able to execute our growth strategies successfully and as such, the performance of any strategic alliances, acquisitions or investments could fall short of expectations and may have a material adverse impact on our business, financial performance and/or financial condition.

Our growth strategy subjects us to various risks

We plan to pursue a growth strategy that includes expanding our existing business. This involves organic growth through the acquisition of lands and construction of new facilities as well as increasing our production capacities.

Risks relating to our growth strategy include the following:

- we may face competition to acquire land for expansion opportunities;
- we may not be able to hire and/or retain workers necessary for our expanded operations or may have to pay higher wages for these workers than we expect; and
- unforeseen circumstances and problems relating to our expansion projects may distract our management from focusing on our existing operations.

We cannot assure you that we will be able to identify, acquire, or profitably manage our expanded businesses without incurring substantial costs, or that we will not face delays or other operational or financial difficulties in doing so.

We may require additional capital in the future in order to continue to grow our business, which may not be available on favourable terms or at all

Our ability to grow our business and maintain our market shares in the segments in which we operate, through the expansion of our operations and production capabilities, is dependent on our ability to raise additional funds to implement our business strategy or to refinance our existing debt or for working capital. There can be no assurance that such funds will be available on favourable terms or at all. Additional debt financing may increase our financing costs and reduce our profitability. Our financing agreements may contain terms and conditions that may restrict our freedom to operate and manage our business, such as loan covenants that require us to maintain leverage ratios at a certain level and require us to use our assets, including our cash balances, as collateral for our indebtedness. In the event of default arising from a breach of covenant or any terms and conditions, we may be required to repay our outstanding credit facility immediately and our business, results of operations, financial condition and/or prospects could be materially adversely affected. During the Period Under Review, our Group has breached certain financial covenants in respect of our credit facilities. Please refer to the section entitled "Capitalisation and Indebtedness – Credit Facilities" of this Offer Document for more details of our credit facilities and the Breached Facilities. Additionally, if we are unable to raise additional funds on favourable terms or at all as and when required, our business, results of operations, financial condition and/or prospects could be materially adversely affected.

GENERAL RISKS AND RISKS RELATING TO OUR OPERATIONS IN RUSSIA

We may not continue to benefit from favourable government policies

We have benefited from the policies of the Russian government. The Russian government has exempted us from taxation on agricultural-related income as well as provided us with subsidised interest rates on our loans. For example, since 2017, we have enjoyed heavily subsidised interest rates of below 5.0% (as compared with market rates in Russia of approximately 10.0% to 15.0%) on our bank loans for our agricultural activities, due to strong governmental support for agricultural operations and industrialisation strategy. In addition, the Russian government has also introduced a 0% profit tax rate for revenue arising from qualifying agriculture activities since 2011. If there are any changes or termination of such government policies, our business, results of operations, financial condition and/or prospects could be materially and adversely affected.

Political risks could adversely affect our operations

While the political situation in Russia has been relatively stable since 2000, its future policies and regulations may be less predictable than in less volatile jurisdictions. Any future political instability could result in a worsening overall economic situation, including capital flight and a slowdown of investment and business activity. In addition, any change in the Russian government or its current programme of market reform, or any lack of consensus between the Russian president, the prime minister, the Russian government, the parliament and powerful economic groups, could lead to political instability and a deterioration in Russia's investment climate, which in turn could have a material adverse effect on our business, results of operations and financial condition.

Russia is a federative state consisting of 85 constituent entities, or "subjects". The Russian Constitution reserves some governmental power for the Russian government, some for the subjects and some for areas of joint competence. In addition, eight (8) "federal districts" (*federal'nye okruga*), which are overseen by a plenipotentiary representative of the Russian president, supplement the country's federal system. The delineation of authority among and within the subjects is, in many instances, unclear and contested, particularly with respect to the division of tax revenues and authority over regulatory matters. Subjects have enacted conflicting laws in areas such as privatisation, land ownership and licensing. For these reasons, the Russian political system is vulnerable to tension and conflict between federal, subject and local authorities. This tension creates uncertainties in the operating environment in Russia, which may prevent businesses from carrying out their strategy effectively. In such events, our operations, business, results of operations, financial condition and/or prospects could be materially and adversely affected.

During the Relevant Period, none of the circumstances described above has occurred which has adversely affected our business, results of operations and financial condition.

Russia may suffer from governmental or business corruption

We operate and conduct business in a country which some perceive as having potentially a more corrupt governmental and business environment compared to certain developed countries. Russia is ranked 138/180 in the Corruption Perceptions Index 2018. Corruption activities could disrupt our Group's ability to conduct business effectively, which could in turn have a material adverse effect on our reputation, business, results of operations or financial condition. It may not be possible for us to detect or prevent every instance of fraud, bribery and corruption in Russia. We may therefore be subject to civil and criminal penalties and to reputational damage. In the event of any instances of fraud, bribery and corruption, and violations of laws and regulations in Russia, it could have a material adverse effect on our business, results of operations, financial condition and prospects.

The interpretation and application of laws and regulations in Russia involve uncertainty

As Russia is a developing market, its legal and regulatory regime may be less certain than other markets and may be subject to unforeseen changes. At times, the interpretation or application of laws and regulations may be unclear and the content of such applicable laws and regulations may not be immediately available to the public. In addition, the Russian courts may offer less certainty as to the judicial outcome or a more protracted judicial process than is the case in more established economies. Many Russian laws are also vaguely worded and allow for significant administrative discretion in interpretation, application and enforcement. For example, Russian laws are often set out as general statements of principles rather than a specific set of rules for implementation, which means that, in practice, government officials can have broad discretion when applying the law. Enforcement of laws in Russia may depend on and be subject to the interpretation placed upon such laws by government officials, and such officials may adopt an interpretation of an aspect of Russian law which differs from the advice that has been given to us by lawyers or even previously by the officials themselves.

Furthermore, there is limited or no relevant case law or administrative guidance on how the Russian courts or government officials would interpret such laws and the application of such laws to our contracts or other arrangements. The Russian legal system is not based on binding judicial precedent and the risk of courts interpreting the law in an inconsistent manner is therefore greater.

As the Russian legal system develops together with the Russian agriculture industry, there is no assurance that changes in such laws and regulations or in their interpretation or enforcement will not materially or adversely affect our business operations. For example, all of our Group's controlled land bank are Russian agricultural land and we may face the risk that changes in Russian law may result in us impermissibly owning Russian agricultural land and/or land situated in the zone of the state border, or such changes in Russian law could result in our ownership of Russian agricultural land and/or land situated in the zone of the state border being ruled void or we may be obligated to dispose of our agricultural land and/or land situated in the zone of the state border which could have a material adverse effect on our business, results of operations and financial condition.

In addition, the commitment of Russian businesses, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be less certain and more susceptible to revision or cancellation, and legal redress may be uncertain or delayed. If the existing body of laws and regulations in Russia are interpreted or applied, or relevant discretions exercised, in an inconsistent manner by the Russian courts or applicable regulatory bodies, this could result in ambiguities, inconsistencies and anomalies in the enforcement of such laws and regulations, which in turn could hinder our long-term planning efforts and may create uncertainties in our operating environment.

Deterioration of Russia's relations with other countries could adversely affect the Russian economy

Over the past several years, Russia has been involved in economic, political and military conflicts with other countries. On several occasions, this has resulted in the deterioration of Russia's relations with other members of the international community, including the U.S. and various countries in Europe. Many of these jurisdictions are home to financial institutions and corporations that are significant investors in Russia and whose investment strategies and decisions may be affected by such conflicts and by worsening relations between Russia and its immediate neighbours.

For example, relations between Ukraine and Russia, as well as those between Georgia and Russia, have recently been strained over various of issues. In September 2015, following a formal request from the Syrian government, the Russian Federal Council approved the use of Russian forces in Syria. Operations in Syria commenced in late September 2015. In December 2017, the Russian President ordered the partial removal of operations in Syria, but the Russian military contingent is still involved in operations in Syria. Furthermore, in November 2015, the Turkish Air Force shot down a Russian strike aircraft over Syria that resulted in tensions between Russia and Turkey, and led to the imposition of a wide range of sanctions by Russia against Turkey, which were then partially removed in the second half of 2016 and in 2017. More recently, in March 2018, more than 140 Russian diplomats were expelled worldwide, and Russia in turn announced the expulsion of 60 American diplomats and the closure of the U.S. consulate in St. Petersburg, Russia. The emergence of new or escalated tensions between Russia and other countries, including any escalation of the conflict or renewed fighting, or the imposition of international trade and economic sanctions in response to these tensions, could negatively affect the economies in the regions where we are present, including the Russian economy. This, in turn, may result in a general lack of confidence among international investors in the region's economic and political stability and in Russian investments generally. Such lack of confidence may result in reduced liquidity, trading volatility and significant declines in the price of listed securities of companies with significant operations in Russia, including our shares, and in our inability to raise debt or equity capital in the international capital markets, which may affect our ability to achieve the level of growth to which we aspire for our current operations. Additionally, the relations between the U.S. and Russia are subject to fluctuation and periodic tension. Changes in political conditions in Russia and changes in the state of Russian-U.S. relations are difficult to predict and could adversely affect our operations or cause our Group to become less attractive to investors.

Political and governmental instability could materially affect our business, prospects, results of operations and financial condition. During the Relevant Period, none of the circumstances described above had a material adverse effect on our business, results of operations and financial condition.

Investing in businesses in emerging markets such as Russia generally involves a higher degree of risk than investments in businesses in more developed countries and carries risks that are not typically associated with investing in more mature markets

Notwithstanding that our Company is incorporated in Singapore, our business and operations are currently solely based in Russia. Emerging markets such as Russia are subject to greater risks than more developed markets, including significant legal, economic, tax and political risks. Investors in emerging markets should be aware that these markets are subject to greater risk and should note that emerging economies such as the Russian economy are subject to rapid change and that the information set out herein may become outdated relatively quickly. As has happened in the past, financial problems such as significant depreciation of RR, capital outflows and a deterioration in other leading economic indicators or an increased in the perceived risks associated with investing in emerging economies due to, amongst others, geopolitical disputes such as the crisis in Ukraine and imposition of certain trade and economic sanctions in connection therewith, could dampen foreign investments in Russia and adversely affect the Russian economy. In addition, during such times, businesses that operate in emerging markets can face severe liquidity constraints as funding sources are withdrawn.

The Russian banking system remains underdeveloped, the number of creditworthy banks in Russia is limited and another banking crisis could place severe liquidity constraints on our business

Russia's banking and other financial systems are less developed or regulated as compared to other countries, and Russian legislations relating to banks and bank accounts are subject to various interpretations and inconsistent applications. Many Russian banks currently do not meet international banking standards, and the transparency of the Russian banking sector still lags behind internationally accepted norms. Coupled with inadequate supervision by the regulators, some banks do not follow existing regulations of the Central Bank of Russia with respect to lending criteria, credit quality, loan loss reserves and diversification of exposure. Bank deposits of corporate entities are generally not insured in Russia.

In recent years, there has been a rapid increase in lending by Russian banks, which has been accompanied by a deterioration in credit quality of the borrowers. In addition, Russian banks (including the banks with which we conduct banking transactions) have increasingly held large amounts of Russian corporate RR bonds in their portfolios. Serious deficiencies in the Russian banking sector, combined with a deterioration in the credit portfolios of Russian banks, may result in the banking sector suffering large losses during market downturns or economic slowdown, and thus becoming unable to lend or fulfill their obligations, including to their corporate depositors. During a banking crisis, Russian companies may suffer from liquidity constraints due to the limited supply of domestic savings and the withdrawal of foreign funding sources that may occur during such a crisis. Recently, there have also been a number of banks and credit institutions which have lost their licences due to capital deficiency and failure to meet requirements set by the Central Bank of Russia. In the event of such banking crisis, we may not be able to obtain sufficient funding for our operations and our business, financial performance and/or financial condition may be adversely affected. As at the date of this Offer Document, our principal bankers, RSHB and Sberbank, are state-owned banks and which are included in certain economic and diplomatic sanctions imposed by the U.S. and some of the other G20 Countries. Please refer to the section entitled "Capitalisation and Indebtedness" of this Offer Document for details of such sanctions.

As at August 2019, Russia has a Baa3 sovereign credit rating from Moody's[2] with a stable outlook, BBB- long-term sovereign rating with a stable outlook from Standard & Poor's[2] and BBB long-term sovereign rating from Fitch Ratings[2] with a positive outlook.

Shareholder liability under Russian corporate law could cause us to become liable for the obligations of our subsidiaries

Russian law generally provides that shareholders in a Russian joint-stock company or participants in a limited liability company are not liable for that company's obligations and risk only the loss of their investment. This may not be the case, however, when one corporate legal entity is capable of determining decisions made by another entity. The legal entity capable of determining such decisions is called the effective parent entity (*osnovnoye obshchestvo*). The legal entity whose decisions are capable of being so determined is called the effective subsidiary entity (*docherneye obshchestvo*). A Russian joint-stock company or a limited liability company shall be recognised as an effective subsidiary entity if an effective parent entity is able to determine the subsidiary's decisions by virtue of the predominant participation on the subsidiary's charter capital or in conformity with an agreement concluded between them, or in any other way. The effective parent bears joint and several liability for transactions concluded by the effective subsidiary in carrying out business decisions if (i) the effective parent gives binding instructions to the effective subsidiary or provides consent to the relevant transactions entered into by the subsidiary; and (ii) the right of the effective parent to give binding instructions is based on its share in the subsidiary's capital, or is set out in a contract between such entities or stems from other circumstances. An effective parent entity would not be limited to the direct parent entity of the effective subsidiary entity.

In addition, under Russian law, an effective parent is secondarily liable for an effective subsidiary's debts if an effective subsidiary becomes insolvent or bankrupt as a result of the action or inaction of an effective parent. In these instances, the other shareholders of the effective subsidiary may claim compensation for the effective subsidiary's losses from the effective parent that causes the effective subsidiary to take action or fail to take action knowing that such action or failure to take action would result in losses. We could be found to be the effective parent of our subsidiaries, in which case we would become liable for their debts, and our business, prospects, results of operations and financial condition could be materially and adversely affected.

Furthermore, a party that is actually able to direct a legal entity's actions (such party is called the controlling party and can be both a corporate entity and an individual), including being able to give instructions to members of the entity's management bodies, must act reasonably and in good faith and in the best interests of such an entity and shall be liable for any losses (actual damage and forgone benefit) caused to such entity through its fault. The controlling party's liability may not be eliminated or limited by an agreement.

2 Each of Moody's Corporation, Standard & Poor's Financial Services LLC and Fitch Ratings Inc has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the information extracted from their databases, reports or articles, and is therefore not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor, Issue Manager and Placement Agent have taken reasonable actions to ensure that the information from each of Moody's Corporation, Standard & Poor's Financial Services LLC and Fitch Ratings Inc has been reproduced in its proper form and context, and that the information has been extracted accurately and fairly from such database, reports and articles, neither we, the Sponsor, Issue Manager and Placement Agent nor any other party has conducted an independent review of the information contained in that database, reports or articles or verified the accuracy of the contents of the relevant information.

Furthermore, if a company becomes insolvent or bankrupt and creditors' claims are impossible to be paid in full as a result of actions and/or omissions of a debtor's controlling party, such a party shall be held secondarily liable with respect to the debtor's liabilities.

Please refer to the section entitled "General Information on our Group – Licences, Permits, Approvals, Certifications and Government Regulations" of this Offer Document for more details on shareholder liability under the Russian corporate law.

We are subject to tax audits by the Russian tax authorities, which may result in additional tax payments

Generally, tax returns together with related documentation are subject to audit by tax authorities, which are authorised by Russian law to impose severe fines and penalties. As a rule, the tax authorities may audit tax periods within three (3) years immediately preceding the year when the tax audit is initiated. A tax audit may be repeated (within the same general three-year limit) in a few specifically defined circumstances, such as the taxpayer's reorganisation or liquidation, or re-filing of a tax return (amended to decrease the tax payable), or if the tax audit is conducted by a higher-level tax authority as a measure of control over the activities of lower-level tax authority. Therefore, previous tax audits may not preclude subsequent tax claims relating to the audited period.

The Russian Tax Code defines the three (3) year statute of limitations for imposition of tax penalties; the statute of limitation extends, however, if the taxpayer obstructed the performance of the tax audit (such that it created an insurmountable obstacle for the performance and completion of the tax audit). However, the terms "obstructed" and "insurmountable obstacles" are not specifically defined in Russian law and the tax authorities may interpret these terms broadly, effectively linking any difficulty experienced by them in the course of the tax audit with obstruction by the taxpayer and use that as a basis to seek additional tax adjustments and penalties beyond the three-year limitation term. Therefore, the statute of limitations is not entirely effective.

Tax audits may result in additional costs if the tax authorities conclude that we did not satisfy our tax obligations in any given tax period. Such audits may also impose additional burdens on us by diverting the attention of management resources. The outcome of these audits could have a material adverse effect on our business, prospects, results of operations and financial condition.

Our last tax audit was conducted in 2017 in relation to the tax periods of 2013 to 2015 and following the completion of the tax audit by the Russian tax authority, an amount of approximately S$121,000 was refunded to the tax authority in relation to value added tax ("**VAT**") claimed by our Group previously, as the corresponding VAT payments had not been made by our suppliers. This amount and a penalty amounting to approximately S$15,000 has been fully paid by our Group. Following the completion of the most recent tax audit, our Group has since implemented a checklist to assess a prospective counterparty prior to dealing with them. The checklist includes a list of documents to be received from the prospective counterparty which comprises the register of fixed assets, tax identification number, copy of the corporate charter, VAT returns filed to the Russian tax authority for the most recent period and details of any unusual tax disputes or relevant court decisions on tax matters involving the prospective counterparty. While it is not within our Group's control to prevent the recurrence of such incidents as our Group has no control over the making of VAT payments by our suppliers, such procedures are expected to significantly reduce the risks of dealing with an unreliable counterparty.

Changes in Russian tax law could adversely affect our Russian operations

Generally, Russian taxes to which we are subject are substantial and include, among others, corporate income tax, value added tax, property tax, employment-related social security contributions; we are also subject to duties and corresponding liabilities of a tax agent with respect to withholding taxes due from some of its counterparties. Although the Russian tax climate and the quality of tax legislation have generally improved with the introduction of the Russian Tax Code, the possibility exists that Russia may impose arbitrary and/or onerous taxes and penalties in the future. Russia's inefficient tax collection system increases the likelihood of such events, which could adversely affect our business. In particular, in early 2017, the Russian government announced fundamental changes to the Russian tax system that will have a substantial impact on its structure. Employment-related social security contributions, indirect taxes (such as value added tax) and personal income tax may be affected by the proposed changes. The scope and substance of these changes are still under discussion and their final content and process for their implementation are still unclear. Due to a lack of clarity on the proposed changes, it cannot be definitively determined what effect these changes will have on Russian taxpayers, including our Group. Consequently, there can be no assurance that our Group's tax burden will not increase significantly as a result of these changes.

Russian tax laws are subject to frequent change and some of the sections of the Russian Tax Code are comparatively new. Since 2014, several important new rules have been introduced into the Russian Tax Code as a part of the Russian government's policy focused on curtailing Russian businesses from using foreign companies mostly or only for tax reasons and imposing significant limitations on tax planning, and aimed at allowing Russian tax authorities to tax foreign income attributable to Russian companies (known as "deoffshorisation measures"). These new rules include, in particular, (i) rules governing the taxation of "controlled foreign companies" (CFC rules) (without limitation of jurisdictions to which this definition applies which residents may fall under); (ii) rules determining the tax residence status of non-Russian legal entities (tax residence rules); (iii) rules defining the "beneficial ownership" concept; (iv) taxation of capital gains derived from the sale of shares in real estate rich companies (more than 50.0% of the value of the assets of which directly or indirectly consists of real estate located in Russia), all in effect from 1 January 2015; and (v) general anti-abuse rules (that are based on the judicial concept of "unjustified tax benefits", defined by the Supreme Commercial Court in 2006, and provide a few tests to support a tax reduction or tax base deduction, including the "main purpose test"), in effect from 18 August 2017. These changing conditions create tax risks in Russia that are more significant than those typically found in jurisdictions with more developed tax systems. As such, it may have a significant effect on us, complicate our tax planning and related business decisions and may expose us to additional tax and administrative risks, as well as to extra costs necessary to secure compliance with the new rules. In addition, there can be no assurance that the current tax rates will not be increased, that new taxes will not be introduced.

The interpretation and application of the Russian Tax Code generally and the aforementioned new rules in particular has often been unclear or unstable. Differing interpretations may exist both among and within government bodies at the federal, regional and local levels. In some instances, the Russian tax authorities take positions contrary to those set out in clarification letters issued by the Ministry of Finance of Russia in response to specific taxpayers' queries and apply new interpretations of tax laws retroactively. This increases the number of existing uncertainties and leads to the inconsistent enforcement of the tax laws in practice. Furthermore, over the recent years, the Russian tax authorities have shown a tendency to take more assertive positions in their interpretation of tax legislation, which has led to an increased number of material tax assessments issued by them as a result of tax audits of taxpayers. Taxpayers often have to resort to court proceedings to defend their position against the Russian tax authorities. For instance, in February

2013, Don Agro LLC was fined approximately RR3.2 million by the Interdistrict Inspectorate of Federal Tax Service of Russia for alleged tax violations in the tax periods of 2009 to 2011 prior to the acquisition of Don Agro LLC in 2012 but was partially successfully in appealing to the court who reduced the fine in the amount of approximately RR0.5 million. The fine was fully paid by Don Agro LLC in July 2013 and the case has been closed. In the absence of binding precedent or consistent court practice, rulings on tax matters by different courts relating to the same or similar circumstances may be inconsistent or contradictory. In practice, the Russian courts may deviate from the interpretations issued by the Russian tax authorities or the Ministry of Finance in a way that is unfavourable for the taxpayer.

The Russian tax system is, therefore, impeded by the fact that, at times, it continues to be characterised by inconsistent judgment of local tax authorities and the failure by Russian tax authorities to address many of the existing problems. It is, therefore, possible that our transactions and activities that have not been challenged in the past may be challenged in the future, which may have a material adverse effect on our business, results of operations, financial condition and prospects.

Russian securities law may require us to list our securities on a stock exchange in Russia, which could impose additional administrative burdens on us and decrease the liquidity of trading in our shares on Catalist

Russian companies that list their securities on an exchange outside of Russia are required by law to list their securities concurrently on a licensed Russian stock exchange and to offer their securities in Russia. We are not covered by such requirement as we are incorporated outside Russia. The Russian securities regulator, the Central Bank of Russia, has at various times officially emphasised that foreign issuers with substantial assets in Russia should undertake concurrent listings in Russia, and has proposed to change the securities regulations with the view to making such requirement mandatory. As a result, there is no assurance that we will not experience pressure to list our shares in Russia, which may impose additional administrative burdens on us and may result in a reduction of the liquidity of trading in our shares on Catalist.

RISKS RELATING TO AN INVESTMENT IN OUR SHARES

There is no prior market for our Shares and the Placement may not result in an active or liquid market for our Shares

Prior to the Listing, there has been no public market for our Shares. Although we have applied to the SGX-ST for the dealing and quotation of our Shares on Catalist, there is no assurance that an active trading market for our Shares will develop or, if developed, will be sustained. There is also no assurance that the market price for our Shares will not decline below the Placement Price.

The Placement Price was determined after consultation between our Company and the Sponsor, Issue Manager and Placement Agent after taking into consideration, *inter alia*, market conditions and estimated market demand for our Shares. The Placement Price may not be indicative of the market price for our Shares after the completion of the Placement. Investors may not be able to sell their Shares at or above the Placement Price. The volatility in the trading price of our Shares may be caused by factors beyond our control and may be unrelated or disproportionate to our financial results.

Our Share price may be volatile in future which could result in substantial losses for investors purchasing Shares pursuant to the Placement

The market price of our Shares may fluctuate significantly and rapidly as a result of, *inter alia*, the following factors, some of which are beyond our control:

- changes in general economic and stock market conditions;
- changes in our operating results;
- perceived prospects and future plans for our business and the general outlook of our industry;
- changes in securities analysts' estimates of our financial performance and recommendations;
- differences between our actual financial operating results and those expected by investors and securities analysts;
- announcements by our competitors or ourselves of gain or loss of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments;
- our involvement in litigation; and
- addition or loss of key personnel.

Future sale or issuance of Shares could adversely affect our Share price

Any future sale, availability or issuance of a large number of our Shares in the public market can have a downward pressure on our Share price. The sale of a significant amount of Shares in the market after the Placement, or the perception that such sales may occur could materially and adversely affect the market price of our Shares. These factors could also affect our ability to issue additional equity securities in future. Save as otherwise described in the section entitled "Shareholders – Moratorium" of this Offer Document, there are no restrictions on the ability of our Shareholders to sell their Shares either on the SGX-ST or otherwise. In addition, our Share price may be under downward pressure if certain Shareholder sell their Shares upon the expiry of their moratorium periods.

Negative publicity which includes those relating to our Group and/or any of our Directors, Executive Officers or Substantial Shareholders may adversely affect our Share price

Negative publicity or announcement relating to our Group and/or any of our Directors, Executives Officers or Substantial Shareholders may adversely affect the market perception or the share performance of our Company, whether or not it is justified. Some examples of these include unsuccessful attempts at joint ventures, acquisitions or takeovers, or involvement in insolvency proceedings.

We may require additional funding for our growth plans, and such funding may result in a dilution of Shareholders' investment

We have estimated our funding requirements in order to implement our growth plans as set out in the section entitled "General Information on our Group – Business Strategies and Future Plans" of this Offer Document.

In the event that the costs of implementing such plans should exceed these estimates significantly or that we come across opportunities to grow through expansion plans which cannot be predicted at this juncture, and our funds generated from our operations prove insufficient for such purposes, we may need to raise additional funds to meet these funding requirements.

These additional funds may be raised by issuing equity or debt securities or by borrowing from banks or from other resources. We cannot ensure that we will be able to obtain any additional financing on terms that are acceptable to us, or at all. If we fail to obtain additional financing on terms that are acceptable to us, we will not be able to implement such plans fully. Such financing, even if obtained, may be accompanied by conditions that limit our ability to pay dividends or require us to seek lenders' consent for payment of dividends, or restrict our freedom to operate our business by requiring lenders' consent for certain corporate actions. Further, in the event that we raise additional funds by way of a limited placement or by a rights offering or through the issuance of new Shares to new and/or existing Shareholders after the Placement, they may be priced at a discount to the then prevailing market price of our Shares trading on the SGX-ST, or if any Shareholder is unable or unwilling to participate in such additional round of fund raising, in which case, Shareholders' equity interest may be diluted. If we fail to utilise the new equity to generate a commensurate increase in earnings, our earnings per Share will be diluted, and this could cause a decline in our Share price.

Investors in our Shares may experience future dilution

We may issue Option Shares under our Don Agro Employee Share Option Scheme. To the extent that such Option Shares are issued, there may be further dilution to investors participating in the Placement. Please refer to the section entitled "The Don Agro Employee Share Option Scheme" and Appendix D entitled "Rules of the Don Agro Employee Share Option Scheme" of this Offer Document for more information.

Control by our Controlling Shareholder of our enlarged share capital after the Placement may limit your ability to influence the outcome of decisions requiring the approval of Shareholders

After the completion of the Placement, our Controlling Shareholder, Evgeny Tugolukov, will hold a direct interest of approximately 78.2% of our enlarged issued share capital. As a result, he will be able to significantly influence our corporate actions such as mergers or takeover attempts in a manner which may not be in line with the interests of our public Shareholders. He may also be in a position to exercise super majority control of our Company. Super majority control will put our Controlling Shareholder, Evgeny Tugulokov, in a position to be able to pass all special and ordinary resolutions except in situations where he is required by the rules of the Listing Manual, the SGX-ST or undertakings given by him (as detailed in the section entitled "Interested Person Transactions" of this Offer Document) to abstain from voting. Accordingly, the ability of other Shareholders to vote and influence the outcome of such resolutions will be significantly reduced. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Group which may not benefit our Shareholders.

We may not be able to pay dividends in the future

Our ability to declare dividends in relation to our Shares will depend on, amongst others, our operating results, financial condition, other cash requirements including capital expenditures, the terms of borrowing arrangements, the ability of our subsidiaries to pay dividends to us, other contractual restrictions and other factors deemed relevant by our Directors. This, in turn, depends on our strategy, the successful implementation of our strategy and on financial, competitive, regulatory, general economic conditions and other factors that may be specific to us or specific to our industry, many of which are beyond our control.

In addition, our Company is a holding company and we operate our business through our subsidiaries. Therefore, our ability to pay dividends will be affected by the ability of our subsidiaries to declare and pay us dividends or other distributions. The ability of our subsidiaries to declare and pay dividends to us will be dependent on the cash income of and cash available to such subsidiary and the operating results, financial condition, other cash requirements including capital expenditures, the terms of borrowing arrangements and other contractual restrictions of the relevant subsidiary and may be restricted under applicable law or regulation.

If any of our subsidiaries are unable or are restricted in their ability to declare and pay dividends or other distributions to us, our ability to pay dividends on our Shares may be adversely affected.

Investors may not be able to participate in future issues of our Shares

In the event that we issue new Shares, we will be under no obligation to offer those Shares to our existing Shareholders at the time of issue, except where we elect to conduct a rights issue. If we offer to our Shareholders rights to subscribe for additional Shares or any rights of any other nature or other equity issues, we will have the discretion and be subject to the relevant laws, rules and regulations as to the procedures to be followed in making such rights offering available to our existing Shareholders or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to them. We may choose not to offer the rights or other equity issues to our Shareholders or investors having an address outside Singapore, hence overseas Shareholders or investors may be unable to participate in future offerings of our Shares and may experience dilution of their interests in our Company.

PLACEMENT PRICE	22.00 cents
NAV	
NAV per Share based on the unaudited condensed combined interim statements of financial position of our Group as at 30 June 2019:	
(a) before adjusting for the estimated net proceeds[(1)] from the issue of Placement Shares and based on the pre-Placement share capital of 127,272,700 Shares	28.08 cents
(b) after adjusting for the estimated net proceeds[(1)] from the issue of Placement Shares and based on the post-Placement share capital of 150,272,700 Shares	26.70 cents
Discount of Placement Price over the NAV per Share as at 30 June 2019:	
(a) before adjusting for the estimated net proceeds[(1)] from the issue of Placement Shares and based on the pre-Placement share capital of 127,272,700 Shares	21.65%
(b) after adjusting for the estimated net proceeds[(1)] from the issue of Placement Shares and based on the post-Placement share capital of 150,272,700 Shares	17.60%
EPS[(2)]	
EPS based on the audited combined statements of profit or loss and other comprehensive income of our Group for FY2018 and the post-Placement share capital of 150,272,700 Shares	4.25 cents
EPS based on the audited combined statements of profit or loss and other comprehensive income of our Group for FY2018 and the post-Placement share capital of 150,272,700 Shares, assuming that Service Agreements[(3)] been in effect from the beginning of FY2018	3.88 cents
PRICE EARNINGS RATIO ("PER")	
Audited PER based on the Placement Price and the EPS based on the audited combined statements of profit or loss and other comprehensive income of our Group for FY2018	5.2 times
Audited PER based on the Placement Price and the EPS based on the audited combined statements of profit or loss and other comprehensive income of our Group for FY2018, assuming that the Service Agreements[(3)] been in effect from the beginning of FY2018	5.7 times
NET OPERATING CASH FLOW[(4)]	
Audited net operating cash flow per Share of our Group for FY2018 based on the post-Placement share capital of 150,272,700 Shares	2.23 cents

Audited net operating cash flow per Share of our Group for FY2018 based on the post-Placement share capital of 150,272,700 shares, assuming that the Service Agreements(3) been in effect from the beginning of FY2018	1.85 cents

PRICE TO NET OPERATING CASH FLOW RATIO

Ratio of Placement Price to audited net operating cash flow per Share of our Group for FY2018 based on the post-Placement share capital of 150,272,700 Shares	9.87
Ratio of Placement Price to audited net operating cash flow per Share of our Group for FY2018, assuming that the Service Agreements(3) been in effect from the beginning of FY2018 and based on the post-Placement share capital of 150,272,700 Shares	11.89

MARKET CAPITALISATION

Market capitalisation based on the Placement Price and post-Placement share capital of 150,272,700 Shares	S$33.1 million

Notes:

(1) Estimated net proceeds of approximately S$4.4 million after an adjustment of approximately S$0.7 million of the estimated listing expenses to the gross proceeds which will be capitalised against our share capital in accordance with the SFRS(I).

(2) EPS is calculated based on the audited profit attributable to owners of the Company and the post-Placement share capital of 150,272,700 Shares.

(3) Had the Service Agreements (as set out in the section entitled "Directors, Executive Officers and Employees – Service Agreements" of this Offer Document) been in effect since 1 January 2018, our profit attributable to owners of the Company would have been approximately S$5.8 million after an adjustment of approximately S$0.6 million.

(4) Net operating cash flow refers to net cash from operating activities.

Use of Proceeds

The net proceeds to be raised from the Placement, after deducting the aggregate estimated listing expenses in relation to the Placement of approximately S$3.8 million will be approximately S$1.3 million.

The following table sets out the breakdown of the use of proceeds to be raised by our Company:

Use of proceeds from the Placement	**Amount in aggregate (S$'000)**	**Estimated amount allocated for each dollar of the gross proceeds raised from the Placement (as a % of our Company's gross proceeds)**
Expansion of arable land bank	400	7.9
Acquisition of new equipment and machinery	400	7.9
To explore opportunities in mergers and acquisitions, joint ventures and strategic alliances[(1)]	400	7.9
General working capital	110	2.2
Net proceeds	1,310	25.9
Listing expenses[(2)(3)]	3,750	74.1
Gross proceeds from the Placement	5,060	100.0

Notes:

(1) For expansion into other high growth regional markets within Russia, such as other districts within the Rostov region and the Krasnodar region in Russia. As at the date of this Offer Document, our Group has not identified any specific investment targets.

(2) Of the total estimated listing expenses to be borne by our Company, approximately S$0.7 million will be capitalised against our share capital in accordance with the SFRS(I) and the balance of the estimated listing expenses will be accounted for under our Group's statements of profit or loss and other comprehensive income. Please refer to the section entitled "Use of Proceeds and Listing Expenses – Listing Expenses" below for future details.

(3) The professional fees refer to the cash expenses incurred by our Company in connection with the Listing and the Placement and excludes the management fee of approximately S$0.5 million payable to the Sponsor and Issue Manager pursuant to the Management Agreement which has been satisfied in full by the issue and allotment of the PPCF Shares.

Further details of our use of proceeds may be found in the section "General Information on our Group – Business Strategies and Future Plans" of this Offer Document. Save as disclosed in this section and the section entitled "General Information on our Group – Business Strategies and Future Plans" of this Offer Document, we do not intend to use the net proceeds from the Placement to acquire or refinance the acquisition of any asset, business or entity, and as at the Latest Practicable Date, we have not identified any assets, business or entity to acquire or refinance.

The foregoing discussion represents our Company's best estimate of its allocation of the net proceeds of the Placement attributable to our Company based on our current plans and estimates regarding our anticipated expenditures. Actual expenditures may vary from these estimates and our Company may find it necessary or advisable to reallocate the net proceeds within the categories described above or to use portions of the net proceeds for other purposes. In the event that our Company decides to reallocate such net proceeds for other purposes, our Company will publicly announce its intention to do so through an SGXNET announcement on the internet at the SGX-ST's website, http://www.sgx.com. In addition, our Company will make periodic announcements on the use of the proceeds attributable to our Company from the Placement as and when the proceeds from the Placement are materially disbursed, and provide a status report on the use of the proceeds attributable to our Company from the Placement in our financial results announcements and annual reports.

Pending the deployment of the net proceeds from the issue of Placement Shares as aforesaid, the funds will be placed in short-term deposits or money making instruments and/or used for our Group's working capital requirements, as our Directors may, in their absolute discretion, deem fit.

In the reasonable opinion of our Directors, there is no minimum amount which must be raised by the Placement.

None of the proceeds from the Placement will be used to discharge, reduce or retire any indebtedness of our Group.

Listing Expenses

The estimated amount of expenses of the Placement and of the application for Listing, including the placement commission, management fees, legal and audit fees, fees payable to the SGX-ST and all other incidental expenses in relation to this Placement is approximately S$3.8 million.

Subscribers of the Placement Shares may be required to pay brokerage or selling commission of up to 1.0% (and any applicable taxes such as GST) of the Placement Price to the Placement Agent or any sub-placement agent that may be appointed by the Placement Agent.

A breakdown of these estimated expenses to be borne by our Company in relation to the Placement is as follows:

Expenses borne by our Company[1]	Estimated amount (S$'000)	Estimated amount allocated for each dollar of the gross proceeds raised from the Placement (as a % of our Company's gross proceeds)
Listing and application fees	53	1.0
Professional fees[2]	3,126	61.8
Placement commission[3]	253	5.0
Miscellaneous expenses	318	6.3
Total	3,750	74.1

Notes:

(1) Of the total estimated listing expenses to be borne by our Company, approximately S$0.7 million will be capitalised against our share capital in accordance with the SFRS(I) and the balance of the estimated listing expenses will be accounted for under our Group's statements of profit or loss and other comprehensive income.

(2) These refer to the cash expenses payable by our Company in connection with the Placement (excluding the management fee of approximately S$0.5 million payable to the Sponsor and Issuer Manager to be satisfied in full by the issue and allotment of 2,272,700 PPCF Shares to PPCF pursuant to the Management Agreement).

(3) The amount of placement commission per Placement Share, agreed upon between the Placement Agent and our Company is 5.0% of the Placement Price payable for each Placement Share. Please refer to the section entitled "General and Statutory Information – Management and Placement Arrangements" of this Offer Document for more details.

Our Company was incorporated on 16 October 2018 and has not distributed any dividend on our Shares since incorporation. Our subsidiary, Don Agro LLC, had paid dividends of approximately RR28.5 million in FY2019 for FY2018 to its holding company, Tetra JSC. Tetra JSC had, in turn, paid dividends of approximately RR28.5 million in FY2019 for FY2018 to its then sole shareholder, Vallerd Investments. Save as disclosed, none of our subsidiaries has declared or paid any dividends in respect of each of the last three (3) financial years ended 31 December 2016, 2017 and 2018 and the period from 1 January 2019 to the Latest Practicable Date.

Since the Latest Practicable Date, our subsidiary, Don Agro LLC, had paid interim dividends of approximately RR93.6 million during FY2019 to its holding company, Tetra JSC. Tetra JSC had, in turn, paid interim dividends of approximately RR93.6 million during FY2019 to our Company.

We currently do not have a fixed dividend policy. The form, frequency and amount of future dividends on our Shares that our Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by our Directors:

(a) the level of our cash and retained earnings;

(b) our actual and projected financial performance;

(c) our projected levels of capital expenditure and expansion plans;

(d) our working capital requirements and general financing condition; and

(e) restrictions on payment of dividends imposed on us by our financing arrangements (if any).

Subject to the above, our Directors intend to recommend and distribute dividends of up to 20.0% of our net profit after tax attributable to Shareholders for each of FY2019, FY2020 and FY2021 as we wish to reward Shareholders for participating in our Group's growth. However, investors should note that the foregoing statement on the proposed dividends are merely statements of our present intention and shall not constitute legally binding statements in respect of our future dividends which may be subject to modification (including reduction or non-declaration thereof) in our Directors' sole and absolute discretion. The proposed dividend should not be treated as an indication of our Group's future dividend policy.

We may declare an annual dividend subject to the approval of our Shareholders in a general meeting but the amount of such dividend shall not exceed the amount recommended by our Directors. Our Directors may also declare an interim dividend without the approval of our Shareholders. Our Company shall pay all dividends out of our profits and may also pay dividends in the form of Shares. For information relating to taxes payable on dividends, please refer to the section entitled "Taxation" of this Offer Document.

All dividends are paid *pro rata* among the Shareholders in proportion to the amount paid up on each Shareholder's Shares, unless the rights attaching to an issue of any Share provides otherwise. Notwithstanding the foregoing, the payment by our Company to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge our Company from any liability to that Shareholder in respect of that payment.

The amount of dividends declared and paid by us in the past should not be taken as an indication of the dividends payable in the future. No inference shall or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends in any of the periods discussed. There can be no assurance that dividends will be paid in the future or of the amount or timing of any dividends that will be paid in the future.

SHARE CAPITAL

Our Company (Company Registration Number: 201835258H) was incorporated in Singapore on 16 October 2018 under the Companies Act as a private company limited by shares under the name of “Don Agro International Private Limited”. On 4 February 2020, our Company changed its name to “Don Agro International Limited” in connection with its conversion into a public company limited by shares.

As at the date of incorporation and as at the Latest Practicable Date, our issued and paid-up share capital was S$100, comprising 100 ordinary shares.

Pursuant to the completion of the Restructuring Exercise, Share Split (as defined herein) and the issue and allotment of the PPCF Shares, the issued and paid-up share capital of our Company was increased to S$36,241,100 comprising 127,272,700 Shares. Please refer to the section entitled “Restructuring Exercise” of this Offer Document for more details.

Pursuant to the extraordinary general meeting held on 4 February 2020, our Shareholders approved, *inter alia*, the following:

(i) the conversion of our Company into a public limited company and the consequential change of our name to “Don Agro International Limited”;

(ii) the sub-division of each ordinary share in the existing issued share capital of our Company into 12.5 ordinary shares (“**Share Split**”);

(iii) the adoption of a new set of Constitution with effect from the date of conversion of our Company into a public company;

(iv) the issue and allotment of 2,272,700 PPCF Shares to PPCF as part of the management fee as Sponsor and Issue Manager pursuant to the Management Agreement which when issued, allotted and credited as fully paid-up, will rank *pari passu* in all respects with the existing issued Shares;

(v) the issue and allotment of 23,000,000 Placement Shares which are the subject of the Placement which when fully paid, issued and allotted, will rank *pari passu* in all respects with the existing issued Shares;

(vi) the approval of the listing and quotation of all the issued Shares (including the PPCF Shares), the Placement Shares to be issued and allotted pursuant to the Placement and the Option Shares to be issued and allotted (if any, subject to the exercise of the options granted under the ESOS) on Catalist;

(vii) authorisation for our Directors, pursuant to Section 161 of the Companies Act and the Catalist Rules to (i) issue Shares whether by way of rights, bonus or otherwise; (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as our Directors may in their absolute discretion deem fit; and (iii) (notwithstanding the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this resolution was in force, provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution) and Instruments to be issued

pursuant to this resolution shall not exceed 100.0% of the total number of issued Shares (excluding treasury shares) in the capital of our Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued (including Shares to be issued pursuant to the Instruments) other than on a *pro rata* basis to existing Shareholders shall not exceed 50.0% of the total number of issued Shares (excluding treasury shares) in the capital of our Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) that may be issued under sub-paragraph (1) above, the percentage of Shares that may be issued shall be based on the total number of issued Shares of our Company (excluding treasury shares) immediately after the Placement, after adjusting for: (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities; (b) new Shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this authority; and (c) any subsequent bonus issue, consolidation or sub-division of Shares;

(3) in exercising such authority, our Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of our Company;

(4) unless revoked or varied by our Company in a general meeting, such authority shall continue in force until (i) the conclusion of the next annual general meeting of our Company or (ii) the date by which the next annual general meeting of our Company is required by law to be held, whichever is the earlier; and

(viii) the adoption of the Don Agro Employee Share Option Scheme, details of which are set in the section entitled “Don Agro Employee Share Option Scheme” of this Offer Document, and Appendix D entitled “Rules of the Don Agro Employee Share Option Scheme” of this Offer Document.

As at the date of this Offer Document, there is only one (1) class of Shares in the capital of our Company, being the Shares. A summary of the Constitution of our Company relating to, among others, the voting rights and privileges of our Shareholders is set out in Appendix C entitled “Selected Extracts of our Constitution” of this Offer Document.

There are no founders, management, deferred or unissued Shares reserved for issuance for any purpose. The Placement Shares shall have the same interest and voting rights as our existing issued Shares that were issued prior to this Placement and there are no restrictions to the free transferability of our Shares.

Save for the Don Agro Employee Share Option Scheme, no person has, or has the right to be given, an option to subscribe for or purchase any securities of our Company or any of our subsidiaries. No option to subscribe for Shares in our Company has been granted to, or was exercised by, any of our Directors or Executive Officers.

As at the date of this Offer Document, following the Restructuring Exercise, Share Split and the issue and allotment of the PPCF Shares, the issued and paid-up share capital of our Company is S$36,241,100 comprising 127,272,700 Shares. Upon the issue and allotment of the Placement Shares, the resultant issued and paid-up share capital of our Company will be increased to S$40,620,886 comprising 150,272,700 Shares.

SHARE CAPITAL

Details of the changes in the issued and paid-up share capital of our Company since the date of incorporation and immediately after the Placement are set out below:

	Number of issued Shares	Issued and paid-up share capital (S$)
Issued and fully paid Shares at incorporation	100	100
Issue of new Shares pursuant to the Restructuring Exercise[(1)]	9,999,900	35,741,000
Issued and paid-up share capital immediately after the Restructuring Exercise	10,000,000	35,741,100
Share Split	125,000,000	35,741,100
Issue of PPCF Shares	2,272,700	500,000
Pre-Placement issued and paid-up share capital	127,272,700	36,241,100
Placement Shares issued pursuant to the Placement	23,000,000	4,379,786[(2)]
Issued and paid-up share capital immediately after the Placement	150,272,700	40,620,886

Notes:

(1) Please refer to the section entitled "Restructuring Exercise" of this Offer Document for more details.

(2) Of the total estimated listing expenses to be borne by our Company, approximately S$0.7 million will be capitalised against our share capital in accordance with the SFRS(I) and the balance of the estimated listing expenses will be accounted for under our Group's statements of profit or loss and other comprehensive income.

The issued and paid-up share capital and the Shareholders' equity of our Company after adjustments to reflect the Restructuring Exercise, the Share Split, and the issue and allotment of the PPCF Shares and the Placement Shares pursuant to the Placement are set forth below.

	As at Incorporation	After the Restructuring Exercise, the Share Split and the issue and allotment of the PPCF Shares	After the Placement
Issued and fully paid-up shares (number of shares)	100	127,272,700	150,272,700
Issued and fully paid-up share capital (S$)	100	36,241,100	40,620,886[(1)]
Accumulated profits (S$)	–	12,049,000[(3)]	8,979,223[(2)]
Equity attributable to owners of the Company (S$)	100	48,290,100	49,600,109

Notes:

(1) Assuming a set-off of our Company's estimated listing expenses of approximately S$0.7 million against our share capital.

(2) Assuming listing expenses of approximately S$3.1 million to be charged directly to our Group's statements of profit or loss and other comprehensive income.

(3) Refers to the Group's accumulated profit as at 30 June 2019.

Save as disclosed above, there have been no other changes in the share capital of our Company since the date of its incorporation.

Save as disclosed in this section and in the following table and the section entitled "Restructuring Exercise" of this Offer Document, there were no changes in the issued and paid-up share capital or changes to the registered share capital of our Company and our subsidiaries within the three (3) years preceding the Latest Practicable Date:

Don Agro JSC

Date	Number of shares cancelled/issued	Consideration	Purpose of issue	Resultant paid-up share capital
7 March 2019	(a) Cancellation of 250,000,000 shares with a par value of RR1 for each share; and (b) issue of 250,000,000 shares with a par value of RR0.48 for each share	Not applicable	Reduction of charter capital(1)	RR120,000,000(2)

Notes:

(1) The purpose of the cancellation and issue of shares is to reduce the charter capital of Don Agro JSC. Please refer to the section entitled "Restructuring Exercise" of this Offer Document for details of the reduction of the charter capital of Don Agro JSC.

(2) The procedural requirements for the reduction of the charter capital of Don Agro JSC from RR250,000,000 to RR120,000,000 were completed in May 2019.

Save as disclosed in this section and in the table above, no share in or debenture of our Company or our subsidiaries have been issued, or is proposed to be issued, as fully or partly paid-up for cash, or for a consideration other than cash, since the date of incorporation of our Company and our subsidiaries and up to the date of lodgement of this Offer Document.

SHAREHOLDING AND OWNERSHIP STRUCTURE

The Directors and Substantial Shareholders of our Company and their respective shareholdings immediately before and after the Placement are summarised below:

	After the Share Split but immediately before the Placement				After the Placement			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors								
Evgeny Tugolukov	117,500,000	92.3	–	–	117,500,000	78.2	–	–
Marat Devlet-Kildeyev	7,500,000	5.9	–	–	7,500,000	5.0	–	–
Ravi Chidambaram	–	–	–	–	–	–	–	–
Tan Han Beng	–	–	–	–	–	–	–	–
Edwin Tham Soong Meng	–	–	–	–	–	–	–	–
Other Shareholders								
PPCF(1)	2,272,700	1.8	–	–	2,272,700	1.5	–	–
Public	–	–	–	–	23,000,000	15.3	–	–
Total	127,272,700	100.0	–	–	150,272,700	100.0	–	–

Note:

(1) Pursuant to the Management Agreement and as part of PPCF's management fees as the Sponsor and Issue Manager, our Company issued and allotted 2,272,700 new Shares to PPCF, representing approximately 1.8% of the issued share capital of our Company prior to the Placement, at the Placement Price for each Share. After the completion of the relevant moratorium periods as set out in the section entitled "Shareholders – Moratorium" of this Offer Document, PPCF may be disposing its shareholding interests in our Company at its discretion.

There are no relationships among our Directors, Substantial Shareholders and Executive Officers.

As at the Latest Practicable Date, our Company has only one (1) class of shares, being our Shares which are in registered form. The Shares held by our Directors and Substantial Shareholders do not carry voting rights that are different from the Placement Shares.

Our Directors are not aware of any arrangement, the operation of which may, at a subsequent date, result in a change in control of our Company. There has been no public take-over offer by a third party in respect of our Shares or by our Company in respect of the shares of another corporation or units of business trust which has occurred between the date of the incorporation of our Company to the Latest Practicable Date.

Save as disclosed above, our Company is not directly or indirectly owned or controlled, whether jointly or severally by any other corporation, government or person.

Save as disclosed above and in the sections entitled "Restructuring Exercise" and "Share Capital" of this Offer Document, no shares or debentures were issued or agreed to be issued by our Company for cash or for a consideration other than cash since the date of incorporation of our Company and up to the date of lodgement of this Offer Document.

There are no Shares in our Company that are held by or on behalf of our Company or by the subsidiaries of our Company.

SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP

Save as disclosed above and in the sections entitled "Restructuring Exercise" and "Share Capital" of this Offer Document, there were no significant changes in the percentage of ownership of Shares in our Company between the date of incorporation of our Company and the Latest Practicable Date.

MORATORIUM

Evgeny Tugolukov

As a demonstration of his commitment to our Company, our Controlling Shareholder and Executive Chairman, Evgeny Tugolukov, who holds an aggregate of 117,500,000 Shares (representing approximately 78.2% of our Company's post-Placement share capital), has undertaken to the Issue Manager and Sponsor not to, amongst others, sell, transfer, assign, dispose of, or realise or enter into any agreement that will directly or indirectly constitute or will be deemed as a disposal of any part of his shareholdings in our Company immediately after the Placement for a period of six (6) months commencing from our Company's date of admission to Catalist, and for a period of six (6) months thereafter not to sell, transfer, assign, dispose of, realise or enter into any agreement that directly or indirectly constitute or will be deemed as a disposal of any part of his shareholding interests in our Company to below 50.0% of his original shareholdings in our Company.

Marat Devlet-Kildeyev

As a demonstration of his commitment to our Company, our Chief Executive Officer, Marat Devlet-Kildeyev, who holds an aggregate of 7,500,000 Shares (representing approximately 5.0% of our Company's post-Placement share capital), has undertaken to the Issue Manager and Sponsor not to, amongst others, sell, transfer, assign, dispose of, or realise or enter into any agreement that will directly or indirectly constitute or will be deemed as a disposal of any part of his shareholdings in our Company immediately after the Placement for a period of six (6) months commencing from our Company's date of admission to Catalist, and for a period of six (6) months thereafter not to sell, transfer, assign, dispose of, realise or enter into any agreement that directly or indirectly constitute or will be deemed as a disposal of any part of his shareholding interests in our Company to below 50.0% of his original shareholdings in our Company.

PPCF

Pursuant to the Management Agreement and as part of PPCF's fees as the Sponsor and Issue Manager, our Company issued and allotted an aggregate of 2,272,700 Shares (representing approximately 1.5% of our Company's post-Placement share capital) at the Placement Price. PPCF has undertaken not to, amongst others, sell, transfer, assign, dispose of, or realise or enter into any agreement that will directly or indirectly constitute or will be deemed as a disposal of any part of their respective shareholdings in our Company immediately after the Placement for a period of three (3) months commencing from our Company's date of admission to Catalist. After the expiry of the aforementioned relevant moratorium period. PPCF may dispose its shareholding interest in our Company at it discretion.

DILUTION

There is no dilution as our NAV per Share of our Group immediately after the Placement is a premium to the Placement Price paid by the subscribers of our Shares in this Placement. Our NAV per Share as at 30 June 2019 before adjusting for the estimated net proceeds due to our Company from the Placement and based on the pre-Placement issued and paid-up share capital of 127,272,700 Shares was 28.08 cents per Share.

Pursuant to the Placement in respect of 23,000,000 Placement Shares at the Placement Price, our NAV per Share as at 30 June 2019 after adjusting for the estimated net proceeds due to our Company from the Placement and based on the post-Placement issued and paid-up share capital of 150,272,700 Shares would have been 26.70 cents. This represents an immediate decrease in NAV per Share of 1.38 cents to our existing Shareholders and an immediate increase in NAV per Share of 4.70 cents or approximately 21.36% to our new public investors.

The following table illustrates the premium on our NAV per Share as at 30 June 2019:

	Cents
Placement Price for each Share	22.00
NAV per Share adjusted for the Restructuring Exercise and the issue of the PPCF Shares and based on the pre-Placement share capital of 127,272,700 Shares	28.08
(Decrease) in NAV per Share attributable to existing Shareholders	(1.38)
NAV per Share[(1)] after the Placement and based on the post-Placement share capital of 150,272,700 Shares	26.70
Increase in NAV per Share to new public Shareholders	4.70
Increase in NAV per Share to new public Shareholders (%)	21.36

Note:

(1) NAV per Share after the Placement of approximately S$40.1 million based on the equity attributable to owners of the Company as at 30 June 2019 after an adjustment of approximately S$4.4 million following the issuance and allotment of the Placement Shares.

The following table summarises the total number of Shares acquired by and/or issued to our existing Shareholders from the date of the incorporation of our Company, the total consideration paid by them and the average effective cash cost per Share to them and to the new public investors who subscribe for the Placement Shares pursuant to the Placement:

	Number of Shares acquired by and/or issued to such Shareholder	Total consideration (S$)	Average effective cash cost per Share (cents)
Existing shareholders			
Evgeny Tugolukov	117,500,000	13,166,580	11.21
Marat Devlet-Kildeyev	7,500,000	840,420	11.21
Others			
PPCF[(1)]	2,272,700	500,000	22.00
New public shareholders	23,000,000	5,060,000	22.00

Note:

(1) Pursuant to the Management Agreement and as part of PPCF's management fees as the Sponsor and Issue Manager, our Company issued and allotted 2,272,700 PPCF Shares, representing approximately 1.8% of the issued share capital of our Company prior to the Placement, at the Placement Price for each PPCF Share.

Our Group was formed through the Restructuring Exercise. The rationale for the Restructuring Exercise was to streamline the corporate structure and business activities of our Group for the purposes of the Placement. Pursuant to the Restructuring Exercise, our Company became the holding company of our Group. The Restructuring Exercise involved the following:

(a) Incorporation of our Company

Our Company was incorporated on 16 October 2018 in Singapore in accordance with the Companies Act as a private company limited by shares with an issued and paid-up share capital of S$100 comprising 100 Shares of which 6.0% and 94.0% are held by Marat Devlet-Kildeyev and Evgeny Tugolukov respectively. On 4 February 2020, our Company was converted into a public company and the name of our Company was changed to "Don Agro International Limited".

(b) Disposal of Krinichansky and reduction of the charter capital of Don Agro JSC

Krinichansky and Don Agro JSC have had net assets lower than its respective charter capital since 31 December 2015 ("**Charter Capital Non-compliance**"). Under Russian law, where a joint-stock company has net assets lower than its respective charter capital in any financial year, it is required to, within six (6) months upon completion of the relevant financial year (i) reduce the charter capital to an amount not exceeding the amount of the net assets of the company; or (ii) carry out liquidation. If the joint-stock company fails to comply with these requirements, the Russian tax authority can seek the involuntary liquidation of such company in court, and the company's creditors will have the right to accelerate their claims or demand early performance of the company's obligations as well as demand compensation of any damages. There are no other negative consequences provided for under Russian law. As at the Latest Practicable Date, to the best of our knowledge and belief, the Russian tax authority has not sought the involuntary liquidation of either Krinichansky or Don Agro JSC in court.

In addition, as Krinichansky has more than 50 shareholders, it is technically required to make certain corporate disclosures such as publishing an annual report; however, it has inadvertently omitted to make the relevant corporate disclosures ("**Corporate Disclosure Non-compliance**") since 2012 as it has not had any significant business activities since 2010 and our Group had intended to either wind up or dispose of Krinichansky. Krinichansky is not a wholly-owned subsidiary of our Group and does not have any external debts or borrowings and does not hold any key assets or have any operations or business. The Corporate Disclosure Non-compliance may result in an administrative fine on Krinichansky of up to RR1 million as well as an administrative fine on the general director of Krinichansky of up to RR50,000 or disqualification of such general director from the ability to, amongst others, occupy positions in the executive body and supervisory board of a legal entity for up to two (2) years. Notwithstanding, Nektorov, Saveliev & Partners, the Legal Adviser to our Company on Russian Law, has advised that it is not typical for a general director to be held liable for such Corporate Disclosure Non-compliance. None of our Directors or Executive Officers was the general director of Krinichansky at the material time. Tetra JSC and Don Agro JSC have, pursuant to respective sale and purchase agreements dated 18 November 2018 entered into with Nikolay Cherchaga (an unrelated third party), disposed of their entire interests in Krinichansky, comprising an aggregate of 89.6% of the capital of Krinichansky, for a consideration of approximately S$2,100 (equivalent to approximately RR0.1 million). The consideration was determined based on the unaudited NTA of Krinichansky as at 30 June 2018. No representations or warranties were made by Tetra JSC and Don Agro JSC in the respective sale and purchase agreements in relation to the Charter Capital Non-compliance and the Corporate Disclosure Non-compliance. The disposal of Krinichansky was completed in December 2018.

Don Agro JSC is a wholly-owned subsidiary of our Group and does not have any operations or business, but holds our Group's interest in Selkhoztekhnika and Rassvet. Accordingly, a shareholders' resolution was duly passed on 30 November 2018 to reduce the charter capital of Don Agro JSC and the notification on Don Agro JSC's shareholders' resolution to reduce the charter capital was submitted to the Russian tax authority on 3 December 2018 and registered with the Central Bank of the Russian Federation on 28 February 2019. The procedural requirements for the reduction of the charter capital of Don Agro JSC were completed in May 2019. With the completion of the procedural requirements for the reduction of the charter capital of Don Agro JSC, Nektorov, Saveliev & Partners, the Legal Adviser to our Company on Russian Law, is of the view that there is minimal risk of involuntary liquidation by the Russian tax authority as a consequence of the past Charter Capital Non-compliance as an involuntary liquidation is an extraordinary sanction which is generally rejected by the Russian courts. As at the Latest Practicable Date, Don Agro JSC does not have any external debts or borrowings, and as such, in the event of an involuntary liquidation, its assets will be distributed to its creditors which are entities within our Group.

(c) Transfer by Tetra JSC of minority interests in Don Agro JSC, Don Agro LLC and Happy Cow to our Company

The Russian Civil Code requires that a Russian corporate entity must not have as its sole shareholder, another corporate entity consisting of a single shareholder. Accordingly, in compliance with the requirements of the Russian Civil Code, Tetra JSC had, on 28 December 2018, transferred 0.01% and 1.0% of the shareholding interests in each of the capitals of Don Agro LLC and Happy Cow to our Company for a consideration of RR82,000 and RR1,000 (equivalent to approximately S$1,763 and S$22 respectively), respectively, based on the net assets of Don Agro LLC as at 30 June 2018 (in the case of Don Agro LLC) and the charter capital of Happy Cow (in the case of Happy Cow). In addition, Tetra JSC had, on 15 January 2019, transferred 0.01% of the shareholding interests in the capital of Don Agro JSC to our Company for a consideration of RR25,000 (equivalent to approximately S$514), based on the charter capital of Don Agro JSC.

(d) Acquisition of Tetra JSC

Pursuant to a share swap agreement dated 21 November 2019 entered into between our Company and Vallerd Investments, our Company acquired from Vallerd Investments the entire issued and paid-up share capital of Tetra JSC held by it, comprising an aggregate of 62,403,000 ordinary shares for a total consideration of S$35,741,000 based on the unaudited NTA of Tetra JSC and its subsidiaries as at 30 June 2019. The purchase consideration was satisfied by the issue and allotment of an aggregate of 9,999,900 Shares in the capital of our Company ("**Consideration Shares**") credited as fully paid-up on 23 December 2019 and was arrived at on a willing buyer willing seller basis.

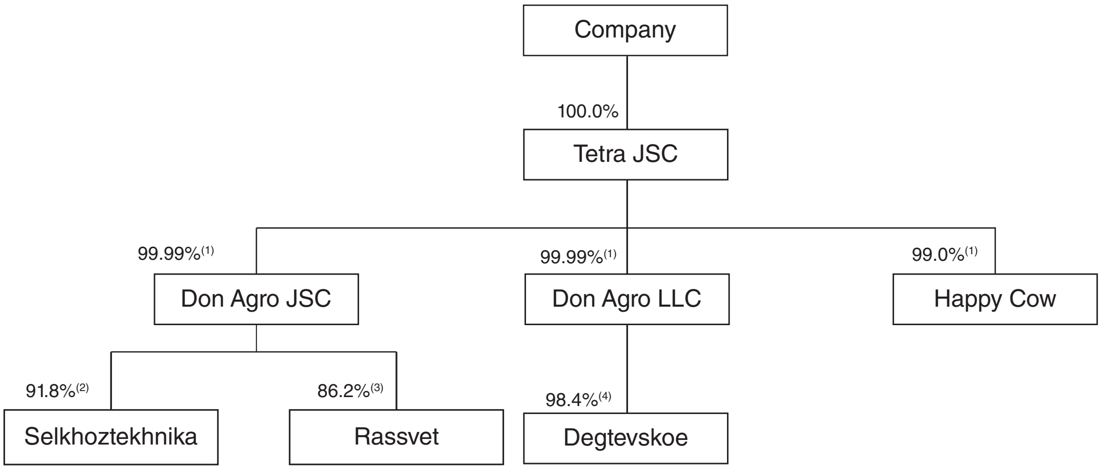
(e) Transfer of Shares from Vallerd Investments

On 27 December 2019, Vallerd Investments transferred the Consideration Shares to Marat Devlet-Kildeyev and Evgeny Tugolukov for a total consideration of S$1.00, in proportion to their respective shareholding interests in Vallerd Investments. Following such transfer, Marat Devlet-Kildeyev and Evgeny Tugolukov hold 600,000 Shares (representing 6.0% of our Company's issued and paid-up share capital immediately upon completion of the Restructuring Exercise) and 9,400,000 Shares (representing 94.0% of our Company's issued and paid-up share capital immediately upon completion of the Restructuring Exercise), respectively.

Please refer to the section entitled "Group Structure" of this Offer Document for details of our Group structure upon completion of the Restructuring Exercise.

GROUP STRUCTURE

Our Group structure immediately after the Restructuring Exercise and as at the date of this Offer Document is as follows:



Notes:

(1) The remaining 0.01%, 0.01% and 1.0% shareholding interests in Don Agro JSC, Don Agro LLC and Happy Cow respectively are held directly by our Company as the Russian Civil Code requires that a Russian corporate entity must not have another corporate entity consisting of a single shareholder as its sole shareholder.

(2) This refers to the percentage of voting rights held by Don Agro JSC in Selkhoztekhnika. The share capital of Selkhoztekhnika comprises an aggregate of 118,800 ordinary shares with par value of RR10 each ("**Selkhoztekhnika Ordinary Shares**") (of which 115,837 Selkhoztekhnika Ordinary Shares are held by Don Agro JSC) and 39,599 preferred shares with nominal value of RR10 each ("**Selkhoztekhnika Preferred Shares**") (of which 29,556 Selkhoztekhnika Preferred Shares are held by Don Agro JSC). The Selkhoztekhnika Preferred Shares were issued in 13 June 2002. On issue, the Selkhoztekhnika Preferred Shares did not carry voting rights apart from a number of issues provided by the JSC Law (such as in relation to the reorganization or liquidation of the company) and did not have any preference status in the event of declaration of dividend or liquidation. Under JSC Law, as Selkhoztekhnika has not distributed dividends to its shareholders since 2008, the holders of the Selkhoztekhnika Preferred Shares now have full voting rights as with the holders of the Selkhoztekhnika Ordinary Shares in the capital of Selkhoztekhnika. Accordingly as at the Latest Practicable Date, the Selkhoztekhnika Preferred Shares are ranked *pari passu* in all respects with the existing Selkhoztekhnika Ordinary Shares. The remaining 8.2% shareholding interest representing voting rights in Selkhoztekhnika are held by unrelated third parties, who were employees of the state company and who had acquired their shareholding interest in Selkhoztekhnika when the state company was reorganised into the Open Joint-Stock Company "Selkhoztekhnika". As at the Latest Practicable Date, to the best of our knowledge, such third party shareholders are not Sanctioned Subjects.

(3) The remaining 13.8% shareholding interest in Rassvet is held by unrelated third parties, who were employees of the state collective farm and who had acquired their shareholding interest in Rassvet when the state collective farm was reorganised into the Closed Joint-Stock Company "Rassvet". As at the Latest Practicable Date, to the best of our knowledge, such third party shareholders are not Sanctioned Subjects.

(4) This refers to the percentage of voting participatory interests held by Don Agro LLC in Degtevskoe. The charter capital of Degtevskoe comprises the nominal value of the participatory interests (or shares) of its participants (or shareholders), of which approximately 98.4% is held by Don Agro LLC, approximately 1.4% is held by Degtevskoe and approximately 0.2% is held by unrelated third parties. The participatory interests held by Degtevskoe are dormant and are not taken into account for voting and distributions. The unrelated third parties were employees of the state collective farm and who had acquired their shareholding interest in Degtevskoe when the state collective farm was reorganised into the Limited Liability Company "Degtevskoe". As at the Latest Practicable Date, to the best of our knowledge, such third party shareholders are not Sanctioned Subjects.

GROUP STRUCTURE

There are currently no restrictions under Russian law for the listing of a company, which is incorporated outside Russia but which has all or majority of its assets in Russia, on an overseas stock exchange. Accordingly, Nektorov, Saveliev & Partners, the Legal Adviser to our Company on Russian Law, is of the view that our Group structure as at the date of this Offer Document is in compliance with all applicable Russian laws and regulations.

Our subsidiaries

The details of our subsidiaries are as follows:

Name of entity	Date and place of incorporation	Principal business activities/ principal place of business	% Ownership interest held by our Company[(1)]	Board of directors	Auditors
Degtevskoe[(2)]	9 December 2008/Russia	Growing grain crops/Russia	98.4%	Marat Devlet-Kildeyev Aleksei Zaitsev Maxim Kukhta Artur Nazaryan Vadim Novikov	–[(5)]
Don Agro LLC	9 October 2009/ Russia	Cultivation of cereal crops and other business activities as permitted by law/ Russia	100.0%	Marat Devlet-Kildeyev Aleksei Zaitsev Maxim Kukhta Artur Nazaryan Vadim Novikov	LLC "Audit-Vela"[(6)]
Don Agro JSC	4 April 2003/ Russia	Agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semi-finished goods and other business activities permitted by law/ Russia	100.0%	Marat Devlet-Kildeyev Aleksei Zaitsev Maxim Kukhta Artur Nazaryan Vadim Novikov	LLC "Audit-Vela"[(6)]
Happy Cow	19 February 2015/Russia	Dairy farming and unpasteurised milk production/Russia	100.0%	–[(7)]	–[(5)]
Rassvet[(3)]	30 December 1991/Russia	Growing of cereals and other business activities permitted by law/ Russia	86.2%	Marat Devlet-Kildeyev Aleksei Zaitsev Maxim Kukhta Artur Nazaryan Vadim Novikov	LLC "Audit-Vela" [(6)]
Selkhoztekhnika[(4)]	10 December 1998/Russia	Lease and management of own or leased commercial immovable property and other business activities permitted by law/ Russia	91.8%	Marat Devlet-Kildeyev Aleksei Zaitsev Maxim Kukhta Artur Nazaryan Vadim Novikov	LLC "Audit-Vela" [(6)]

GROUP STRUCTURE

Name of entity	Date and place of incorporation	Principal business activities/ principal place of business	% Ownership interest held by our Company(1)	Board of directors	Auditors
Tetra JSC	19 September 2011/Russia	Purchase and sale of immovable property and other business activities permitted by law/ Russia	100.0%	Marat Devlet-Kildeyev Aleksei Zaitsev Maxim Kukhta Artur Nazaryan Vadim Novikov	LLC "Marus" (6)

Notes:

(1) The ownership interest comprises the direct interest held by our Company and indirect interest held by our Company through our subsidiaries.

(2) This refers to the percentage of voting participatory interests held by Don Agro LLC in Degtevskoe. The charter capital of Degtevskoe comprises the nominal value of the participatory interests (or shares) of its participants (or shareholders), of which approximately 98.4% is held by Don Agro LLC, approximately 1.4% is held by Degtevskoe and approximately 0.2% is held by unrelated third parties. The participatory interests held by Degtevskoe are dormant and are not taken into account for voting and distributions. The unrelated third parties were employees of the state collective farm and who had acquired their shareholding interest in Degtevskoe when the state collective farm was reorganised into the Limited Liability Company "Degtevskoe".

(3) The remaining 13.8% shareholding interest in Rassvet is held by 134 other unrelated third party shareholders.

(4) This refers to the percentage of voting rights held by Don Agro JSC in Selkhoztekhnika. The share capital of Selkhoztekhnika comprises an aggregate of 118,800 Selkhoztekhnika Ordinary Shares (of which 115,837 Selkhoztekhnika Ordinary Shares are held by Don Agro JSC) and 39,599 Selkhoztekhnika Preferred Shares (of which 29,556 Selkhoztekhnika Preferred Shares are held by Don Agro JSC). The Selkhoztekhnika Preferred Shares were issued in 13 June 2002. On issue, the Selkhoztekhnika Preferred Shares did not carry voting rights apart from a number of issues provided by the JSC Law (such as in relation to the reorganisation or liquidation of the company) and did not have any preference status in the event of declaration of dividend or liquidation. Under JSC Law, as Selkhoztekhnika has not distributed dividends to its shareholders since 2008, the holders of the Selkhoztekhnika Preferred Shares now have full voting rights as with the holders of Selkhoztekhnika Ordinary Shares in the capital of Selkhoztekhnika. Accordingly as at the Latest Practicable Date, the Selkhoztekhnika Preferred Shares are ranked *pari passu* in all respects with the existing Selkhoztekhnika Ordinary Shares. The remaining 8.2% shareholding interest representing voting rights in Selkhoztekhnika are held by five (5) other unrelated third party shareholders.

(5) Under the LLC Law, a limited liability company is not required to appoint an auditor. Our Company had appointed KPMG LLC as an external auditor to perform audit/review work in respect of our Group (comprising our Company and subsidiaries) in accordance with the SFRS(I).

(6) Appointed as auditors to perform local statutory audit for the entities.

(7) Under the LLC Law, a limited liability company is not required to appoint a board of directors unless otherwise provided by its charter. As at the Latest Practicable Date, Happy Cow is not a Principal Subsidiary of the Company and does not carry on any business. Our Chief Executive Officer and Executive Director, Marat Devlet-Kildeyev, is currently the general director of Happy Cow and Happy Cow does not have any other employees. In the event that Happy Cow commences any substantive business operations, our Group will procure the appointment of a board of directors as appropriate.

Save as disclosed above, our Group does not have any subsidiaries or associated companies.

Our subsidiaries are not listed on any stock exchange.

The following summary of financial information should be read in conjunction with the full text of this Offer Document, including the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position", the "Independent Auditors' Report and the Audited Combined Financial Statements for the Years Ended 31 December 2016, 31 December 2017 and 31 December 2018 of Don Agro International Limited and its Subsidiaries" and the "Independent Auditors' Review Report and Unaudited Condensed Combined Interim Financial Statements for the Six-month Period Ended 30 June 2019 of Don Agro International Limited and its Subsidiaries" as set out in Appendices A and B, respectively, of this Offer Document.

OPERATING RESULTS OF OUR GROUP

A summary of the financial information of our Group in respect of FY2016, FY2017 and FY2018 as extracted from the "Independent Auditors' Report and the Audited Combined Financial Statements for the Years Ended 31 December 2016, 31 December 2017 and 31 December 2018 of Don Agro International Limited and its Subsidiaries" as set out in Appendix A of this Offer Document and the HY2018 and HY2019 as extracted from the "Independent Auditors' Review Report and Unaudited Condensed Combined Interim Financial Statements for the Six-month Period Ended 30 June 2019 of Don Agro International Limited and its Subsidiaries" as set out in Appendix B of this Offer Document is set out below:

OUR COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	← Audited →			← Unaudited →	
S$'000	**FY2016**	**FY2017**	**FY2018**	**HY2018**	**HY2019**
Revenue	30,979	23,193	24,375	7,826	11,640
Cost of sales	(31,668)	(21,495)	(22,017)	(7,196)	(9,624)
Gain from change in fair value of biological assets and agricultural produce	6,602	5,049	6,704	1,826	3,226
Gross profit	5,913	6,747	9,062	2,456	5,242
Administrative expenses	(954)	(1,482)	(1,291)	(569)	(949)
Other operating income/(expenses), net	1,004	(522)	(1,005)	356	494
Results from operating activities	5,963	4,743	6,766	2,243	4,787
Finance income	168	182	158	111	63
Finance costs	(1,796)	(751)	(482)	(295)	(444)
Net finance costs	(1,628)	(569)	(324)	(184)	(381)
Profit before tax	4,335	4,174	6,442	2,059	4,406
Tax expense	(132)	(78)	(54)	(32)	(124)
Profit for the year/period	**4,203**	**4,096**	**6,388**	**2,027**	**4,282**
Profit attributable to:					

	Audited			Unaudited	
S$'000	**FY2016**	**FY2017**	**FY2018**	**HY2018**	**HY2019**
Owners of the company	4,237	4,101	6,389	2,035	4,259
Non-controlling interests	(34)	(5)	(1)	(8)	23
Profit for the year/period	4,203	4,096	6,388	2,027	4,282
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss:					
Foreign currency translation differences arising from functional and presentation currency	3,302	(547)	(4,761)	(1,796)	2,703
Other comprehensive income for the year/period, net of tax	3,302	(547)	(4,761)	(1,796)	2,703
Total comprehensive income for the year/period	7,505	3,549	1,627	231	6,985
Total comprehensive income attributable to:					
Owners of the Company	7,539	3,554	1,628	239	6,962
Non-controlling interests	(34)	(5)	(1)	(8)	23
Total comprehensive income for the year/period	7,505	3,549	1,627	231	6,985
Earnings per share					
Pre-Placement EPS(1) (cents)	3.33	3.22	5.02	1.60	3.35
Post-Placement EPS(2)(3) (cents)	2.82	2.73	4.25	1.35	2.83

Notes:

(1) For comparative purposes, the pre-Placement EPS for the Period Under Review have been computed based on the total profit attributable to owners of the Company and our Company's pre-Placement share capital of 127,272,700 Shares.

(2) Had the Service Agreements (as set out in the section entitled "Directors, Management and Staff – Service Agreements" of this Offer Document) been in effect since 1 January 2018, our audited combined profit before tax, profit attributable to owners of the Company and EPS computed based on our Company's post-Placement share capital of 150,272,700 Shares for FY2018 would have been approximately S$5.9 million, S$5.8 million and 3.88 cents respectively, after an adjustment of approximately S$0.6 million.

(3) For comparative purposes, the post-Placement EPS for the Period Under Review have been computed based on the profit attributable to owners of the Company and our Company's post-Placement share capital of 150,272,700 Shares.

OUR COMBINED STATEMENTS OF FINANCIAL POSITION

S$'000	Audited As at 31 December 2016	Audited As at 31 December 2017	Audited As at 31 December 2018	Unaudited As at 30 June 2019
Assets				
Property, plant and equipment	12,714	12,255	10,794	11,318
Biological assets	5,369	8,875	7,999	9,074
Right-of-use assets	–	–	–	5,368
Other non-current assets	20	8	31	31
Non-current assets	18,103	21,138	18,824	25,791
Biological assets	5,498	4,359	5,647	18,573
Current tax assets	20	28	25	26
Inventories	5,582	10,293	12,363	5,876
Investments	2,384	2,339	–	385
Trade and other receivables	1,492	1,724	688	2,160
Cash and cash equivalents[(1)]	1,636	1,952	1,263	1,809
Current assets	16,612	20,695	19,986	28,829
Total assets	34,715	41,833	38,810	54,620
Equity				
Share capital	14,007	14,007	14,007	14,007
Capital reserves	6,456	10,687	11,024	10,971
Foreign currency translation reserve	1,319	772	(3,989)	(1,286)
Accumulated (losses)/profits	(2,106)	1,995	8,384	12,049
Equity attributable to the owners of the Company	19,676	27,461	29,426	35,741
Non-controlling interests	24	19	18	41
Total equity	19,700	27,480	29,444	35,782
Liabilities				
Loans and borrowings	11,090	4	1,002	1,432
Lease liabilities	520	189	128	4,559
Deferred income	66	126	168	155
Non-current liabilities	11,676	319	1,298	6,146

S$'000	Audited As at 31 December 2016	As at 31 December 2017	As at 31 December 2018	Unaudited As at 30 June 2019
Loans and borrowings	1	11,549	5,877	7,046
Lease liabilities	166	95	30	1,391
Current tax liabilities	51	2	2	45
Trade and other payables	2,001	1,138	1,226	3,454
Deferred income	16	33	52	28
Provisions	1,104	1,217	881	728
Current liabilities(2)	**3,339**	**14,034**	**8,068**	**12,692**
Total liabilities	**15,015**	**14,353**	**9,366**	**18,838**
Total equity and liabilities	**34,715**	**41,833**	**38,810**	**54,620**
NAV per Share (cents)(3)(4)	15.46	21.58	23.12	28.08

Notes:

(1) The Group's cash and bank balances are placed in banks and financial institutions such as Sberbank and RSHB where their predominate place of operations is in Russia. Please refer to the sections entitled "Capitalisation and Indebtedness" and "General Information on Our Group – Sanctions Laws and Regulations" of this Offer Document for details about Sberbank and RSHB.

(2) The decrease in current liabilities from approximately S$14.0 million as at 31 December 2017 to approximately S$8.1 million as at 31 December 2018 was mainly due to (i) the repayment of certain loans to RSHB and Sberbank; and (ii) the reclassification of the Breached Facilities from current liabilities to non-current liabilities following the receipt of written confirmations from the relevant banks. Please refer to the section entitled "Capitalisation and Indebtedness" for details of the Breached Facilities.

(3) NAV is based on equity attributable to owners of the Company.

(4) NAV per share is computed based on the equity attributable to owners of the Company and our Company's pre-Placement share capital of 127,272,700 Shares.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The following discussion of our business, financial condition and results of operations for Don Agro International Limited should be read in conjunction with the full text of this Offer Document, including the section entitled "Selected Combined Financial Information" of this Offer Document, the "Independent Auditors' Report and the Audited Combined Financial Statements for the Years Ended 31 December 2016, 31 December 2017 and 31 December 2018 of Don Agro International Limited and its Subsidiaries" and the "Independent Auditors' Review Report and Unaudited Condensed Combined Interim Financial Statements for the Six-month Period Ended 30 June 2019 of Don Agro International Limited and its Subsidiaries" as set out in Appendices A and B, respectively, of this Offer Document.

This discussion and analysis contains forward-looking statements which involve risks and uncertainties. Our actual results may differ from those anticipated in these forward-looking statements. Factors that might cause our actual future results to differ from those projected in the forward-looking statements include, but not limited to, those discussed below and elsewhere in this Offer Document, particularly in the section entitled "Risk Factors" of this Offer Document.

OVERVIEW

We are one of the largest agricultural companies in the Rostov region in Russia principally engaged in the cultivation of agricultural crops and the production of raw milk. We have a controlled land bank of approximately 53,200 hectares, of which approximately 41,167 hectares are arable land. As at the Latest Practicable Date, we own approximately 13,640 hectares of our controlled land bank.

Our principal operating subsidiary is Don Agro LLC and we operate three (3) production divisions in the Rostov region, namely the Northern production division, the Western production division and the Eastern production division. All of our production divisions undertake both crop production and milk production and each production division has its own storage facilities and dedicated parking area for our machinery.

Crop segment

Crop production is one of our core businesses and all of our arable land is located in the Rostov region, which is one of the most fertile regions in Russia, and is approximately 220 km away from the Azov Sea and Don River international ports. This allows our customers, who are mainly traders and exporters, to save on transportation costs and, as a result, be able to offer higher prices for our crops. We are primarily engaged in the farming of commercial crops such as winter wheat, sunflower, sorghum, corn and flax.

Our grain production is executed based on modern agricultural technologies and our Group also employs modern machinery and equipment manufactured by John Deere, New Holland and Claas Jaguar to optimise our efficiency and productivity.

We have eight (8) grain storage facilities with total grain storage capacity of up to 63,000 tonnes, all of which are typically fully utilised from July to January. Our grain storage facilities are located in our Northern and Western production divisions.

We sell our agricultural produce primarily to international and local grain traders and exporters on an invited tender basis and the tender is awarded based on the highest price and best transportation conditions offered by the traders.

Livestock segment

According to data from the Ministry of Agriculture of Rostov[3], we are one of the top farms in terms of milk production in the Rostov region, accounting for approximately 9.7% of the total milk produced (excluding household milk production[4]) in the Rostov region in 2018. The top three (3) farms in terms of milk production in the Rostov region accounted for approximately 31.3% of the total milk produced in the Rostov region in 2018 (excluding household milk production[4]). As at the Latest Practicable Date, we own approximately 4,201 heads of dairy cattle which includes approximately 2,073 milking cows. We produce and sell raw milk to dairy processing companies for the production of fresh milk and other high-end processed dairy products. Our customers compete for our raw milk and we generally choose to sell to a single large dairy processing company in any given year, based on the highest price terms and conditions offered. While we typically enter into a general supply agreement with such customer, such supply agreement will allow for price negotiations on a regular basis based on market conditions.

We operate five (5) dairy farms and have facilities to house our dairy herd, our calves and heifers as well as for fodder storage on each of our farms. In general, our milk is sold at our dairy farms and transportation of the raw milk is undertaken by our customers.

3 The Ministry of Agriculture of Rostov has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the information extracted from their databases, reports or articles, and is therefore not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor, Issue Manager and Placement Agent have taken reasonable actions to ensure that the information from the Ministry of Agriculture of Rostov has been reproduced in its proper form and context, and that the information has been extracted accurately and fairly from such database, reports and articles, neither we, the Sponsor, Issue Manager and Placement Agent nor any other party has conducted an independent review of the information contained in that database, reports or articles or verified the accuracy of the contents of the relevant information.

4 Household milk production refers to raw milk produced by dairy cows owned by a household for internal consumption.

Revenue

Our revenue is derived mainly from the following business segments:

(a) Sale of crop production

Revenue from the sale of crop production was approximately S$24.7 million, S$15.1 million, S$16.7 million, S$3.8 million and S$6.7 million, representing approximately 79.9%, 64.9%, 68.6%, 49.2% and 57.7% of our total revenue for FY2016, FY2017, FY2018, HY2018 and HY2019 respectively. The sale of winter wheat and sunflower accounted for approximately 88.8%, 86.2%, 93.5%, 92.5% and 94.1% of our revenue from the sale of crop production for FY2016, FY2017, FY2018, HY2018 and HY2019 respectively. Our Group also produced and sold other crops which include corn, sorghum, flax, chick-peas and barley. The following table summarises the breakdown of volume sold and revenue from each type of crops for FY2016, FY2017, FY2018, HY2018 and HY2019:

	FY2016		FY2017		FY2018		HY2018		HY2019(3)	
Type of crop	**Volume (tonnes)**	**S$'000**	**Volume (tonnes)**	**S$'000**	**Volume (tonnes)**	**S$'000**	**Volume (tonnes)**	**S$'000**	**Volume (tonnes)**	**S$'000**
Winter wheat	72,462	12,215	69,362	11,112	47,758	10,393	2,686	291	–	–
Sunflower	22,517	9,769	5,118	1,870	16,887	5,246	8,398	3,269	15,036	6,325
Corn	11,728	1,909	6,715	1,059	2,712	543	1,154	103	1,593	368
Sorghum	1,019	429	2,914	550	2,093	239	1,002	102	–	–
Flax	N.M.(2)	27	1,221	459	454	214	–	–	–	–
Others(1)	2,042	400	N.M.(2)	6	771	88	N.M.(2)	84	N.M.(2)	28
Total	109,768	24,749	85,330	15,056	70,675	16,723	13,240	3,849	16,629	6,721

Notes:

(1) Others include barley, spring wheat, ginger and chick-peas.

(2) N.M. means not meaningful.

(3) No crop was produced in HY2019 as the harvest will take place in the second half of FY2019. As at the Latest Practicable Date, our Directors are of the view that there are no known factors which may have a material impact on the harvest of our winter wheat, corn, sunflower and flax in the second half of 2019. Our Group has not cultivated sorghum in FY2018 and as such no sorghum will be harvested in FY2019.

(b) Sale of livestock and milk

Revenue from our sale of livestock and milk was approximately S$6.1 million, S$8.0 million, S$7.5 million, S$3.9 million and S$4.9 million, representing approximately 19.7%, 34.5%, 30.7%, 49.7% and 41.8% of our total revenue for FY2016, FY2017, FY2018, HY2018 and HY2019 respectively. Sale of raw milk accounted for approximately 84.3%, 91.5%, 90.7%, 92.6% and 89.7% of our revenue from the sale of livestock and milk for FY2016, FY2017, FY2018, HY2018 and HY2019 respectively.

The following table summarises the breakdown of sale of livestock and raw milk for FY2016, FY2017, FY2018, HY2018 and HY2019:

S$'000	FY2016	FY2017	FY2018	HY2018	HY2019
Sale of raw milk	5,138	7,322	6,791	3,599	4,371
Sale of livestock	957	676	694	289	500
Total	6,095	7,998	7,485	3,888	4,871

We sold 9,214 tonnes, 10,764 tonnes, 11,478 tonnes, 5,801 tonnes and 7,228 tonnes of milk and the actual average daily milk yield per cow was approximately 15.00 litres, 15.86 litres, 16.20 litres, 16.10 litres and 20.47 litres for FY2016, FY2017, FY2018, HY2018 and HY2019 respectively. The average price of our raw milk sold per litre (excluding value added tax) was approximately S$0.56, S$0.68, S$0.59, S$0.62 and S$0.60 for FY2016, FY2017, FY2018, HY2018 and HY2019 respectively.

(c) Services provided

Revenue from services provided was approximately S$0.1 million, S$0.1 million, S$0.2 million, S$0.1 million and S$48,000, representing approximately 0.4%, 0.6%, 0.7%, 1.1% and 0.4% of our total revenue for FY2016, FY2017, FY2018, HY2018 and HY2019 respectively. Revenue from services provided are mainly derived from rental income of our unused buildings that are leased to third parties and unused pastures leased to small farmers.

From FY2018, revenue from sale of goods and services in the ordinary course of business is recognised when our Group satisfies a performance obligation ("**PO**") by transferring control of a promised good or service to our customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

The transaction price is the amount of consideration in the contract to which our Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if our Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

Prior to FY2018, revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risk and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of the revenue can be measured reliably. Revenue is presented net of VAT.

The timing of the transfers of risks and rewards varies depending on the individual terms of the sales agreement. For sale of agricultural produce, the transfer usually occurs when the customer collects the goods from our Group entities' warehouses. For sale of livestock, transfer occurs on receipt by the customer.

Our revenue is mainly dependent on the following factors:

(a) market prices and seasonality factors of our agricultural produce which may affect timing of our sale;

(b) crop harvest yield which is affected by factors such as weather conditions and crops quality and dairy yield which is affected by the fat and protein levels of the milk can significantly affect revenue;

(c) market prices and seasonality factors of key raw materials such as fertilisers, pesticides, fodder components and fuel;

(d) the outlook of the agricultural industry in Russia, which is in turn dependent on the health of the general economy;

(e) macroeconomic factors and general economic conditions in Russia; and

(f) our ability to compete effectively with our competitors.

Please refer to the section entitled "Risk Factors" of this Offer Document for other factors which may affect our revenue and our financial performance.

Cost of sales

Our cost of sales comprised mainly biological assets sold, wages and salaries, depreciation, operating lease expenses, growing and harvesting services, energy utilities, taxes, impairment loss on inventories and others. Our cost of sales was approximately S$31.7 million, S$21.5 million, S$22.0 million, S$7.2 million and S$9.6 million, representing approximately 102.2%, 92.7%, 90.3%, 91.9% and 82.7% of our total revenue in FY2016, FY2017, FY2018, HY2018 and HY2019 respectively.

A breakdown of our cost of sales for the Period Under Review is set out below:

	FY2016		FY2017		FY2018		HY2018		HY2019	
	S$'000	%	S$'000	%	S$'000	%	S$'000	%	S$'000	%
Biological assets sold	20,456	64.6	12,296	57.2	10,827	49.1	2,904	40.4	5,577	58.0
Wages and salaries	4,713	14.9	4,199	19.5	4,796	21.8	2,262	31.4	1,869	19.4
Depreciation	2,128	6.7	1,398	6.5	1,625	7.4	503	7.0	393	4.1
Operating lease expenses	1,559	4.9	1,153	5.4	1,542	7.0	425	5.9	579	6.0
Growing and harvesting services	727	2.3	767	3.6	1,032	4.7	320	4.4	418	4.4
Energy utilities	345	1.1	327	1.5	410	1.9	222	3.1	205	2.1
Taxes	152	0.5	158	0.7	149	0.7	35	0.5	67	0.7
Impairment loss on inventories in relating to agriculture produce	223	0.7	103	0.5	314	1.4	94	1.3	108	1.1
Others[(1)]	1,365	4.3	1,094	5.1	1,322	6.0	431	6.0	408	4.2
Total	31,668	100.0	21,495	100.0	22,017	100.0	7,196	100.0	9,624	100.0

Note:

(1) Others comprised repair costs, goods for resale, storage services, delivery services and other miscellaneous items.

Biological assets sold mainly relate to the cost of raw materials such as fertilisers, fuel, spare parts, pesticides and seeds that are used in production and the cumulative fair value changes that were recognised on the agricultural produce as at the date of harvest. Wages and salaries relate to the remuneration of our operation staff. Depreciation relates to machinery, equipment, properties and other fixed assets used for our agricultural production. Operating lease expenses are rental payments which include reimbursement of land tax to land owners and rental payments which are mostly payments in-kind through our agricultural produce. Such rental payments in-kind for agricultural land is common in Russia and the rental terms are typically determined on an arm's length basis, based on factors including (i) the type of crop; (ii) the average market price of such crop; (iii) the general prevailing market lease rates of the agricultural land; and (iv) the duration of the lease. The amount of rental is determined and reflected in our Group's combined financial statements based on the fair value of such agricultural produce. Growing and harvesting services relate to expenses for the hiring of additional machinery for quicker harvest and transportation of agricultural produce. Energy utilities relate to expenses of water, electricity and gas. Taxes mainly relate to property tax expenses incurred in connection with building and machinery owned by our Group, land tax expenses and environmental tax expenses. Impairment loss in relating to agriculture produce mainly relate to write-down of inventories.

Our cost of sales is mainly dependent on the following factors:

(a) changes in prices of raw materials such as seeds, fertilisers, fuel and diesel, pesticides, and spare parts;

(b) changes in fair value of our crops as at the point of harvest;

(c) changes in labour costs; and

(d) the equipment and machinery used for agricultural activity and depreciation expenses.

Gain from change in fair value of biological assets and agricultural produce

Biological assets consist of (i) unharvested crops which are crops that are still in cultivation and permanent grasses such as alfalfa grown for the preparation of dairy fodder; (ii) mature livestock which are dairy cows that are able to produce milk; and (iii) immature livestock which are heifers and calves that are raised to produce milk in the future. Mature livestock, immature livestock and permanent grasses are classified as non-current assets, while unharvested crops are classified as current assets in our Group's combined statements of financial position. Permanent grasses are recognised at cost and will not have any gain or loss arising from change in fair value as their fair value cannot be measured reliably. Agricultural produce refers to our harvested crops which are accounted for under inventories in our Group's combined statements of financial position.

The difference between the initial recognition of our biological assets and agricultural produce and the fair value less costs to sell our biological assets and agricultural produce is recognised as gain or loss from change in fair value which is recorded as a line item to before our gross profit. However, any gain or loss arising from the revaluation of agriculture produce at the date of harvest will be recorded as part of the cost of goods sold when the agriculture produce is sold.

Fair value measurement

Our Group has an established control framework with respect to the measurement of fair value. This includes a finance team that has overall responsibility for all significant fair value measurements and reports directly to our CFO.

When measuring the fair value of an asset or a liability, our Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	Inputs other than quoted prices included in Level 1 that are observable for the asset of liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)
Level 3	Inputs for the asset of liability that are not based on observable market date (unobservable inputs)

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The fair value of agricultural produce is measured at the point of harvest and is based on the market price of agricultural produce less incremental costs directly attributable to the sale of harvested crops (excluding any finance costs and income taxes) which is categorised as Level 3 fair value. Upon harvest, our agricultural produce is recognised at fair value and accounted for under inventories. Subsequent to the transfer from biological assets to inventories, agriculture produce transferred to inventories is not revalued further for any fair value changes.

The fair value measurements for the unharvested crops and livestock have been categorised as Level 3 fair values based on the inputs to the valuation techniques used. The valuation techniques used in measuring the Level 3 fair values of the unharvested crops and livestocks, as well as the significant unobservable inputs used are shown in the table below:

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Discounted cash flow: The valuation model considers the present value of the net cash flows expected to be generated by the crops that are in growing stage as at the year end. The cash flow projection include the planted area, expected yield, market price and future cost to grow and sell. The expected net cash flows are discounted using a risk-adjusted discount rate.	• Market prices for crop in the same region (in RR/ tonne excluding VAT): *FY2016: 8,489; FY2017: 8,636; FY2018: 10,151; and HY2019: 9,088* • Risk-adjusted discount rate[(1)]: *FY2016: 16.10%; FY2017: 15.20%; FY2018: 15.20%; and HY2019: 15.20%* • Expected yield (tonne/hectare): *FY2016: 4.12; FY2017: 3.00; FY2018: 3.88; and HY2019: 3.93* • Future cost to grow and sell (in RR/hectare)[(2)]: *FY2016: 10,416; FY2017: 14,478; FY2018: 12,683; and HY2019: 5,323*	The estimated fair value would increase (decrease) if: • the expected yields were higher (lower); • the market prices for crop in the same region were higher (lower); • future cost to grow and sell were lower (higher); or • the risk-adjusted discount rates were lower (higher).
Discounted cash flow: Fair value is determined using the cash flow model discounted using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the asset. The cash flow model is based on the physiological characteristics of the animals and management expectations concerning the potential productivity.	• Length of lactation period (years): *FY2016: 2.25; FY2017: 2.95; FY2018: 3.21; and HY2019: 3.03* • Herd average daily milk yield (litres): *FY2016: 15.00; FY2017: 15.86; FY2018: 17.78; and HY2019: 19.01* • Market prices for milk in the same region (in RR/ litre excluding VAT): *FY2016: 26.69; FY2017: 28.46; FY2018: 27.52; and HY2019: 29.01* • Risk-adjusted discount rate[(1)]: *FY2016: 16.10%, FY2017: 15.20%; FY2018: 15.20%; and HY2019: 15.20%*	The estimated fair value would increase (decrease) if: • the lengths of lactation period were higher (lower); • the herd average daily milk yields were higher (lower); • the market prices for milk in the same region were higher (lower); or • the risk-adjusted discount rates were lower (higher).

Notes:

(1) The risk-adjusted discount rate is computed using the weighted average cost of capital ("**WACC**") of the Group, which is determined based on (i) our Group's cost of equity; (ii) our Group's cost of debt; (iii) risk free return rate based on Russian federal bonds; and (iv) adjusted by risk premium. The discount rates used for the fair valuation were 16.10%,

15.20%, 15.20% and 15.20% in FY2016, FY2017, FY2018 and HY2019 respectively. There was a decrease in the discount rate from 16.10% in FY2016 to 15.20% in FY2017 mainly due to lower cost of debt as our Group had obtained bank loans at subsidised rates in FY2017 as a result of initiatives from the Russian government.

(2) Future cost to grow and sell represents the expected cost to be incurred by the Group for the cultivation of winter wheat as at the end of the financial year/period until harvest. The future cost to grow and sell of RR5,323 per hectare for HY2019 (as at 30 June 2019) was significantly lower as substantial cost would have been incurred in the first half of 2019. Accordingly, the future cost expected to be incurred from 1 July 2019 till harvest is significantly lower as compared to FY2016, FY2017 and FY2018 (as at 1 January of each respective year).

Future cost of grow and sell of winter wheat increased from RR10,416 per hectare in FY2016 to RR14,478 per hectare in FY2017 as the Group had expected an increase in the cost cultivation which include mainly harvesting services, fertilisers and chemicals.

Future cost of grow and sell of winter wheat decreased from RR14,478 per hectare in FY2017 to RR12,683 in FY2018 as the Group had projected the cost for FY2018 based on, amongst other, analysis of the actual cost incurred in FY2017.

The fair value of unharvested crops is based on a discounted cash flows model using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

The fair value of livestock is based on a discounted cash flows model using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. The management reviews the assumptions and estimates either annually or at the relevant milestones to identify any significant change in the fair value of our biological assets and agricultural produce.

Gain from changes in fair value of biological assets and agriculture produce were approximately S$6.6 million, S$5.0 million, S$6.7 million, S$1.8 million and S$3.2 million for FY2016, FY2017, FY2018, HY2018 and HY2019 respectively and accounted for approximately 21.3%, 21.8%, 27.5%, 23.3% and 27.7% of our total revenue in FY2016, FY2017, FY2018, HY2018 and HY2019 respectively.

Please refer to notes 3.16 and 6 of the "Independent Auditors' Report and the Audited Combined Financial Statements for the Years Ended 31 December 2016, 31 December 2017 and 31 December 2018 of Don Agro International Limited and its Subsidiaries" as set out in Appendix A of this Offer Document and to notes 3 and 7 of the "Independent Auditors' Review Report and Unaudited Condensed Combined Interim Financial Statements for the Six-month Period Ended 30 June 2019 of Don Agro International Limited and its Subsidiaries" as set out in Appendix B of this Offer Document for further details of the fair value of biological assets and agricultural produce.

Gross profit and gross profit margin

Gross profit is determined by deducting the cost of sales from our revenue after adjustment of gain or loss from change in fair value of our biological assets and agricultural produce. Hence, the key determinants of gross profit are the revenue generated from sales of crop, livestock and milk, cost of sales and fair value of biological assets and agricultural produce.

Our gross profit margins were approximately 19.1%, 29.1%, 37.2%, 31.4% and 45.0% for FY2016, FY2017, FY2018, HY2018 and HY2019 respectively.

Administrative expenses

Our administrative expenses comprised material expenses, wages and salaries, depreciation, information, consulting and other professional services, rent expenses, repair costs, business travel expenses and other expenses. Our total administrative expenses were approximately S$1.0 million, S$1.5 million, S$1.3 million, S$0.6 million and S$0.9 million and accounted for approximately (3.1)%, (6.4)%, (5.3)%, (7.3)% and (8.2)% of our total revenue in FY2016, FY2017, FY2018, HY2018 and HY2019 respectively.

Other operating income/(expenses), net

Other operating income/(expenses), net comprised mainly government grants, income from accounts payable write-off, recovery of impairment or provision made of trade and other receivables, penalties, professional services incurred for research and development, other taxes, bank services, loss on disposal of property, plant and equipment, withholding tax and other expenses. Other operating income/(expenses), net was approximately S$1.0 million, S$(0.5) million, S$(1.0) million, S$0.4 million and S$0.5 million and accounted for approximately 3.2%, (2.3)%, (4.1)%, 4.5% and 4.2% of our total revenue in FY2016, FY2017, FY2018, HY2018 and HY2019 respectively.

Finance income

Finance income comprised mainly interest income in relation to short term loan agreement with an immediate holding company and bank deposits. Finance income was approximately S$0.2 million, S$0.2 million, S$0.2 million, S$0.1 million and S$0.1 million and accounted for approximately 0.5%, 0.8%, 0.6%, 1.4% and 0.5% of our total revenue in FY2016, FY2017, FY2018, HY2018 and HY2019 respectively.

Finance costs

Finance costs comprised mainly interest expenses and government grants compensating finance cost. Finance costs was approximately S$1.8 million, S$0.8 million, S$0.5 million, S$0.3 million and S$0.4 million and accounted for approximately (5.8)%, (3.2)%, (2.0)%, (3.8)% and (3.8)% of our total revenue in FY2016, FY2017, FY2018, HY2018 and HY2019 respectively.

Income tax expense

Our overall effective tax rate was approximately 3.0%, 1.9%, 0.8%, 1.6% and 2.8% for FY2016, FY2017, FY2018, HY2018 and HY2019 respectively. Our effective tax rates for FY2016, FY2017, FY2018, HY2018 and HY2019 were significantly lower than the Russian statutory corporate tax rate of 20.0% as our agricultural activities qualify for the status of agricultural producers that were taxed at 0%.

Our Group has unrecognised deferred tax assets relating to unutilised tax losses of approximately S$1.1 million, S$1.0 million, S$1.3 million and S$0.4 million as at 31 December 2016, 31 December 2017, 31 December 2018 and 30 June 2019 respectively. Due to amendments to the Russian tax legislation, starting from 1 January 2017, tax losses carried forward do not expire, but may be set off only against 50.0% of taxable profits. The deferred tax assets are not recognised as there is no evidence of probable future taxable profits related to Group's non-core activities.

Our Group has also not recognised deferred tax liabilities relating to its investments in subsidiaries, as our Group is able to control the timing of reversal of the difference, and such reversal is not expected in the foreseeable future.

RESULTS OF OPERATIONS

Breakdown of our past performance by business segments and geographical markets

A breakdown of our revenue, profit before income tax and profit before income tax margin by business segments for FY2016, FY2017,FY2018, HY2018 and HY2019 are set out below.

Revenue by business segments

	FY2016		FY2017		FY2018		HY2018		HY2019	
	S$'000	%	S$'000	%	S$'000	%	S$'000	%	S$'000	%
Crop segment	24,749	79.9	15,056	64.9	16,723	68.6	3,849	49.2	6,721	57.7
Livestock segment	6,095	19.7	7,998	34.5	7,485	30.7	3,888	49.7	4,871	41.8
Others	135	0.4	139	0.6	167	0.7	89	1.1	48	0.5
Total	**30,979**	**100.0**	**23,193**	**100.0**	**24,375**	**100.0**	**7,826**	**100.0**	**11,640**	**100.0**

Profit before income tax

	FY2016		FY2017		FY2018		HY2018		HY2019	
	S$'000	%	S$'000	%	S$'000	%	S$'000	%	S$'000	%
Crop segment	4,863	112.2	(782)	(18.7)	6,900	92.4	3,474	168.7	3,180	66.1
Livestock segment	(661)	(15.2)	4,895	117.3	630	8.4	(1,388)	(67.4)	1,643	34.2
Others	133	3.0	61	1.4	(61)	(0.8)	(27)	(1.3)	(14)	(0.3)
Total	**4,335**	**100.0**	**4,174**	**100.0**	**7,469**(1)	**100.0**	**2,059**	**100.0**	**4,809**	**100.0**

Note:

(1) Excluding listing expenses of approximately S$1.0 million as it was not incurred by any of our Group's business segments.

Profit before income tax margin

%	FY2016	FY2017	FY2018	HY2018	HY2019
Crop segment	19.6	(5.2)	41.3	90.3	47.3
Livestock segment	(10.8)	61.2	8.4	(35.7)	33.7
Others	98.5	43.9	(36.5)	(30.3)	(29.2)

Revenue by geographical markets

Our revenue for the Period Under Review was derived solely from Russia. Accordingly, a breakdown of analysis by geographical market is not meaningful.

REVIEW OF PAST PERFORMANCE

FY2016 vs FY2017

Revenue

Our total revenue decreased by approximately S$7.8 million or 25.1% from approximately S$31.0 million in FY2016 to approximately S$23.2 million in FY2017. The decrease was attributable to a decrease in the revenue from the sale of crop production of approximately S$9.7 million mainly due to (i) lower yield of our crops as a result of a reduction in arable land by approximately 4,000 hectares due to expiration of certain leases; and (ii) a lower volume of crops sold due to lower prices in FY2017. The decrease was partially offset by an increase in revenue from the sale of livestock and milk of approximately S$1.9 million mainly due to (i) higher volume of raw milk sold due to an increase in the number of our milking cows from 1,838 to 2,005; (ii) an increase in our gross milk yield per cow from 15.00 litres to 15.86 litres; and (iii) higher price of raw milk.

Cost of sales

Our cost of sales decreased by approximately S$10.2 million or 32.1% from approximately S$31.7 million in FY2016 to approximately S$21.5 million in FY2017. The decrease was mainly attributable to (i) a decrease in biological assets sold of approximately S$8.2 million mainly due to a decrease of arable land, a decrease in agricultural produce and a corresponding decrease in usage of raw materials such as fertilisers and fuel; (ii) a decrease in wages and salaries of approximately S$0.5 million mainly due to lesser manpower required due to lower yield of our crops; (iii) a decrease in depreciation expenses of approximately S$0.7 million mainly due to the disposal of Volgo-Agro; (iv) a decrease in operating lease expenses of approximately S$0.4 million mainly due to a decrease in arable land following the expiration of certain leases; and (v) a decrease in impairment loss on inventories in relation to agriculture produce of approximately S$0.1 million mainly due to the write-off of low quality milk which was attributed to an increase in our milk production volume. This was partially offset by an increase in growing and harvesting services expenses of approximately S$0.1 million due to additional costs incurred to speed up our harvesting.

Gains from change in fair value of biological assets and agricultural produce

Our gains from change in fair value of biological assets and agricultural produce decreased by approximately S$1.6 million or 23.5% from approximately S$6.6 million in FY2016 to approximately S$5.0 million in FY2017. This decrease was mainly due to significantly lower gain in the fair value of crops of approximately S$6.0 million as a result of (i) the expected lower yield of winter wheat in FY2017 which was still in cultivation as at the date of fair valuation, being 31 December 2017; and (ii) lower acreage of winter wheat cultivated. This decrease was partially offset by a gain in fair value of livestock in FY2017 of approximately S$4.5 million instead of a loss in fair value in FY2016 mainly due to increase in milk price and milk yield.

Gross profit and gross profit margin

Our gross profit increased by approximately S$0.8 million or 14.1% from approximately S$5.9 million in FY2016 to approximately S$6.7 million in FY2017. The increase was mainly due to a decrease in cost of sales of approximately S$10.2 million. This was partially offset by (i) a decrease in revenue of approximately S$7.8 million; and (ii) a decrease in gain from change in fair value of biological assets and agricultural produce of approximately S$1.6 million.

Our gross profit margin as a percentage increased from approximately 19.1% in FY2016 to approximately 29.1% in FY2017. The increase was mainly attributable to a higher corresponding decrease in cost of sales mainly attributable to lower revaluation of sold biological assets.

Administrative expenses

Administrative expenses increased by approximately S$0.5 million or 55.3% from approximately S$1.0 million in FY2016 to approximately S$1.5 million in FY2017. The increase was mainly due to (i) an increase in wages and salaries of approximately S$0.2 million as a result of more security staff being employed; and (ii) an increase in information, consulting and other professional services of approximately S$0.3 million mainly attributable to audit services, due diligence services and ecological appraisal.

Other operating income/(expenses), net

Our other operating income, net decreased by approximately S$1.5 million or 152.0% from net other operating income of approximately S$1.0 million in FY2016 to net other operating expenses incurred of approximately S$0.5 million in FY2017. The decrease was mainly due to (i) a decrease in government grants of approximately S$0.7 million; (ii) a decrease in income from accounts payable write-off of approximately S$0.1 million; (iii) withholding tax incurred of approximately S$0.3 million for provision of interest expenses of certain promissory notes to our Controlling Shareholder; (iv) an increase in impairment loss on other inventories of approximately S$0.1 million; and (v) an increase in other expenses, such as research and development expenses, of approximately S$0.2 million.

Finance income

Finance income remained largely unchanged at approximately S$0.2 million for FY2016 and FY2017.

Finance costs

Finance costs decreased by approximately S$1.0 million or 58.2% from approximately S$1.8 million in FY2016 to approximately S$0.8 million in FY2017 mainly due to a decrease in interest expenses of approximately S$1.0 million as a result of (i) lower loans and borrowings; and (ii) the settlement of promissory notes owed to our Controlling Shareholder.

Profit before tax

Profit before tax decreased by approximately S$0.2 million or 3.7% from approximately S$4.3 million in FY2016 to approximately S$4.1 million in FY2017 mainly due to (i) an increase in administrative expenses of approximately S$0.5 million; and (ii) net other operating expenses incurred of approximately S$1.5 million. This was offset by (i) an increase in gross profit of approximately S$0.8 million; and (ii) a decrease in net finance cost of approximately S$1.0 million.

Tax expenses

Tax expenses decreased by approximately S$54,000 or 40.9% from approximately S$132,000 in FY2016 to approximately S$78,000 in FY2017. Our effective income tax rate in FY2016 was approximately 3.0% as compared to approximately 1.9% in FY2017. The lower income tax rate was due mainly to lower profits generated from qualifying agriculture production which are not tax exempted.

FY2017 vs FY2018

Revenue

Our total revenue increased by approximately S$1.2 million or 5.1% from approximately S$23.2 million in FY2017 to approximately S$24.4 million in FY2018. This increase was mainly attributable to the increase in the revenue from the sale crop production of approximately S$1.7 million as a result of the sale of a portion of our agricultural produce harvested in FY2017 in FY2018 and higher prices of winter wheat, corn and sunflower. The increase was partially offset by the decrease in revenue from the sale of livestock and milk of approximately S$0.5 million mainly due to a depreciation in RR and a slight decrease in the price of raw milk in FY2018 despite an increase in volume of raw milk sold.

Cost of sales

Our cost of sales increased by approximately S$0.5 million or 2.4% from approximately S$21.5 million in FY2017 to approximately S$22.0 million in FY2018. The increase was mainly attributable to (i) an increase in wages and salaries of approximately S$0.6 million due to the increase in volume of crops sold; (ii) an increase in depreciation expenses of approximately S$0.2 million mainly due to the increase in use of machinery for our operations; (iii) an increase in operating lease expenses of approximately S$0.4 million mainly due to increase in prices of the agricultural produce given to the lessors as lease payment-in-kind; (iv) an increase in growing and harvesting services of approximately S$0.3 million mainly due to increase in agriculture produce sold; (v) an increase in energy utilities of approximately S$0.1 million mainly due to increase in the usage level and the price of diesel; (vi) an increase in impairment loss on inventories relating to agriculture produce by approximately S$0.2 million due to write-down of the milk from sick cows; and (vii) an increase in other expenses of approximately S$0.1 million in relation to delivery services costs to transport the corn to silage pits to ensure the nutrition retention. This was partially offset by a decrease in biological assets sold of approximately S$1.5 million mainly due to a decrease in the revaluation of sold biological assets of approximately S$3.1 million, which is partially offset by an increase in material expenses of approximately S$1.6 million. The decrease in the revaluation of sold biological assets was mainly due to the decrease in the revaluation of livestock as a result of (i) the increase in the expenses of herd management; and (ii) the decrease in price of raw milk.

Gain from change in fair value of biological assets and agricultural produce

Our gain from change in fair value of biological assets and agricultural produce increased by approximately S$1.7 million or 32.8% from approximately S$5.0 million in FY2017 to approximately S$6.7 million in FY2018. This increase was mainly attributable to the higher gain in the fair value of crops of approximately S$5.2 million as a result of (i) the expected higher yield of winter wheat and sunflower in FY2018 which was still in cultivation as at the date of fair valuation, being 31 December 2018; and (ii) higher prices of winter wheat and sunflower due to the expected higher quality of winter wheat and sunflower from higher protein content. The increase was partially offset by a loss in fair value of livestock in FY2018 of approximately S$3.5 million mainly due to the decrease in fair value of our livestock as a result of a slight decrease in the market price for milk and an increase in the expenses of herd management due to higher cost of feeds.

Gross profit and gross profit margin

Our gross profit increased by approximately S$2.3 million or 34.3% from approximately S$6.7 million in FY2017 to approximately S$9.1 million in FY2018 mainly due to (i) an increase in revenue of approximately S$1.2 million; and (ii) an increase in the gain from change in fair value of biological assets and agricultural produce of approximately S$1.6 million. This was partially offset by an increase in the cost of sales of approximately S$0.5 million.

Our gross profit margin as a percentage increased from approximately 29.1% in FY2017 to 37.2% in FY2018. The increase was mainly attributable to the higher revaluation of sold biological assets.

Administrative expenses

Administrative expenses decreased by approximately S$0.2 million or 12.9% from approximately S$1.5 million in FY2017 to approximately S$1.3 million in FY2018. The decrease was mainly due to a decrease in information, consulting and other professional services of approximately S$0.2 million mainly due to the disposal of Volgo-Agro in FY2017, resulting in the non-recurrence of such expenses.

Other operating income/(expenses), net

Our other operating expenses, net increased by approximately S$0.5 million or 92.5% from net other operating expenses of approximately S$0.5 million in FY2017 to net other operating expenses of approximately S$1.0 million in FY2018. This was mainly due to the listing expenses of approximately S$1.0 million in relation to the Listing of the Company which commenced in FY2018. This was partially offset by (i) the increase in government grants received for operational activities of approximately S$0.1 million; (ii) an increase of approximately S$0.2 million in impairment loss on trade and other receivables and short-term investments made; and (iii) the absence of the withholding tax incurred of approximately S$0.3 million for provision of interest expenses of certain promissory notes to controlling shareholder.

Finance income

Our finance income remained approximately constant at approximately S$0.2 million for FY2017 and FY2018.

Finance costs

Finance costs decreased by S$0.3 million or 35.8% from approximately S$0.8 million in FY2017 to approximately S$0.5 million in FY2018 due to a full repayment of certain promissory notes in FY2017.

Profit before tax

Profit before tax increased by approximately S$2.3 million or 54.3% from approximately S$4.1 million in FY2017 to approximately S$6.4 million in FY2018 mainly due to (i) an increase in gross profit of approximately S$2.3 million; (ii) a decrease in administrative expenses of approximately S$0.2 million; and (iii) a decrease in finance costs of approximately S$0.3 million. This was partially offset by an increase in net other operating expenses of approximately S$0.5 million.

Tax expenses

Tax expenses decreased by approximately S$24,000 or 30.8% from approximately S$78,000 in FY2017 to approximately S$54,000 in FY2018. Our effective income tax rate in FY2017 was approximately 1.9% as compared to approximately 0.8% in FY2018. The lower income tax rate was due mainly to lower profits generated from qualifying agriculture production which are not tax exempted.

HY2018 vs HY2019

Revenue

Our total revenue increased by approximately S$3.8 million or 48.7% from approximately S$7.8 million in HY2018 to approximately S$11.6 million in HY2019. This increase was mainly attributable to (i) the increase in the revenue from the sale of crop production of approximately S$2.9 million as a result of the increase in sale of a portion of our agriculture produce harvested in FY2018 in HY2019 due to the higher volume of sunflower sold in HY2019 as compared to HY2018. There was a higher volume of sunflower sold in HY2019 as compared to HY2018 as a substantial volume of sunflower harvested in FY2018 was sold in HY2019 as our Group has forecasted that the price of sunflower will increase in HY2019; and (ii) the increase in the revenue from sale of raw milk of approximately S$0.9 million mainly due to the higher volume and slight increase in prices of milk sold (in RR) in HY2019 as compared to HY2018.

Cost of sales

Our cost of sales increased by approximately S$2.4 million or 33.7% from approximately S$7.2 million in HY2018 to approximately S$9.6 million in HY2019. The increase was mainly attributable to the (i) the increase in biological assets sold of approximately S$2.7 million mainly due to an increase in the revaluation of biological assets sold of approximately S$3.3 million mainly due to a gain in the fair value of sunflower which was harvested in 2018 and sold in HY2019, which was partially offset by a decrease in material expenses of S$0.6 million; (ii) an increase in operating lease expenses mainly of approximately S$0.1 million mainly due to the increase in lease payments and the increase in agriculture produce sold; and (iii) an increase in growing and harvesting services of approximately S$0.1 million mainly due to increase in agriculture produce sold. This was partially offset by (i) a decrease in wages and salaries of approximately S$0.4 million; and (ii) a decrease in depreciation expenses of approximately S$0.1 million.

Gain from change in fair value of biological assets and agricultural produce

Our gain from change in fair value of biological assets and agricultural produce increased by approximately S$1.4 million or 76.7% from approximately S$1.8 million in HY2018 to approximately S$3.2 million in HY2019. This increase was mainly attributable to the decrease in the loss of the fair value of the livestock of approximately S$1.6 million as a result of the increase in the milk yield and slight increase in milk's prices in HY2019 as compared to HY2018. This was partially offset by the decrease in the gain in the fair value of the crops of approximately S$0.2 million as a result of the higher average S$ to RR exchange rate. In RR, our Group recorded an increase in the gain in the fair value of the crops in HY2019 of approximately RR2.6 million as compared to HY2018. This increase was mainly as a result of (i) the expected higher yield of winter wheat and corn in HY2019 which was still in cultivation as at the date of fair valuation, being 30 June 2019; (ii) higher prices of corn and sunflower due to the expected higher quality of corn and sunflower from higher protein content. This increase was partially offset as a result of the lower prices of winter wheat due to expected lower quality for part of the harvest due to heavy rains during the harvesting season.

Gross profit and gross profit margin

Our gross profit increased by approximately S$2.8 million or 113.4% from approximately S$2.5 million in HY2018 to approximately S$5.2 million in HY2019 mainly due to (i) an increase in revenue of approximately S$3.8 million; and (ii) an increase in the gain from change in fair value of biological assets and agricultural produce of approximately S$1.4 million. This was partially offset by an increase in the cost of sales of approximately S$2.4 million.

Our gross profit margin as a percentage increased from approximately 31.4% in HY2018 to 45.0% in HY2019. The increase was mainly attributable to the higher revenue generated from the sale of sunflower and higher revaluation gain of biological assets.

Administrative expenses

Administrative expenses increased by approximately S$0.4 million or 66.8% from approximately S$0.6 million in HY2018 to approximately S$1.0 million in HY2019. The increase was mainly due to the increase in the wages and salaries due to an increase in the headcount of our Group's employees.

Other operating income/(expenses), net

Our other operating income, net increased by approximately S$0.1 million or 38.8% from net other operating income of approximately S$0.4 million in HY2018 to net other operating income of approximately S$0.5 million in HY2019. This was mainly due to the gain in the disposal of a land plot and compensation by the Russian Railways in accordance with Court decision of approximately S$0.6 million. This was partially offset by (i) the listing expenses of approximately S$0.4 million in relation to the professional fees for the listing; and (ii) the decrease in surplus of the inventories of approximately S$0.1 million due to the improvement in managing the stores.

Finance income

Our finance income remained approximately constant at approximately S$0.1 million for HY2018 and HY2019.

Finance costs

Finance costs increased by S$0.2 million or 50.5% from approximately S$0.3 million in HY2018 to approximately S$0.5 million in HY2019 due to the accrual of the interest expenses of approximately S$0.3 million due to the accrual of interest for lease liabilities in HY2019. This was partially offset by the decrease in interest expenses of approximately S$0.1 million as a result of the decrease in the average balance of the bank loans for HY2019.

Profit before tax

Profit before tax increased by approximately S$2.3 million or 114.0% from approximately S$2.1 million in HY2018 to approximately S$4.4 million in HY2019 mainly due to (i) an increase in gross profit of approximately S$2.8 million; and (ii) an increase in net other operating income of approximately S$0.1 million. This was partially offset by (i) an increase in administrative expenses of approximately S$0.4 million; and (ii) an increase in finance costs of approximately S$0.2 million.

Tax expenses

Tax expenses increased by approximately S$0.1 million or 287.5% from approximately S$32,000 in HY2018 to approximately S$0.1 million in HY2019. Our effective income tax rate in HY2018 was 1.6% as compared to 2.8% in HY2019. The higher effective income tax rate was mainly due to the higher profits generated from non-qualifying agriculture production which are not tax exempted in HY2019.

REVIEW OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

Non-current assets

As at 31 December 2018, our non-current assets of approximately S$18.8 million accounted for approximately 48.5% of our total assets. Our non-current assets comprised property, plant and equipment, biological assets and other non-current assets.

As at 31 December 2018, property, plant and equipment of approximately S$10.8 million accounted for approximately 57.3% of our total non-current assets. Our property, plant and equipment comprised mainly land, buildings, plant and equipment, vehicles and construction in progress.

As at 31 December 2018, biological assets of approximately S$8.0 million accounted for approximately 42.5% of our total non-current assets. Our non-current biological assets comprised mainly livestock and permanent grasses. Our non-current biological assets as at 31 December 2018 as compared to 31 December 2017 decreased by approximately S$0.9 million mainly due to the decrease in fair value of our livestock as a result of a decrease in the market price for milk and an increase in the expenses of herd management due to higher cost of feeds and slight decrease in milk price.

As at 31 December 2018, other non-current assets which mainly comprised intangible assets were not material.

Current assets

As at 31 December 2018, our current assets of approximately S$20.0 million accounted for approximately 51.5% of our total assets. Our current assets comprised biological assets, inventories, trade and other receivables, investments, current tax assets and cash and cash equivalents.

As at 31 December 2018, our biological assets of approximately S$5.6 million accounted for approximately 28.3% of total current assets. Our current biological assets comprised mainly unharvested crops. Our current biological assets as at 31 December 2018 as compared to 31 December 2017 increased by approximately S$1.3 million mainly due to increase in fair value of our crops as a result of an increase in the yield and market price of winter wheat.

As at 31 December 2018, our current tax assets were not material.

As at 31 December 2018, our inventories of approximately S$12.4 million accounted for approximately 61.9% of total current assets. Our inventories comprised mainly raw materials and consumables, work in progress, finished goods and provision. Our inventories as at 31 December 2018 as compared to 31 December 2017 increased by approximately S$2.1 million mainly due to (i) an increase in finished goods of approximately S$2.3 million due to increase in crop prices; and (ii) an increase in work in progress of approximately S$0.3 million arising from the cultivation expenses of fallow land and silage. The increase was partially offset due to a decrease in raw materials and consumables of approximately S$0.7 million.

As at 31 December 2018, our investments were nil as there were no short-term bank deposits.

As at 31 December 2018, our trade and other receivables of approximately S$0.7 million accounted for approximately 3.4% of total current assets. Our trade and other receivables comprised mainly trade receivables from external parties, advances paid to suppliers, tax receivable and prepaid listing expenses.

As at 31 December 2018, cash and cash equivalents amounted to approximately S$1.3 million which accounted for approximately 6.3% of total current assets.

Non-current liabilities

As at 31 December 2018, our non-current liabilities of approximately S$1.3 million accounted for approximately 13.9% of our total liabilities. Our non-current liabilities comprised long-term loans and borrowings, finance lease liabilities and deferred income.

As at 31 December 2018, our loans and borrowings of approximately S$1.0 million accounted for approximately 77.2% of our total non-current liabilities which mainly comprised loans from the banks.

As at 31 December 2018, finance lease liabilities of approximately S$0.1 million accounted for approximately 9.9% of our total non-current liabilities. Our finance lease liabilities mainly relate to our agricultural equipment.

As at 31 December 2018, deferred income of approximately S$0.2 million accounted for approximately 12.9% of our total non-current liabilities. Our deferred income mainly relates to the government grants received in relation to our agricultural equipment.

Current liabilities

As at 31 December 2018, our current liabilities of approximately S$8.1 million accounted for approximately 86.1% of our total liabilities. Our current liabilities comprised loans and borrowings, finance lease liabilities, trade and other payables, current tax liabilities, deferred income and provisions.

As at 31 December 2018, loans and borrowings of approximately S$5.9 million accounted for approximately 72.8% of our total current liabilities. Our loans and borrowings comprised bank loans and loans from third parties.

As at 31 December 2018, finance lease liabilities of approximately S$30,000 accounted for approximately 0.4% of our total current liabilities. Our finance lease liability mainly relates to the hire purchase of agricultural equipment.

As at 31 December 2018, current tax liabilities were not material.

As at 31 December 2018, trade and other payables of approximately S$1.2 million accounted for approximately 15.2% of our total current liabilities. Our trade and other payables also comprised advances received from customers, taxes payables other than on income tax, accrued listing expenses and payables to employees.

As at 31 December 2018, deferred income of approximately S$0.1 million accounted for approximately 0.6% of our total current liabilities. Our deferred income mainly relates to the government grants received in relation to our agricultural equipment.

As at 31 December 2018, provisions of approximately S$0.9 million accounted for approximately 10.9% of our total current liabilities. Provisions mainly relate to staff's unused vacation, staff's year-end bonuses and withholding tax provision.

Shareholders' equity

As at 31 December 2018, our total equity of approximately S$29.4 million comprising issued share capital of approximately S$14.0 million, capital reserves of approximately S$11.0 million and accumulated profits of approximately S$8.4 million. This was partially offset by a negative foreign currency translation reserve of approximately S$4.0 million

AS AT 30 JUNE 2019

Non-current assets

As at 30 June 2019, our non-current assets of approximately S$25.8 million accounted for approximately 47.2% of our total assets. Our non-current assets comprised property, plant and equipment, right-of-use assets, biological assets and other non-current assets.

As at 30 June 2019, our property, plant and equipment of approximately S$11.3 million accounted for approximately 43.9% of our total non-current assets. Our property, plant and equipment comprised mainly land, buildings, plant and equipment, vehicles and construction in progress.

As at 30 June 2019, our right-of-use assets of approximately S$5.4 million accounted for approximately 20.8% of our total non-current assets. Our right-of-use assets comprised our leased assets which we have entered into lease agreements with the landlords and the leasing companies. These assets were recognised under the requirements of the SFRS(I) 16 which is effective from 1 January 2019.

As at 30 June 2019, biological assets of approximately S$9.1 million accounted for approximately 35.2% of our total non-current assets. Our non-current biological assets comprised mainly livestock and permanent grasses. Our non-current biological assets as at 30 June 2019 as compared to 31 December 2018 increased by approximately S$1.1 million mainly due to (i) the increase in fair value of our livestock as a result of an increase in milk yield and slight increase in the market price for milk; and (ii) the increase in the cost of the permanent grasses as a result of the increase in usage of fuel, fertilisers, farm machinery and labour for growing the unharvested grasses.

As at 30 June 2019, other non-current assets which mainly comprised intangible assets were not material.

Current assets

As at 30 June 2019, our current assets of approximately S$28.8 million accounted for approximately 52.8% of our total assets. Our current assets consist of biological assets, inventories, trade and other receivables, investments, current tax assets and cash and cash equivalents.

As at 30 June 2019, our biological assets of approximately S$18.6 million accounted for approximately 64.4% of total current assets. Our current biological assets comprised mainly unharvested crops. Our current biological assets as at 30 June 2019 as compared to 31 December 2018 increased by approximately S$12.9 million mainly due to increase in fair value of our crops as a result of an expected increase in the yield and market price of our crops mainly due to expected higher quality.

As at 30 June 2019, our current tax assets were not material.

As at 30 June 2019, our inventories of approximately S$5.9 million accounted for approximately 20.4% of total current assets. Our inventories comprised mainly raw materials and consumables, work in progress, finished goods and provision. Our inventories as at 30 June 2019 as compared to 31 December 2018 decreased by approximately S$6.5 million mainly due to (i) the decrease in finished goods of approximately S$6.4 million due to the sale of the inventories; and (ii) a decrease in raw materials and consumables of approximately S$0.3 million mainly due to the usage of the fertilisers for spring sowing at the end of FY2018. The was partially offset by an increase in work in progress of approximately S$0.2 million mainly due to the increase in usage of fuel, fertilisers, farm machinery and labour for growing the unharvested crops.

As at 30 June 2019, our investments of approximately S$0.4 million comprised solely short-term bank deposits.

As at 30 June 2019, our trade and other receivables of approximately S$2.2 million accounted for approximately 7.5% of total current assets. Our trade and other receivables comprised mainly trade receivables from external parties, advances paid, tax receivable, prepaid listing expenses, and other receivables.

As at 30 June 2019, cash and cash equivalents of approximately S$1.8 million accounted for approximately 6.3% of total current assets.

Non-current liabilities

As at 30 June 2019, our non-current liabilities of approximately S$6.1 million accounted for approximately 32.6% of our total liabilities. Our non-current liabilities comprised long-term loans and borrowings, lease liabilities and deferred income.

As at 30 June 2019, our loans and borrowings of approximately S$1.4 million accounted for approximately 23.3% of our total non-current liabilities which mainly comprised loans from the banks and third parties.

As at 30 June 2019, lease liabilities of approximately S$4.6 million accounted for approximately 74.2% of our total non-current liabilities. Our lease liabilities comprised liabilities for leased land and the hire purchase of agricultural equipment.

Current liabilities

As at 30 June 2019, our current liabilities of approximately S$12.7 million accounted for approximately 67.4% of our total liabilities. Our current liabilities comprised loans and borrowings, lease liability, trade and other payables, current tax liabilities, deferred income and provisions for liabilities.

As at 30 June 2019, loans and borrowings of approximately S$7.0 million accounted for approximately 55.5% of our total current liabilities. Our loans and borrowings comprised bank loans and loans from third parties.

As at 30 June 2019, lease liabilities of approximately S$1.4 million accounted for approximately 11.0% of our total current liabilities. Our lease liabilities mainly relate to the hire purchase of agricultural equipment and the short-term portion of the lease of land plots from landlords.

As at 30 June 2019, current tax liabilities were not material.

As at 30 June 2019, trade and other payables of S$3.5 million accounted for approximately 27.2% of our total current liabilities. Our trade and other payables comprised mainly advances received, taxes payables other than on income tax, accrued listing expenses and payables to employees.

As at 30 June 2019, deferred income was not material.

As at 30 June 2019, provisions of approximately S$0.7 million accounted for approximately 5.7% of our total current liabilities. Provisions mainly relate to staff's unused vacation and withholding tax provision.

Shareholders' equity

As at 30 June 2019, our total equity of approximately S$35.8 million comprising issued share capital of approximately S$14.0 million, capital reserves of approximately S$11.0 million and accumulated profits of approximately S$12.0 million. This was partially offset by a negative foreign currency translation reserve of approximately S$1.3 million.

LIQUIDITY AND CAPITAL RESOURCES

As at the Latest Practicable Date, the Company has two (2) sources of cash categorised as internal and external sources. Internal sources refer to cash generated from our operating activities. External sources of funds comprise mainly borrowings from financial institutions and credit granted by suppliers. The principal uses of these cash sources are to finance purchases, capital expenditure and operating expenses such as rental, payroll and administrative expenses.

The following table sets out a summary of our Company's cash flows for FY2016, FY2017, FY2018 and HY2019.

	←	Audited	→	Unaudited
S$'000	**FY2016**	**FY2017**	**FY2018**	**HY2019**
Net cash from/(used in) operating activities	14,526	(3,855)	3,351	718
Net cash (used in) investing activities	(3,177)	(4,333)	(47)	(1,081)
Net cash (used in)/from financing activities	(10,916)	8,543	(3,733)	786
Net change in cash and cash equivalents	433	355	(429)	423
Net foreign exchange rate fluctuations on cash held	268	(39)	(260)	123
Cash and cash equivalents at beginning of financial year/period	935	1,636	1,952	1,263
Cash and cash equivalents as at end of financial year/period	1,636	1,952	1,263	1,809

FY2016

In FY2016, we recorded a net cash from operating activities of approximately S$14.5 million, which was a result of operating profit before reinvestment in working capital of approximately S$9.7 million, adjusted for working capital inflows of approximately S$4.9 million and tax paid of approximately S$0.1 million. The net working capital inflows were mainly due to the following:

(a) decrease in trade and other receivables of approximately S$1.0 million;

(b) decrease in inventories of approximately S$2.1 million; and

(c) increase in trade and other payables and provisions of approximately S$1.8 million.

Net cash used in investing activities amounted to approximately S$3.2 million, which was mainly attributable to (i) the purchase of property, plant and equipment of approximately S$1.5 million;

and (ii) the issuance of loans of approximately S$2.1 million. This was partially offset by (i) proceeds from the sale of property, plant and equipment of approximately S$0.2 million; and (ii) interest received of approximately S$0.2 million.

Net cash used in financing activities amounted to S$10.9 million, which was mainly attributable to (i) repayment of borrowings of approximately S$14.1 million in relation to the bank loans; and (ii) interest paid of approximately S$0.8 million. This was partially offset by proceeds from borrowings of approximately S$4.0 million from the banks.

As a result of the above cash flows and positive foreign exchange effect from fluctuations on cash held of approximately S$0.3 million, there was a net increase of approximately S$0.7 million in our cash and cash equivalents from approximately S$0.9 million as at 31 December 2015 to approximately S$1.6 million as at 31 December 2016.

FY2017

In FY2017, we recorded a net cash used in operating activities of approximately S$3.9 million, which was a result of operating profit before reinvestment in working capital of approximately S$6.6 million, adjusted for working capital outflows of approximately S$10.3 million and income tax paid of approximately S$0.1 million. The net working capital outflows was mainly due to the following:

(a) increase in trade and other receivables of approximately S$0.8 million;

(b) increase in inventories of approximately S$10.8 million due to stockpile of inventories which were sold in FY2018 and purchase of raw materials and consumables for agriculture production in FY2018; and

(c) decrease in trade and other payables of approximately S$0.7 million.

The above working capital outflows were partially offset mainly by a decrease in biological assets of approximately S$1.8 million.

Net cash used in investing activities amounted to approximately S$4.3 million, which was mainly attributable to (i) purchase of property, plant and equipment of approximately S$2.3 million; (ii) deposits placed with bank of approximately S$2.1 million; (iii) loans issued of approximately S$0.6 million; and (iv) disposal of subsidiary of approximately S$0.1 million. This was partially offset by (i) proceeds from loans returned of approximately S$0.5 million; (ii) proceeds from sale of property, plant and equipment of approximately S$0.1 million; and (iii) interest received of approximately S$0.2 million.

Net cash from financing activities amounted to approximately S$8.5 million, which was mainly attributable to (i) proceeds from borrowings of approximately S$16.3 million from the banks; and (ii) capital contributions from owners of approximately S$0.1 million. This was partially offset by (i) repayment of borrowings of approximately S$7.3 million in relation to the bank loans and the Second Loan (as defined herein); (ii) interest paid of approximately S$0.4 million; and (iii) repayment of finance leases of approximately S$0.2 million.

As a result of the above cash flows, there was a net increase of approximately S$0.4 million in our cash and cash equivalents from approximately S$1.6 million as at 31 December 2016 to approximately S$2.0 million as at 31 December 2017.

FY2018

In FY2018, we recorded a net cash from operating activities of approximately S$3.4 million, which was a result of operating profit before reinvestment in working capital of approximately S$3.8 million, adjusted for working capital outflows of approximately S$0.4 million and income tax paid of approximately S$55,000. The net working capital outflows were due to the increase in inventories of approximately S$5.8 million.

The net working capital outflows were partially offset by the following:

(a) decrease in trade and other receivables of approximately S$0.8 million;

(b) decrease in biological assets of approximately S$4.1 million;

(c) increase in trade and other payables of approximately of S$0.4 million; and

(d) increase in deferred income of approximately S$0.1 million.

Net cash used in investing activities amounted to approximately S$47,000, which was mainly attributable to (i) the deposit returned of approximately S$3.1 million; and (ii) the interest received of approximately S$0.2 million. This was partially offset by (i) purchase of property, plant and equipment of approximately S$2.1 million; and (ii) deposits placed of approximately S$1.2 million.

Net cash used in financing activities amounted to approximately S$3.7 million, which was mainly attributable to (i) repayment of borrowings of approximately S$16.2 million in relation to the bank loans and Second Loan (as defined herein); and (ii) interest paid of approximately S$0.5 million. This was partially offset by proceeds from borrowings of approximately S$13.0 million from the banks.

As a result of the above cash flows and negative foreign exchange effect from fluctuations on cash held of approximately S$0.3 million, there was a net decrease in our cash and cash equivalents from approximately S$2.0 million as at 31 December 2017 to approximately S$1.3 million as at 31 December 2018.

HY2019

In HY2019, we recorded a net cash from operating activities of approximately S$0.8 million, which was a result of operating profit before reinvestment in working capital of approximately S$4.7 million, adjusted for working capital outflows of approximately S$3.9 million, and income tax paid of approximately S$0.1 million. The net working capital outflows were due to following:

(a) increase in trade and other receivables of approximately S$0.7 million; and

(b) increase in biological assets of approximately S$9.2 million.

The net working capital outflows were partially offset by the following:

(a) decrease in inventories of approximately S$4.7 million;

(b) increase in trade and other payables of approximately of S$1.3 million; and

(c) increase in deferred income of approximately S$0.1 million.

Net cash used in investing activities amounted to approximately S$1.1 million, which was mainly attributable to (i) purchase of property, plant and equipment of approximately S$0.8 million; and (ii) deposits placed of approximately S$0.4 million. This was partially offset mainly by interest received of approximately S$0.1 million.

Net cash from financing activities amounted to approximately S$0.8 million, which was mainly attributable to proceeds from borrowings of approximately S$2.9 million from the banks. This was partially offset by (i) repayment of borrowings of approximately S$1.9 million in relation to the bank loans; and (ii) interest paid and payment of lease liabilities of approximately S$0.2 million.

As a result of the above cash flows and positive foreign exchange effect from fluctuations on cash held of approximately S$0.1 million, there was a net increase in our cash and cash equivalents from approximately S$1.3 million as at 31 December 2018 to approximately S$1.8 million as at 30 June 2019.

INFLATION

Our financial performance for the Period Under Review was not materially affected by inflation on a company basis.

CAPITAL EXPENDITURE AND DIVESTMENTS

Capital Expenditure

The capital expenditure made by our Group during the Period Under Review were as follows:

S$'000	FY2016	FY2017	FY2018	HY2019	1 July 2019 up to the Latest Practicable Date
Land	24	8	15	22	118
Buildings	442	809	338	–	135
Plant and equipment	944	1,369	1,511	762	372
Motor vehicles	18	116	56	–	130
Construction in progress	20	–	189	5	–
Total	1,448	2,302	2,109	789	755

The above capital expenditures were primarily financed by internally generated resources.

Divestments

The divestments made by our Group during the Period Under Review were as follows:

S$'000	FY2016	FY2017	FY2018	HY2019	1 July 2019 up to the Latest Practicable Date
Land	–	581	–	64	–
Buildings	118	17	8	13	–
Plant and equipment	460	825	5	–	–
Motor vehicles	14	36	–	–	–
Construction in progress	–	53	4	–	–
Total	592	1,512	17	77	–

Capital Commitments

As at the Latest Practicable Date, save for our property leases, our Group does not have any capital commitments.

FOREIGN EXCHANGE MANAGEMENT

Accounting Treatment of Foreign Currencies

Our Group's audited combined financial statements are presented in S$. The functional currency of the Company is RR. Assets and liabilities are translated from RR to S$ at rates of exchange prevailing at the respective reporting date. All equity items are translated at historical rates. The results for the respective years are translated using the average rate. Resultant exchange differences are recognised directly in equity, in the foreign currency translation reserve.

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of our Group's entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

Please refer to the sections entitled the "Independent Auditors' Report and the Audited Combined Financial Statements for the Years Ended 31 December 2016, 31 December 2017 and 31 December 2018 of Don Agro International Limited and its Subsidiaries" and the "Independent Auditors' Review Report and Unaudited Condensed Combined Interim Financial Statements for the Six-month Period Ended 30 June 2019 of Don Agro International Limited and its Subsidiaries" as set out in Appendices A and B, respectively, of this Offer Document for more details on our accounting treatment of foreign currencies.

Foreign Exchange Exposure

As at the Latest Practicable Date, our business operations are wholly based in Russia and our revenue, cost of sales and consumables and operating expenses are denominated in RR.

As our presentation currency is in S$, our net foreign exchange exposure for FY2016, FY2017, FY2018 and HY2019 were as follows:

	FY2016	FY2017	FY2018	HY2019
Net foreign exchange loss (S$'000)	(145)	(118)	(11)	(3)
As a percentage of revenue (%)	(0.5)	(0.5)	(0.1)	–
As a percentage of profit before tax (%)	(3.3)	(2.8)	(0.2)	(0.1)

We do not currently have a formal hedging policy. However, we may, subject to the approval of our Board, enter into relevant transactions when necessary, to hedge our exposure to foreign currency fluctuations. We will also put in place, where necessary, procedures to hedge our exposure to foreign currency fluctuations. Such procedures will be reviewed and approved by our Audit Committee and our Board.

SIGNIFICANT ACCOUNTING POLICY CHANGES

The changes in the accounting policies disclosed under Note 4 of the "Independent Auditors' Review Report and Unaudited Condensed Combined Interim Financial Statements for the Six-month Period Ended 30 June 2019 of Don Agro International Limited and its Subsidiaries", arose from the adoption of SFRS(I) 16 Leases, which are mandatorily applicable for the Group from 1 January 2019, being the effective date. SFRS(I) 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The Group has applied SFRS(I) 16 using the modified retrospective approach, under which the cumulative effect, if any, of initial application is recognised in retained earnings as at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under SFRS(I) 1-17 Leases and related interpretations. Please refer to the section entitled the "Independent Auditors' Review Report and Unaudited Condensed Combined Interim Financial Statements for the Six-month Period Ended 30 June 2019 of Don Agro International Limited and its Subsidiaries" as set out in Appendix B of this Offer Document for more details on our accounting policies.

Save as disclosed above, there has been no other significant change in the accounting policies for our Group during the Period Under Review.

CAPITALISATION AND INDEBTEDNESS

The following table, which should be read in conjunction with the sections entitled "Selected Combined Financial Information", "Independent Auditors' Report and the Audited Combined Financial Statements for the Years Ended 31 December 2016, 31 December 2017 and 31 December 2018 of Don Agro International Limited and its Subsidiaries" and the "Independent Auditors' Review Report and Unaudited Condensed Combined Interim Financial Statements for the Six-month Period Ended 30 June 2019 of Don Agro International Limited and its Subsidiaries" as set out in Appendices A and B, respectively, of this Offer Document and "Management's Discussion and Analysis of Results of Operations and Financial Position" of this Offer Document, shows our cash and cash equivalents, capitalisation and indebtedness:

(a) as at 30 June 2019 based on our unaudited combined financial statements;

(b) as at the Latest Practicable Date based on our unaudited combined management accounts; and

(c) as adjusted to give effect to the Restructuring Exercise and the application of the net proceeds from the Placement, after deducting estimated listing expenses related to the Placement.

S$'000	**As at 30 June 2019**	**As at the Latest Practicable Date**	**After the Restructuring Exercise and as adjusted for the issue and allotment of the PPCF Shares and the net proceeds from the Placement**
Cash and short term deposits	1,809	4,175	5,485
Non-current			
Secured and guaranteed	1,432	1,549	1,549
Unsecured and unguaranteed	4,559	4,081	4,081
	5,991	5,630	5,630
Current			
Secured and guaranteed	7,046	2,452	2,452
Unsecured and unguaranteed	1,391	789	789
	8,437	3,241	3,241
Total indebtedness	14,428	8,871	8,871
Total shareholders' equity and reserves	35,782	37,659	51,462
Total capitalisation and indebtedness	50,210	46,530	60,333

Credit Facilities

As at the Latest Practicable Date, our Group's credit facilities are as follows:

Financial institution	Nature of facility	Facility amount (S$'000)	Utilised amount (S$'000)	Unutilised amount (S$'000)	Interest rate per annum	Date of loan	Maturity profile
Sberbank	Non-revolving credit facility	18	18	–	13.0%[(1)]	19 May 2017	18 May 2020
Sberbank	Non-revolving credit facility	137	137	–	13.0%[(1)]	19 May 2017	18 May 2020
Sberbank	Non-revolving credit facility	770	760	10	3.2%[(2)]	29 May 2018	28 May 2021
Sberbank	Non-revolving credit facility	206	206	–	10.7%[(3)]	7 September 2018	6 September 2021
Sberbank	Non-revolving credit facility	20	19	1	3.2%[(2)]	6 June 2018	5 June 2021
RSHB	Credit line	2,077	2,077	–	2.45%[(2)]	15 March 2019	12 March 2020
Sberbank	Non-revolving credit facility	146	146	–	3.1%[(2)]	7 May 2019	7 May 2021
Sberbank	Non-revolving credit facility	280	280	–	10.6%	3 April 2019	25 March 2021
Sberbank	Non-revolving credit facility	292	292	–	3.1%[(2)]	7 May 2019	6 May 2020
Sberbank	Non-revolving credit facility	132	132	–	3.5%	4 September 2019	2 September 2022
Total		4,078	4,067	11	N.A	N.A	N.A

Notes:

(1) This credit facility was obtained prior to the implementation and approval granted by the Ministry of Agriculture of Russia in relation to the government incentive scheme that provides financing for qualifying agriculture activities at a subsidised interest rate ("**Interest Rate Subsidy**").

(2) This credit facility was obtained under the Interest Rate Subsidy.

(3) This credit facility was obtained for general working capital purposes such as payment of rental and salary which was not eligible for the Interest Rate Subsidy.

Our credit facilities comprise mainly non-revolving credit facilities. These credit facilities are secured by one or several of (i) charges over fixed deposits and accounts maintained with banks; (ii) corporate and personal guarantees; and (iii) pledge of property, plant and equipment and biological assets. Interest on the non-revolving credit facilities range from 2.5% to 13.0% per annum or such other rate(s) as the bank may determine from time to time.

As at the Latest Practicable Date, we have total credit facilities of approximately S$4.1 million which has been almost fully utilised, except for approximately S$11,000.

As at 30 June 2019, our Group has breached certain financial covenants ("**Breached Covenants**") in respect of certain credit facilities ("**Breached Facilities**") undertaken with Sberbank. The aggregate amount of loans and borrowings pursuant to the Breached Facilities is approximately S$6.9 million as at 30 June 2019, of which approximately S$5.5 million are repayable in 2019 and approximately S$1.4 million are repayable in 2020-2021.

From 1 July 2019 to the Latest Practicable Date, our Group had repaid approximately S$5.1 million of loans and borrowings to the Lenders in accordance with the terms and repayment schedule of the loan agreements of the Breached Facilities. As at the Latest Practicable Date, the remaining outstanding amount of the Breached Facilities is approximately S$1.8 million. Sberbank had, on 30 June 2019, provided written confirmations that our Group is in compliance with all terms and conditions in the applicable facilities, has a favourable credit history and that it has no intention (i) to demand any of the loans provided before its maturity; or (ii) to stop granting new credit lines to our Group.

Since the Latest Practicable Date, our Group has obtained (i) a non-revolving credit facility of approximately S$2.1 million, which has been fully utilised as at the date of this Offer Document, with an interest rate of 2.5% per annum which commences on 2 December 2019 and matures on 30 November 2020; and (ii) a non-revolving credit facility of approximately S$1.9 million, of which approximately S$1.8 million has been utilised as at the date of this Offer Document, with an interest rate of 2.5% per annum which commences on 9 January 2020 and matures on 8 January 2021.

Save as disclosed above, our Directors are not aware of any breaches or non-compliance with any terms or conditions which might cause the banks to cancel, withdraw, suspend, reduce or recall on demand the callable credit facilities as at the Latest Practicable Date.

As at the Latest Practicable Date, we maintain bank accounts with RSHB and Sberbank and have obtained credit facilities from Sberbank for our Group's day to day operations and transactions in the ordinary course of business. RSHB and Sberbank, both of which are state-owned, are included in certain economic and diplomatic sanctions imposed by the U.S. and some of the other G20 Countries. The U.S. sanctions imposed by the OFAC against RSHB and Sberbank under the Executive Order 13662 of 20 March 2014 of the US President include prohibiting transactions in, provision of financing for, or other dealings in new debt greater than 30 days maturity and new equity of the Russian banks, by U.S. persons or within the U.S. These U.S. sanctions overlap with, but are not identical to, the sanctions that have been imposed by some of the other G20 Countries, such as the EU, Canada, Australia and Japan, who have also imposed various asset freezes and travel bans, sectoral sanctions, restrictions on trade in arms and dual-use items and technologies, and trade embargoes on Crimea and Sevastopol. A summary of the financial sectoral sanctions against RSHB and Sberbank (being designated Russian banks) by these countries is set out in the table below:

Country	**Sectoral sanctions**
U.S.	U.S. individuals, companies and other entities (including foreign branches), and persons within the U.S. are prohibited from transacting in, providing financing for or otherwise dealing with the new debt of greater than 30 days maturity or new equity for designated entities in the Russian financial sector, their property, or their interests in property.

Country	Sectoral sanctions
EU	EU nationals and companies are prohibited from buying, selling, or assisting in issuing new bonds, equity, or similar financial instruments with a maturity exceeding 30 days issued by, or providing loans with a maturity exceeding 30 days to five (5) major state-owned Russian banks (including Sberbank and RSHB), subsidiaries outside the EU of such entities, and those acting on their behalf or at their direction.
Canada	Any person in Canada and Canadians abroad are prohibited from dealing in new securities or new debt of longer than 30 days maturity in relation to designated Russian banks (including Sberbank and RSHB).
Australia	Australia generally prohibits direct or indirect purchase or sale of, or any other dealing with, bonds, equity, transferable securities, money market instruments or other similar financial instruments having a maturity exceeding 30 days issued by five (5) designated Russian banks (including Sberbank and RSHB) without a sanctions permit.
Japan	Japan has prohibited investment in securities (including shares and bonds) with a maturity exceeding 90 days issued by five (5) Russian banks (including Sberbank and RSHB) and their subsidiaries. Japan has not prohibited lending to the banks designated for sectoral sanctions.

Nektorov, Saveliev & Partners, the Legal Adviser to our Company on Russian Law, is of the view that the existing dealings of our Group with RSHB and Sberbank would not have any adverse implications to our Group as (i) our Group's bank accounts with RSHB and Sberbank and the credit facilities from Sberbank are used for the Group's day to day operations and transactions in the ordinary course of business, which are not sanctioned activities; (ii) our Group does not engage in any transactions with RSHB and Sberbank which would violate the applicable sanctions regime (such as long-term lending by our Group to these banks); and (iii) our Group does not fall within the criteria set forth by the applicable sanctions regime against RSHB and Sberbank.

Please refer to the section entitled "General Information on Our Group – Sanctions Laws and Regulations" of this Offer Document for further details of International Sanctions Laws and the implications to our Group.

Performance Bonds

As at the Latest Practicable Date, our Group does not have any performance bonds.

Lease Commitments

With the adoption of SFRS(I)16, the lease commitments of the Group comprise finance lease commitments (which relate to hire purchase of machinery and equipment) and operating lease commitments (which relate to property and land leases).

As at 30 June 2019 and the Latest Practicable Date, the lease commitments our Group has were as follows:

S$'000	As at 30 June 2019	As at the Latest Practicable Date
Not later than one (1) year	1,391	789
Later than one (1) year but not later than five (5) years	2,898	2,589
More than five (5) years	1,661	1,488
	5,950	4,866

The above lease commitments are primarily financed by internally generated resources.

Contingent Liabilities

As at the Latest Practicable Date, our Group does not have any contingent liabilities.

WORKING CAPITAL

The Company financed its operations through both internal and external sources. Our internal sources of funds comprised cash generated from our operating activities. Our external sources of funds comprised mainly borrowings from financial institutions and credit granted by suppliers. Please refer to section entitled "Capitalisation and Indebtedness" of this Offer Document for further details.

Our Group had cash and cash equivalents of approximately S$1.6 million, S$2.0 million, S$1.3 million, S$1.8 million and S$4.2 million as at 31 December 2016, 31 December 2017, 31 December 2018, 30 June 2019 and the Latest Practicable Date respectively.

Our Group had substantial net cash from operating activities of approximately S$14.5 million and S$3.3 million for FY2016 and FY2018 respectively and recorded positive working capital of approximately S$13.3 million, S$6.7 million, S$11.9 million and S$16.1 million as at 31 December 2016, 31 December 2017, 31 December 2018 and 30 June 2019 respectively, despite net cash used in operating activities of approximately S$3.9 million in FY2017.

As at the Latest Practicable Date, the Company had total banking facilities of approximately S$4.1 million which has been almost fully utilised, except for approximately S$11,000, representing approximately 0.3% of our total banking facilities. Please refer to the section entitled "Capitalisation and Indebtedness" of this Offer Document for further details.

Our Directors are of the reasonable opinion that, after having made due and careful enquiry and after taking into account the cash flows generated from our operations, our banking facilities and our existing cash and cash equivalents, the working capital available to us as at the date of lodgement of this Offer Document is sufficient for present requirements and for at least 12 months after the listing of our Company on Catalist.

The Sponsor is of the reasonable opinion that, after having made due and careful enquiry and after taking into account the cash flows generated from our Company's operations, our Company's banking facilities and our Company's existing cash and cash equivalents, the working capital available to our Company as at the date of lodgement of this Offer Document is sufficient for present requirements and for at least 12 months after the listing of our Company on Catalist.

HISTORY

Our Company was incorporated on 16 October 2018 in Singapore under the Companies Act as an investment holding private limited company under the name of "Don Agro International Private Limited". Our Company was converted to a public company and renamed "Don Agro International Limited" on 4 February 2020. Our Group's principal business activity is the cultivation of agricultural crops and production of raw milk in Russia.

The table below sets out key milestones in our history:

Year	Event
2009	Don Agro LLC was incorporated in October 2009 as a result of a reorganisation by statutory merger of five (5) agricultural companies, which were privatised state collective farms acquired by LLC Razgulyai-Agro in the Millerovo district of the Rostov region of Russia. The five (5) agricultural companies were involved in the cultivation of agricultural crops and dairy farming business and owned approximately 3,500 hectares of land at that time.
2012	Our Executive Chairman, Evgeny Tugolukov, was sourcing for a potential acquisition of an agriculture business in Russia given the potential growth of Russian agriculture industry. During the process, Veles Capital, a mid-sized investment company based in Russia, had identified and introduced Don Agro LLC as a potential strategic investment. As part of the acquisition of Don Agro LLC by Vallerd Investments (which is an investment holding company in which Marat Devlet-Kildeyev and Evgeny Tugolukov own an indirect equity interest of 6.0% and 94.0% respectively), Tetra JSC was first established in May 2012 to acquire all the participatory interests (that is, the shares in a Russian LLC) in Don Agro LLC from LLC Razgulyai-Agro. Vallerd Investments, subsequently acquired the entire issued and paid-up share capital of Tetra JSC in June 2012. Following the acquisition of Don Agro LLC by Vallerd Investments, Vallerd Investments appointed ProdAlliance, a management company established by Evgeny Tugolukov, to manage and oversee the day to day operations of Don Agro LLC[5]. In connection with the Listing, Tetra JSC has, in 2018, taken over the employment of all the employees of ProdAlliance who were involved in the management of our Group's operations and ProdAlliance is no longer involved in the management of our Group's operations.
2013	As part of our initiatives to improve the yield of our agricultural business, we commenced experimentation on no-till farming on some of our arable land so as to mitigate the effects of drought and minimise the usage of fallow fields.

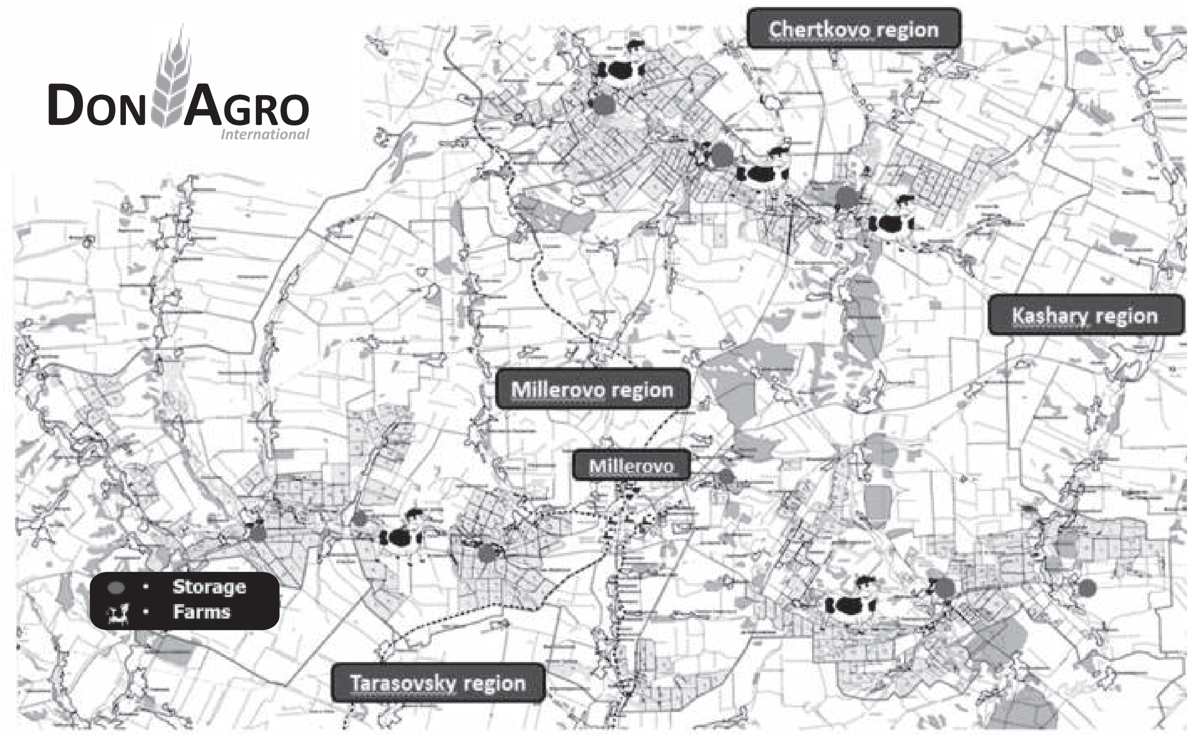
5 There were no fees charged or payment made by our Group to ProdAlliance as ProdAlliance was engaged by Vallerd Investments in relation to the management of Don Agro LLC.

Year	Event
2014	To improve our dairy business, we invested approximately US$1.0 million in acquiring three (3) modern Claas Jaguar forage harvesters to improve our forage quality. We also purchased 172 pedigree Holstein heifers from Holland and improved the care and feeding processes for our herd. Accordingly, this led to an increase in our dairy yield. We also invested approximately US$0.3 million in the reconstruction of a farm building in our Kudinovka farm in our Northern production division. During the year, we also started supplying raw milk to the Molvest Group, one of the largest dairy product manufacturers in Russia. To improve our crop business, we started purchasing high quality and yielding seeds and agriculture products from local agriculture product wholesalers that have a wide selection of quality products from international agricultural companies such as Monsanto Company, DuPont Pioneer, Maisadour Semences SA and Syngenta AG. We began implementing no-till farming on some of our fields and are one of the earlier adopters of no-till farming in the Rostov region. In addition, we also started to implement strict control over our agricultural operations whereby our machinery was equipped with global positioning system so as to accurately monitor and ensure that our farming operations are performed as prescribed by our agronomists. The enhancements to our key business processes enabled our operations to become more effective and efficient which led to higher sales and more efficient purchases. As such, our Group increased net profit after tax by approximately US$9.4 million from a net loss of approximately US$5.1 million in FY2013 to a net profit after tax of approximately US$4.3 million for FY2014.
2015	We further invested approximately US$0.2 million to improve our farm infrastructure where we completed the reconstruction of a new farm building in our Kudinovka farm with a land area of approximately 1,600 sq m for the calves of our Holstein heifers and modernised the roof of our Kamenka farm in our Eastern production division. We increased the use of no-till farming to approximately 4,000 hectares, representing approximately 8.6% of our arable land, and invested approximately US$0.6 million in modern machinery, including (i) a John Deere seeder; (ii) two (2) self-propelled Challenger sprayers; (iii) two (2) Lemken cultivators; (iv) three (3) Kverneland tillers; and (v) three (3) self-propelled grass mowers for haylage production. We also installed fuel control devices on our machinery to improve fuel efficiency and greater safety of our fuel storage.

Year	Event
2016	As part of our ongoing improvement works to our farm infrastructure, we constructed a new awning-type farm building in our Degtevo farm in the Northern production division with a land area of approximately 1,100 sq m to house our calves and young herd and also performed capital refurbishment works on the floors for the Degtevo and Novoselovka farms. During the year, we also became one of the largest dairy farms in the Rostov region in terms of dairy herd quantity. We continued our strategy to invest in modern machinery to improve our dairy and agriculture operations and invested approximately US$0.3 million in modern machinery, including a Massey Ferguson seeder and three (3) heavy tractors, and milking equipment for our Novoselovka farm in the Northern production division. As a result of our improved operations, we harvested a record yield of over 4.0 tonnes per hectare and 1.8 tonnes per hectare of wheat and sunflower crops, respectively. We also successfully renewed the leases of our land amounting to approximately 35,000 hectares until 2026 to 2028.
2017	Our Group made further improvement in our farming operations through the use of more effective fertilisers and made investment in machinery including an Amazon DMC seeder and two (2) John Deere seeders. We also expanded our no-till farming to approximately 6,000 hectares, representing approximately 14.0% of our arable land. This resulted in a record yield of 4.6 tonnes per hectare of our winter wheat crop harvested in July 2017. We started the construction of two (2) modern awning-type farm buildings at our Degtevo farms to replace our old facilities which were housing our young herd. As part of our improvements to our dairy facilities, we converted one (1) of our silage pits from clay to concrete in our Kudinovka farm in our Northern production division so that the quality of our silage will not be affected by the weather. Our average milk produced from each milking cow reached 5,804 litres per year as compared with 3,719 litres per year in 2013 and we became one of the top producers of milk in the Rostov region with a total milk production volume of 11,259 tonnes per year. In order to streamline our corporate structure and as our subsidiary, Volgo-Agro which was primarily in the cultivation of crops such as such as winter wheat, sunflower and chick-peas, in the Kamishin district of the Volgograd region (approximately 600 kilometers from our Group) had low yield and less favourable cultivation conditions, we disposed of Volgo-Agro to Vallerd Investments in August 2017.
2018	We continued to enhance our machinery fleet with the acquisition of two (2) John Deere seeders, a Kinze seeder and a fodder mixer. In August 2018, we secured a contract for the supply of 22,500 tonnes of winter wheat to RZT LLC, part of an international agribusiness and food group. To further streamline our Group's corporate structure, we completed the disposal of our subsidiary, Krinichansky, to an unrelated third party in December 2018.
2019	As part of our Group's ongoing efforts to improve our infrastructure, we have invested approximately RR15.0 million to reconstruct two (2) of our warehouses. We have also made investments in machinery, acquiring three (3) John Deere seeders, a Tuman sprayer, and a Kirovets heavy tractor in 2019, to enhance efficiency in our crops business.

BUSINESS

We are one of the largest agricultural companies in the Rostov region in Russia principally engaged in the cultivation of agricultural crops and the production of raw milk. We have a controlled land bank of approximately 53,200 hectares, of which approximately 41,167 hectares are arable land. As at the Latest Practicable Date, we own approximately 13,640 hectares of our controlled land bank. Please refer to the sub-section entitled "Properties and Fixed Assets" for more information on our land bank.



Our principal operating subsidiary is Don Agro LLC and we operate three (3) production divisions in the Rostov region, namely the Northern production division, the Western production division and the Eastern production division. All of our production divisions undertake both crop and milk production and each production division has its own storage facilities and dedicated parking area for our machinery.

Crop segment

Crop production is one of our core businesses and all of our arable land is located in the Rostov region, which is one of the most fertile regions in Russia, and is approximately 220 km away from the Azov Sea and Don River international ports. This allows our customers, who are mainly traders and exporters, to save on transportation costs and, as a result, be able to offer higher prices for our crops. We are primarily engaged in the farming of commercial crops such as winter wheat, sunflower, sorghum, corn and flax. Our Group currently focuses on the following crops:

Type of crops	Descriptions
Winter wheat	Winter wheat is a strain of wheat that is planted in the autumn to germinate and develop into young plants that remain in the vegetative phase during the winter and resume growth in early spring. Winter wheat is mainly used in food and animal fodder production and has a high yield potential.
Sunflower	Sunflower is generally used as a raw material in the production of sunflower oil, which sees a high demand in the food industry.
Corn	Corn is an annual cereal grass plant that has several uses. It is used as livestock feed, biofuel, staple food and raw materials. Corn is a major food globally that is widely used. There are various commercial classifications for corn based mainly on the texture of the kernel. Some classifications are dent corn, flour corn, sweet corn, flint corn and popcorn. Corn is also harvested as fodder for our dairy operations.
Sorghum	Sorghum is a cereal grain plant that is also known as milo. There are several varieties of sorghum and different variety has their own use. For example, grain sorghums are used for food, grass sorghums are used for hay and fodder and broomcorn are used to make brooms and brushes. The sorghum grain is gluten-free and can be used as a substitute of wheat.
Flax	Flax is an annual herbaceous plant that is adaptable to a variety of soil. It is cultivated for its fibre and seeds. The fibre of the plant can be made into linen yarn and fabric. The seed is regarded as a health food globally due to its high dietary fibre and omega-3 fatty acid content. The seed can be used directly for human consumption or be processed into cooking oil.

The following tables set forth the size of the land in each of our production divisions which are utilised to produce different types of crop for FY2016, FY2017, FY2018 and HY2019:

For FY2016

Type of crop	Northern production division (hectares)	Western production division (hectares)	Eastern production division (hectares)
Winter wheat	6,580	6,837	5,515
Sunflower	2,203	3,942	3,351
Corn	326	2,079	–
Sorghum	–	525	713
Flax	–	–	–
Others(1)	4,642	1,462	1,423
Fallow(2)	2,057	2,412	2,424
Total	**15,808**	**17,257**	**13,426**

Notes:

(1) Others include barley, sudan grass, silage corns and alfalfa which are cultivated for the purpose of producing forage for our cows, and spring wheat. No spring wheat was cultivated in the Eastern production division.

(2) Due to tillage, some of the lands have to be harrowed and left to fallow to regain fertility.

For FY2017

Type of crop	Northern production division (hectares)	Western production division (hectares)	Eastern production division (hectares)
Winter wheat	6,094	5,961	5,037
Sunflower	1,783	3,680	2,858
Corn	1,319	1,936	–
Sorghum	–	723	872
Flax	435	–	569
Others(1)	2,747	581	885
Fallow(2)	2,114	1,995	2,043
Total	**14,492**	**14,876**	**12,264**

Notes:

(1) Others include barley, sudan grass, silage corns and alfalfa which are cultivated for the purpose of producing forage for our cows.

(2) Due to tillage, some of the lands have to be harrowed and remain fallow to regain fertility.

For FY2018

Type of crop	Northern production division (hectares)	Western production division (hectares)	Eastern production division (hectares)
Winter wheat	5,842	6,170	5,661
Sunflower	2,672	4,330	3,097
Corn	452	844	–
Sorghum	–	–	–
Flax	–	–	799
Others[(1)]	3,812	858	573
Fallow[(2)]	1,594	2,346	2,117
Total	**14,372**	**14,548**	**12,247**

Notes:

(1) Others include silage corns and alfalfa which are cultivated for the purpose of producing forage for our cows.

(2) Due to tillage, some of the lands have to be harrowed and remain fallow to regain fertility.

For HY2019

Type of crop	Northern production division (hectares)	Western production division (hectares)	Eastern production division (hectares)
Winter wheat	5,518	6,560	6,165
Sunflower	2,565	4,011	3,131
Corn	502	1,036	–
Sorghum	–	–	–
Flax	–	–	992
Others[(1)]	3,230	494	653
Fallow[(2)]	2,150	2,045	1,788
Total	**13,965**	**14,146**	**12,729**

Notes:

(1) Others include silage corns and alfalfa which are cultivated for the purpose of producing forage for our cows.

(2) Due to tillage, some of the lands have to be harrowed and remain fallow to regain fertility.

As at the Latest Practicable Date, we have a total of nine (9) agronomists who report to our chief agronomist who oversees the monitoring of the farming of our crops and the development of better method(s) to increase the quality and yield of our crops. Each agronomist is in charge of overseeing approximately 5,000 hectares of land.

The following table summarises the volume of our Group's production of crops for FY2016, FY2017 and FY2018:

Type of crop	FY2016 (tonnes)	FY2017 (tonnes)	FY2018 (tonnes)
Winter wheat	78,349	76,271	53,674
Corn	13,700	7,801	8,489
Sunflower	19,038	14,091	21,711
Sorghum	4,481	3,389	2,653
Flax	–	1,475	549
Total	**115,568**	**103,027**	**87,076**

Our main agricultural produce comprised winter wheat, sunflower and corn which in aggregate accounted for approximately 96.1%, 95.3% and 96.3% of our total volume of crops produced in FY2016, FY2017 and FY2018, respectively. There was no agricultural produce in HY2019 as the crops are harvested in the second half of FY2019.

The following table summarises the volume of our Group's sales of crops for FY2016, FY2017, FY2018 and HY2019:

Type of crop	FY2016 (tonnes)	FY2017 (tonnes)	FY2018 (tonnes)	HY2019 (tonnes)
Winter wheat	72,462	69,362	47,758	–
Sunflower	22,517	5,118	16,887	15,036
Corn	11,728	6,715	2,712	1,593
Sorghum	1,019	2,914	2,093	–
Flax	–	1,221	454	–
Others(1)	2,042	–	771	–
Total	**109,768**	**85,330**	**70,675**	**16,629**

Note:

(1) Others include barley, spring wheat and chick-peas.

Our main agricultural produce include winter wheat, sunflower and corn which in aggregate accounted for approximately 97.2%, 95.2%, 95.3% and 100.0% of our total volume of crops sold in FY2016, FY2017, FY2018 and HY2019 respectively. Please refer to the section entitled "Management Discussion and Analysis of Results of Operations and Financial Position – Operating Results of Our Group" of this Offer Document for further details on our income by business segments as well as a breakdown of our income from crop production.

Our grain production is executed based on modern agricultural technologies such as Exact Farming software technology which allows us to track the work of each unit of machinery, fuel usage and the quality of operations. We are also able to obtain updated space photographs of each field on a regular basis to allow us to monitor the quality of our operations based on the colour of the fields. Our Group also employs modern machinery and equipment manufactured by John Deere, New Holland and Claas Jaguar to optimise our efficiency and productivity.

We have eight (8) grain storage facilities with total grain storage capacity of up to 63,000 tonnes, all of which are typically fully utilised from July to January. Our grain storage facilities are located in our Northern and Western production divisions. Please refer to the sub-section entitled "Business Strategies and Future Plans" below for details of our intention to increase our grain storage capacity.

We sell our agricultural produce primarily to international and local grain traders and exporters on an invited tender basis and the tender is awarded based on the highest price and best transportation conditions offered by the traders. Each tender is usually in respect of 5,000 to 10,000 tonnes of agricultural produce and we typically conduct tenders 10 to 20 times per year. As part of the tender process, we will also assess each customer based on, *inter alia*, financial stability and credit standing, tax and tax-related risks and the reputation of the customer which include, *inter alia*, whether a transaction with a customer may trigger any sanctions-related risks on our Group.

A small portion of our agricultural produce is used as rent paid to some of our landlords – approximately 4.2%, 3.8%, 5.6% and 0.0% of our agricultural produce was paid as rent in FY2016, FY2017, FY2018 and HY2019 respectively.

<u>Our crop farming process</u>

Our Group operates an integrated crop farming process whereby we undertake deep soil tillage and no-till farming techniques for certain crops such as sunflower, corn and winter wheat. Our Group plans to convert most of the arable land to no-till farming land to improve the overall crop yield as no-till farming reduces costs and improves soil fertility. Our Group also adopts crop rotation on our arable land which will reduce soil erosion and increase soil fertility and crop yield. Our crop farming and production process consists of the following main stages:

Tillage/Spraying → Sowing → Plant Cultivation → Harvesting

(a) Tillage/Spraying

Tillage is used to remove weeds, mix in soil additives like fertilisers, shape the soil into rows and prepare the surface for seeding. This process is used to prepare land for newly sowed crop and to keep a higher level of moisture in the soil layer.

We have also explored and implemented no-till farming for some of our arable land in 2013, which is a way of growing crops from year to year without disturbing the soil through tillage. This agricultural technique increases the amount of water that infiltrates into the soil, the soil's retention of organic matter and its cycling of nutrients, thereby improving the soil's biological fertility. No-till farming also reduces the use of labour, machinery and fuel as tillage is not required. Such farming technique also allows us to use the arable land continuously without having to fallow the arable land for one (1) year. As at the Latest Practicable Date, no-till farming is used in over 4,830 hectares (representing approximately 11.7% of our arable land). Spraying of herbicide is used instead of tillage at our no-till fields so as to maintain the nutrient levels in the soil.

(b) Sowing

Sowing is dependent on the crop's biology and the time of sowing and level of moisture in the soil highly influences yield. Some of our crops are sowed using seeds from the current crops and the rest of the seeds are purchased from local producers or sellers. Our Group's chief agronomist will assess and check the suitability of the seeds before purchasing and sowing them. The sowing process includes preparative actions such as calibration of seeds and treating them with plant protectors. The seeds are then sown with seeder machines which scatter the seeds over our fields by the broadcasting method.

(c) Plant cultivation

A key component of the plant cultivation process is the control of plant nutrition and comprises fertilisation, application of plant protectors and performing additional land processing. Prior to this, the fertilisers and plant protectors are sent to third party laboratories for safety tests. Different fertilisers are used for different crops as recommended by our chief agronomist. Cultivators are used to till the land to prepare a proper seedbed for the crop to be planted into, to incorporate fertilisers and herbicides, and to mix the soil to ensure that the growing crop has enough water and nutrients to grow well during the season.

In no-till farming, crop residues are left on the surface, where the nutrients that result from their decay can leach into the soil. The accumulation of such surface residue after a few seasons of no-till farming practice will result in more moisture and nutrients retained in the soil as the lack of tilling exposes less of the soil to air and prevents erosion of soil nutrients.

(d) Harvesting

The time for harvesting is also dependent on the crop's biology and the time of harvest of our crop is planned with a focus on minimising loss due to overripe seeds fall. This process also includes the control of stubble remains in order to retain moisture levels in the soil after harvesting. Specialised harvesters are used to transport the harvest to our storage facilities after cleaning and sorting of the harvested crops.

A schedule of the cultivation processes for our main crops is set out below:

Type of crops	**Tillage/ Spraying**	**Sowing**	**Plant cultivation**	**Harvesting**
Winter wheat	August	September	September to June	July
Sunflower	October/May to June	April to May	April to May	September to October
Sorghum	October/May to June	April to May	April to May	September to October
Corn	October/May to June	May	May	September to October
Flax	October	April to May	April to May	August

Livestock segment

According to data from the Ministry of Agriculture of Rostov[6], we are one of the top farms in terms of milk production in the Rostov region, and as at the Latest Practicable Date, we own approximately 4,201 heads of dairy cattle which includes approximately 2,073 milking cows. We produce and sell raw milk to dairy processing companies for the production of fresh milk and other high-end processed dairy products. Our milk production business is supported by two (2) large-scale milk processors near our dairy operations in the Rostov region, where there is a shortage of milk production. Our customers, which include the two (2) large-scale milk processors located near our dairy operations in the Rostov region, compete for our raw milk and we generally choose to sell to a single large dairy processing company in any given year, based on the highest price terms and conditions offered. While we typically enter into a general supply agreement with such customer, such supply agreement will allow for price negotiations on a regular basis based on market conditions. We produced 9,635 tonnes, 11,259 tonnes, 12,147 tonnes and 7,654 tonnes of raw milk for FY2016, FY2017, FY2018 and HY2019 respectively.

Our dairy farms

We operate five (5) dairy farms and the number of milking cows and the total number of dairy cattle of each farm as at the Latest Practicable Date are set out below:

Dairy farm	No. of milking cows	Total no. of dairy cattle
Northern production division		
Degtevo	566	1,078
Kudinovka	376	780
Novoselovka	599	1,239
Western production division		
Grekovo	340	663
Eastern production division		
Kamenka	192	441
Total	**2,073**	**4,201**

We have facilities to house our dairy herd, our calves and heifers as well as for fodder storage on each of our farms. Each farm is overseen by a general manager who will report to our chief Zootechnician in relation to the well-being of our herd and the milk production process.

6 The Ministry of Agriculture of Rostov has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the information extracted from their databases, reports or articles, and is therefore not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor, Issue Manager and Placement Agent have taken reasonable actions to ensure that the information from the Ministry of Agriculture of Rostov has been reproduced in its proper form and context, and that the information has been extracted accurately and fairly from such database, reports and articles, neither we, the Sponsor, Issue Manager and Placement Agent nor any other party has conducted an independent review of the information contained in that database, reports or articles or verified the accuracy of the contents of the relevant information.

Dairy fodder production and harvesting

We produce silage, haylage, hay and straw as key fodder components for our dairy cows.

Silage is an important source of carbohydrates and vitamins for our dairy cows. The production of our corn silage begins with corn sowing in late April to early May, and harvesting is carried out from middle to late August. Harvested corn silage is stored in silage pits or bags and treated with yeast for fermentation to take place. The silage is usually ready for use after fermentation in the silage pit for approximately six (6) weeks. We also produce haylage as feed for our dairy cows which is an important source of protein and fibre for our dairy cows. For the production of haylage, we sow alfalfa, a perennial grass, in the first half of April, and the first harvest is carried out in late May. In optimal weather conditions, alfalfa may be harvested up to four (4) times a year. The harvested alfalfa is stored and fermented in pits and mounds (to be used to produce haylage) and is an important source of protein and fibre for our cows. Similar to the preparation of silage, haylage is ready for usage after approximately six (6) weeks of fermentation in the pit. Straw and hay, a by-product of our wheat farming, is gathered and stored in bales.

For the preparation of our dairy fodder, we mix the silage, haylage, hay and straw, other grains (including winter wheat and corn produced by our Group) and other key ingredients such as soya meals, premixes and molasses. The mixture will be dried into dairy fodder in our warehouse. The composition of our dairy fodder is recommended by our nutritionist and chief Zootechnician so as to optimise the nutrients intake of our dairy herd in order to maximise the milk yield.

Typically we produce approximately 15.0% more fodder than our required capacity in order to mitigate the risk of a low harvest. The plots of land to be used for fodder production are determined by our chief Agronomist and chief Zootechnician based on the average yield of the last few years and the requirements of our current herd.

We believe that by producing most of the fodder we use, we are able to maintain high levels of self-sufficiency, which translates to significant costs savings to our Group.

Dairy herd management

We use a tethered type of herd management where each cow is secured to its own place in the farm, with adequate access to the fodder and water. The cows walk and exercise in reserved plots of land outside the farm buildings once a day (except in the winter season). The young herd (including calves and heifers) are kept untethered either outside in special areas (mostly during the warm seasons) or in a farm building. Manure from the cows within the farm building is moved manually to a conveyor and removed from the farm building, after which it is kept for one (1) year and primarily used as a natural fertiliser in our fallow fields.

Our cow rations are prepared by our own in-house livestock specialists who are advised by experienced external nutritional consultants, such as Mustang Nutrition Technology, who make recommendations based on the age and physiological stage of the herd, namely (i) calves (with four (4) age groups being (a) zero (0) to three (3) months; (b) four (4) to six (6) months; (c) seven (7) to 12 months; and (d) over one (1) year), (ii) heifers, and (iii) cows. Feed distribution is carried out by feed mixers, where feed components are first transferred to a mixer which distributes the mixed fodder to the cows as a tractor brings the mixer through the dairy farm building.

Our cows are cleaned regularly and their hooves maintained twice a year. We enforce a strict disease control policy in all our dairy farms, and all cows are vaccinated and treated according to the protocols of the veterinary service. All vaccinations are documented and submitted to the state veterinary government to prove that the appropriate vaccine has been administered. Each farm has its own veterinarian who reports to our chief veterinarian. Cows that show any signs of illness will be immediately quarantined and examined by our veterinarians. The sick cows are marked with red markers and quarantined in a special designated area. This measure is to reduce the spread of disease to other cows and to prevent the milk of the sick cows, which contains antibiotics, from contaminating the milk in the tank coolers. In the event that medical treatment is not cost-effective or feasible, the diseased cow will be sold or culled. If culled, their bodies will be cremated at a designated area and the relevant area disinfected.

Breeding

Reproduction is carried out through synchronisation schemes whereby hormones are given to the cow to ensure it can be inseminated in a particular period. We use a software, Selex, to monitor each cow which is individually tagged for us to identify its yield, age, ancestry, and other biological information to determine whether it is suitable for insemination. The yield of our calves is approximately 70.0%, and replacement of the main herd with new animals is approximately 30.0% to 35.0% per year. Once a month, there is a controlled milking for each cow using special equipment to analyse the percentage of fat, protein and other nutrients in the milk to determine the yield of each cow. Typically, we keep our new born female calves and sell off the male calves to other third parties.

Our heifers are inseminated when they are approximately 14 months old and weigh at least 350 kg, and the gestation period is approximately nine (9) months. After the birth to the first calf, the heifer starts producing milk and milking can commence immediately. The heifer will usually have a rest period of 60 days before the next insemination. Typically, while a cow can produce milk for approximately ten (10) years, the optimal useful life term of a cow is three (3) to four (4) lactations (or approximately three (3) to four (4) years) before veterinarian and insemination expenses increase. When a cow produces less than ten (10) litres of milk per day or becomes physically disabled, the cows will usually be sold to the butchers and be replaced.

We use the Red Steppe breed of cow, inseminated by Holstein semen for five (5) to six (6) years. This cross breeding between a Red Steppe and Holstein will produce a hybrid that has the endurance and strong immune system of a Red Steppe cow and the high milk yield of the Holstein breed. We constantly seek to improve dairy yields by selling less productive cows and heifers to third parties. Male calves are also sold to third parties within one (1) week after their birth.

Our milking process

The milking process comprises the following steps:

(a) Pre-milking sterilisation and cleaning

Before milking, the udders and teats of milking cows are sprayed with sanitising fluids and wiped dry. The teat cups are also cleaned and sterilised before being attached to the udder. We also check the health of the cows before commencing milking. If the cows show any signs of illness, including mastitis, the cow will be quarantined and checked by our veterinarian.

(b) Milking

Our cows are milked twice a day, at 5.00 am and 5.00 pm. We use automatic milking systems (produced by international manufacturers such as DeLaval and GEA) and the milking of each cow takes approximately two (2) to five (5) minutes, after which, the cows' udders are treated with ointments to assist in recovery.

We sell approximately 96.0% of the raw milk produced by our herd, while the rest is either used to feed calves or disposed of due to their antibiotic content.

(c) Cooling and collection

The raw milk is piped from the milk lines to tank coolers, which is cooled to three (3) degrees Celsius. The cooled raw milk is then pumped into our customer's trucks which arrive daily at the farms for collection. Samples of the milk from each farm are analysed for quality and are sealed and stored in case any quality disputes arise with our customer. Our customer's trucks are sealed at the farm before dispatch.

In general, our milk is sold at our dairy farms and transportation of the raw milk is undertaken by our customers.

QUALITY MANAGEMENT

We place great emphasis on quality control and have implemented strict monitoring and quality control systems to manage our operations and to ensure the safety and quality of our raw milk. We attach electronic tags on our cows and have electronic records on each of our cows showing its weight, milk yield, parentage and history of insemination recorded in our Selex software. Every year, our cows will be vaccinated against the common diseases such as FMD, brucellosis, bovine TB and bovine paratuberculosis which cows are prone to be infected. Our control over the quality and health of our dairy cows and our efforts to keep a clean living environment for our cows enable us to produce high quality raw milk with low microbe count and low somatic cell count. We analyse the quality of our raw milk, in terms of the fat percentage, protein percentage and somatic cells percentage, on a daily basis. Milk from cows which are sick or have been treated with antibiotics is stored in a separate container to avoid contamination.

For our crop business, all raw materials, chemicals and seeds are laboratory-tested for harmful substances prior to usage. We also regularly send specimens of our grain to specialised laboratories for analysis on parameters such as the protein level, humidity, density, and percentage of waste. During the tender process, our customers take specimens of our grain for their own testings. In addition, we are required by Russian law to obtain a quarantine certificate for each truck of crop transported. Prior to the issue of such quarantine certificate(s), a government official will inspect our crop fields and take samples of the harvested grain to ensure that there are no harmful substances. We also despatch our agronomists to the fields to monitor the well-being of our crops and lands throughout the cultivation process.

OUR MAJOR CUSTOMERS

Our major customers contributing 5.0% or more of our Group's total revenue for FY2016, FY2017, FY2018 and HY2019 are set out below:

		As a percentage of our Group's total revenue			
Customers	**Products purchased**	**FY2016 (%)**	**FY2017 (%)**	**FY2018 (%)**	**HY2019 (%)**
Voronejskijj(1)	Milk	16.6	31.5(4)	27.9(4)	37.5
CJSC "Yug of Rus"(2)	Crops	–	–	–	32.9
RZT LLC(3)	Crops	–	2.5	23.3(5)	–
Aston JSC	Crops	17.8	2.4(6)	7.6(6)	21.4(9)
Solnechniy Rai LLC(2)	Crops	–	4.7	8.6	–
Zolotaya Semechka LLC(2)	Crops	8.9	0.9(7)	6.6(7)	–
Grain Service LLC	Crops	39.5	38.8	19.1(8)	–

Notes:

(1) Voronejskijj is a subsidiary of the Molvest Group, a major dairy product manufacturer in Russia.

(2) CJSC "Yug of Rus", Solnechniy Rai LLC and Zolotaya Semechka LLC are subsidiaries of the Yug of Russia Group, a major food producer in Russia.

(3) RZT LLC is the Russian subsidiary of Bunge Limited.

(4) The percentage of revenue contribution from Voronejskijj increased in FY2017 mainly due to (i) an increase in total milk production; (ii) an increase in the price of the milk; and (iii) a fall in the sales from crops in FY2017 compared to FY2016 which resulted in a higher revenue contribution from Voronejskijj in FY2017. There was a decrease in percentage revenue contribution from Voronejskijj in FY2018 despite higher volume sold mainly due to the higher contribution from the sales of crops in FY2018.

(5) The percentage of revenue contribution from RZT LLC increased in FY2018 mainly due to an increase in volume of winter wheat sold following a tender process.

(6) There was a decrease in percentage revenue contribution from Aston JSC in FY2017 mainly due to lower harvest of our corn and sunflower due to bad weather conditions during harvest and lower pricing. Our Group sold the stockpiled inventory in FY2018 due to better pricing.

(7) There was a decrease in percentage revenue contribution from Zolotaya Semechka LLC in FY2017 due to lower harvest of our corn and sunflower due to bad weather conditions during harvest and lower pricing. Our Group sold the stockpiled inventory in FY2018 due to better pricing.

(8) There was a decrease in percentage revenue contribution from Grain Service LLC in FY2018 mainly due to a decrease in volume of winter wheat sold and increase in proportion of sales to RZT LLC.

(9) There was an increase in percentage revenue contribution from Aston JSC in HY2019 due to an increase in the sale of sunflower harvested in FY2018.

Save as disclosed above, there is no other customer whose revenue contribution accounted for more than 5.0% of our revenue in FY2016, FY2017, FY2018 and HY2019.

We have not entered into any long-term contracts with our major customers. To the best of their knowledge, our Directors are not aware of any information or arrangement which would lead to a cessation or termination of our current relationship with any of the major customers listed above.

As at the date of this Offer Document, none of our Directors or Substantial Shareholders or their respective Associates has any interest, direct or indirect, in the abovementioned customers.

As at the Latest Practicable Date, one (1) of our major customers, namely CJSC “Yug of Rus”, is listed under the NSDC Sanctions. The NSDC Sanctions were introduced at the discretion of the Ukrainian President and were imposed on various companies and individuals as a response to Russian aggression against Ukraine. Under the NSDC Sanctions, CJSC “Yug of Rus” is prohibited from engaging in trading operations and transiting of their goods in Ukraine and are subject to the suspension of performance of civil law obligations (such as the obligation to pay for goods delivered) by Ukrainian persons vis-à-vis CJSC “Yug of Rus”. As none of the entities within our Group are incorporated in Ukraine, transactions between our Group and CJSC “Yug of Rus” will not fall within the NSDC Sanctions. Accordingly, Nektorov, Saveliev & Partners, the Legal Adviser to our Company on Russian Law, is of the view that our Group’s dealings with customers which are subject to the NSDC Sanctions imposed by Ukraine would not result in a violation of the NSDC Sanctions by our Group since our Group itself is not subject to NSDC Sanctions.

OUR MAJOR SUPPLIERS

Our major suppliers accounting for 5.0% or more of our Group’s total purchases for FY2016, FY2017, FY2018 and HY2019 are set out below:

		As a percentage of our Group’s purchases			
Suppliers	**Materials supplied**	**FY2016 (%)**	**FY2017 (%)**	**FY2018 (%)**	**HY2019 (%)**
Kyubannefteproduct LLC	Fuel/lubricants	11.3	8.6	11.0	0.6(1)
Firma “Avgust”, JSC	Chemicals	9.8	7.2	7.2	14.7(2)
TD “Avers”, LLC	Seeds	6.2	6.1	4.1	9.9(2)
RosAgroTrade LLC	Fertilisers	2.9	6.4	8.4	–
AST LLC	Spare parts and repair services	–	1.9	5.9	7.8
FosAgro-Don LLC	Fertilisers	6.5	11.9(3)	1.5(3)	7.9(4)
RN-Rostovnefteprodukt JSC	Fuel	–	–	–	8.5(1)

Notes:

(1) There was a decrease in the percentage of our purchases from Kyubannefteproduct LLC as our Group had increased its purchase of fuel from RN-Rostovnefteprodukt JSC.

(2) There was an increase in percentage of our purchases from Firma “Avgust” JSC and TD “Avers” LLC in HY2019 as our Group is preparing for sowing and cultivation during the second half of FY2019.

(3) There was an increase in the percentage of our purchases from FosAgro-Don LLC in FY2017 compared to FY2016 as our Group had purchased fertilisers in late FY2017 for use during the spring months in FY2018. There was a decrease in the percentage of our purchases from FosAgro-Don LLC in FY2018 as our Group had purchased fertilisers from other suppliers in FY2018.

(4) There was an increase in the percentage of our purchases from FosAgro-Don LLC mainly due to a decrease in purchase of fertilisers from RosAgroTrade LLC.

We do not enter into any long term agreements or arrangements with any one of our suppliers as this would allow us the flexibility to evaluate and select suppliers who are able to provide us higher quality materials or services at competitive prices.

Save as disclosed above, there is no other supplier whose sales to us accounted for 5.0% or more of our purchases in FY2016, FY2017, FY2018 and HY2019.

To the best of their knowledge, our Directors are not aware of any information or arrangement which would lead to a cessation or termination of our current relationship with any of the major suppliers listed above.

As at the date of this Offer Document, none of our Directors or Substantial Shareholders or their respective Associates has any interest, direct or indirect, in any of the abovementioned suppliers.

As at the Latest Practicable Date, one (1) of our major suppliers, namely RN-Rostovnefteprodukt JSC, is or may be subject to certain sanctions imposed by the U.S., the EU and Australia. Based on Sanctions Screening conducted as at the Latest Practicable Date, RN-Rostovnefteprodukt JSC is not, itself, subject to sanctions imposed by the U.S., the EU or Australia. However, in the event that RN-Rostovnefteprodukt JSC is or becomes more than 50.0% held by PJSC Rosneft Oil Company ("**Rosneft**") (which is subject to certain sanctions imposed by the U.S., the EU and Australia), RN-Rostovnefteprodukt JSC will be subject to the same sanctions imposed on Rosneft by the U.S. the EU and Australia. In addition, another of our major suppliers, namely, FosAgro-Don LLC, is a wholly-owned subsidiary of PhosAgro PAO which is listed under the NSDC Sanctions. The NSDC Sanctions measures apply to entities named on the NSDC Sanctions only and do not apply to subsidiaries of such entities. As such, even though FosAgro-Don LLC is a wholly-owned subsidiary of PhosAgro PAO which is listed on the NSDC Sanctions, Nektorov, Saveliev & Partners, the Legal Adviser to our Company on Russian Law, is of the view that FosAgro-Don LLC will not fall within the NSDC Sanctions. Please refer to the section entitled "General Information on our Group – Sanctions Laws and Regulations" of the Offer Document for more details of our Group's dealings with certain entities which are or may be subject to certain sanctions and the implications to our Group. Please refer to the section entitled "Risk Factors – Risks Relating to our Business and the Industry – We engage in transactions with entities which may be subject to various trade and economic sanctions" on the potential risks to our Group should there be any new or expanded future sanctions on our major suppliers.

CREDIT POLICY

Most of our crop and dairy sales are made on a prepayment basis. After the tender, most of our customers will typically pay a deposit of no less than 50.0% of the contract sum depending on the risk profile of the customer. Following the payment of the deposit, our customer will take delivery of half of the purchased products, and the remaining half will be delivered after our receipt of the remaining purchase price from our customer. Our Group monitors the financial standing of our customers on an ongoing basis to ensure that our Group is exposed to minimal credit risk. As at the Latest Practicable Date, our Group does not have any significant credit exposure to our customers.

Trade receivables' turnover days

Our trade receivables' turnover days for FY2016, FY2017, FY2018 and HY2019 are as follows:

	FY2016	FY2017	FY2018	HY2019
Trade receivables' turnover days(1)	10	9	2	2

Note:

(1) Trade receivables' turnover days is computed as follows:

$$\frac{\text{Average trade receivables balances}}{\text{Revenue}} \times \text{Number of days}$$

Where:

"Average trade receivables balances" is based on the average of the opening and closing trade receivables balances for the relevant financial year.

"Number of days" is defined as the number of calendar days in the relevant financial year.

The decrease in trade receivables' turnover days from FY2016 to FY2017 is mostly due to the establishment of prepayment terms with most of our customers.

As at 30 June 2019, the amount of our trade receivables was approximately S$27,000, which has been fully collected as at the Latest Practicable Date.

Credit terms granted by our suppliers

Payment terms granted by our suppliers vary depending on, *inter alia*, our relationship with our suppliers and the type of purchases. Typical credit terms granted by our suppliers are approximately two (2) weeks. However, for certain agriculture purchases such as seeds, credit terms could range between one (1) to eight (8) months, depending on the package that our Group chooses.

Our trade payables' turnover days for FY2016, FY2017, FY2018 and HY2019 are as follows:

	FY2016	FY2017	FY2018	HY2019
Trade payables' turnover days[(1)]	3	4	5	43

Note:

(1) Trade payables' turnover days is computed as follows:

$$\frac{\text{Average trade payables balances}}{\text{Cost of sales}} \times \text{Number of days}$$

Where:

"Average trade payables balances" is based on the average of the opening and closing trade payable balances for the relevant financial year.

"Number of days" is defined as the number of calendar days in the relevant financial year.

The increase in trade payables' turnover days for FY2018 is mainly due to (i) higher trade payables due to an increase in the purchase of feeds and fertilisers for the winter months; and (ii) higher cost of sales recognised in FY2018 due to the sale of the crops harvested in 2017. The increase in trade payables' turnover days for HY2019 is mainly due to (i) higher trade payables due to increase in purchase of raw materials during the spring months of FY2019; and (ii) lower cost of sales recognised in HY2019 due to the seasonality of our business.

SALES AND MARKETING

As we generally operate in a suppliers' market, we do not undertake any direct marketing or advertising. Notwithstanding, we have our network of established customers and we keep in touch with our customers and partners by sending them a daily analytical review of the crops and milk markets. In addition, we may also place our invitation to tender for our crops on specialised internet websites to attract more customers to the tender procedure.

INSURANCE

We maintain insurance policies which cover part of our operations, biological assets and property, plant and equipment. Insurances that may be common in other parts of the world may still not be generally available in Russia as the insurance industry in Russia is still developing.

Our Directors believe that we have adequate insurance coverage for the purposes of our business operations and we will procure the necessary additional insurance coverage for our business operations, properties and assets as and when the need arises. We conduct regular reviews on the adequacy of our insurance coverage, and to the best of their knowledge, our Directors believe that our insurance coverage is in line with the industry practice in the Millerovo district. However, significant disruption to our operations or damage to any of our properties, whether as a result of fire and/or other causes, may still have a material adverse impact on our results of operations or financial condition.

INTELLECTUAL PROPERTY

Our Group does not own or use any trademark, patent or other intellectual property which are material to our business or profitability.

LICENCES, PERMITS, APPROVALS, CERTIFICATIONS AND GOVERNMENT REGULATIONS

The main regulatory bodies for the agriculture sector in Russia (specifically, crop and livestock) are the Ministry of Agriculture *(Minselkhoz)* and the Federal Service for Veterinary and Phytosanitary Supervision *(Rosselkhoznadzor)*. The Minselkhoz is the federal executive body which oversees the drafting and implementation of government policy and the legal regulations in the agricultural sector (including crop production and livestock farming). The Minselkhoz is also in charge of phytosanitary control, the regulation of the farm produce, and the raw materials and foodstuffs markets.

The Rosselkhoznadzor is the government body in control and oversight in the field of veterinary science. Its main responsibilities include plant protection, the safe handling of pesticides and agricultural chemicals, soil fertility, quality and safety of grain, cereals and compound animal feedstuff and components for their production, grain milling by-products, land relations (with regard to agricultural land), as well as the protection of the public from diseases spread by animals.

We are subject to all relevant laws and regulations of the countries where our business operations are located and may be affected by policies which may be introduced by the relevant governments from time to time. We have identified the main laws and regulations (apart from those pertaining to general business requirements) that materially affect our operations, the relevant regulatory bodies and the licences, permits and approvals typically required for the conduct of our business.

Applicable Legislation

Russia's regulatory framework governing the grain and dairy production consists of: (i) Eurasian Economic Union documents; (ii) Russian Federal Laws; (iii) Russian government documents; and (iv) regulatory documents of the bodies of executive power of the Russian government.

Russia has enacted specific legislation regulating grain and dairy production. Set out below is a summary of material information concerning the regulation of the Russian agricultural and food industries. This description does not purport to be a complete description of all laws and regulations applicable to our business and should not be read as such.

The key legislation is as follows:

- Federal Law No. 264-FZ, dated December 29, 2006, as amended, "On the development of agriculture" establishes the legal frameworks for the performance of state agricultural policy in the field of development of agriculture as a business activity for the production of agricultural goods, the provision of services in order to provide the population with Russian foodstuffs, to provide a manufacturing sector with agricultural raw materials and to promote the sustainable development of the rural settlements territories and relevant inter-settlement territories.

- Decree of the President No. 120 of January 30, 2010 "On the approval of the Food Security Doctrine of the Russian Federation" establishes the general principles of the current agricultural policy.
- Agricultural Development and Regulation of Agricultural Products, Commodities and Food Markets, 2013-2020 (approved by the Government decree No.717 dated July 14, 2012) specified the state program for development of agriculture and regulation of markets for agricultural and raw products, food supplies for years 2013-2020.
- Federal Law No. 4973-1 dated May 14, 1993, as amended, "On grain" establishes the legal frameworks for ensuring the needs of Russia in food, feed and seed grain through its own production based on the harmonizing the interests of grain producers and the state.
- Federal Law No. 29-FZ dated January 2, 2000, as amended, "On the Quality and Safety of Food Products" establishes the general framework for production and distribution of food, such as certification and registration of new food products, quality assurance, safety and sanitary requirements, as well as the requirements for packaging, storage and transportation.
- Federal Law No. 52-FZ, dated March 30, 1999, as amended, "On Sanitary and Epidemiological Well-Being of the Population" requires food products and food production technologies to meet certain sanitary and health requirements and to have no harmful effects. Pursuant to this law, products that do not conform to sanitary rules and represent danger to consumers must be withdrawn immediately from production or sale.
- Federal Law No. 4979-1 of May 14, 1993, as amended, "On Veterinary" establishes measures for prevention of the spread of infectious and other animal diseases, and mitigation of consequences, if any such disease takes place.
- Federal Law No.184-FZ, dated December 27, 2002, as amended, "On Technical Regulation", provides for the development, enactment, application and enforcement of mandatory technical requirements and the voluntary standards relating to products and the engineering, production, construction, installation, adjustment, exploitation, storage, transportation, selling and utilisation processes related to the products.
- Regulation "On State Monitoring and Control Over Securing Quality and Safety of Food Products" (approved by Government Resolution No.987 dated December 21, 2000, as amended) identifies the government authorities that are responsible for supervising and monitoring the quality and safety of food products.
- Regulation "On Monitoring of Quality and Safety of Food Products and Health of People" (approved by Government Resolution No.883 dated November 22, 2000, as amended) sets forth the rules for monitoring of the quality, safety of food products and public health.
- Regulation "On Carrying Out an Expertise of Defective and Hazardous Raw Materials and Food Products and their Utilisation and Disposal" (approved by Government Resolution No.1263 dated September 29, 1997, as amended) sets forth the procedure for carrying out an examination of defective and hazardous raw materials and food products.

Russia is a Member State of the Customs Union. The Customs Union adopted a united system of standards and technical regulations. In order to sell products on the territory of the Customs Union, it is necessary to comply with the requirements of technical regulations. A certificate/ declaration of conformity is a document of the Customs Union, in which authorised bodies independent of producers and consumers attest to the suitability of a product with certain safety requirements established by technical regulations of the Customs Union. The certificate/ declaration of conformity is valid on the territory of all Member States.

Milk

Milk shall comply with the basic health and safety requirements of the Technical Regulations of the Customs Union No. TR CU 021/2011 On Food Safety, the Technical Guidelines No. TR CU 033/2013 On Safety of Milk and Dairy Products and the Technical Guidelines No. TR CU 022/2011 On Food Products Labelling. The producer shall apply for conformity assessment to obtain conformity documents which is a veterinary certificate for raw milk. The veterinary certificate is issued after the mandatory procedures (laboratory tests).

The producer shall ensure that products bear the EAC (EurAsian Conformity) mark which certifies that products are compliant with the essential health and safety requirements of the Technical Regulations of the Customs Union. Legal entities carry out the marking of raw milk by means of putting the conformity mark into the documents accompanying the products.

Transportation of raw milk shall be accompanied by a veterinary certified document issued by the authorised body. The veterinary certified documents shall contain information on the veterinary and sanitary examination, confirming the safety of raw milk. The veterinary certified document is valid for one (1) month from the date of issue of such document.

Milk is included in the list of products subjects to sanitary-epidemiological control defined by CU Commission Decision No. 299 of May 28, 2010 "On the Application of Sanitary Measures in the Customs Union". It must be accompanied by documents confirming their conformity with Russian standards of safety and quality, i.e. the veterinary certificate. Milk shall also comply with Hygienic Requirements For Foodstuff Safety and Nutrition (SanPiN 2.3.2.1078-01). Milk is also a subject to veterinary control and it is included into the list defined by CU Commission Decision No. 317 of June 18, 2010 "On the Application of Veterinary-Sanitary Measures in the Customs Union".

Grain

Grain supplied for food and feed purposes shall comply with the basic health and safety requirements of the Technical Regulations of the Customs Union No.TR CU 021/2011 On Food Safety, the Technical Guidelines No.TR CU 015/2011 On Safety of Grain and the Technical Guidelines No.TR CU 022/2011 On Food Products Labelling.

The producer shall apply for conformity assessment to obtain conformity documents which is a declaration of conformity with the technical regulations of the Customs Union. The declaration is issued after the mandatory procedures (laboratory tests) and gives the right to sell products on the territory of the Customs Union. Each declaration is registered in a public register.

The producer shall ensure that products bear the EAC (EurAsian Conformity) mark which certifies that products are compliant with the essential health and safety requirements of the Technical Regulations of the Customs Union. It should be placed either on products' package or if the products do not contain package – on the documents accompanying the products.

Each batch of grain shall be accompanied by shipping documents. Except for the case the grain is supplied for purposes of storage or processing on the territory of the country of origin, the shipping documents shall contain information about the declaration of compliance of the grain with the requirements of the technical regulation.

Grain is included in the list of products subject to sanitary-epidemiological control defined by CU Commission Decision No. 299 of May 28, 2010 “On the Application of Sanitary Measures in the Customs Union”. It must be accompanied by documents confirming their conformity with Russian standards of safety and quality, i.e. the Declaration of Conformity. Grain shall also comply with Hygienic Requirements for Foodstuff Safety and Nutrition (SanPiN 2.3.2.1078-01). Feed grain is also a subject to veterinary control and it is included into the list defined by CU Commission Decision No. 317 of June 18, 2010 “On the Application of Veterinary-Sanitary Measures in the Customs Union”.

As at the Latest Practicable Date, our Group has adhered to the aforementioned regulations and obtained all the relevant certificates and documents for each delivery in the operations of our crops and dairy business.

We do not require any specific licences for the conduct of our business and operations in Russia.

In accordance with the Law No. 342-FZ, dated on August 03, 2018, “On Subsoil” for purposes of the extraction of groundwater for drinking water supply and technological supply of agricultural objects with water, a company must obtain a licence. The licence is granted for up to 25 years. We have the following licences:

Issued to	Type of licence	Permitted activity	Issuing body/ Licensing body	Expiry date
Don Agro LLC	Subsoil use licence Series RST 03142 VE (registered on 30 December 2014 under No. 1382)	Extraction of ground water on the second Voloshinskiy lot for supply to agricultural units	Department for subsoil use for the South Federal District	29 December 2039
	Subsoil use licence Series RST 03141 VE (registered on 30 December 2014 under No. 1381)	Extraction of ground water on the Grekovskiy lot for supply to agricultural units	Department for subsoil use for the South Federal District	29 December 2039
	Subsoil use licence Series RST 03140 VE (registered on 30 December 2014 under No. 1380)	Extraction of ground water on the Degtevskiy lot for supply to agricultural units	Department for subsoil use for the South Federal District	29 December 2039
	Subsoil use licence Series RST 03143 VE (registered on 30 December 2014 under No. 1383)	Extraction of ground water on the Novoselovskiy lot for supply to agricultural units	Department for subsoil use for the South Federal District	29 December 2039

Issued to	Type of licence	Permitted activity	Issuing body/ Licensing body	Expiry date
	Subsoil use licence Series RST 03139 VE (registered on 30 December 2014 under No. 1379)	Extraction of ground water on the Krivorozhskiy lot for supply to agricultural units	Department for subsoil use for the South Federal District	29 December 2039
	Subsoil use licence Series RST 03138 VE (registered on 30 December 2014 under No. 1378)	Extraction of ground water on the Kudinovskiy first lot for supply to agricultural units	Department for subsoil use for the South Federal District	29 December 2039
Selkhoztekhnika	Subsoil use licence Series RST 03137 VE (registered on December 30, 2014 under No. 1377)	Extraction of ground water on the twenty-second Millerovskiy lot for supply to agricultural units	Department for subsoil use for the South Federal District	29 December 2039

As at the Latest Practicable Date, to the best of our Directors' knowledge and belief, our Group has obtained all material certifications, approvals and licences necessary for our current operations.

Liability of shareholders and controlling parties in relation to a company's liabilities under Russian law

According to Article 56(2) of the Civil Code of the Russian Federation (Part I) of 30 November 1994, 51-FZ (as amended on 3 August 2018) (the "**Civil Code**") and as a general rule provided for by civil law, a founder or member of a legal entity is not liable for the legal entity's liabilities, unless otherwise established by the Civil Code or another law. Such exceptions include:

(a) in relation to joint-stock companies and limited liability companies, where shares are not fully paid up by the company's shareholders/members, Article 87(1) of the Civil Code provides that shareholders/members who failed to pay up their shares in full shall be jointly and severally liable with respect to the company's liabilities to the extent of the unpaid part of the share of each such shareholder/member;

(b) when one (1) corporate legal entity is capable of determining decisions made by another corporate legal entity. The corporate legal entity capable of determining such decisions is called the effective parent entity (*osnovnoye obshchestvo*). The corporate legal entity whose decisions are capable of being so determined is called the effective subsidiary entity (*docherneye obshchestvo*). According to Article 6(3) of the Federal Law 14-FZ of 8 February 1998 on Limited Liability Companies (as amended on 23 April 2018), a limited liability company shall be recognised as an effective subsidiary entity if an effective parent entity is able to determine the effective subsidiary's decisions by virtue of the predominant participation on the subsidiary's charter capital or in conformity with an agreement. According to Article 6(3) of Federal Law 208-FZ of 26 December 1995 on Joint-Stock Companies (as amended on 19 July 2018), a joint-stock company shall be recognised as an effective subsidiary entity if an effective parent entity is able to determine the effective subsidiary's decisions in conformity with an agreement or the subsidiary's charter;

(c) when a party (the "**Controlling Party**"), who can be both a corporate entity and an individual, is actually able to direct a corporate legal entity's actions (including being able to give instructions to members of the corporate legal entity's management bodies) even if such party is not a shareholder/member of the corporate legal entity. Article 53.1(3) of the Civil Code provides that such Controlling Party must act reasonably and in good faith and in the best interests of such a corporate legal entity and shall be liable for any losses (including actual damage and forgone benefit) caused to such corporate legal entity through its fault. The Controlling Party's liability may not be eliminated or limited by an agreement; and

(d) when a joint-stock company or limited liability company becomes insolvent through the fault of its shareholder/member or any Controlling Party. Article 3(3) of Federal Law 208-FZ dated 26 December 1995 on Joint-Stock Companies (as amended on 19 July 2018) (in relation to a joint-stock company) and Article 3(3) of the Federal Law 14-FZ of 08 February 1998 on Limited Liability Companies (as amended on 23 April 2018) (in relation to a limited liability company) provide that such shareholder/member or Controlling Party may be held secondarily liable with respect to the company's liabilities if its assets are insufficient for the payment of debts. A company is not considered to have become insolvent through the fault of its shareholder/member or Controlling Party, unless such shareholder/member or Controlling Party exercised the right to give binding instructions or otherwise direct the company's actions for the purpose of the company taking an action knowing that this will result in the company's insolvency. The Federal Law 127-FZ of 26 October 2002 on Insolvency (Bankruptcy) (as amended on 01 July 2018) (the "**Bankruptcy Law**") sets out the provisions under which effective recovery may be made against such shareholder/member or Controlling Party and according to Resolution 53 of 21 December 2017 on Particular Issues of Liability of Debtor's Controlling Parties in Bankruptcy Proceedings (approved by the Plenum of the Supreme Court of the Russian Federation), it is for the court to decide how far a party subject to secondary liability is involved in the debtor's management by reviewing the significance of their influence on important business decisions made by the debtor with respect to the debtor's operations.

Having taken into consideration applicable case law in Russia, Nektorov, Saveliev & Partners, the Legal Adviser to our Company on Russian Law, is of the opinion that, notwithstanding that the Company could be found to be the effective parent entity to Don Agro LLC and other indirect subsidiaries of the Group, the potential risks to the Company and its shareholders arising from the provisions set out in (b), (c) and (d) above are remote and unlikely to affect the Company or its shareholders for the following reasons:

(a) all the Group's entities' shares are fully paid up;

(b) in relation to (b) above, in the absence of a specific agreement, an effective parent entity would be established only where the entity holds a majority shareholdings of more than 50.0% (both direct and indirect) (the "**Majority Shareholder**") in the effective subsidiary entity. As such, in the absence of a specific agreement, the minority and the public shareholders of the Company would not be deemed as effective parent entities and would not be liable for the losses suffered by the Russian subsidiaries of the Group;

(c) the threshold for evidence in order for a party to claim a company's insolvency or debts against the effective parent entity or a Controlling Party is very high as the claimant will be required to prove beyond reasonable doubt that (i) the effective parent entity or Controlling Party (as the case may be) had given such binding instructions; and (ii) the causal link that such binding instructions had directly caused the losses incurred by the effective subsidiary;

(d) in assessing the evidence to determine if binding instructions had been given, the Russian courts generally distinguish between corporate governance processes such as the passing of directors' or shareholders' resolutions, and the actual giving of specific directions or instructions for a transaction. The mere passing of directors' or shareholders' resolutions is not typically deemed to constitute the giving of directions or instructions for a transaction; and

(e) where there is evidence of the causal link between the binding instructions given by the effective parent entity or Controlling Party (as the case may be) and the losses incurred by the effective subsidiary, it is a defence for such effective parent entity or Controlling Party (as the case may be) to prove that it had acted reasonably and in good faith and in the best interests of the effective subsidiary.

SANCTIONS LAWS AND REGULATIONS

Hogan Lovells, the Legal Adviser to our Company on International Sanctions Laws, has provided the following summary of the sanctions regimes imposed by their respective jurisdictions. This summary does not intend to set out the laws and regulations relating to the U.S., the EU, the United Nations, Australia and Singapore sanctions in their entirety.

U.S.

OFAC is the primary agency responsible for administering U.S. sanctions programmes against targeted countries, entities, and individuals. "Primary" U.S. sanctions apply to "U.S. persons" or activities involving a U.S. nexus (e.g., funds transfers in U.S. currency or activities involving U.S.-origin goods, software, technology or services even if performed by non-U.S. persons), and "secondary" U.S. sanctions apply extraterritorially to the activities of non-U.S. persons even when the transaction has no U.S. nexus. Generally, U.S. persons are defined as entities organised under U.S. law (such as companies and their U.S. subsidiaries); any U.S. entity's domestic and foreign branches (sanctions against Iran and Cuba also apply to U.S. companies' foreign subsidiaries or other non-U.S. entities owned or controlled by U.S. persons); U.S. citizens or permanent resident aliens ("green card" holders), regardless of their location in the world; individuals physically present in the United States; and U.S. branches or U.S. subsidiaries of non-U.S. companies.

Depending on the sanctions program and/or parties involved, U.S. law also may require a U.S. company or a U.S. person to "block" (freeze) any assets/property interests owned, controlled or held for the benefit of a sanctioned country, entity, or individual when such assets/property interests are in the United States or within the possession or control of a U.S. person. Upon such blocking, no transaction may be undertaken or effected with respect to the asset/property interest – no payments, benefits, provision of services or other dealings or other type of performance (in case of contracts/agreements) – except pursuant to an authorisation or license from OFAC.

OFAC's comprehensive sanctions programmes currently apply to Cuba, Iran, North Korea, Syria, and the Crimea region of Russia/Ukraine (the comprehensive OFAC sanctions programme against Sudan was terminated on 12 October 2017). OFAC also prohibits virtually all business dealings with persons and entities identified in the SDN List. Entities that a party on the SDN List owns (defined as a direct or indirect ownership interest of 50.0% or more, individually or in the aggregate) are also blocked, regardless of whether that entity is expressly named on the SDN List. Additionally, U.S. persons, wherever located, are prohibited from approving, financing, facilitating, or guaranteeing any transaction by a non-U.S. person where the transaction by that non-U.S. person would be prohibited if performed by a U.S. person or within the United States.

United Nations

The United Nations Security Council (the "**UNSC**") can take action to maintain or restore international peace and security under Chapter VII of the United Nations Charter. Sanctions measures encompass a broad range of enforcement options that do not involve the use of armed force. Since 1966, the UNSC has established 30 sanctions regimes.

The UNSC sanctions have taken a number of different forms, in pursuit of a variety of goals. The measures have ranged from comprehensive economic and trade sanctions to more targeted measures such as arms embargoes, travel bans, and financial or commodity restrictions. The UNSC has applied sanctions to support peaceful transitions, deter non-constitutional changes, constrain terrorism, protect human rights and promote non-proliferation.

There are 14 ongoing sanctions regimes which focus on supporting political settlement of conflicts, nuclear non-proliferation, and counter-terrorism. Each regime is administered by a sanctions committee chaired by a non-permanent member of the UNSC. There are 10 monitoring groups, teams and panels that support the work of the sanctions committees.

United Nations sanctions are imposed by the UNSC, usually acting under Chapter VII of the United Nations Charter. Decisions of the UNSC bind members of the United Nations and override other obligations of United Nations member states.

EU

Under the EU sanction measures, there is no "blanket" ban on doing business in or with a jurisdiction targeted by sanctions measures. It is not generally prohibited or otherwise restricted for a person or entity to do business (involving non-controlled or unrestricted items) with a counterparty in a country subject to EU sanctions where that counterparty is not a Sanctioned Person or not engaged in prohibited activities, such as exporting, selling, transferring or making certain controlled or restricted products available (either directly or indirectly) to, or for use in a jurisdiction subject to sanctions measures.

Australia

The Australian restrictions and prohibitions arising from the sanctions laws apply broadly to any person in Australia, any Australian anywhere in the world, companies incorporated overseas that are owned or controlled by Australians or persons in Australia, and/or any person using an Australian flag vessel or aircraft to transport goods or transact services subject to United Nations sanctions.

Singapore

Singapore maintains a dual sanctions regime, which means that Singapore implements sanctions measures imposed by the United Nations as well as its own autonomous sanctions measures. The United Nations sanction measures are implemented through the United Nations Act (Chapter 339) ("**UNA**") and all subsidiary legislation. Singapore's autonomous sanction measures are implemented through the Terrorism (Suppression of Financing) Act (Chapter 325) ("**TSFA**"). In addition, financial institutions regulated by the Authority are required to comply with the Monetary Authority of Singapore Act (Chapter 186) and its subsidiary regulations, which give effect to targeted financial sanctions under the UNSC Resolutions.

The TSFA establishes the prohibition against the provision, collection and dealing of property as well as provision of services for terrorist purposes. The TSFA also imposes disclosure obligations on individuals in Singapore or a Singaporean citizen outside Singapore who have information or are in possession, custody or control of any property belonging to any terrorist or terrorist entity. The First Schedule of the TSFA contains a list of persons and entities that are considered to be terrorists under the TSFA.

Implications to our Group

Our Group's operations are currently entirely based in Russia, and, in the ordinary course of our business, enter into transactions with entities which may be subject to various trade and economic sanctions. As at the Latest Practicable Date, our Group has entered into (i) banking transactions with our principal bankers, namely, RSHB and Sberbank, which are subject to certain sanctions imposed by the U.S., the EU, Australia and the NSDC Sanctions; (ii) trade-related transactions with one (1) of our major customers, namely, CJSC "Yug of Rus", which is subject to the NSDC Sanctions; (iii) trade-related transactions with one (1) of our major suppliers, namely, RN-Rostovnefteprodukt JSC, which is or may be subject to certain sanctions imposed by the U.S., the EU and Australia; and (iv) trade-related transactions with Amilko LLC, which is both a customer and a supplier of our Group and which is subject to the NSDC Sanctions. In addition, our Group has also entered into transactions with various ancillary service providers and contracting parties, namely, AGROkredit-inform CJSC ("**AGROkredit**"), State Development Corporation VEB.RF ("**VEB**"), Sberbank Leasing JSC, Sberbank Life Insurance LLC, Gazprom Mezhregiongaz LLC ("**Gazprom**"), Gazprom gazoraspredelenie Rostov-na-Donu OJSC, Gazprom Mezhregiongaz Rostov-na-Donu LLC, Gazprom Transgaz Volgograd LLC and RSHB-Strahovanie JSC (collectively, "**Sanctioned Ancillary Parties**"), which are or may be subject to certain sanctions imposed by the U.S., the EU, Australia and/or the NSDC Sanctions. The transactions such as insurance service, repair and maintenance work, purchase of gas, leasing services and custody services with such ancillary service providers and contracting parties are generally to support our Group's day-to-day operations or on an ad-hoc basis, and typically do not involve significant amounts.

In addition, as at the Latest Practicable Date, our Group has entered into trade-related transactions with FosAgro-Don LLC, which is one (1) of our major suppliers. FosAgro-Don LLC is a wholly-owned subsidiary of PhosAgro PAO which is listed under the NSDC Sanctions. The sanction measures apply to entities named on the NSDC Sanctions only and do not apply to subsidiaries of such entities. Accordingly, Nektorov, Saveliev & Partners, the Legal Adviser to our Company on Russian Law, is of the view that FosAgro-Don LLC is not subject to the NSDC Sanctions and our transactions with FosAgro-Don LLC will not fall within the NSDC Sanctions.

Nektorov, Saveliev & Partners, the Legal Adviser to our Company on Russian Law, is of the view that our Group's dealings with customers, suppliers and Sanctioned Ancillary Parties which are subject to the NSDC Sanctions imposed by Ukraine would not result in a violation of the NSDC Sanctions by our Group since our Group itself is not subject to the NSDC Sanctions.

Hogan Lovells, the Legal Adviser to our Company on International Sanctions Laws, performed the following procedures to evaluate our risk of violating International Sanctions Laws:

(a) reviewed documents provided by us about our Group, our business operations, and in particular the contracts and other documentation related to the Sanctioned Subjects which our Group currently has business dealings with; and

(b) received a written confirmation from us that, saved for the Sanctioned Subjects which our Group currently has business dealings with, our Group had not, during the Period Under Review and up to the Latest Practicable Date, conducted any business dealings in or with any other countries or persons that are sanctioned under International Sanctions Laws.

After performing the procedures set out above, Hogan Lovells, the Legal Adviser to our Company on International Sanctions Laws, is of the view that our Group's business dealings with the Sanctioned Subjects (including our Group's business dealings with RN-Rostovnefteprodukt JSC and the Sanctioned Ancillary Parties) do not violate any applicable law or regulation on the following bases:

(a) U.S.

(i) neither the Company nor any of its Group entities are incorporated in the U.S.; the Group does not otherwise maintain any subsidiaries, branches or affiliates which are either incorporated, domiciled or otherwise located in the territory of the U.S.;

(ii) no U.S. persons employed or otherwise engaged by the Group or its Group entities have been involved in any way (either directly or indirectly), including in the negotiation or approval of, or with the on-going performance of, any activities of the Group or its Group entities involving Russia;

(iii) no financing or financial assistance has been received by the Group, either directly or indirectly, from any company, entity or body incorporated or located in the U.S.;

(iv) no products supplied, sold, exported or otherwise transferred by the Group to Russia incorporates more than 10.0% value of U.S.-origin content;

(v) the Group has not undertaken, either directly or indirectly, a contract or any other activity with a counterparty, nor has otherwise provided goods or services to any person, in Cuba, Iran, North Korea, Syria or the Crimea region of Ukraine/Russia (these countries or territories are currently subject to comprehensive U.S. sanctions) or with or to any individuals, entities or organisations that have been designated as Specially Designated Nationals and Blocked Persons during the Period Under Review;

(vi) no services have been exported (either directly or indirectly) to any persons or entities identified on the U.S. Department of Commerce, Bureau of Industry and Security's Entity List, Denied Parties List, or Unverified List; and

(vii) no issues were identified in light of the limited scope of current restrictions that apply to Sberbank, RSHB, Rosneft, VEB, Gazprom; and AGROkredit or their subsidiaries which the Group has transacted during the Period Under Review;

(b) EU

(i) the Group's activities are limited to sales of its agricultural goods and raw milk products that are not export-controlled in the EU or UK Overseas Territories;

(ii) except for transactions with certain entities, neither the Group nor any of its affiliates, agents, directors, officers, or employees are engaged in transactions, business or financial dealings that directly or indirectly involve or benefit a person or entity listed under EU or UK Overseas Territories sanctions; and

(iii) the Group has not been, directly or indirectly, involved in the export from the EU and/or UK Overseas Territories of any items listed in the EU Common Military List or the EU Dual Use list (Annex I to EU Regulation 428/2009), the UK Military List or any items listed under Schedule 3 of the UK's Export Control Order 2008;

(c) UN

(i) the Group's activities involving Russia were limited to sales of its agricultural products and raw milk; and

(ii) the Group does not have business dealings with parties targeted by UN sanctions;

(d) Australia

(i) the Group is not:

(1) a person in Australia;

(2) an Australian citizen or Australian-registered body;

(3) owned or controlled by Australians or persons in Australia; or

(4) a person using an Australian flag vessel or aircraft to transport goods or transact services subject to Australian autonomous sanctions; and

(ii) the Group's dealings do not appear to involve products or services that are restricted under Australian export controls;

(e) Singapore

(i) the Group's dealings do not appear to involve products or services that are restricted under Singaporean export controls; and

(ii) neither the Group nor any of its affiliates, agents, directors, officers, or employees is engaged in transactions that directly or indirectly involve or benefit a person on the sanctions lists of Singapore.

Hogan Lovells, the Legal Adviser to our Company on International Sanctions Laws, is further of the view that the Listing does not violate any law or regulation and would not cause the imposition of any sanction against the persons involved in permitting the listing, trading, clearing and settlement of our Shares, including the SGX-ST and its group companies, or any person involved in the Placement. Accordingly, our Executive Chairman and Controlling Shareholder, Evgeny Tugolukov, and our Chief Executive Officer and Executive Director, Marat Develet-Kildeyev, confirm that our Group does not have any operations or activities (including our dealings with Sanctioned Subjects) which are or have been in violation of any sanctions law or regulation.

Sanctions compliance policy

In order to protect the interests of our Group and to reduce the risk of our Group infringing any International Sanctions Laws, our Group has adopted a sanctions compliance policy ("**Sanctions Compliance Policy**") which sets out enhanced internal control and risk management measures to help our Group monitors and evaluates our business and take measures to protect the interests of our Group from any material risk relating to International Sanctions Laws. The details of the Sanctions Compliance Policy are set out in Appendix F entitled "Sanctions Compliance Policy" of this Offer Document.

Undertakings

In connection with the Listing, our Group has undertaken to the Sponsor and Issue Manager as well as to the Singapore Exchange Regulation Pte. Ltd. that, for so long as our Company is listed on the SGX-ST:

(a) our Group will not engage in any Sanctioned Activity;

(b) the Group will not appoint any Sanctioned Subject as a director of the board or executive officer of any Group entity. In the event any such director or executive officer becomes a Sanctioned Subject, the Company shall procure the removal and/or termination of employment of such individual;

(c) the Company will utilise the net proceeds from the Placement and any subsequent secondary fund raising solely for the purposes disclosed in the Offer Document to be issued by the Company in connection with the Placement or the shareholders' circular to be issued by the Company in connection with any such subsequent secondary fund raising (where applicable) and to the SGX-ST, and not to benefit any Sanctioned Subject. Any material deviation from the use of funds as specified in the offering document or disclosed to SGX-ST must not be for the benefit of Sanctioned Subjects and must be subject to the review and approval of our Audit Committee. Our Company acknowledges that the SGX-ST will request for our Audit Committee's basis in having carried out satisfactory review of the matter and for such basis to be announced;

(d) our Board and Audit Committee will be responsible for (i) monitoring our Company's risk of becoming subject to sanctions; and (ii) ensuring timely and accurate disclosures to SGX-ST and the relevant authorities should any enquiries be made regarding our Group's dealings with Sanctioned Subjects;

(e) our Company will make an immediate SGXNET announcement should it experience a material change in its risk of being subject to sanctions. On an on-going basis, even if there is no change to status quo, a confirmation on the same by our Board will be provided in our Group's annual report;

(f) our Company will not conduct any fundraising on the secondary market through the SGX-ST should it and/or any entity within our Group become a Sanctioned Subject;

(g) without prejudice to the SGX-ST's powers under Catalist Rule 1303(7) to suspend the trading of our Company's securities, and to remove our Company from the SGX-ST (without its agreement) pursuant to Catalist Rule 1305(1)(d), our Board will undertake efforts to remediate and resolve material sanctions risks which arise post-listing to the satisfaction of SGX-ST within a reasonable period;

(h) without prejudice to the SGX-ST's powers under Catalist Rule 1303(7) to suspend the trading of our Company's securities, and to remove our Company from the SGX-ST (without its agreement) pursuant to Catalist Rule 1305(1)(d), our Company will seek a voluntary suspension from trading, and/or delisting from SGX-ST pursuant to Catalist Rule 1307 in the event that material sanctions risks arise and it is unwilling or unable to remediate the sanctions risks to the satisfaction of SGX-ST;

(i) our Board will provide a confirmation in its annual report that it has adequate and effective internal controls (including internal controls related to cash flows) and risk management systems to safeguard the interests of the Group and its shareholders, in particular with respect to sanctions risks. A statement on whether our Audit Committee concurs with our Board's comment will also be provided;

(j) the terms of reference of our Audit Committee will include assessing whether there is a need to obtain independent legal advice and/or appoint a compliance adviser, with respect to the applicable sanctions risks to our Group, and continuous monitoring of the written undertakings provided to SGX-ST;

(k) our Audit Committee will inform and seek the approval of the SGX-ST prior to the disengagement of the Company's External Sanctions Counsel (as defined in the Sanctions Compliance Policy as set out in Appendix F of the Offer Document, as may be amended or modified from time to time) to carry out external audit/review of the Sanctions Compliance Policy;

(l) our Company will disclose in its annual report the measures that it has carried out to audit and/or review the Group's compliance with the Sanctions Compliance Policy to ensure its adequacy and effectiveness; and

(m) our Company will procure the relevant legal advice confirming that our Group's dealings with Sanctioned Subject(s) do not violate any applicable law or regulation, and will confirm the continued validity of such legal advice in its annual report for at least the first three (3) fully completed financial years post-listing.

A breach of any of the undertakings above could lead to the SGX-ST exercising any of its enforcement powers against our Company, including a delisting of our Company from the SGX-ST. In addition, the SGX-ST may exercise its powers under Catalist Rule 1303(7) to suspend the trading of our Shares or securities, and remove our Company from the SGX-ST (without our agreement) pursuant to Catalist Rule 1305(1)(d) if material sanctions risks arise post-listing.

Having reviewed and evaluated our Sanctions Compliance Policy, Hogan Lovells, the Legal Adviser to our Company on International Sanctions Laws, is of the view that the measures set out in our Sanctions Compliance Policy are adequate and effective for us to (i) ensure that our Group's continued dealings with Sanctioned Subjects (including RN-Rostovnefteprodukt JSC and the Sanctioned Ancillary Parties in the event that they are or become subject to sanctions) will not violate any applicable sanctions law or regulation; and (ii) comply with our undertakings above.

RESEARCH AND DEVELOPMENT

We do not conduct any research and development activities as it is not in the nature of our business to do so.

SEASONALITY

Our business is highly seasonal as a substantial portion of our revenue is generated by crop production and the crop production cycle varies between the type of crops. Please refer to the section entitled "General Information on Our Group – Business" of this Offer Document for more details on our schedule of the cultivation processes of our crops. Our Group currently focuses on the production of winter wheat and sunflower, which are generally harvested in July and from September to October, respectively. Due to the seasonal nature of agricultural activity, we typically generate significantly higher revenue in the second half of our financial year when our harvested crops are typically sold.

In addition, we aim to sell our crops when prices are at their peak. If prices are not favourable following a harvest, we may store a particular crop and sell it when prices are more favourable, which may be as late as the following year. Accordingly, this may result in variations to our financial results on a quarterly basis from year to year.

Our dairy business is generally not subject to any seasonal factors as we are able to produce raw milk throughout the year. Notwithstanding, our milk production tends to be higher during the winter season, which is from November to February, as (i) milking cows tend to produce less milk when temperatures are higher especially during the summer months; and (ii) the current production cycles of most of our dairy herd is in the second half of the calendar year.

STAFF TRAINING

Our staff training is typically conducted internally by our senior management and the various heads of department at our premises. We also engage external trainers who are highly qualified experts in their respective fields to conduct training several times a year in order to improve the knowledge and technical skills of our employees where appropriate.

The training that we provide includes:

(a) orientation training for new employees to educate them on company policies and basic technical skills and knowledge;

(b) technical skills training, including the necessary technical skills and knowledge for the operation of new machinery and equipment, is conducted on an ongoing basis for our employees depending on their respective job functions; and

(c) mandatory safety regulations training, including the safe handling of raw milk, and the way to operate machinery and equipment safely, is conducted on an ongoing basis for our employees depending on their respective job functions.

CORPORATE SOCIAL RESPONSIBILITY

We recognise our responsibilities to our employees, business partners and the communities in which we operate, and are committed to achieving long-term mutually sustainable relationships with these stakeholders. We strive to enhance our corporate social responsibility through the following initiatives:

(a) contributing to community institutions such as a nursing home and music school;

(b) providing financial aid to our employees who are war veterans; and

(c) providing New Year gifts to our employees and their families.

COMPETITION

As we produce commodities and operate in a suppliers' market in Russia, there is no direct competition in the Russian market for both crops and raw milk. Broadly, most market players can be grouped into three (3) categories, namely large-scale agricultural enterprises, households and small private farms. The agricultural enterprises form the largest share of the sector, followed by households and small private farms respectively. Since the market is highly competitive and saturated, the Russian agricultural sector is most commonly entered into through acquisitions of existing players and minority stake purchases.

To the best of our knowledge, we consider our main competitors to be other large-scale agricultural enterprises such as Kolhoz Shaumyana, Kolhoz Myasnikyana, Vera LLC and SPK Rodina LLC for our dairy business and JSC Orekhovskaya poultry farm, RZK Resource LLC and Krasnodarzernoprodukt JSC for our crop business.

As at the date of this Offer Document, none of our Directors or Substantial Shareholders or their Associates is related to or has any interest in any of our competitors listed above.

COMPETITIVE STRENGTHS

Our Directors believe that the following competitive strengths have enabled and will continue to enable us to harness the growth potential of our Group and to compete effectively in the agriculture industry in Russia:

We have a large land bank in the Rostov region

We operate in the Rostov region which generally has a stable and predictable weather condition with precipitation levels of approximately 450mm to 500mm per year which is favourable for the cultivation of our main commercial crops, namely winter wheat and sunflower. The Rostov region is one of the most fertile regions in Russia which is rich in black soils and has a favourable geographic location due to its close proximity to the Azov Sea and Don River international ports where the terminals of international grain traders and exporters such as Cargill, Bunge, Glencore, Louis Dreyfus are located.

As at the Latest Practicable Date, we have a controlled land bank of approximately 53,200 hectares, of which approximately 40,785 hectares or approximately 76.7% are leased pursuant to lease agreements with local government authorities and individuals. Most of our leased land are subject to long term lease agreements of more than five (5) years. Please refer to the section entitled "General Information on Our Group – Properties and Fixed Assets" for a summary of the lease termination years of our land bank as at the Latest Practicable Date.

We are one of the leading crop and dairy farming businesses in the Rostov region in Russia

According to data from the Ministry of Agriculture of Rostov[7], we are one of the top farms in terms of milk production in the Rostov region in Russia, accounting for approximately 9.7% of the total milk produced (excluding household milk production) in the Rostov region in 2018. The top three (3) farms in terms of milk production in the Rostov region accounted for approximately 31.3% of the total milk produced in the Rostov region in 2018 (excluding household milk production[8]). We produced 9,635 tonnes, 11,259 tonnes, 12,147 tonnes and 7,654 tonnes of raw milk in FY2016, FY2017, FY2018 and HY2019, respectively. Please refer to the section entitled "General Information on Our Group – Business" of this Offer Document for more information.

According to our management's estimation, we are also one of the leading crop businesses in the Rostov region in Russia, accounting for approximately 0.5% of the total winter wheat produced in the Rostov region in 2018. The top three (3) farms in terms of winter wheat production in the Rostov region accounted for approximately 5.0% of the total winter wheat produced in the Rostov region in 2018. We produced 78,349 tonnes, 76,271 tonnes and 53,674 tonnes of winter wheat in FY2016, FY2017 and FY2018, respectively. The production of winter wheat fell in FY2018 mainly due to the adverse weather conditions, however, the winter wheat was generally of a better quality due to higher protein content. No crop was produced in HY2019 as the harvest will take place in the second half of FY2019. As at the Latest Practicable Date, our Directors are of the view that there are no known factors which may have a material impact on the harvest of our winter wheat, corn, sunflower and flax in the second half of 2019. Our Group has not cultivated sorghum in FY2018 and as such no sorghum will be harvested in FY2019.

We believe that our success in crop and dairy farming may be attributed to our experienced, structured and hands-on farm management practices which maximise our yields and produce high quality crops and raw milk. These practices include (i) no-till farming for our crop business; and (ii) insemination and breeding processes and our herd management, which include animal nutrition and milking techniques, for our dairy business.

In addition, our dairy business is supported by two (2) large-scale milk processors near our dairy operations in the Rostov region, where there is a shortage of milk production.

We have a strong management team who is supported by experienced staff

Our management team consists of experienced industry executives with a clear long-term vision of our business and future plans. Our key management team comprising our Executive Chairman, Chief Executive Officer, Chief Operating Officer and Chief Financial Officer, has been with our Group since the acquisition of Don Agro LLC in 2012. Our management team is supported by operational leaders who have extensive experience in the day-to-day operations of our crop fields, dairy farms and all other aspects of our business and who are integral to our success. Consequently, we have established efficient and effective protocols, such as well-built and transparent sales and purchasing systems and technologically-aided quality management

7 The Ministry of Agriculture of Rostov has not provided its consent, for the purposes of Section 249 of the Securities and Futures Act, to the inclusion of the information extracted from their databases, reports or articles, and is therefore not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor, Issue Manager and Placement Agent have taken reasonable actions to ensure that the information from the Ministry of Agriculture of Rostov has been reproduced in its proper form and context, and that the information has been extracted accurately and fairly from such database, reports and articles, neither we, the Sponsor, Issue Manager and Placement Agent nor any other party has conducted an independent review of the information contained in that database, reports or articles or verified the accuracy of the contents of the relevant information.

8 Household milk production refer to raw milk produced by dairy cows owned by a household for internal consumption.

systems. Our team also employs the use of modern machinery, equipment and software to enhance our operations and workflow.

In addition to our experience and expertise in the local Russian market, our management team, in particular, our Executive Chairman, Evgeny Tugolukov, and our Chief Executive Officer, Marat Devlet-Kildeyev, have extensive experience with international businesses. With their experience, our Group has implemented high levels of corporate governance and management standards to ensure our business and operations are conducted with transparency and accountability.

We believe that our experienced management team and professional staff will enable us to remain productive and competitive in the industry.

We have established relationships with our customers and suppliers

We have developed and established long-standing relationships and goodwill with many of our customers and suppliers. We have established a reputation as a reliable producer of good quality crops and raw milk as demonstrated by our customers' repeat participations in our tenders for our products.

We have also built strong rapport with our suppliers which allows us to source for good quality seeds and fertilisers from established brands and provides us with competitive prices for quality products and timely delivery.

Our Directors believe that the continued support from both our customers and suppliers will enable us to continue to produce high quality agricultural produce and raw milk which is highly sought after in the market.

PROPERTIES AND FIXED ASSETS

Our fixed assets consisting of furniture and fittings, office equipment and computers, motor vehicles and properties had a net book value of approximately S$11.4 million as at the Latest Practicable Date.

Russian law prohibits a foreign-controlled entity from directly owning agricultural land and land situated in the zone of the state border in Russia. Specifically, Russian law states that (i) foreign citizens, foreign legal entities, stateless persons and legal entities in which more than 50.0% of their shares are owned by foreign citizens or foreign legal entities may lease, but may not own Russian agricultural land; and (ii) foreign citizens, foreign legal entities and stateless persons may not own land situated in the zone of the state border. As at the Latest Practicable Date, our Group owns approximately 13,640 hectares of agriculture lands which are all held by our subsidiaries under Tetra JSC. Accordingly, Nektorov, Saveliev & Partners, the Legal Adviser to our Company on Russian Law, is of the view that we are currently not in violation of the restriction on ownership of Russian agricultural land as our Company and Tetra JSC do not directly own Russian agriculture land or land situated in the zone of the state border. Save as disclosed, to the best of our Directors' knowledge and belief, there are no regulatory requirements that may materially affect our Group's utilisation of tangible fixed assets.

We own or lease various properties on which our offices and farms, where we cultivate agricultural crops and produce raw milk, are located. The land cultivated by our Group are generally leased under agreements ranging from one (1) year to 49 years. The table below summarises the lease termination years of our land bank as at the Latest Practicable Date.

Land lease termination year	Land lease area (hectares)	Land lease area represented by land shares held by our Group (hectares)
2019	182.6	23.6
2020	577.2	–
2021	202.5	–
2022	2,899.2	139.5
2023	263	–
2026	5,986.7	102.6
2027	26,034.8	398
2028	3,064	131
2029	1,528.2	134.4
2033	29.4	–
2040	9.8	–
2068	8.2	–

As at the Latest Practicable Date, the weighted average lease expiry is approximately 10.6 years. As at the Latest Practicable Date, five (5) of our leases, representing approximately 1.08% of our total controlled land bank, are due to expire in 2020. As at the Latest Practicable Date, our Group is not aware of any circumstances preventing the renewal of these five (5) leases which are due to expire in 2020.

As at the Latest Practicable Date, we have a controlled land bank of approximately 53,200 hectares, of which approximately 40,785 hectares are leased pursuant to an aggregate of 224 lease agreements with local government authorities and individuals. Several of our leases are entered into with multiple co-owners as the relevant plot of land is co-owned by such parties as a result of the basic land privatisation mechanism following the collapse of the Soviet Union, which involved the distribution of land shares. A land share is a paper entitlement of fractional ownership in the agricultural land, resulting in a collective joint shared ownership of the land. As at the Latest Practicable Date, 129 of our lease agreements, which relate to an aggregate of approximately 3,651 hectares of land (representing approximately 6.8% of our controlled land bank), have been entered into with five (5) or less lessors; while 95 of our lease agreements, which relate to an aggregate of 37,134 hectares of land (representing approximately 69.8% of our controlled land bank), have been entered into with more than five (5) lessors ("**Multiple Lessor Leases**"). The revenue contributed from properties with Multiple Lessor Leases accounted for approximately 63.9%, 72.2%, 72.0% and 71.9% of our total revenue in FY2016, FY2017, FY2018 and HY2019, respectively.

As at the Latest Practicable Date, 84 of our Multiple Lessor Leases, which relate to an aggregate of 36,270 hectares of land (representing approximately 68.1% of our controlled land bank) are deemed to be material ("**Material Multiple Lessor Leases**"). In determining whether a lease is material, several factors are taken into account, including (i) the amount and quality of arable land (based on the expert opinion of our agronomist, taking into account the physical characteristics of the land such as whether the land contains areas with barren sand or saline); (ii) the size of the leased property; (iii) the proximity of the leased property to storage facilities (whether it is within approximately 12km radius from a village with storage facilities); and (iv) the financial effect(s) of the termination of the lease. The revenue contributed from properties with Material Multiple Lessor Leases accounted for approximately 56.1%, 62.5%, 63.3% and 62.3% of our total revenue in FY2016, FY2017, FY2018 and HY2019, respectively. As at the Latest Practicable Date, there are an aggregate of 4,196 individual lessors for the Material Multiple Lessor Leases. Please refer to Appendix E entitled "Properties and Leases" of this Offer Document for more details of our Material Multiple Lessor Leases.

The following table sets out details of our leases that are in respect of properties which represent more than 5.0% of our controlled land bank ("**Material Leases**"):

Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental
374 co-owners of a land plot (natural persons and Don Agro LLC)[(1)]	Rostov Oblast, Millerovsky District, around sl. Krivorozhye	52,806,476 (equivalent to approximately 5,280.6 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027	Lease payment in kind effected on the basis of one (1) interest in joint shared ownership at the rate of 1,400 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessor's option), 25 litres of the sunflower oil (or 100 kg of the sunflower upon the lessors written application), and 20 kg of the wheat flour (or 1,000 kg of the straw upon the lessor's written application), on a yearly basis.

Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental
				Additionally, the lessee is required, upon the written application of the lessor, to plow up to the 2,000 sq m of the land at the price of RR 200 per 2,000 sq m, and to pay RR 8,000 in case of the lessor's death to the heir of interest of the land plot, and to compensate land tax to the lessors.
175 co-owners of a land plot (natural persons and Don Agro LLC)(2)(6)	Rostov Oblast, Millerovsky District, north and northeast from sl. Kudinovka	26,454,664 (equivalent to approximately 2,645.4 hectares)	10 years 7 months from 26 May 2017 to 31 December 2027	Lease payment in kind effected on the basis of one (1) interest in joint shared ownership at the rate of 1,400 kg of the wheat fodder, 250 kg of the corn, 30 litres of the sunflower oil (or 120 kg of the sunflower at the lessor's written application), and 50 kg of the wheat flour, on a yearly basis. Additionally, the lessee is required, upon the written application of the lessor, to plow up to 2,000 sq m of the garden for free, and to pay RR 8,000 in the event of the lessor's death to the heir of interest of the land plot, and to compensate land tax to the lessors.

Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental
413 co-owners of a land plot (natural persons)[(3)]	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:60 00 22, workplaces No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 23, 24, 25, 31, 32, 33, 34, 35, 36, 45, 46, 47, 48, 49, 59, 60, 61, 91, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 93, 97, 98, north of workplace No. 62. Pasture plots No. 26g, 25g, 17o, 22g, 20g, 18g, 11o, 23g, 2o, 20g, 6g, 24g, 19g, 5o, 7g, 19g northwest of 10o	58,449,200 (equivalent to approximately 5,844.9 hectares)	10 years 3 months from 15 September 2016 to 31 December 2026	Lease payment in kind effected on the basis of one (1) interest in joint shared ownership at the rate of 2,000 kg of the wheat fodder including 200 kg of the corn, 120 kg of sunflower (or 25 litres of the sunflower oil upon the lessors written consent), and 50 kg of the light wheat flour, on a yearly basis. Additionally, the lessee is required, upon the written application of the lessor, to plow up to not more than 2,000 square metres of the garden for free, and to pay RR 10,000 in the event of the lessor's death to the heir of interest of the land plot and to compensate land tax to the lessors.

Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental
357 co-owners of a land plot (natural persons and Don Agro LLC)(4)	Rostov Oblast, Millerovsky District	44,056,631 (equivalent to approximately 4,405.7 hectares)	10 years from 12 January 2017 to 12 January 2027)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,500 kg of grain fodder including 150 kg of corn, 26 litres of sunflower oil, 50 kg of light wheat flour, on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(5)

Notes:

(1) The four (4) largest co-owners in relation to this lease hold approximately 0.8% share each in the leased land.

(2) The single largest co-owner in relation to this lease holds approximately 1.2% share in the leased land.

(3) The single largest co-owner (other than Don Agro LLC) in relation to this lease holds approximately 0.9% share in the leased land. Don Agro LLC holds 1.0% share in the leased land.

(4) The single largest co-owner in relation to this lease holds approximately 1.0% share in the leased land.

(5) The lessee has a right to make payment in a monetary form at the average market price for such kind of products in Millerovsky District as at the date of payment upon written application of the lessor.

(6) On 6 August 2019, two (2) lessors commenced legal proceedings in order to establish their respective boundaries of the land plots between the lessors of this lease based on their shareholding ("**Boundaries Establishment**"). As part of the process of the Boundaries Establishment, the two (2) lessors had approached Don Agro LLC, as lessee of this lease, to seek approval to commence the Boundaries Establishment. However, as Don Agro LLC had not responded to them promptly, the lessors had filed a lawsuit against Don Agro LLC in connection with the Boundaries Establishment. Nektorov, Saveliev & Partners, the Legal Adviser to our Company on Russian Law, has confirmed that the Boundaries Establishment (including the lawsuit filed by the lessors against Don Agro LLC) will not affect the validity of this lease which will continue to remain valid and enforceable as the proceedings for the Boundaries Establishment is limited to establishing the respective boundaries of the land plots between two (2) of the lessors of this lease based on their relative shareholdings in this lease. Accordingly, as the validity of this lease is not affected and the Group will be able to continue leasing the land during and after the Boundaries Establishment, there are no implications to the Group arising from the Boundaries Establishment (including the lawsuit filed by the lessors against Don Agro LLC). On 5 December 2019, based on the results of the consideration of the claim on the merits, the Millerovsky district court of Rostov Region denied the claim in full.

The revenue contributed from the properties with Material Leases accounted for approximately 31.8%, 35.9%, 35.8% and 35.2% of our total revenue in FY2016, FY2017, FY2018 and HY2019, respectively.

As all the Material Leases are in respect of agricultural lands for which there are six (6) or more co-owners, ownership, use and disposal of the land plot is carried out in accordance with the decisions of the co-owners adopted at a general meeting of co-owners ("**GM**"). The GM is required to be attended by not less than 50.0% of all co-owners (or 30.0% in the case of a reconvened GM) or such number of co-owners owning more than 50.0% share in the land plot. Decisions shall be taken by more than 50.0% of the total number of shares of co-owners present at the GM or by the majority in number of co-owners present at the GM. A co-owner is entitled to express his disagreement with the lease of the land plot or with the terms of a lease agreement for such land plot at the GM. Such co-owner has the right to be allocated a part of the entire land plot based on his share in the land plot and dispose of it at his own discretion.

In the case of agricultural lands for which there are five (5) or less co-owners, the consensus of all co-owners is required for the lease of the land plot.

As at the Latest Practicable Date, we do not lease more than 5.0% of our controlled land bank from any single lessor or co-owner.

Vadim Novikov, our Chief Operating Officer, had successfully tendered for a land plot with an approximate gross floor area of 551,524 sq m from the local land authority in 2017, which had restricted the tender to participation by individuals only. As the lease agreement between Vadim Novikov and the local land authority did not provide for any restrictions on the sub-lease of the land plot, Vadim Novikov subsequently entered into a sub-lease agreement dated 7 September 2017 with Don Agro LLC, pursuant to where he leased the land plot to Don Agro LLC for a period from 7 September 2017 to 31 December 2019. Pursuant to the sub-lease agreement, the monthly rental payable to Vadim Novikov is equivalent to the amount payable by Vadim Novikov to the local land authority (including 13.0% withholding tax).

Please refer to Appendix E entitled "Properties and Leases" of this Offer Document for more details of our leased and owned properties. None of our leased properties have been leased from any of our Directors, Chief Executive Officer or Controlling Shareholders or the Associates of such Directors, Chief Executive Officer or Controlling Shareholders.

Waiver in relation to Paragraph 6(a)(ii), Part 5 of the Fifth Schedule of the SFR

Pursuant to Paragraph 6(a)(ii), Part 5 of the Fifth Schedule of the SFR, in relation to any material leased property, we are required to disclose, *inter alia*, the identity of the lessor in this Offer Document.

Our Company has applied for and obtained from the SGX-ST, acting as agent on behalf of the Authority, an exemption to comply with the requirement as set out in Paragraph 6(a)(ii), Part 5 of the Fifth Schedule of the SFR to disclose the identity of the lessors in relation to our Material Multiple Lessor Leases for the following reasons:

(a) as at the Latest Practicable Date, the Group has entered into 95 Multiple Lessor Leases (including 84 Material Multiple Lessor Leases). If the identities of all the lessors are disclosed in the Offer Document, the information disclosed in relation to the Group's leased properties will become lengthy and unwieldy, and will not be meaningful to investors. The Company proposes to disclose (i) the identities of the lessors only in respect of leases that have been entered into with five (5) or less lessors; and (ii) the number of lessors in respect of Multiple Lessor Leases;

(b) none of the Material Multiple Lessor Leases have been leased from any of the Directors or Controlling Shareholder of the Company or the associates of such Directors or Controlling Shareholder, such that the non-disclosure of the identities of the lessors will not be prejudicial to the minority Shareholders of the Company and investors;

(c) while four (4) of the properties with Material Multiple Lessor Leases (being the Material Leases as further described above), with an aggregate land area of approximately 18,400 hectares, represents more than 5.0% of the Group's controlled land bank each, none of the individual lessors in each of the Material Leases owns more than 1.0% share of the relevant Material Lease; and

(d) in relation to each of the Material Lease, the land is co-owned in joint shared ownership by each of the lessors such that decisions in relation to the land (including the leasing of the land) are generally carried out in accordance with the decisions of the co-owners adopted at a general meeting. Accordingly, no single lessor is able to unilaterally make a decision in relation to the co-owned land.

PROSPECTS

This and other sections of this Offer Document contain information relating to the Russian economy in which we operate. The information and statistics contained in this section have been derived partly from external sources, as well as publicly available government and official sources. We believe that the sources of such information and statistics are appropriate and have taken reasonable care in extracting and reproducing such information and statistics. We have no reason to believe that such information or statistics are false or misleading in any material respect or that any fact has been omitted that would render such information or statistics false or misleading in any material respect. Such information and statistics have not been independently verified by us, the Sponsor, Issue Manager and Placement Agent, any of our or their respective directors, officers or representatives or any other person involved in the Placement and no representation is given as to their correctness or accuracy. The projections and forward-looking statements in this section are not guarantees of future performance and actual events and circumstances could differ materially from current expectations. Numerous factors could cause or contribute to such differences. Please see the sections entitled "Risk Factors" and "Cautionary Note on Forward-Looking Statements" of this Offer Document. Accordingly, you should not place undue reliance on the information or statistics contained in this section.

Overview of the Agriculture Industry in Russia

The agriculture sector plays an important role in Russia's economy and over the last 15 years, Russia has emerged as a leading exporter of agricultural products for the global market. In 2018, Russia was the world's largest exporter of wheat[9], the second-largest producer of sunflower seeds[10] and the fourth largest producer of milk[11]. Additionally, Russian agricultural growth has implications for world agricultural trade. The expected continued growth in Russian grain production (driven by both rising input use and productivity) will increase the country's exports, putting more competitive market pressure on other major grain exporters, such as the EU, and

9 US Department of Agriculture Foreign Agricultural Service ("**USDA FAS**"), 'Grain: World Markets and Trade' (10 May 2019) <https://www.fas.usda.gov/data/grain-world-markets-and-trade>

10 USDA FAS, 'Oilseed: World Markets and Trade' (10 May 2019) <https://www.fas.usda.gov/data/oilseeds-world-markets-and-trade>

11 USDA FAS, 'Dairy: World Markets and Trade' (18 December 2018) <https://www.fas.usda.gov/data/dairy-world-markets-and-trade>

partly on the U.S.[12] Strategic government policies (such as state subsidies and import bans on major agricultural crops from some Western countries), the depreciation of the RR and favourable weather conditions have contributed to Russia's position as a strong global player in the agricultural market. The result is that agriculture continues to be an attractive sector of the Russian economy. This growth is expected to continue in tandem with the Russian government's aim to make Russia self-sufficient in food.

Additionally, climate change is expected to contribute to the growth of the agriculture industry in Russia, by reducing longstanding challenges for Russian agriculture. Climate studies showed that the temperature in Russia's grain producing areas will increase by up to three (3) degrees Celsius by 2050, with the greatest increase in winter. This translates to longer growing seasons and higher crop yields. Russian farms could also now expand northward to lands that were never used to grow grain, and based on temperature ranges expected by 2030, it will also be possible to introduce entirely new crops that are not widely grown in Russia today.[13]

Strong government initiatives continue to drive the development of Russian agriculture industry

The Russian government's emphasis on food security and the corresponding supportive government policies drove strong growth in the agricultural sector. In 2010, the Russian government adopted the Food Security Doctrine ("**FSD**") which outlines Russia's agriculture goals to achieve self-sufficiency in various food commodities by achieving minimum share of domestic production in total supply of commodities in the range of 80.0% to 95.0%.[14]

To achieve the objectives of the FSD, the Russian government implemented the State Program on Development of Agriculture and Regulation of Agricultural Commodity Markets 2013-2020 ("**SPDAR**") to develop and promote growth in the domestic agriculture industry. Under the SPDAR, there are several sub-programs that target various aspects of the agriculture industry such as agricultural machinery, crop production, animal production, animal breeding and development of several sub-sectors such as the dairy and beef cattle industry. The SPDAR was amended in 2017 to focus on agricultural investments and exports.[15]

---

12 Nicholas Rada, William Liefert, and Olga Liefert. "Productivity Growth and the Revival of Russian Agriculture" ERR-228, US Department of Agriculture Economic Research Service ("**USDA ERS**"), April 2017 <https://www.ers.usda.gov/webdocs/publications/83285/err-228.pdf?v=0>

13 National Intelligence Council, "Russia: Impact of Climate Change to 2030" (April 2009) <https://www.dni.gov/files/documents/climate2030_russia.pdf>

14 USDA FAS, 'Russian Federation: Food Security Doctrine Adopted' (2 November 2010) <https://www.usda.gov/>

USDA FAS, USDA ERS, National Intelligence Council, EC, WBG, and USDA (each as defined herein) as well as The Dairy News, Russia, have not provided their consent, for purposes of Section 249 of the Securities and Futures Act, to the inclusion of the information extracted from their databases, reports or articles, and are therefore not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor, Issue Manager and Placement Agent have taken reasonable actions to ensure that the information from the sources above has been reproduced in its proper form and context, and that the information has been extracted accurately and fairly from such database, reports and articles, neither we, the Sponsor, Issue Manager and Placement Agent nor any other party has conducted an independent review of the information contained in that database, reports or articles or verified the accuracy of the contents of the relevant information.

15 USDA FAS, 'Russia: Agricultural State Program 2013-2020 Amended in 2017' (8 June 2017) <https://www.fas.usda.gov/data/russia-agricultural-state-program-2013-2020-amended-2017>

The SPDAR was allocated approximately RR198 billion, RR194 billion and RR194 billion in 2018, 2019 and 2020, respectively by the Russian government[16] and it has been reported that this figure is likely to increase.[17] The agriculture industry has achieved good progress since its implementation in 2013. For instance, fertilisers used per hectare of total land in crops increased from 38 kg in 2013 to 49 kg in 2016. The encouragement of modern agriculture technologies such as machinery, biotechnology and fertilisers under the SPDAR has helped to drive development of the agriculture industry in Russia.

In addition, other government initiatives that nurtured the growth of domestic agricultural companies are, (i) subsidised short term and investment loans at the interest rate of not more than 5.0%; (ii) partial compensation of capital expenditure for new and modernised agricultural facilities and elite seeds; (iii) subsidies for dairy farmers per one (1) litre of sold milk linked to increased milk yield; (iv) subsidies for producers of agricultural equipment and machinery, thereby allowing agricultural companies to buy machinery at a cheaper price; (v) partial compensation of capital expenditure for dairy equipment and pedigree heifers; and (vi) partial compensation of the costs of harvest insurance and soil analysis.

In addition, for companies engaged in the production of agricultural goods and where more than 70.0% of revenue is derived from the production and processing of agricultural goods, the profits tax rate for revenue derived from the production of agricultural goods only has been reduced from the standard 20.0% tax rate to 0.0% since 2011.

In 2014, Russia implemented a ban on agricultural imports from the EU and other Western countries, which is expected to run until December 2019[18]. The import ban together with the policy orientation of FSD have created growth opportunities for domestic agricultural companies to meet domestic demand.

Our Directors believe that such initiatives from the Russian government will likely continue to drive the development of the agriculture industry.

Substantial increase in Russian agriculture production output and efficiency

Due to the strong initiatives by the Russian government to develop the agriculture industry, Russian agriculture production increased by 52.6% in value during the period 2013 to 2016. The increase is attributable to significant increase in harvest of major agriculture crops such as wheat and sunflower seeds. At the same time, agriculture production was also more efficient with an increase in yield across major agriculture crops. Russian agriculture has been one of the fastest

16 *Ibid* footnote 10

17 'For Agriculture, 400 Billion Rubles Per Year' *The Dairy News, Russia* (20 November 2018) <http://www.dairynews.ru/news/gordeev-considers-it-necessary-to-increase-the-fin.html>

18 European Commission ("**EC**"), 'Russia Import Ban on Agricultural Products' (European Commission website, accessed 23 November 2018) <https://ec.europa.eu/agriculture/russian-import-ban_en>

USDA FAS, USDA ERS, National Intelligence Council, EC, WBG, and USDA (each as defined herein) as well as The Dairy News, Russia, have not provided their consent, for purposes of Section 249 of the Securities and Futures Act, to the inclusion of the information extracted from their databases, reports or articles, and are therefore not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor, Issue Manager and Placement Agent have taken reasonable actions to ensure that the information from the sources above has been reproduced in its proper form and context, and that the information has been extracted accurately and fairly from such database, reports and articles, neither we, the Sponsor, Issue Manager and Placement Agent nor any other party has conducted an independent review of the information contained in that database, reports or articles or verified the accuracy of the contents of the relevant information.

growing segments of the economy in recent years with gross output up 2.4% in 2017, as the Russian economy emerged from a two-year recession.[19]

Our Directors believe that with use of modern technologies, machinery and improved farming techniques, the production and efficiency of Russian agriculture industry is likely to increase.

Expansion of Russian agriculture export to other countries

The sales and export of Russian agricultural products are expected to increase as Russia continues to explore new trade opportunities abroad, such as to Southeast Asia, the Middle East and Latin America. Agricultural products increased from approximately 3.0% of total exports in 2013 to approximately 6.0% of total exports in 2017.[20] According to statistics from the USDA FAS, exports of wheat have increased by approximately 23 million tonnes from approximately 18 million tonnes in 2013 to approximately 41 million tonnes in 2017.[21] Although wheat exports decreased to 37 million tonnes in 2018, they are projected to remain stable at 36 million tonnes in 2019.[22] Additionally, it is projected that global wheat trade will increase by nearly 32.7 million tonnes or approximately 17.7% during the period from 2019 to 2029.[23]

Our Directors believe that the trend of increasing food consumption and strong agriculture production output will provide export opportunities for Russian agriculture producers.

Stable consumption of domestic agriculture produce

Sales of wheat in the Russian domestic market have recorded strong growth in the past few years, having an increase in domestic consumption of approximately 5 million tonnes or 14.1%, from 35.5 million tonnes in 2014 to 40.5 million tonnes in 2018.[24] The increase in domestic consumption can be attributed mainly to the increased costs of imported agricultural produce as a result of the overall currency depreciation of the RR over the past few years and the import ban imposed by the Russian government against a range of EU food and agricultural products in 2014.

Our Directors believe that the nature of food as a necessity will enable the agriculture industry to be resilient against changing economic trends.

---

19 USDA FAS, 'Russia: Agricultural Economy and Policy Report' (26 July 2018) <https://www.fas.usda.gov/data/russia-agricultural-economy-and-policy-report>

20 The World Bank Group ("**WBG**"), 'Russia Economic Report No. 39: Modest Growth Ahead' (May 2018) <http://documents.worldbank.org/curated/en/221891529097400830/Russia-Economic-Report-May-2018-No-39-Modest-growth-ahead>

21 USDA FAS, statistics extracted from USDA FAS Grain Data Sets <https://apps.fas.usda.gov/psdonline/app/index.html#/app/downloads

22 USDA FAS, 'Grain: World Markets and Trade' (10 May 2019) <https://www.fas.usda.gov/data/grain-world-markets-and-trade>

23 United States Department of Agriculture ("**USDA**"), 'Agricultural Projections to 2028' (March 2019) <https://www.ers.usda.gov/publications/pub-details/?pubid=92599>

USDA FAS, USDA ERS, National Intelligence Council, EC, WBG, and USDA (each as defined herein) as well as The Dairy News, Russia, have not provided their consent, for purposes of Section 249 of the Securities and Futures Act, to the inclusion of the information extracted from their databases, reports or articles, and are therefore not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor, Issue Manager and Placement Agent have taken reasonable actions to ensure that the information from the sources above has been reproduced in its proper form and context, and that the information has been extracted accurately and fairly from such database, reports and articles, neither we, the Sponsor, Issue Manager and Placement Agent nor any other party has conducted an independent review of the information contained in that database, reports or articles or verified the accuracy of the contents of the relevant information.

24 *Ibid* footnote 4

Milk deficit in Russia as an opportunity for domestic dairy producers

Russia has been experiencing milk deficit and had an estimated deficit in milk production of 5.2 million tonnes in 2017[25] and 3.8 million tonnes in 2018[26]. As a result, while domestic raw milk prices have risen steadily over the period 2013 to 2016, from RR15,875 per ton in 2013 to RR21,814 per ton in 2016, the prices of milk are estimated to be stable for 2019-2020.

Our Directors believe that total dairy yield of agricultural enterprises (dairy farms) will increase with the help of the SPDAR, and will continue to improve with the application of modern technology and good breeding practices. Accordingly, the deficit of raw milk is estimate to decrease slightly in 2019 due to the increase in milk productivity and a stable consumption per capita in Russia.

In addition, our Directors are of the view that the development of the dairy industry and Russia's milk deficit situation will provide business opportunities for our Group. Additionally, it is likely that the Russian dairy industry will be focused on maximisation of export after the local deficit is fulfilled.

TREND INFORMATION AND ORDER BOOK

Based on our Directors' knowledge and experience of the industry and barring any unforeseen circumstances, our Directors have observed the following trends since the Latest Practicable Date:

(a) Crop business

The harvest for winter wheat, corn and flax has generally been lower in 2018 than in 2017; while the harvest for sunflower was generally higher in 2018 than in 2017. For 2019, assuming normal weather conditions during the harvesting season, we expect the harvest for both winter wheat and sunflower to generally increase and believe that the crop harvest will be sufficient to satisfy local demand as the demand for sunflower, corn and flax has generally been stable from local customers. In addition, we believe that there are also good prospects for export demand for winter wheat due to demand driven by global economic growth in general and a rising world population, while export demand for corn and sunflower, which are typically sold to local customers, is also expected to increase in 2019 and 2020. As a result of the currency depreciation of the RR, the prices of our crops in RR increased in 2018. We expect our crop prices to remain fairly stable in 2019 as we envisage that the RR will likely continue to depreciate. Despite the general forecast of world sunflower oil quotes to improve, we expect a slight reduction of the prices of sunflower due to an oversupply due to a bumper harvest in Russia for the 2019 and 2020 season.

---

25 'The Indicator of Milk Deficiency in Russia in 2017 Decreased to 5.2 Million Tons' *The Dairy News, Russia* (21 May 2018) <http://www.dairynews.ru/news/pokazatel-defitsita-moloka-v-rossii-v-2017-godu-sn.html>

26 'Russia's milk deficit drops to 3.8 million tonnes' *The Dairy News, Russia* (16 May 2019) <http://www.dairynews.ru/news/defitsit-moloka-v-rossii-snizilsya-do-3-8-mln-tonn.html>

USDA FAS, USDA ERS, National Intelligence Council, EC, WBG, and USDA (each as defined herein) as well as The Dairy News, Russia, have not provided their consent, for purposes of Section 249 of the Securities and Futures Act, to the inclusion of the information extracted from their databases, reports or articles, and are therefore not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we, the Sponsor, Issue Manager and Placement Agent have taken reasonable actions to ensure that the information from the sources above has been reproduced in its proper form and context, and that the information has been extracted accurately and fairly from such database, reports and articles, neither we, the Sponsor, Issue Manager and Placement Agent nor any other party has conducted an independent review of the information contained in that database, reports or articles or verified the accuracy of the contents of the relevant information.

We observed an increase in diesel prices between 2017 to 2018 as a result of an increase in world oil prices and RR depreciation, which led to a slight increase in our cost of sales. In response to the increase in diesel prices, the Russian government had decreased gasoline excise duty in the middle of 2018 in order to regulate diesel prices. In addition, in November 2018, as part of the SPDAR, the Russian government has also granted subsidies to agricultural companies to finance the purchase of fuel. Excise duties for diesel increased by 50.8% and for certain types of gasoline by 49.9% since 1 January 2019 following the changes to the Russian Tax Code introduced in 2018. Russian government also increased prohibitive duties on the export of oil and petroleum products in order to moderate fuel prices in Russia. As a result, prices for fuel increased by 5.0% to 10.0% compared to previous year.

(b) Dairy business

We expect that the demand for and the prices of our milk will continue to be stable in 2019 and 2020 due to Russia's current milk deficit situation and the development of Russia's milk industry. As the dairy business is labour intensive, with the increase in the Russian monthly minimum wage from RR9,489 to RR11,163 from 1 May 2018 onwards, we expect our labour costs to increase, although such increase is not expected to be significant as our Group pays most of our employees above the monthly minimum wage stipulated by the Russian government. Further, we expect that in line with the Russian government's focus on developing the dairy industry, Russian government domestic support for the industry such as subsidies for investment and short-term loans, subsidies for reimbursement of capital expenditures for dairy farm, and subsidies for the increase of productivity in dairy farming which were available in 2018, will continue to remain in effect in 2019 and 2020.

There is no assurance that our financial performance for FY2019 and future years will match or exceed our historical financial performance as disclosed in the "Independent Auditors' Report and the Audited Combined Financial Statements for the Years Ended 31 December 2016, 31 December 2017 and 31 December 2018 of Don Agro International Limited and its Subsidiaries" and the "Independent Auditors' Review Report and Unaudited Condensed Combined Interim Financial Statements for the Six-month Period Ended 30 June 2019 of Don Agro International Limited and its Subsidiaries" as set out in Appendices A and B, respectively, of this Offer Document.

Due to the nature of our business, the concept of an order book is not meaningful to our Group.

Save as disclosed above and in the sections entitled "Risk Factors", "Management's Discussion and Analysis of Results of Operations and Financial Position", "General Information on our Group – Prospects" and "General Information on our Group – Business Strategies and Future Plans" of this Offer Document and barring any unforeseen circumstances, our Directors are not aware of any significant recent trends in production, sales and inventory, and in the costs and selling prices of our products, or other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our sales or revenue, profitability, liquidity or capital resources, or that may cause the financial information disclosed in the Offer Document to be not necessarily indicative of our future operating results or financial position.

BUSINESS STRATEGIES AND FUTURE PLANS

Our strategies and future plans for the continued growth of our business are as follows:

Expansion of our arable land bank

We intend to expand our arable land bank through the acquisition of companies engaging in similar businesses and/or the acquisition of arable plots of land. While we have not identified any specific plots of land or companies for acquisition, we intend to focus our acquisition of land on plots of land which are near our current operations and/or nearer the ports in the Rostov region. Our sources for our land bank acquisitions may be through the sale of distressed assets by banks, land brokers and/or our personal connections.

We intend to utilise approximately S$0.4 million, representing approximately 7.9% of the gross proceeds raised by our Company from the Placement for this purpose.

Acquisition of new equipment and machinery

We intend to acquire new machinery to upgrade our existing equipment and machinery and/or expand our equipment and machinery in line with our expansion of our land bank. Such equipment and machinery may include seeders, tractors and harvesters. We believe that the acquisition of such new equipment and machinery will improve our efficiency, productivity and yield for our crop business.

We intend to utilise approximately S$0.4 million, representing approximately 7.9% of the gross proceeds raised by our Company from the Placement for this purpose.

Explore opportunities in mergers and acquisitions, joint ventures and strategic alliances

We recognise that there may be opportunities that may arise through mergers and acquisitions, joint ventures and strategic alliances with domestic and foreign companies. This would enable us to expand our Group's network and provide us with opportunities to learn from our business partners who have the relevant expertise and relationships.

By leveraging on our expertise and experience, we intend to seek new and suitable opportunities to expand into other high growth regional markets within Russia, such as other districts within the Rostov region and the Krasnodar region in Russia. To-date, we have not identified any specific investment targets. Should opportunities arise, we will seek approvals, where necessary, from our Shareholders and the relevant authorities in compliance with relevant laws and regulations.

We intend to utilise approximately S$0.4 million, representing approximately 7.9% of the gross proceeds raised by our Company from the Placement for this purpose.

In general, transactions between our Group and any of its Interested Persons (namely, our Directors, Chief Executive Officer or Controlling Shareholders of our Company or the Associates of such Directors, Chief Executive Officer or Controlling Shareholders) would constitute Interested Person Transactions for the purposes of Chapter 9 of the Catalist Rules.

This section sets out the Interested Person Transactions entered into by our Group for FY2016, FY2017, FY2018 and HY2019 and up to the Latest Practicable Date (the "**Relevant Period**") on the basis of each member of our Group (namely, our Company and our subsidiaries) being an Entity At Risk and with Interested Persons being construed accordingly.

For the purpose of this section of this Offer Document, the Interested Persons of our Group are:

(a) our Directors, namely, Evgeny Tugolukov, Marat Devlet-Kildeyev (who is also our Chief Executive Officer), Ravi Chidambaram, Tan Han Beng and Edwin Tham Soong Meng;

(b) our Controlling Shareholder, namely, Evgeny Tugolukov; and

(c) Vallerd Investments, being the Associate of our Executive Chairman and Controlling Shareholder, Evgeny Tugolukov.

Save as disclosed in this section and in the section entitled "Restructuring Exercise" of this Offer Document, there has been no Interested Persons Transaction during the Relevant Period involving our Group which are material in the context of this Placement.

PAST INTERESTED PERSON TRANSACTIONS

(a) Sureties provided by our Group in relation to Volgo-Agro's credit facilities

Vallerd Investments, was a sole shareholder of Volgo-Agro. Our Group has, from time to time during the Relevant Period, entered into surety agreements to secure the credit facilities granted to Volgo-Agro by Sberbank and Moscow Industrial Bank. Volgo-Agro was owned by our Group during the Relevant Period and was disposed of by our Group to Vallerd Investments in 2017. The details of the credit facilities secured by these sureties for the Relevant Period are as follows:

Financial institution	Type of facilities	Amount of facilities (S$'000)	Largest amount under the surety during the Relevant Period (S$'000)
Sberbank	Short-term credit line	97(1)	388(2)
Sberbank	Short-term credit line	70(3)	418(4)
Moscow Industrial Bank	Short-term credit line	326(5)	326(5)

Notes:

(1) Equivalent to approximately RR5.0 million.

(2) Equivalent to approximately RR20.0 million.

(3) Equivalent to approximately RR3.0 million.

(4) Equivalent to approximately RR18.0 million.

(5) Equivalent to approximately RR15.0 million.

These credit facilities agreements were extended by third party financial institutions and were on an arm's length basis, based on prevailing market interest rates.

As no compensation, fees or other benefits have been paid or are payable by Volgo-Agro to our Group for the provision of the sureties, our Directors are of the view that such sureties provided were not on an arm's length basis and not on normal commercial terms, but were not prejudicial to the interest of our Group since the sureties were provided by our Group when Volgo-Agro was still part of our Group.

Our Group had disposed all its interest in the issued and paid-up capital of Volgo-Agro to Vallerd Investments in 2017, and Vallerd Investments had, on October 2018, disposed all its interest in the issued and paid-up capital of Volgo-Agro to an independent third party. As at the Latest Practicable Date, all the sureties provided by our Group in relation to Volgo-Agro's credit facilities have been discharged.

Our Group does not intend to enter into any transaction of the above nature in the future.

(b) Transactions with Vallerd Investments

(i) *Loans from Vallerd Investments ("**Vallerd Loans**")*

Prior to the Relevant Period, Vallerd Investments provided loans of approximately S$28.6 million (equivalent to approximately RR729.0 million) to our Group at interest rates of 3.0% to 8.5% per annum, which were generally lower than the average lending rates of banks in Russia then. In 2015, loans owed by our Group of approximately S$9.5 million (equivalent to approximately RR351.3 million) to Privana Financial Corporation, an entity which was previously wholly-owned by our Executive Chairman, Evgeny Tugolukov, were also assigned to Vallerd Investments.

During the Relevant Period, there was no outstanding Vallerd Loans as at the end of each of the last three (3) financial years ended 31 December 2018, as at 30 June 2019 and as at the Latest Practicable Date.

The largest outstanding amount owed to Vallerd Investments pursuant to the Vallerd Loans was S$37.2 million (equivalent to approximately RR1.1 billion).

The Vallerd Loans have been fully settled by our Group through the issuance of the Original Promissory Notes (as defined herein) of approximately S$14.6 million (equivalent to approximately RR544.8 million) on 19 May 2015, the issuance of new shares in Tetra JSC to Vallerd Investments for approximately S$14.1 million (equivalent to approximately RR620.0 million) on 6 August 2015, and cash payment of approximately S$1.2 million (equivalent to approximately RR55.0 million) during FY2015.

As the Vallerd Loans were unsecured with no fixed repayment terms and were at interest rates which were generally lower than the average lending rates of banks in Russia then, our Directors are of the view that the above transactions were not on commercial terms and not carried out on an arm's length basis, but were not prejudicial to the interests of our Group and the minority Shareholders.

(ii) *Issuance and pledging of Original Promissory Notes by Vallerd Investments*

On 19 May 2015, Don Agro LLC issued promissory notes of approximately S$14.6 million (equivalent to approximately RR544.8 million) ("**Original Promissory Notes**") in favour of Vallerd Investments at an interest rate of 5.06% per annum which are due and payable in full on 31 August 2021. The interest rate was determined as a weighted average interest rate of all existing loans provided by Vallerd Investments to Don Agro LLC and was generally lower than the average lending rates of banks in Russia then.

The Original Promissory Notes were issued as part of the conditions for Don Agro LLC to secure a loan facility of approximately S$8.5 million (equivalent to approximately RR373.0 million) ("**Bank Loan**") from RSHB for working capital purposes. RSHB had required Don Agro LLC to issue promissory notes to Vallerd Investments to account for the Vallerd Loans and required Vallerd Investments to pledge the Original Promissory Notes as security for the Bank Loan ("**Vallerd Security**"). Don Agro LLC had fully repaid the Bank Loan and the Vallerd Security was fully discharged in November 2016.

The amounts outstanding of the Original Promissory Note as at the end of each of the last three (3) financial years ended 31 December 2018, as at 30 June 2019 and as at the Latest Practicable Date were as follows:

	As at 31 December 2016 (S$'000)	**As at 31 December 2017 (S$'000)**	**As at 31 December 2018 (S$'000)**	**As at 30 June 2019 (S$'000)**	**As at the Latest Practicable Date (S$'000)**
Amounts owing to Vallerd Investments pursuant to the Original Promissory Note	11,086[(1)]	–	–	–	–

Note:

(1) This represents the carrying value of the Original Promissory Note as at 31 December 2016. The Original Promissory Note has a face value of approximately S$13.9 million.

During the Relevant Period, the largest outstanding amount owing by our Group was approximately S$13.9 million (equivalent to approximately RR589.5 million) in relation to the Original Promissory Note.

The Original Promissory Notes have been fully redeemed through the issuance of the Second Promissory Note (as defined herein) and the Second Loan (as defined herein).

As the interest rate of the Original Promissory Notes was not determined with reference to prevailing market rates but was generally lower than the average lending rates of banks in Russia then, our Directors are of the view that the above transactions were not on commercial terms and not carried out on an arm's length basis, but were not prejudicial to the interests of our Group and the minority Shareholders.

As no fees and/or consideration (monetary or otherwise) were paid to Vallerd Investments for the provision of the Vallerd Security, our Directors are of the view that the above transactions were not on commercial terms and not carried out on an arm's length basis but were not prejudicial to the interests of our Group and the minority Shareholders.

Our Group does not intend to enter into any transactions of the above nature in the future.

(iii) *Second Promissory Notes to Vallerd Investments*

On 28 February 2017, our Group redeemed approximately S$8.7 million (equivalent to approximately RR362.0 million) of the Original Promissory Notes through (i) the issuance of an interest-free promissory note of approximately S$5.8 million (equivalent to approximately RR244.6 million) in favour of Vallerd Investments which is due and payable in full on 31 August 2021 ("**Second Promissory Note**"); and (ii) the accounting of approximately S$3.7 million (equivalent to approximately RR146.1 million) of the Original Promissory Notes as payables for an interest-free unsecured loan from Vallerd Investments to our Group ("**Second Loan**"). The amount of outstanding Second Loan as at the end of each of the last three (3) financial years ended 31 December 2018, as at 30 June 2019 and as at the Latest Practicable Date were as follows:

	As at 31 December 2016 (S$'000)	**As at 31 December 2017 (S$'000)**	**As at 31 December 2018 (S$'000)**	**As at 30 June 2019 (S$'000)**	**As at the Latest Practicable Date (S$'000)**
Amounts owing to Vallerd Investments pursuant to the Second Loan	–	1,259[(1)]	–	–	–

Note:

(1) Equivalent to approximately RR54.3 million.

During the Relevant Period, the largest outstanding amount owing by our Group was (i) approximately S$5.9 million (equivalent to approximately RR244.6 million) in relation to the Second Promissory Note; and (ii) approximately S$3.7 million (equivalent to approximately RR146.1 million) in relation to the Second Loan.

On 15 May 2017, Vallerd Investments transferred the Second Promissory Note in favour of Tetra JSC as capital contribution of approximately S$5.8 million (equivalent to approximately RR244.6 million) in Tetra JSC. Accordingly, the Second Promissory Note was fully settled by our Group.

The Second Loan has been fully repaid to Vallerd Investments comprising (i) approximately S$2.2 million (equivalent to approximately RR92.1 million) in FY2017; and (ii) approximately S$1.3 million (equivalent to approximately RR54.0 million) in FY2018.

As the Second Promissory Note was interest-free, our Directors are of the view that the above transactions were not on commercial terms and not carried out on an arm's length basis but were not prejudicial to the interests of our Group and the minority Shareholders.

As the Second Loan was unsecured and interest-free with no fixed repayment terms, our Directors are of the view that the above transaction was not on commercial terms and not carried out on an arm's length basis but was not prejudicial to the interests of our Group and the minority Shareholders.

Our Group does not intend to enter into any transaction of the above nature in the future.

(iv) *Provision of loans to Volgo-Agro*

Prior to the Relevant Period, Don Agro LLC provided various loans aggregating to approximately S$0.3 million (equivalent to approximately RR15.4 million) at an interest rate of 12.0% per annum, which was generally based on the average lending rates of banks in Russia then, to Volgo-Agro for its working capital purposes ("**VA Loans**"). On 19 May 2015, a portion of the VA Loans of approximately S$0.3 million (equivalent to approximately RR15.4 million) were converted into a promissory note bearing an interest rate of 12.0% per annum, which is due and payable in full on 1 August 2021 ("**VA Promissory Note**"). In 2016 and 2017, Don Agro LLC provided additional loans of approximately S$1.4 million in aggregate (equivalent to approximately RR58.7 million) at an interest rate of 12.0% per annum, which was generally based on the average lending rates of banks in Russia then, to Volgo-Agro (the "**2016 Loan**", and together with the VA Loans, the "**Volgo-Agro Loans**").

The VA Promissory Note was repaid by Volgo-Agro during FY2016 and there were no outstanding amount under the VA Promissory Note as at the end of each of the last three (3) financial years ended 31 December 2018, as at 30 June 2019 and as at the Latest Practicable Date. During the Relevant Period, the outstanding amounts under the Volgo-Agro Loans as at the end of each of the last three (3) financial years ended 31 December 2018, as at 30 June 2019 and as at the Latest Practicable Date were as follows:

	As at 31 December 2016 (S$'000)	**As at 31 December 2017 (S$'000)**	**As at 31 December 2018 (S$'000)**	**As at 30 June 2019 (S$'000)**	**As at the Latest Practicable Date (S$'000)**
Amounts owing by Volgo-Agro pursuant to the Volgro-Agro Loans	915[(1)]	–	–	–	–

Note:

(1) Equivalent to approximately RR38.4 million.

During the Relevant Period, the largest outstanding amount owed by Volgo-Agro to our Group was (i) approximately S$1.3 million (equivalent to approximately RR54.4 million) in relation to the Volgo-Agro Loans; and (ii) approximately S$0.3 million (equivalent to approximately RR15.4 million) in relation to the VA Promissory Note.

In 2017, Volgo-Agro transferred the Volgo-Agro Loans to Vallerd Investments. On 22 February 2017, Vallerd Investments settled the outstanding Volgo-Agro Loans amounting to approximately S$0.9 million (equivalent to approximately RR38.4 million) in full through redeeming a portion of the Original Promissory Notes amounting to approximately S$0.9 million (equivalent to approximately RR38.4 million).

Our Directors are of the view that the Volgo-Agro Loans and the VA Promissory Note provided were not on commercial terms and not carried out on an arm's length basis but were not prejudicial to the interest of our Group as Volgo-Agro was still part of our Group.

Our Group does not intend to enter into any transaction of the above nature in the future.

(v) *Provision of loans to Vallerd Investments*

During the Relevant Period, our Group provided loans of approximately S$2.6 million (equivalent to approximately US$1.8 million or RR110.9 million) to Vallerd Investments at an interest rate of 5.25% per annum, which was generally higher than the average lending rates for US$-denominated loans by banks in Russia then ("**Don Agro Loans**"). During the Relevant Period, the amount of outstanding Don Agro Loans as at the end of each of the last three (3) financial years ended 31 December 2018, as at 30 June 2019 and as at the Latest Practicable Date were as follows:

	As at 31 December 2016 (S$'000)	**As at 31 December 2017 (S$'000)**	**As at 31 December 2018 (S$'000)**	**As at 30 June 2019 (S$'000)**	**As at the Latest Practicable Date (S$'000)**
Amounts owing to our Group pursuant to the Don Agro Loans	2,384[(1)]	–	–	–	–

Note:

(1) Equivalent to approximately RR100.9 million.

During the Relevant Period, the largest aggregate amount of the Don Agro Loans provided by our Group was approximately S$2.6 million (equivalent to approximately RR110.9 million).

As at the Latest Practicable Date, the Don Agro Loans have been fully settled by Vallerd Investments by offsetting them under a portion of the Original Promissory Notes of approximately S$2.5 million (equivalent to approximately US$1.8 million or RR110.9 million). As the Don Agro Loans were unsecured and with no fixed repayment terms but at an interest rate of 5.25% per annum, which was generally higher than the average lending rates for US$-denominated loans by banks in Russia then, our Directors are of the view that the above transactions were not on commercial terms and not carried out on an arm's length basis, but were not prejudicial to the interests of our Group and the minority Shareholders.

Our Group does not intend to enter into any transactions of the above nature in the future.

(c) Sale of Volgo-Agro to Vallerd Investments

Pursuant to a sale and purchase agreement dated 16 August 2017 between Tetra JSC and Vallerd Investments ("**SPA**"), Vallerd Investments acquired 100.0% of the interests in the capital of Volgo-Agro for a consideration of approximately S$1.3 million (equivalent to approximately RR55.3 million) ("**VA Consideration**"). The consideration was fully satisfied by transferring part of the Original Promissory Notes of approximately S$1.3 million (equivalent to approximately RR55.3 million) to Tetra JSC. The disposal of Volgo-Agro was completed on 16 August 2017. The consideration was higher than the NAV of Volgo-Agro of approximately S$1.1 million (equivalent to approximately RR47.3 million) at the time of the disposal by Tetra JSC. Accordingly, our Directors are of the view that the above transaction was not on commercial terms and not carried out on an arm's length basis, but was not prejudicial to the interests of our Group as the VA Consideration is higher than the NAV of Volgo-Agro. This transaction was a one-off transaction.

Our Group does not intend to enter into any transaction of the above nature in the future. Vallerd Investments subsequently disposed of Volgo-Agro to an unrelated third party in October 2018 for a consideration of approximately S$0.8 million (equivalent to approximately RR38 million).

(d) Purchase of sunflower from Volgo-Agro

Our Group was not able to sell its harvested sunflower at a desired price due to the low volume harvested in FY2017 due to the wet weather. Accordingly, our Group entered into agreements ("**Sunflower Agreements**") with Volgo-Agro in FY2017 and FY2018 for the purchase of sunflower to accumulate sale volume in order to sell it at a higher market price. The aggregate amount under the Sunflower Agreements was S$0.3 million (equivalent to approximately RR15.2 million) for which our Group had provided a full prepayment.

Our Directors are of the view that the agreements provided were on an arm's length basis and on normal commercial terms as the purchase price was based on the prevailing market price of sunflower.

As at the Latest Practicable Date, the sunflower has not been delivered to our Group due to bad harvest for Volgo-Agro and Volgo-Agro has refunded approximately S$0.1 million (equivalent to approximately RR4.2 million). The remaining advanced payment of S$0.2 million has been impaired following the disposal of Volgo-Agro by Vallerd Investments in October 2018 to an unrelated third party ("**Volgo-Agro Disposal by Vallerd**"). Volgo-Agro is no longer an interested person under Chapter 9 of the Catalist Rules following the Volgo-Agro Disposal by Vallerd.

ON-GOING INTERESTED PERSON TRANSACTIONS

(a) Sureties provided by our Chief Executive Officer in relation to our Group's credit facilities

Our Group has, from time to time, entered into credit facilities with Sberbank and RSHB for our day-to-day operations. The credit facilities, which are entered into during the period commencing from 1 January 2016 to the date of this Offer Document, are partially secured by sureties provided by our Chief Executive Officer, Marat Devlet-Kildeyev:

Subsidiary that procured the facility	Institution	Type of security	Facility	Amount of facility secured (S$'000)	Amount guaranteed (S$'000)	Amount outstanding/ guaranteed as at the Last Practicable Date (S$'000)
Discharged sureties						
2016						
Don Agro LLC	RSHB	Surety	Short-term credit line	3,530(2)	3,530(2)	–
Volgo-Agro(1)	Sberbank	Surety	Short-term credit line	439(3)	439(3)	–
2017						
Don Agro LLC	Sberbank	Surety	Short-term credit line	13,335(4)	13,335(4)	–
Don Agro LLC	RSHB	Surety	Short-term credit line	9,614(5)	9,614(5)	–
Don Agro LLC	RSHB	Surety	Long-term loans	348(6)	348(6)	–
Volgo-Agro	Sberbank	Surety	Short-term credit line	425(7)	425(7)	–
2018						
Don Agro LLC	Sberbank	Surety	Short-term credit line	6,107(8)	6,107(8)	–
Don Agro LLC	RSHB	Surety	Short-term credit line	8,065(9)	8,065(9)	–
Don Agro LLC	RSHB	Surety	Long-term credit line	317(10)	317(10)	–
2019						
Don Agro LLC	Sberbank	Surety	Short-term credit line	631(11)	631(11)	–

Subsidiary that procured the facility	Institution	Type of security	Facility	Amount of facility secured (S$'000)	Amount guaranteed (S$'000)	Amount outstanding/ guaranteed as at the Last Practicable Date (S$'000)
Existing sureties						
Don Agro LLC	Sberbank	Surety	Short-term loans	155(12)	155(12)	37(13)
Don Agro LLC	Sberbank	Surety	Long-term loans	996(14)	996(14)	992(14)
Don Agro LLC	RSHB	Surety	Short-term credit line	2,077(15)	2,077(15)	2,077(15)
Don Agro LLC	Sberbank	Surety	Short-term loans	292(16)	292(16)	292(16)
Don Agro LLC	Sberbank	Surety	Long-term loans	558(17)	558(17)	558(17)
Don Agro LLC	Sberbank	Surety	Short-term loans	2,133(18)	2,133(18)	2,133(18)
Don Agro LLC	Sberbank	Surety	Short-term loans	1,913(19)	1,913(19)	1,803(20)

Notes:

(1) Volgo-Agro was part of our Group prior to its disposal in FY2017.

(2) Equivalent to approximately RR168.9 million.

(3) Equivalent to approximately RR21.0 million.

(4) Equivalent to approximately RR564.6 million.

(5) Equivalent to approximately RR407.1 million.

(6) Equivalent to approximately RR14.7 million.

(7) Equivalent to approximately RR18.0 million.

(8) Equivalent to approximately RR284.0 million.

(9) Equivalent to approximately RR375.0 million.

(10) Equivalent to approximately RR14.7 million.

(11) Equivalent to approximately RR30.0 million.

(12) Equivalent to approximately RR7.6 million.

(13) Equivalent to approximately RR1.7 million.

(14) Equivalent to approximately RR46.8 million.

(15) Equivalent to approximately RR100.0 million.

(16) Equivalent to approximately RR14.0 million.

(17) Equivalent to approximately RR26.3 million.

(18) Equivalent to approximately RR100.0 million. The loan was obtained on 2 December 2019 and the amount is as at the date of this Offer Document.

(19) Equivalent to approximately RR88.0 million. The loan was obtained on 9 January 2020 and the amount is as at the date of this Offer Document.

(20) Equivalent to approximately RR84.5 million.

As at the date of this Offer Document, the largest aggregate amount guaranteed by Marat Devlet-Kildeyev for the above facilities were approximately S$8.1 million (equivalent to approximately RR382.7 million). Please refer to the section entitled "Capitalisation and Indebtedness" of this Offer Document for more information on our banking facilities.

The amounts in relation to the above credit facilities were extended at interest rates ranging from 2.45% to 13.5% per annum. These credit facilities agreements were extended by third party financial institutions and were on an arm's length basis, based on prevailing market interest rates, subject to any increase in rate at the financial institutions' discretion at the end of the preferential financing period.

As no compensation, fees or other benefits have been paid or are payable by our Group to Marat Devlet-Kildeyev for the provision of the sureties, our Directors are of the view that such sureties provided were not on an arm's length basis and not on normal commercial terms, but were not prejudicial to the interest of our Group and our minority Shareholders.

We intend to, upon our admission to Catalist, and subject to the approval of the financial institution granting the credit facilities, procure the discharge of the sureties provided by Marat Devlet-Kildeyev, and replace them with corporate guarantees by our Company. In the event we are unable to procure such a replacement, the existing sureties provided by our Chief Executive Officer, Marat Devlet-Kildeyev, will remain in force until the termination of the relevant credit facilities agreements. Marat Devlet-Kildeyev has also confirmed that he will not receive any compensation, fees or other benefits for the provision of the above sureties in the future.

GUIDELINES AND REVIEW PROCEDURES FOR ON-GOING AND FUTURE INTERESTED PERSON TRANSACTIONS

Our Audit Committee will review and approve all Interested Person Transactions to ensure that they are on normal commercial terms and on arm's length basis, that is, the transactions are transacted in terms and prices not more favourable to the Interested Persons than if they were transacted with a third party and are not prejudicial to the interests of our Group or our Shareholders in any way.

To ensure that all future Interested Person Transactions are carried out on normal commercial terms and will not be prejudicial to the interests of our Group or our minority Shareholders, the following procedures will be implemented by our Group:

(a) When purchasing any products or engaging any services from an Interested Person, two (2) other quotations from non-interested persons will be obtained for comparison to ensure that the interests of our Group or our minority Shareholders are not disadvantaged. The purchase price or fee for the products or services shall not be higher than the most competitive price or fee of the two (2) other quotations from non-interested persons. In determining the most competitive price or fee, all pertinent factors, including but not limited to quality, requirements, specifications, delivery time and track record will be taken into consideration;

(b) When selling any products or supplying any services to an Interested Person, the price or fee and terms of two (2) other successful transactions of a similar nature with non-interested persons will be used as comparison to ensure that the interests of our Group or our minority Shareholders are not disadvantaged. The price or fee for the supply of products or services shall not be lower than the lowest price or fee of the two (2) other successful transactions with non-interested persons;

(c) When renting properties from or to an Interested Person, appropriate steps will be taken to ensure that such rent is matched with prevailing market rates, including adopting measures such as making relevant enquiries with landlords of similar properties and obtaining suitable reports or reviews published by property agents (where necessary). The rent payable shall be based on the most competitive market rental rates of similar properties in terms of size and location, based on the results of the relevant enquiries;

(d) Where it is not possible to compare against the terms of other transactions with unrelated third parties and given that the products and/or services may be purchased only from an Interested Person, the Interested Person Transaction will be approved by our Group's Chief Executive Officer or an equivalent of the relevant company in the Group, who has no interest in the transaction, in accordance with our Group's usual business practices and policies. In the event our Group's Chief Executive Officer (or the equivalent of the relevant company in the Group) is interested in the transaction, the Interested Person Transaction will be approved by our Audit Committee. In determining the transaction price payable to the Interested Person for such products and/or service, factors such as, but not limited to, quantity, requirements and specifications will be taken into account; and

(e) In addition, we shall monitor all Interested Person Transactions entered into by us and categorise these transactions as follows:

   (i) a Category 1 Interested Person Transaction is one where the value thereof is in excess of 3.0% of the NTA of our Group; and

   (ii) a Category 2 Interested Person Transaction is one where the value thereof is below or equal to 3.0% of the NTA of our Group.

All Category 1 Interested Person Transactions must be approved by our Audit Committee prior to entry whereas Category 2 Interested Person Transactions need not be approved by our Audit Committee prior to entry but shall be reviewed at least on a semi-annual basis by our Audit Committee.

Our Audit Committee will review all Interested Person Transactions, if any, on a semi-annual basis to ensure that they are carried out on normal commercial terms and in accordance with the procedures outlined above. It will take into account all relevant non-quantitative factors. Such review includes the examination of the transaction and its supporting documents or such other data deemed necessary by the Audit Committee. The Audit Committee shall, when it deems fit, have the right to require the appointment of independent sources, advisers or valuers to provide additional information pertaining to the transaction under review. In the event that a member of our Audit Committee is interested in any such transaction, he will abstain from participating in the review and approval process in relation to that particular transaction.

The Audit Committee shall also review from time to time such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that Interested Person Transactions are conducted on normal commercial terms and do not prejudice our interests and the interests of our Shareholders. Further, if during these periodic reviews by the Audit Committee, the Audit Committee is of the opinion that the guidelines and procedures as stated above are not sufficient to ensure that Interested Person Transactions will be on normal commercial terms and not prejudicial to our interests and the interests of our Shareholders, the Audit Committee will adopt such new guidelines and review procedures for future Interested Person Transactions as may be appropriate.

The Chief Financial Officer shall prepare all the relevant information to assist the Audit Committee in its review and will keep a register to record all Interested Persons Transactions. The register shall also record the basis for entry into the transactions, including the quotations and other evidence obtained to support such basis.

Disclosure will be made in the Company's annual report of the aggregate value of Interested Person Transactions during the relevant financial year under review and in the subsequent annual reports for the subsequent financial years of the Company.

Internal auditors will be appointed and their internal audit plan will incorporate a review of all the Interested Person Transactions at least on an annual basis. The internal audit report will be reviewed by the Audit Committee to ascertain whether the guidelines and procedures established to monitor Interested Person Transactions have been complied with.

In addition, our Audit Committee will include the review of Interested Person Transactions as part of the standard procedures while examining the adequacy of our internal controls. Our Board will also ensure that all disclosure, approval and other requirements on Interested Person Transactions, including those required by prevailing legislation, the Catalist Rules and accounting standards, are compiled with. In addition, such transactions will also be subject to Shareholders' approval if required by the Catalist Rules.

POTENTIAL CONFLICTS OF INTEREST

Save as disclosed below and in the section entitled "Interested Person Transactions", none of our Directors, Controlling Shareholders or any of their Associates has an interest, direct or indirect:

(a) in any transaction to which our Group was or is to be a party;

(b) in any entity carrying on the same business or dealing in similar services which competes materially and directly with the existing business of our Group; and

(c) in any enterprise or company that is our Group's customer or supplier of goods and services.

Our Independent Director, Edwin Tham Soong Meng, is a general director of and holds a 49.0% equity interest in Kerensk Farm LLC ("**Kerensk**"). Kerensk is a Russian incorporated entity and currently owns two (2) plots of agriculture land ("**Kerensk Land Plots**") with a total land area of approximately 14.0 hectares in Vadinsk, Russia, a town located (i) approximately 500km to the South-East of Moscow, Russia; and (ii) approximately 800km from Millerovo, the Group's principal place of business. Save for holding the Kerensk Land Plots, Kerensk is currently not engaged in any business or operations and does not own or lease any other property or asset. The Kerensk Land Plots are currently (i) vacant and are intended to be kept for personal use by the shareholders of Kerensk; and (ii) not being utilised for any commercial agriculture activities. Notwithstanding, Edwin Tham Soong Meng had, on 3 December 2018, entered into a deed of undertaking whereby, for so long as he is (i) a director of our Company; and/or (ii) a shareholder with an interest of 5.0% or more (whether direct or indirect) in the voting shares of our Company, he will:

(a) not be involved, whether as a director or shareholder (whether direct or indirect) of Kerensk, in any decision making in Kerensk or any of its related corporations that will put him in a position of conflict with respect to his duties and responsibilities in our Group;

(b) if necessary, abstain, whether as a director or shareholder (whether direct or indirect) of our Company, from being involved in deliberating or voting on matters of our Company which he may be in a position of conflict by reason of his directorship and/or shareholding interest (whether direct or indirect) in Kerensk;

(c) if necessary, abstain, whether as a director or shareholder (whether direct or indirect) of Kerensk, from being involved in deliberating or voting on matters of Kerensk which he may be in a position of conflict by reason of his directorship and/or shareholding interest (whether direct or indirect) in our Company; and

(d) for so long as he and/or his associates remain as a director and/or controlling shareholder of Kerensk, procure that Kerensk shall not directly or indirectly undertake or be engaged, concerned, involved or be interested with any business competing with or in opposition to the business of our Group in jurisdictions which our Group operates.

Save as disclosed in the sections entitled "Interested Person Transactions" and "Directors, Management and Staff – Service Agreements" of this Offer Document, none of our Directors has any interests in any existing contract or arrangement which is significant in relation to the business of our Company and our subsidiaries, taken as a whole.

Interests of Experts

No expert is interested, directly or indirectly, in the promotion of, or in any property or assets which have, within the two (2) years preceding the date of this Offer Document, been acquired or disposed of by or leased to our Company or its subsidiaries or are proposed to be acquired or disposed of by or leased to our Company or its subsidiaries.

No expert (a) is employed on a contingent basis by our Company or our subsidiaries; or (b) has a material interest, whether direct or indirect, in our Shares or the shares of our subsidiaries; or (c) has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Placement.

Interests of Sponsor, Issue Manager and Placement Agent

In the reasonable opinion of our Directors, the Sponsor, Issue Manager and Placement Agent, PPCF, does not have a material relationship with our Company save as disclosed below and in the section entitled "General and Statutory Information – Management and Placement Arrangements" of this Offer Document:

(a) PPCF is the Sponsor, Issue Manager and Placement Agent in relation to the Listing;

(b) PPCF will be the continuing Sponsor of our Company for a period of three (3) years from the date our Company is admitted and listed on the Catalist; and

(c) pursuant to the Management Agreement and as part of PPCF's fees as the Sponsor and Issue Manager, our Company issued and allotted 2,272,700 PPCF Shares at the Placement Price to PPCF representing approximately 1.8% of the issued and paid-up share capital of our Company immediately prior to the Placement. After the expiry of the relevant moratorium period as set out in the section entitled "Shareholders – Moratorium" of this Offer Document, PPCF may dispose its shareholding interest in our Company at its discretion.

DIRECTORS

Our Board of Directors is entrusted with the responsibility for the overall management of our Group. The particulars of each of our Directors are set out below:

Name	Age	Residential address	Position
Evgeny Tugolukov	48	c/o 10 Collyer Quay #10-01 Ocean Financial Centre Singapore 049315	Executive Chairman
Marat Devlet-Kildeyev	54	c/o 10 Collyer Quay #10-01 Ocean Financial Centre Singapore 049315	Chief Executive Officer and Executive Director
Ravi Chidambaram	55	c/o 10 Collyer Quay #10-01 Ocean Financial Centre Singapore 049315	Lead Independent Director
Tan Han Beng	44	c/o 10 Collyer Quay #10-01 Ocean Financial Centre Singapore 049315	Independent Director
Edwin Tham Soong Meng	54	c/o 10 Collyer Quay #10-01 Ocean Financial Centre Singapore 049315	Independent Director

The business and working experience and areas of responsibility of our Directors are set out below:

Evgeny Tugolukov is our Executive Chairman. He was appointed to our Board on 28 November 2018 and is responsible for setting and executing the strategic directions and expansion plans for the growth and development of our Group. He has over 20 years of experience holding top management positions in various financial and industrial groups. Evgeny Tugolukov began his career in 1993 when he joined MDM Bank, one of the largest private banks in Russia, before going on to build up and manage several sizable holdings. In 2005, he formed EMAlliance Public JSC ("**EMAlliance**") where he served as chairman of the board of directors until 2007, developing it into one of Russia's largest power machine-building companies. In 2008, he founded Strongbow Investments Pte Ltd ("**Strongbow**"), a Singapore-incorporated international holding company with a diverse range of investments in the areas of high-tech start-ups, entertainment, healthcare, real estate development and agriculture, and a strong geographical focus on Southeast Asia, Russia and Eastern Europe. He has been the managing director of Strongbow since 2012. From 2007 to 2011, Evgeny Tugolukov was a Member of Parliament of the State Duma of the Russian Federation, as well as the Chairman of the State Duma Committee on Natural Resources. He was also an honorary business representative with Enterprise Singapore, promoting bilateral trade and business relations between Singapore and Russia from 2014 to 2018. Evgeny Tugolukov graduated with a Diploma in Economics and Management from the Ural Federal University in 2000.

Marat Devlet-Kildeyev is our Chief Executive Officer and has been with our Group since 2012, when he was the chairman of the board of Don Agro JSC and Don Agro LLC. He became the general director of Don Agro LLC in 2014 and chief executive officer of Happy Cow in 2015. In 2017, he became the President of Don Agro LLC, in which capacity he was responsible for developing relationships with potential investors and foreign partners as well as evaluating foreign capital markets. He took on the same role in Tetra JSC in 2018 and was appointed to our Board on 28 November 2018. As Chief Executive Officer, he is responsible for directing and controlling the operations of the Group and its key operational subsidiaries.

Marat Devlet-Kildeyev joined Barclays Bank of Canada in 1993 (which was subsequently acquired by Hong Kong Bank of Canada in 1995) where he was deputy treasury manager and head of leasing. He then joined Renaissance Capital Limited in 1998 as head of risk management and then chief financial officer for the company, before becoming the first deputy general director of the Renaissance Insurance Group LLC in 1999. He then joined a media company, Afisha Industries CJSC, as general director in 2001 before joining an investment holding company, Rinaco JSC, as managing director in 2003. He subsequently joined a Rinaco JSC-managed engineering company, TKZ-Management LLC, as general director in 2005, and EMAlliance as first deputy general director in 2005. In 2006, he became the chief operating officer of power and energy-focused, ESN JSC. He then joined an Aegis Media Russia-related media company, O.K. Solutions LLC, as general director from 2007 to 2008, before joining the Moscow representative office of CTC-Media. Inc. as deputy general director and head of international broadcasting in 2009 until 2012. In 2013, he joined ProdAlliance Limited, which was managing the business of our Group, as head of representative office until 2018. Marat Devlet-Kildeyev graduated with a Diploma in Russian Linguistics and Teaching Russian for Foreigners from the Leningrad State University in 1987 and received his Master of Business Administration degree from the University of Toronto Faculty of Management in 1993.

Ravi Chidambaram is our Lead Independent Director and was appointed to our Board on 28 June 2019. He is currently the president of investment banking firm, TC Capital Pte. Ltd. Ravi Chidambaram started his career as a financial analyst in the investment banking division of Kidder, Peabody & Co. in 1986. In 1989, he left to join Commerzbank AG as a credit officer in the international division, sovereign risk unit until 1991. In 1993, Ravi Chidambaram was an associate in the corporate finance department of Goldman Sachs until 1996 when he joined Deutsche Bank as a director in the investment banking group. In 1998, he joined Credit Suisse Securities (Europe) Limited as a director in the European telecommunications investment banking group until 1999 when he became a managing director of Bear Stearns and was head of the European technology investment banking group. Ravi Chidambaram left Bear Stearns in 2001 and became the president of TC Capital Pte. Ltd. in 2002. Ravi Chidambaram graduated with a Bachelor of Arts in Political Economy from Duke University in 1985 and was a Fulbright Scholar in Political Science at Kiel University from 1985 to 1986. He obtained his Master of Business Administration and Master of Arts degrees at the Wharton School and the Lauder Institute of the University of Pennsylvania in 1993.

Tan Han Beng is our Independent Director and was appointed to our Board on 28 June 2019. He is currently a senior vice president of corporate finance at UOB Kay Hian Pte. Ltd. Tan Han Beng began his career in 1999 as an audit associate with PricewaterhouseCoopers LLP and was promoted to senior manager in the advisory division before he left in 2010 to join the SGX-ST as assistant vice president of the issuer regulation department. He subsequently joined CNP Compliance Pte Ltd in 2011 as a registered professional for continuing sponsorship before joining PPCF in 2014 as a registered professional for continuing sponsorship until the end of 2018. Tan Han Beng graduated with a Bachelor of Accountancy from Nanyang Technological University in 1999 and has been a member of the Institute of Singapore Chartered Accountants since 2013.

Edwin Tham Soong Meng is our Independent Director and was appointed to our Board on 28 June 2019. He is currently a consultant on English law and honorary partner at Danilov & Partners, as well as a general director of Kerensk Farm LLC, a property holding company. Edwin Tham Soong Meng joined Allen & Overy in 1997 as an associate where he was promoted to become the managing partner of the Moscow office and head of the global Russia practice group in 2011. He left Allen & Overy in 2015 before joining Danilov & Partners in the same year. Edwin Tham Soong Meng graduated with a Bachelor of Laws with Honours from the University of

Nottingham in 1988 and is qualified as an English barrister-at-law and solicitor, Singapore advocate and solicitor and New York attorney.

Tan Han Beng has prior experience as a director of a public listed company in Singapore and is therefore familiar with the roles and responsibilities of a director of a public listed company in Singapore. In compliance with Practice Note 4D of the Catalist Rules, Evgeny Tugolukov, Marat Devlet-Kildeyev, Ravi Chidambaram and Edwin Tham Soong Meng will, by the end of the first year of our Company's listing on Catalist, attend the relevant prescribed mandatory training at the Singapore Institute of Directors to familiarise themselves with the roles and responsibilities of a director of a public listed company in Singapore.

None of our Directors are related to each other, our Executive Officers or our Substantial Shareholders.

Our Independent Directors do not have any existing business or professional relationship of a material nature with our Group, our Directors or Substantial Shareholders.

None of our Independent Directors sits on the board of our subsidiaries.

The list of present and past directorships of each Director over the last five (5) years preceding the date of this Offer Document, excluding those held in our Company, is set out below:

Name	Present directorships	Past directorships
Evgeny Tugolukov	Group Companies	Group Companies
	–	–
	Other Companies	Other Companies
	Asian American Medical Group Limited	–
	"Clinical Hospital on Yauza", LLC	
	DDD-Diagnostic, A/S	
	Dubultu Krasts, SIA	
	MedScan LLC	
	Strongbow Investments Pte. Ltd.	
Marat Devlet-Kildeyev	Group Companies	Group Companies
	Degtevskoe	–
	Don Agro JSC	
	Don Agro LLC	
	Rassvet	
	Selkhoztekhnika	
	Tetra JSC	
	Other Companies	Other Companies
	–	Krinichansky Volgo-Agro

Name	Present directorships	Past directorships
Ravi Chidambaram	Group Companies	Group Companies
	–	–
	Other Companies	Other Companies
	CeeSuite Pte. Ltd.	Energyone Power Pte. Ltd. (struck off)
	Datarama Pte. Ltd.	
	Datarama Technology Pte. Ltd.	
	Oneness Pte. Ltd.	
	TCVN IT Pte. Ltd.	
	TC Capital Pte. Ltd.	
	Watershed Holdings Pte. Ltd.	
Tan Han Beng	Group Companies	Group Companies
	–	–
	Other Companies	Other Companies
	Challenger Technologies Limited	Kitchen Culture Holdings Ltd.
	Old Chang Kee Ltd	
Edwin Tham Soong Meng	Group Companies	Group Companies
	–	–
	Other Companies	Other Companies
	–	–

EXECUTIVE OFFICERS

The day-to-day operations are entrusted to our Executive Directors who are assisted by an experienced and qualified team of Executive Officers. The particulars of our Executive Officers are set out below:

Name	Age	Residential address	Principal occupation
Artur Nazaryan	33	7 Komarova street, apartment 23, Rostov-on-Don, Russia, 344092	Chief Financial Officer
Vadim Novikov	40	2/1, Ulitsa Komarova, Apt. 147, Moscow Region, Mytischi, 141002 Russia,	Chief Operating Officer

The business and working experience and areas of responsibility of our Executive Officers are set out below:

Artur Nazaryan is our Chief Financial Officer and is responsible for the finance, accounting and taxation matters of our Group and has also been the Financial Advisor to Don Agro LLC since 2014. Artur Nazaryan began his career in 2004 as an accountant in the receivables department of Zaslon LLC, where his responsibilities included controlling accounts receivables ledgers and preparing presentations for potential customers. He moved to CJSC KPMG's audit department in 2007 as auditor and audit supervisor, where he supervised audit and financial consulting engagements and prepared financial models and financial statements. In 2013, he joined Guardian Glass Rostov LLC, a float glass production company, as head of finance and was in charge of all manner of finance, including taxation, reporting, cash flow and working capital management and the development of management accounting systems. In 2014, he became the chief financial officer of ProdAlliance Limited until 2018. Artur Nazaryan graduated with Specialist Diploma in Organisation Management from the Southern Federal University in 2008. He has also been a member of the Association of Chartered Certified Accountants (ACCA) since 2015.

Our Audit Committee, after having conducted an interview with Artur Nazaryan and after having considered:

(a) the qualifications and past working experiences of Artur Nazaryan which are compatible with his position as Chief Financial Officer of our Group;

(b) Artur Nazaryan's past audit, financial and accounting related experiences;

(c) Artur Nazaryan's demonstration of the requisite competency in finance-related matters of our Group in connection with the preparation for the listing of our Company;

(d) the absence of negative feedback on Artur Nazaryan from the representatives of our Group's Independent Auditor and Reporting Accountant, KPMG LLP; and

(e) the absence of internal control weaknesses attributable to Artur Nazaryan identified during the internal control review conducted,

is of the view that Artur Nazaryan is suitable for the position of Chief Financial Officer of our Group.

Further, after making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to the attention of our Audit Committee members to cause them to believe that Artur Nazaryan does not have the competence, character and integrity expected of a Chief Financial Officer of a listed issuer.

Vadim Novikov is our Chief Operating Officer and is responsible for overseeing the entire operations of our Group and has been the General Director of Tetra JSC and Don Agro LLC since 2012 and 2014, respectively. Vadim Novikov started his career in 2001 as a legal counsel at Law Firm JSC JurCon, a local Russian law firm specialising in advising corporate clients in the power and energy sectors. He moved to an investment company, JSC Rinaco, as a legal counsel in 2003, and provided legal support in corporate and share capital transactions. In 2005, he joined EMAlliance where he was legal counsel, head of corporate and deputy head of tax and legal. Thereafter, Vadim Novikov joined ProdAlliance Limited in 2013 as legal counsel providing legal support for its investment activities until 2018. Vadim Novikov obtained his Diploma with Honours in Law from the Ural State Law University (formerly known as Ural State Law Academy) in 2001.

DIRECTORS, MANAGEMENT AND STAFF

There is no family relationship between any of our Directors and/or Executive Officers, or between any of our Directors, Executive Officers and Substantial Shareholders.

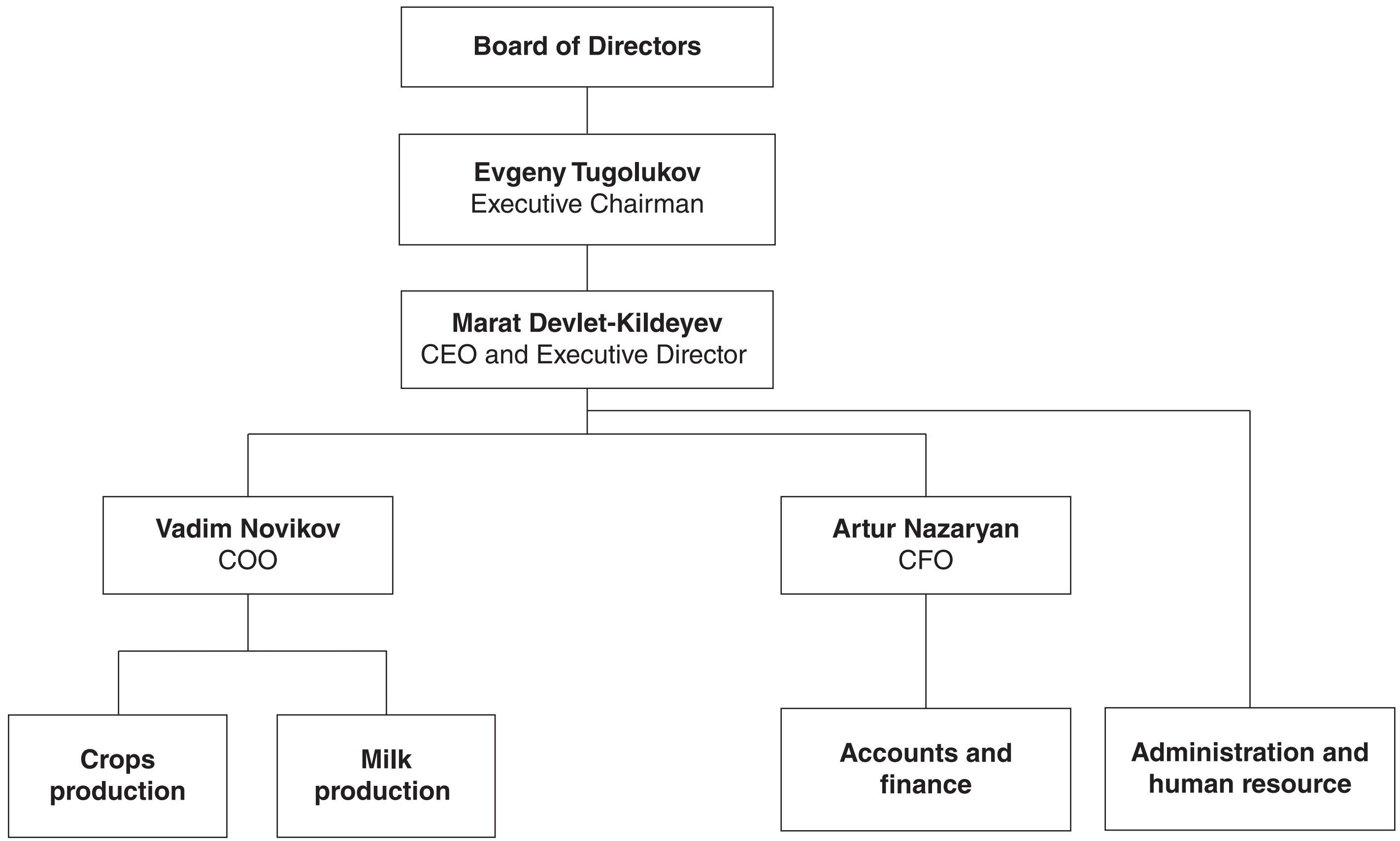
There is no arrangement or understanding with any of our Substantial Shareholders, customers, suppliers or any other person, pursuant to which any of our Directors or Executive Officers was selected as our Director or Executive Officer.

The list of present and past directorships of each Executive Officer over the last five (5) years preceding the date of this Offer Document, excluding those held in our Company, is set out below:

Name	Present directorships	Past directorships
Artur Nazaryan	<u>Group Companies</u>	<u>Group Companies</u>
	Degtevskoe	–
	Don Agro JSC	
	Don Agro LLC	
	Rassvet	
	Selkhoztekhnika	
	Tetra JSC	
	<u>Other Companies</u>	<u>Other Companies</u>
	–	Krinichansky
		Volgo-Agro
Vadim Novikov	<u>Group Companies</u>	<u>Group Companies</u>
	Degtevskoe	–
	Don Agro JSC	
	Don Agro LLC	
	Rassvet	
	Selkhoztekhnika	
	Tetra JSC	
	<u>Other Companies</u>	<u>Other Companies</u>
	–	Krinichansky
		Volgo-Agro

MANAGEMENT REPORTING STRUCTURE

Our management reporting structure is as follows:



EMPLOYEES

As at the Latest Practicable Date, our Group had a workforce of 683 full-time employees (including temporary employees). Due to the seasonal nature of the agriculture industry, our Group employs a significant number of temporary workers to perform key operations such as fertilisation and harvesting at certain periods of the agricultural year, primarily from April to October. The average number of temporary employees employed by our Group for FY2018 is 56.

All of our employees are based in Russia. The functional distribution of our Group's employees (including temporary employees) as at 31 December 2016, 31 December 2017, 31 December 2018 and 30 June 2019 are as follows:

	As at 31 December			As at 30 June
Function	**2016**	**2017**	**2018**	**2019**
Management	14	12	12	12
Accounts and finance	26	25	25	25
Administration and human resource	151	170	153	153
Operations (crop production)	277	276	272	300
Operations (milk production)	160	158	165	169
Total	**628**	**641**	**627**	**659**

Our employees are not covered by any collective bargaining agreements and are not unionised. The relationship and co-operation between the management and staff have been good and are expected to continue and remain as such in the future. There has not been any incidence of work stoppages or labour disputes which affected our operations.

We make contribution to defined contribution plans for our employees in Russia, in the form of social security contributions. These comprise:

(a) Mandatory insurance contributions for the state pension, social and medical insurance for each employee. Insurance contributions are made on prescribed rates on remuneration and other payments made to individuals under employment, as follows:

Type of insurance contribution	FY2018 annual threshold per employee (subject to annual revision by the Russian government)	Rates on remuneration up to the threshold	Rates on remuneration in excess of the threshold
Pension insurance	RR1,021,000 (equivalent to approximately S$20,000)	22.0%	10.0%
Social insurance	RR815,000 (equivalent to approximately S$16,000)	2.9%	–
Medical insurance	Not applicable	5.1%	5.1%

(b) Mandatory social insurance contributions against occupational accidents and diseases. These contributions are payable on the total payroll at a flat rate that varies depending on the risk category that the employing company belongs to, in accordance with the Russian Social Insurance Fund's assessment. Our Group's rate for the contribution is approximately 2.1% of our payroll expenses.

Other than amounts set aside or accrued in respect of mandatory employee funds, we have not set aside or accrued any amount of money to provide for pension, retirement or similar benefits to our employees.

DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION

The remuneration (including salary, bonus, contributions to CPF, directors' fees, allowances and benefits-in-kind) paid during FY2017 and FY2018 and the estimated remuneration to be paid for the current FY2019 to our Directors and Executive Officers for services rendered to our Group are set out in the following remuneration bands(1):

	FY2017	**FY2018**	**FY2019(2)**
Directors			
Evgeny Tugolukov	–	–	Band B
Marat Devlet-Kildeyev	Band A	Band A	Band B
Ravi Chidambaram	–	–	Band A
Tan Han Beng	–	–	Band A
Edwin Tham Soong Meng	–	–	Band A
Executive Officers			
Artur Nazaryan	Band A	Band A	Band A
Vadim Novikov	Band A	Band A	Band A

Notes:

(1) Remuneration bands:
"Band A" refers to remuneration of up to S$250,000.
"Band B" refers to remuneration between S$250,001 and S$500,000.

(2) The estimated remuneration to be paid for FY2019 does not take into account any discretionary bonus due to our Executive Directors and our Executive Officers.

As at the Latest Practicable Date, none of our full-time employees are related to our Directors, Chief Executive Officer and Substantial Shareholders. Any new employment of related employees and the proposed terms of their employment will be subject to the review and approval of our Remuneration Committee. In the event that a member of our Remuneration Committee is related to the employee under review, he will abstain from the review.

SERVICE AGREEMENTS

Our Company has entered into respective Service Agreements with our Executive Chairman, Evgeny Tugolukov, our Chief Executive Officer, Marat Develet-Kildeyev, our Chief Financial Officer, Artur Nazaryan and our Chief Operating Officer, Vadim Novikov (each an "**Appointee**"). The Service Agreements are valid for an initial period of three (3) years with effect from the date of admission of our Company to Catalist ("**Initial Term**"). Upon the expiry of the Initial Term, the employment of the Appointees shall be automatically renewed on a year-on-year basis on such terms and conditions as the parties may agree unless terminated in accordance with the respective Service Agreements.

The Service Agreements provided for, *inter alia,* the salary payable to the Appointees, annual leave, medical benefits, grounds of termination and certain restrictive covenants (including non-compete obligations).

Under the terms of the respective Service Agreements, Evgeny Tugolukov, Marat Develet-Kildeyev, Artur Nazaryan and Vadim Novikov are entitled to a monthly salary of RR1.0 million, RR1.0 million, RR220,000 and RR200,000 respectively (equivalent to approximately S$20,000, S$20,000, S$4,400 and S$4,000 respectively), as well as an annual fixed bonus ("**Fixed Bonus**") of three (3) months of his last drawn monthly salary.

Each Appointee's remuneration and Fixed Bonus shall be subject to annual review by the Remuneration Committee after the accounts of our Group for the immediate preceding financial year have been audited, in light of their performance and prevailing economic conditions.

All reasonable travelling, hotel, entertainment and such other out-of-pocket expenses incurred by the Appointees in the discharge of their duties will be borne by our Group. Our Company shall at its own expense reimburse, or arrange for another company in our Group to reimburse, the Appointees all reasonable medical expenses in accordance with our personnel policy. The Appointee shall also be entitled to all other remuneration and benefits generally available to the employees of our Company, or as the Board shall from time to time determine.

Subject to the approvals of the Shareholders of our Company, the SGX-ST and other regulatory authorities, where necessary, and subject to the eligibility criteria set out in the relevant employee share scheme or plan, each Appointee shall be eligible to participate in the performance share plan or other employee share scheme implemented by our Company (if any) on such terms as may be determined by our Remuneration Committee at its sole and absolute discretion.

Evgeny Tugolukov, Marat Develet-Kildeyev and Artur Nazaryan may terminate their respective Service Agreements at any time by giving to our Company not less than six (6) months' notice in writing, or in lieu of notice, payment of an amount equivalent to six (6) months' salary based on their respective last drawn monthly salary; while Vadim Novikov may terminate his Service Agreement at any time by giving to our Company not less than three (3) months' notice in writing, or in lieu of notice, payment of an amount equivalent to three (3) months' salary based on his last drawn monthly salary. The parties may by mutual agreement waive or vary the notice requirement.

Our Group may also terminate the employment of each Appointee at any time without notice or payment in lieu of notice under the following circumstances:

(i) if the Appointee is guilty of any gross negligence, gross default or grave misconduct in connection with or affecting the business of our Group;

(ii) in the event of any serious or repeated breach or non-observance by the Appointee of his duties or any of the stipulations contained in the respective Service Agreements;

(iii) if the Appointee becomes bankrupt or makes any composition or enters into any deed of arrangement with his creditors;

(iv) if the Appointee shall become of unsound mind;

(v) if the Appointee is a Sanctioned Subject; or

(vi) If the Appointee commits any act of fraud, criminal breach of trust or dishonesty.

None of the Appointees will be entitled to any benefit upon termination of his Service Agreement.

Under the Service Agreements, each of the Appointees has covenanted that he and/or his Associates shall not, during his employment with our Company and for a period of 12 months after cessation of his employment with our Company, within Singapore or any country in which our Group has operations or carries on business ("**Territories**"):

(a) either on his own account or for any other person or in conjunction with or on behalf of any other person, firm, or company, be directly or indirectly engaged or concerned or interested whether as shareholder, director, employee, partner, agent or otherwise in any other business competing with or in opposition to the business for the time being of our Group or as regards any goods or services is a supplier or customer of our Group within the Territories, provided always that this shall not prohibit his holding or him being interested in shares or debentures of not more than 5.0% of the total issued share capital of any other company listed on any stock exchange;

(b) either on his own account or in conjunction with or on behalf of any other person, firm or company, solicit or entice away or attempt to solicit or entice away from our Group any person, firm, company or organisation who shall at any time prior to the date hereof or during the duration of his employment with our Company, has been a customer, client, agent or correspondent of our Group or in the habit of dealing with our Group;

(c) either on his own account or in conjunction with or on behalf of any other person, firm or company, solicit or entice away or attempt to solicit or entice away from our Group any person who is an officer, manager or employee of our Group whether or not such person would commit a breach of his contract of employment by reason of leaving such employment; and

(d) at any time hereafter make use of or disclose or divulge to any third party any information relating to our Group other than any information properly available to the public or disclosed or divulged pursuant to an order of a court of competent jurisdiction.

Had the Service Agreements mentioned above been in place for FY2018, the aggregate remuneration (including contributions to the CPF and other benefits, if any) paid or provided to our Executive Directors and our Executive Officers would have been approximately S$0.8 million instead of S$0.2 million as remuneration was partly paid from ProdAlliance in FY2018 and our profit before tax would have been approximately S$5.9 million instead of approximately S$6.4 million.

Save as disclosed above, there are no other existing or proposed service contracts entered into or to be entered into between our Company and our subsidiaries with any of our Directors. There are no existing or proposed service agreements entered into or to be entered into between our Company and our subsidiaries with any of our Directors which provide for benefits upon termination of employment.

Save as disclosed above, there are no bonus or profit-sharing plans or any other profit-linked agreements or arrangements between our Company and any of our Directors, Executive Officers or employees.

THE DON AGRO EMPLOYEE SHARE OPTION SCHEME

In conjunction with our listing on Catalist we have adopted a share option scheme known as the "Don Agro Employee Share Option Scheme" which was approved at an Extraordinary General Meeting of our Shareholders held on 4 February 2020. The rules of our ESOS are set out in Appendix D of this Offer Document and comply with the requirements as set out in Chapter 8, Part VIII of the Listing Manual. Capitalised terms used throughout this section shall, unless otherwise defined in the section entitled "Definitions" of this Offer Document, bear the meanings as defined in Appendix D of this Offer Document.

The ESOS will provide eligible participants with an opportunity to participate in the equity of our Company and to motivate them towards better performance through increased dedication and loyalty. The ESOS, which forms an integral and important component of our employee compensation plan, is designed to primarily reward and retain directors and employees whose services are vital to our well-being and success. This would enable our Company to give recognition to past contributions and services as well as motivating participants generally to contribute towards the long-term growth of our Group.

As at the Latest Practicable Date, no Options have been granted under the ESOS.

Objectives of the ESOS

The objectives of the ESOS are as follows:

(a) to motivate participants to optimise their performance standards and efficiency and to maintain a high level of contribution to our Group;

(b) to retain key employees and directors whose contributions are essential to the long-term growth and profitability of our Group;

(c) to instill loyalty to, and a stronger identification by participants with the long-term prosperity of, our Group;

(d) to attract potential employees with relevant skills to contribute to our Group and to create value for our Shareholders; and

(e) to align the interests of participants with the interests of our Shareholders.

Summary of the ESOS

The following is a summary of the rules of the ESOS which should be read in conjunction with the Rules of the Don Agro Employee Share Option Scheme set out in Appendix D of this Offer Document.

(1) Participants

Confirmed Group Employees (including Executive Directors) and Non-Executive Directors (including Independent Directors) who have attained the age of twenty-one (21) years on or prior to the relevant Offer Date and are not undischarged bankrupts and have not entered into a composition with their respective creditors, shall be eligible to participate in the ESOS at the absolute discretion of the Committee.

Confirmed Group Employees (including Executive Directors) and Non-Executive Directors (including Independent Directors) who are also Controlling Shareholders or Associates of a Controlling Shareholder are also eligible to participate in the ESOS provided that (a) the participation of, and (b) the terms of any Options to be granted and the actual number of Shares to be granted under the ESOS, to a Participant who is a Controlling Shareholder or an Associate of a Controlling Shareholder shall be approved by the independent Shareholders in separate resolutions for each such person.

(2) Administration

The ESOS shall be administered by the Committee with powers to determine, *inter alia*, the following:

(a) persons to be granted Options;

(b) number of Options to be granted; and

(c) recommendations for modifications to the ESOS.

The Committee will consist of Directors who are in the Remuneration Committee (including Directors or persons who may be participants of the ESOS). A member of the Committee who is also a participant of the ESOS must not be involved in any deliberation or decision in respect of Options granted or to be granted to him.

(3) Size of the ESOS

The total number of Shares over which the Committee may grant Options on any date, when added to the number of Shares issued and issuable in respect of (a) all Options granted under the ESOS; and (b) all outstanding options or awards granted under such other share-based incentive schemes of the Company, shall not exceed 15.0% of the number of issued Shares (including treasury shares, as defined in the Companies Act) on the day immediately preceding the Offer Date of the Option.

Our Directors believe that this limit gives us sufficient flexibility to decide upon the number of Option Shares to offer to our existing and new employees. The number of eligible participants is expected to grow over the years. Our Company, in line with its goal of ensuring sustainable growth, is constantly reviewing its position and considering the expansion of its talent pool which may involve employing new employees. The employee base, and thus the number of eligible participants will increase as a result. If the number of Options available under the ESOS is limited, our Company may only be able to grant a small number of Options to each eligible participant which may not be a sufficiently attractive incentive. Our Company is of the opinion that it should have sufficient number of Options to offer to new employees as well as to existing ones. The number of Options offered must also be significant to serve as a meaningful reward for contributions to our Group. However, it does not necessarily mean that the Committee will definitely issue Option Shares up to the prescribed limit. The Committee shall exercise its discretion in deciding the number of Option Shares to be granted to each employee which will depend on the performance and value of the employee to our Group.

(4) Maximum entitlements

The aggregate number of Shares comprised in any Option to be offered to a participant under the ESOS shall be determined at the absolute discretion of the Committee, which shall take into account (where applicable) criteria such as rank, past performance, years of service, potential for future development of that participant.

The aggregate number of Shares in respect of which Options may be granted to the Controlling Shareholders or Associates of the Controlling Shareholders under the ESOS shall not exceed 25.0% of the total number of Shares available under the ESOS. The aggregate number of Shares in respect of which Options may be granted to any individual Controlling Shareholders or Associate of a Controlling Shareholder under the ESOS shall not exceed 10.0% of the total number of Shares available under the ESOS.

(5) Options, exercise period and exercise price

The Options that are granted under the ESOS may have exercise prices that are, at the Committee's discretion, set at a price (the "**Market Price**") equal to the average of the last dealt prices for the Shares on the Official List of Catalist for the five (5) consecutive Market Days immediately preceding the relevant date of grant of the relevant Option; or at a discount to the Market Price (subject to a maximum discount of 20.0%). Options which are fixed at the Market Price ("**Market Price Option**") may be exercised after the first anniversary of the date of grant of that Option while Options exercisable at a discount to the Market Price ("**Discounted Option**") may only be exercised after the second anniversary from the date of grant of the Option. Options granted under the ESOS will expire upon the tenth anniversary of the date of grant of that Option (or, in the case of Options granted to a Non-Executive Director, upon the fifth anniversary of the date of grant of that Option).

(6) Grant of Options

Under the rules of the ESOS, there are no fixed periods for the grant of Options. As such, offers for the grant of Options may be made at any time at the discretion of the Committee. However, no Option shall be granted during the period of 30 days immediately preceding the date of announcement of our Company's interim or final results (as the case may be).

In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers may only be made after the second market day from the date on which the aforesaid announcement is made.

(7) Termination of Options

Special provisions in the rules of the ESOS deal with the lapse or earlier exercise of Options in circumstances which include the termination of the participant's employment in our Group, the bankruptcy of the participant, the death of the participant, a take-over of our Company and the winding-up of our Company.

(8) Acceptance of Options

The grant of Options shall be accepted within 30 days from the date of offer. Offers of Options made to grantees, if not accepted by the closing date, will lapse. Upon acceptance of the offer, the grantee must pay our Company a consideration of S$1.00.

(9) Alteration of capital and adjustment

If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction (including any reduction arising by reason of the Company purchasing or acquiring its issued Shares), subdivision, consolidation or distribution, or otherwise howsoever) should take place, then:

(a) the Exercise Price for the Shares, class and/or number of Shares comprised in the Options to the extent unexercised and the rights attached thereto; and/or

(b) the class and/or number of Shares in respect of which additional Options may be granted to participants,

may be adjusted in such manner as the Committee may determine to be appropriate including retrospective adjustments where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

Notwithstanding the foregoing, no such adjustment shall be made:

(a) if as a result, the participant receives a benefit that a Shareholder does not receive; and

(b) unless the Committee, after considering all relevant circumstances, considers it equitable to do so.

The issue of securities as consideration for an acquisition of any assets by the Company, or the cancellation of issued Shares purchased or acquired by the Company by way of market purchase of such Shares undertaken by the Company on Catalist during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force, shall not be regarded as a circumstance requiring adjustment, unless the Committee considers an adjustment to be appropriate, having due regard to the interests of Shareholders and participants.

(10) Rights of Shares arising from the exercise of Options

Shares arising from the exercise of Options are subject to the provisions of the Constitution of our Company. The Shares so allotted will upon issue rank *pari passu* in all respects with the then existing issued Shares, save for any dividend, rights, allotments or distributions, the record date for which is prior to the relevant exercise date of the Option. For such purposes, "record date" means the date as at the close of business on which our Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions (as the case may be).

(11) Duration of the ESOS

The ESOS shall continue in operation for a maximum duration of 10 years commencing on the date on which the ESOS is adopted by our Company in general meeting and may be continued for any further period thereafter with the approval of our Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

(12) Abstention from voting

Shareholders who are eligible to participate in the ESOS are to abstain from voting on any resolution of Shareholders relating to the ESOS, including (a) the implementation of the ESOS; (b) the discount quantum; and (c) the participation by and option grant to controlling shareholders and their associates.

Grant of Discounted Options

Discounted Options will only be granted to deserving employees whose performance has been consistently good and/or whose future contributions to our Group will be invaluable. The ability to offer Discounted Options will operate as a means to recognise the performance of participants as well as to motivate them to continue to excel while encouraging them to focus on improving the profitability and return of our Group to a level that benefits our Shareholders when these are eventually reflected through an appreciation of our share price. Discounted Options would be perceived in a more positive light by the participants, inspiring them to work hard and produce results in order to be offered Discounted Options as only employees who have made significant contributions to the success and development of our Group would be granted Discounted Options.

The flexibility to grant Discounted Options is also intended to cater to situations where the stock market performance has overrun the general market conditions. In such events, the Committee will have absolute discretion to:

(a) grant Options set at a discount to the Market Price of a Share (subject to a maximum limit of 20.0%); and

(b) determine the participants to whom, and the Options to which, such reduction in exercise prices will apply.

In determining whether to give a discount and the quantum of the discount, the Committee shall be at liberty to take into consideration factors including the performance of our Company, our Group, the performance of the participant concerned, the contribution of the participant to the success and development of our Group and the prevailing market conditions.

At present, our Company foresees that Discounted Options may be granted principally in the following circumstances:

(a) Firstly, where it is considered more effective to reward and retain talented employees by way of a Discounted Option rather than a Market Price Option. This is to reward the outstanding performers who have contributed significantly to our Group's performance and the Discounted Option serves as additional incentives to such Group employees. Options granted by our Company on the basis of market price may not be attractive and realistic in the event of an overly buoyant market and inflated share prices. Hence during such period the ability to offer Discounted Options would allow our Company to grant Options on a more realistic and economically feasible basis. Furthermore, Discounted Options will give an opportunity to our Group employees to realise some tangible benefits even if external events cause the Share price to remain largely static.

(b) Secondly, where it is more meaningful and attractive to acknowledge a participant's achievements through a Discounted Option rather than paying him a cash bonus. For example, Discounted Options may be used to compensate employees and to motivate them during economic downturns when wages (including cash bonuses and annual wage supplements) are frozen or cut, or they could be used to supplement cash rewards in lieu of larger cash bonuses or annual wage supplements. Accordingly, it is possible that merit-based cash bonuses or rewards may be combined with grants of Market Price Options or Discounted Options, as part of eligible employees' compensation packages. The ESOS will provide our Group employees with an incentive to focus more on improving the profitability of our Group thereby enhancing shareholder value when these are eventually reflected through the price appreciation of our Shares after the vesting period.

The Committee will have the absolute discretion to grant Discounted Options, to determine the level of discount (subject to a maximum discount of 20.0% of the Market Price) and the grantees to whom, and the Options to which, such discount in the exercise price will apply provided that our Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the ESOS at a discount not exceeding the maximum discount as aforesaid. Such Discounted Options may be exercisable after two (2) years from the date of grant.

Our Company may also grant Options without any discount to the Market Price. Additionally, our Company may, if it deems fit, impose conditions on the exercise of the Options (whether such Options are granted at the market price or at a discount to the Market Price), such as restricting the number of Shares for which the Option may be exercised during the initial years following its vesting.

Cost of Options granted under the ESOS to our Company

Any Options granted under the ESOS would have a fair value. Where such options are granted at a consideration below their fair value, there will be a cost to our Company, the amount of which will depend on whether the Options are granted at the market price or at a discount. The cost to our Company of granting Options under the ESOS would be as follows:

(a) the exercise of an Option at a discounted exercise price would translate into a reduction of the proceeds from the exercise of such options, as compared to the proceeds that our Company would have received from such exercise had the exercise been made at the prevailing market price of our Shares. Such reduction of the exercise proceeds would represent the monetary cost to our Company of granting Options with a discounted exercise price;

(b) as the monetary cost of granting Options with a discounted exercise price is borne by our Company, the earnings of our Company would effectively be reduced by an amount corresponding to the reduced interest earnings that our Company would have received from the difference in proceeds from an exercise price with no discount versus the discounted exercise price. Such reduction would, accordingly, result in the dilution of our Company's EPS;

(c) the effect of the issue and allotment of new Shares upon the exercise of Options on our Company's NAV per Share is accretive if the exercise price is above the NAV per Share, but dilutive otherwise; and

(d) the grant of Options under the ESOS will have an impact on our Company's reported profit because under SFRS(I) 2, share based payment requires the recognition of an expense in respect of Options granted under the ESOS. The expense will be based on the fair value of the Options at date of grant and will be recognised over the vesting period.

The financial effects discussed above in (a), (b) and (c) would only materialise upon the exercise of the relevant Options. The cost of granting Options discussed in (d) above would be recognised in the financial statements even if the Options discussed in (d) above are not exercised.

Share options have value because the option to buy a company's share for a fixed price during an extended future time period is a valuable right, even if there are restrictions attached to such an option. As our Company is required to account for share-based awards granted to our employees, the cost of granting Options will affect our financial results as this cost to our Company would be required to be charged to our Company's profit or loss commencing from the time Options are granted. Subject as aforesaid, as and when Options are exercised, the cash inflow will add to the net tangible assets of our Company and its share capital base will grow. Where Options are granted with subscription prices that are set at a discount to the market prices for our Shares prevailing at the time of the grant of such Options, the amount of the cash inflow to our Company on the exercise of such Options would be diminished by the quantum of the discount given, as compared with the cash inflow that would have been receivable by our Company had the Options been granted at the market price of our Shares prevailing at the time of the grant.

The grant of Options will have an impact on our Company's reported profit under the accounting rules in SFRS(I) 2. The cost to our Company in granting an Option would vary depending on the number of Options granted pursuant to the ESOS, whether these Options are granted at market price or at a discount and the validity period of the Options. Generally a greater discount and a longer validity period for an Option will result in higher potential cost to our Company.

Rationale for participation by the Controlling Shareholders and Associates of our Controlling Shareholders in the ESOS

Our Company acknowledges that the services and contributions of employees who are Controlling Shareholders or Associates of our Controlling Shareholders are important to the development and success of our Group. The extension of the ESOS to confirmed full-time employees who are Controlling Shareholders or Associates of our Controlling Shareholders allows our Group to have a fair and equitable system to reward employees who have actively contributed to the progress and success of our Group. The participation of our Controlling Shareholders or the Associates of the Controlling Shareholders in the ESOS will serve both as a reward to them for their dedicated services to our Group and a motivation for them to take a long-term view of our Group.

Although participants who are Controlling Shareholders or Associates of our Controlling Shareholders may already have shareholding interests in our Company, the extension of the ESOS to include them ensures that they are equally entitled, with the other employees of our Group who are not Controlling Shareholders or Associates of our Controlling Shareholders, to take part and benefit from this system of remuneration. We are of the view that a person who would otherwise be eligible should not be excluded from participating in the ESOS solely by reason that he/she is a Controlling Shareholder or an Associate of our Controlling Shareholder(s).

The specific approval of our independent Shareholders is required for the proposed participation of any Controlling Shareholder and/or their Associates in the ESOS as well as any specific grant thereunder to such persons. Separate resolutions must be passed for each such person and, in the case of a grant, the resolution must state the actual number of Shares comprised in the specific grant and its applicable terms, as well as the Company's rationale for such proposal. On the foregoing basis, we are of the view that there are sufficient safeguards against abuse resulting from the participation of the Controlling Shareholders and/or their Associates in the ESOS.

Rationale for participation by our Non-Executive Directors (including Independent Directors) in the ESOS

While the ESOS caters principally to Group Employees, it is recognised that there are other persons who make significant contributions to our Group through their close working relationships with our Group, even though they are not employed within our Group. Such persons include the Non-Executive Directors (including Independent Directors).

The Non-Executive Directors are persons from different professions and working backgrounds, bringing to our Group their wealth of knowledge, business expertise and contacts in the business community. They play an important role in helping our Group shape its business strategy by allowing our Group to draw on their diverse backgrounds and working experience. Although our Non-Executive Directors are not involved in the day-to-day running of our operations, they play an invaluable role in furthering the business interests of our Group by contributing their experience and expertise. It is crucial for our Group to attract, retain and incentivise the Non-Executive Directors. By aligning the interests of the Non-Executive Directors with the interests of Shareholders, our Company aims to inculcate a sense of commitment on the part of the Non-Executive Directors towards serving the short and long-term objectives of our Group.

The participation by Non-Executive Directors in the ESOS will provide our Company with a further avenue to acknowledge and recognise their services and contributions to our Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment. For instance, the Non-Executive Directors may bring strategic or other value to our Company which may be difficult to quantify in monetary terms. The grant of Options to Non-Executive Directors will allow our Company to attract and retain experienced and qualified persons from different professional backgrounds to join our Company as Non-Executive Directors, and to motivate existing Non-Executive Directors to take extra efforts to promote the interests of our Company and/or our Group.

However, as their services and contributions cannot be measured in the same way as the full-time employees of our Group, for the purpose of assessing the contributions of the Non-Executive Directors, the Committee will propose a performance framework comprising mainly non-financial performance measurement criteria such as the extent of involvement and responsibilities shouldered by the Non-Executive Directors, taking into consideration, *inter alia*, his performance and contributions to the success and development of our Group, his committee memberships in our Group, as well as his contribution, which includes contribution of his experience in the areas of overall business strategies, risk management and investment decisions.

In order to minimise any potential conflict of interests and not to compromise the independence of the Non-Executive Directors, we intend to grant only a nominal number of Options to such Non-Executive Directors. The Committee may also decide that no Options shall be granted in any financial year or no Option may be granted at all.

Our Directors recognise the importance of corporate governance and the offering of high standards of accountability to our Shareholders, and will use best efforts to implement the good practices recommended in the Code of Corporate Governance 2018 ("**Code**"). Our Board of Directors has formed three (3) committees, namely the Audit Committee, the Remuneration Committee and the Nominating Committee.

BOARD PRACTICES

Our Directors are appointed by our Shareholders at a general meeting, and an election of Directors takes place annually. One third (or the number nearest one third) of our Directors, are required to retire from office at each annual general meeting. Further, all our Directors are required to retire from office at least once in every three (3) years. However, a retiring Director is eligible for re-election at the meeting at which he retires. Further details on the appointment and retirement of Directors can be found in Appendix C entitled "Selected Extracts of our Constitution" of this Offer Document.

Nominating Committee

Our Nominating Committee comprises Ravi Chidambaram, Tan Han Beng and Edwin Tham Soong Meng. The Chairman of the Nominating Committee is Ravi Chidambaram. Our Nominating Committee will be responsible for:

(a) reviewing and recommending the nomination or re-nomination of our Directors having regard to each Director's contribution and performance;

(b) reviewing succession plans for our Directors, in particular the appointment and/or replacement of the Chairman of our Board, our Chief Executive Officer and key management personnel;

(c) determining on an annual basis whether or not a Director is independent;

(d) deciding whether or not a Director is able to and has been adequately carrying out his duties as a director;

(e) reviewing training and professional development programmes for our Board and our Directors;

(f) reviewing and approving any new employment of related persons and the proposed terms of their employment; and

(g) undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.

Our Nominating Committee will decide how our Board's performance is to be evaluated and will propose objective performance criteria, subject to the approval of our Board, which address how our Board has enhanced long-term Shareholders' value. Our Board will also implement a process to be carried out by our Nominating Committee for assessing the effectiveness of our Board as a whole, and for each board committee separately, and for assessing the contribution of each individual Director to the effectiveness of our Board. Each member of our Nominating Committee will not take part in determining his own re-nomination or independence and shall abstain from voting any resolutions in respect of the assessment of his performance or re-nomination as a Director. In the event that any member of our Nominating Committee has an interest in a matter being deliberated upon by our Nominating Committee, he will abstain from participating in the review and approval process relating to that matter.

Disclosure in relation to Tan Han Beng

Tan Han Beng was a registered professional in the continuing sponsorship department of PPCF until 31 December 2018. PPCF is the Sponsor, Issue Manager and Placement Agent in relation to the Listing and will be the continuing Sponsor of our Company for a period of three (3) years from the date our Company is admitted and listed on the Catalist. Tan Han Beng and PPCF have confirmed that, as an employee of PPCF in the continuing sponsorship department (which is separate from the corporate finance department that conducted due diligence on our Group), Tan Han Beng was not involved in any of the negotiations, deliberations and delivery of services by PPCF to our Group in relation to the Listing. In addition, Tan Han Beng has confirmed that he is neither a director, substantial shareholder, appointed director nor partner of PPCF.

Notwithstanding that Tan Han Beng was a registered professional in the continuing sponsorship department of PPCF until 31 December 2018, in view of the above reasons, our Nominating Committee (excluding Tan Han Beng who abstained from the deliberation) is of the view that such previous relationship will not affect or appear to affect Tan Han Beng's ability, as Independent Director, to exercise objective judgement on the corporate affairs of our Company post-Listing and that his appointment as an Independent Director is in compliance with Principle 2, Provision 2.1 of the Code.

Disclosure in relation to Edwin Tham Soong Meng

Edwin Tham Soong Meng is currently a consultant on English law and honorary partner at Danilov & Partners ("**Danilov**"). Under his consultancy agreement with Danilov, he provides advice on specific projects and is remunerated according to the amount of time spent on such advice. Danilov has previously provided legal services to our Group in 2017 in connection with a due diligence exercise conducted on our Group ("**Don Agro Engagement**"). Following the completion of the Don Agro Engagement in February 2018, there were no further engagements between our Group and Danilov. The fees received by Danilov in each of FY2017 and FY2018 for the Don Agro Engagement were less than S$200,000. Edwin Tham Soong Meng's involvement in the Don Agro Engagement was not substantive and was restricted to the editorial work and English language drafting in the report. He was remunerated by Danilov for this work-based or time spent and received less than US$10,000 in aggregate. Edwin Tham Soong Meng has confirmed that he is neither an employee, director, salaried partner nor equity partner in Danilov.

In the event that our Group engages the services of Danilov post-Listing, Edwin Tham Soong Meng will not be involved in any decision-making process for the appointment of Danilov, including the deliberation of the quality of service standards for services provided by Danilov and will also not be involved in the provision of legal services by Danilov. Our Company will ensure that any transactions carried out with Danilov will be based on normal commercial terms and will be subject to the review of our Audit Committee, and be in compliance with the guidelines set out in the Code.

Notwithstanding that Edwin Tham Soong Meng is a consultant on English law and honorary partner at Danilov from which our Group had received legal services, in view of the above reasons, our Nominating Committee (excluding Edwin Tham Soong Meng who abstained from the deliberation) is of the view that such relationship will not affect or appear to affect Edwin Tham Soong Meng's ability, as Independent Director, to exercise objective judgement on the corporate affairs of our Company post-Listing and that his appointment as an Independent Director is in compliance with Principle 2, Provision 2.1 of the Code.

So long as Edwin Tham Soong Meng remains our Independent Director and remains a consultant on English law and honorary partner at Danilov, our Nominating Committee (with Edwin Tham Soong Meng abstaining) will review and determine annually, if Edwin Tham Soong Meng is independent, bearing in mind, amongst others, the fees received by Danilov during the relevant financial year.

Remuneration Committee

Our Remuneration Committee comprises Edwin Tham Soong Meng, Ravi Chidambaram and Tan Han Beng. The Chairman of the Remuneration Committee is Edwin Tham Soong Meng.

Our Remuneration Committee will recommend to our Board a framework of remuneration for our Directors and key management personnel, and determine specific remuneration packages for each Director and key management personnel. The recommendations of our Remuneration Committee should be submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, the Options to be issued under the ESOS and other benefits-in-kind shall be covered by our Remuneration Committee.

In addition, our Remuneration Committee will perform an annual review of the remuneration of employees related to our Directors and/or Substantial Shareholders to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. They will also review and approve any bonuses, pay increases and/or promotions for these employees. Each member of our Remuneration Committee shall abstain from voting on any resolutions in respect of his remuneration package or that of employees related to him.

Audit Committee

Our Audit Committee comprises Tan Han Beng, Ravi Chidambaram and Edwin Tham Soong Meng. The Chairman of the Audit Committee is Tan Han Beng.

Our Audit Committee will meet periodically to perform the following functions:

(a) review the relevance and consistency of the accounting standards, the significant financial reporting issues, recommendations and judgements made by the external auditors so as to ensure the integrity of the financial statements of our Group and any announcements relating to our Group's financial performance;

(b) review and report to our Board at least annually the adequacy and effectiveness of our Group's internal controls, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties), and risk management systems;

(c) review the assurance from the Chief Executive Officer and the Chief Financial Officer on the financial records and financial statements;

(d) review the adequacy, effectiveness, independence, scope and results of the external audit and our Group's internal audit function;

(e) make recommendations to our Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and on the remuneration and terms of engagement of the external auditors;

(f) review the system of internal controls and management of financial risks with our internal and external auditors;

(g) review the co-operation given by our management to our external auditors and our internal auditors, where applicable;

(h) review our Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual, including such amendments made thereto from time to time;

(i) review and approve interested person transactions and review procedures thereof;

(j) review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;

(k) review our risk management framework, with a view to providing an independent oversight on our Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, where the findings are material, announced immediately via SGXNET;

(l) investigate any matters within its terms of reference;

(m) review the policy and arrangements concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;

(n) review the adequacy of and approve procedures put in place related to our Group's policy for entering into any future hedging transactions;

(o) review the sanctions-related risks of our Group including transactions and business dealings with our customers, suppliers and bankers and assess whether there is a need to obtain independent legal advice and/or appoint a compliance adviser with respect to the applicable sanctions risks faced by our Group;

(p) monitor our Group's measures and procedures to manage sanctions-related risks and review the Sanctions Compliance Policy and the adequacy of safeguards in relation to potential sanctions-related risks to our Group;

(q) review the utilisation of funds (including any material deviation from such utilisation) raised from the Placement and any secondary fund-raising post-Listing to ensure that they are solely for the purposes disclosed in the listing document and to the SGX, and not to benefit any Sanctioned Subject;

(r) provide their views (which will be stated in our annual report) on whether they concur with our Board's comment on whether the Company has adequate and effective internal controls (including internal controls related to cash flows) and risk management systems to safeguard the interests of our Group and our shareholders, in particular with respect to sanctions risks;

(s) continuously monitor the written undertakings which our Group has provided to SGX-ST and ensure timely and accurate disclosures to SGX-ST and the relevant authorities should any enquiries be made regarding our Group's dealings with Sanctioned Subjects; and

(t) undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.

Apart from the duties listed above, our Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or suspected infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on our Group's operating results and/or financial position. In the event that a member of our Audit Committee is interested in any matter being considered by our Audit Committee, he will abstain from reviewing and deliberating on that particular transaction or voting on that particular resolution.

Our Audit Committee shall also commission an annual internal control audit until such time as our Audit Committee is satisfied that our Group's internal controls are robust and effective enough to mitigate our Group's internal control weaknesses (if any). Prior to the decommissioning of such an annual audit, our Board is required to report to the SGX-ST and the Sponsor on how the key internal control weaknesses have been rectified, and the basis for the decision to decommission the annual internal control audit. Thereafter, such audits may be initiated by our Audit Committee as and when it deems fit to satisfy itself that our Group's internal controls remain robust and effective. Upon completion of the internal control audit, appropriate disclosure will be made via SGXNET of any material, price-sensitive internal control weaknesses and any follow-up actions to be taken by our Board.

Currently, based on the internal controls established and maintained by our Group, work performed by the internal and external auditors, and reviews performed by our management and our Board, our Board, with the concurrence of our Audit Committee, is of the view that our internal control and risk management systems are adequate and effective to address financial, operational, compliance and information technology controls risks.

DESCRIPTION OF ORDINARY SHARES

The following statements are brief summaries of the rights and privileges of our Shareholders conferred by the laws of Singapore and our Constitution.

The following description summarises the material provisions of our Constitution but is qualified by reference to our Constitution, a copy of which is available for inspection at our registered office during normal business hours for a period of six (6) months from the date of this Offer Document.

Ordinary Shares

All of our Shares are in registered form. We may, subject to the provisions of the Companies Act and the rules of the SGX-ST, purchase our own Shares. However, we may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of our Shares.

New Shares

New Shares may only be issued with the prior approval of our Shareholders in a general meeting. The aggregate number of shares to be issued pursuant to such approval may not exceed 100.0% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital, of which the aggregate number of Shares to be issued other than on a *pro rata* basis to our Shareholders may not exceed 50.0% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital (the percentage of issued share capital being based on our Company's issued share capital at the time such authority is given after adjusting for new shares arising from the conversion of convertible securities or employee share options on issue at the time such authority is given and any subsequent consolidation or subdivision of Shares).

The approval, if granted, will lapse at the conclusion of the annual general meeting following the date on which the approval was granted or the date by which the annual general meeting is required by law to be held, whichever is earlier. Subject to the foregoing, the provisions of the Companies Act, the Catalist Rules and any special rights attached to any class of shares currently issued, all new Shares are under the control of our Board of Directors who may issue and allot the same with such rights and restrictions as it may think fit.

Shareholders

Only persons who are registered in the Register of Shareholders and, in cases in which the person so registered is CDP, the persons named as the Depositors in the Depository Register maintained by CDP for the Shares, are recognised as our Shareholders. We will not, except as required by law, recognise any equitable, contingent, future or partial interest in any Share or other rights for any Share other than the absolute right thereto of the registered holder of that Share or of the person whose name is entered in the Depository Register for that Share. We may close our Register of Shareholders for any time or times if we provide the Accounting and Corporate Regulatory Authority of Singapore with at least 14 days' notice and the SGX-ST at least 10 clear market days' notice. However, the Register of Shareholders may not be closed for more than 30 days in aggregate in any calendar year. We typically close our Register of Shareholders to determine shareholders' entitlement to receive dividends and other distributions.

Transfer of Shares

There is no restriction on the transfer of fully paid Shares except where required by law or the Catalist Rules or the rules or by-laws of any stock exchange on which our Company is listed. Our Board of Directors may decline to register any transfer of Shares which are not fully paid Shares or Shares on which we have a lien. Our Shares may be transferred by a duly signed instrument of transfer in a form approved by the SGX-ST or any stock exchange on which the Company is listed. Our Board of Directors may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as they may require. We will replace lost or destroyed certificates for Shares if it is properly notified and if the applicant pays a fee which will not exceed S$2.00 and furnishes any evidence and indemnity that our Board of Directors may require.

General Meetings of Shareholders

We are required to hold an annual general meeting every year. Pursuant to Catalist Rule 730A, such annual general meeting shall be held in Singapore. Our Board of Directors may convene an Extraordinary General Meeting whenever it thinks fit and must do so if Shareholders representing not less than 10.0% of the total voting rights of all Shareholders request in writing that such a meeting be held. In addition, two (2) or more shareholders holding not less than 10.0% of our issued share capital may call a meeting. Unless otherwise required by law or by our Constitution, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of directors. A special resolution, requiring the affirmative vote of at least 75.0% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including voluntary winding up, amendments to the Constitution, a change of our corporate name and a reduction in the share capital, share premium account or capital redemption reserve fund. We must give at least 21 days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 days' notice in writing. The notice must be given to each of our Shareholders who has supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

Voting Rights

A Shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy. Proxies need not be Shareholders. A person who holds Shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the Depository Register maintained by CDP 72 hours before the general meeting. Except as otherwise provided in our Constitution, two (2) or more shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Constitution, on a show of hands, every Shareholder present in person and by proxy shall have one (1) vote (provided that in the case of a Shareholder who is represented by two (2) proxies, only one (1) of the two (2) proxies as determined by that shareholder or, failing such determination, the chairman of the meeting in his sole discretion shall be entitled to vote on a show of hands), and on a poll, every Shareholder present in person or by proxy shall have one vote for each Share which he holds or represents. A poll may be demanded in certain circumstances, including by the chairman of the meeting or by any Shareholder present in person or by proxy and representing not less than 5.0% of the total voting rights of all Shareholders having the right to attend and vote at the meeting or by any two Shareholders present in person or by proxy and entitled to vote. In the case of a tie vote, whether on a show of hands or a poll, the chairman of the meeting shall be entitled to a casting vote.

Dividends

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board of Directors. We must pay all dividends out of our profits. Our Board of Directors may also declare an interim dividend without the approval of its Shareholders. All dividends are paid *pro rata* among our Shareholders in proportion to the amount paid up on each Shareholder's Shares, unless the rights attaching to an issue of any Share provides otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each Shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge us from any liability to that Shareholder in respect of that payment.

Capitalisation and Rights Issues

Our Board of Directors may, with approval by our Shareholders at a general meeting, capitalise any reserves or profits (including profits or money carried and standing to a reserve) and distribute the same as shares credited as paid-up to the shareholders in proportion to their shareholdings. Our Board of Directors may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any stock exchange on which we are listed.

Takeovers

The SFA and the Singapore Code on Takeovers and Mergers regulate the acquisition of ordinary shares of public companies and certain provisions that may delay, deter or prevent a future takeover or change in control of the Company. Any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting Shares must extend a takeover offer for the remaining voting Shares in accordance with the provisions of the Singapore Code on Takeovers and Mergers. Persons presumed to be "acting in concert" include and are not limited to a company and its parent company, its subsidiaries, and fellow subsidiaries and its parent company, a company and its directors (including their relatives), a company and its pension funds, a person and any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, and a financial or other professional advisor and its client in respect of shares held by the financial advisor and shares in the client held by funds managed by the financial advisor on a discretionary basis. A mandatory offer for consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror within the preceding six months.

A mandatory takeover offer is also required to be made if a person holding, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% of the voting shares acquires additional voting shares representing more than 1.0% of the voting shares in any six-month period. Under the Singapore Code on Takeovers and Mergers, a mandatory offer made with consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or any person acting in concert within the preceding six (6) months.

Liquidation or Other Return of Capital

If we liquidate or in the event of any other return of capital, holders of our Shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares.

Indemnity

To the extent permitted by Singapore law, our Constitution provide that, subject to the Companies Act, our Board of Directors and officers shall be entitled to be indemnified by us against any liability incurred in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to have been done as an officer, director or employee and in which judgment is given in their favour or in which they are acquitted or in connection with any application under any statute for relief from liability in respect thereof in which relief is granted by the court. We may not indemnify our Directors and officers against any liability which by law would otherwise attach to them in respect of any negligence, wilful default, breach of duty or breach of trust of which they may be guilty in relation to us.

Limitations on Rights to Hold or Vote Shares

Except as described in "Voting Rights" and "Takeovers" above, there are no limitations imposed by Singapore law or by our Constitution on the rights of non-resident Shareholders to hold or vote in respect of the Shares.

Minority Rights

The rights of minority shareholders of Singapore-incorporated companies are protected, *inter alia*, under Section 216 of the Companies Act, which gives the Singapore courts a general power to make any order, upon application by any of our shareholders, as they think fit to remedy any of the following situations:

(a) our affairs are being conducted or the powers of our Board of Directors are being exercised in a manner oppressive to, or in disregard of the interests of, one (1) or more of our Shareholders; or

(b) we take an action, or threaten to take an action, or Shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one (1) or more of the shareholders, including the applicant.

Singapore courts have wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those listed in the Companies Act itself. Without prejudice to the foregoing, Singapore courts may:

(a) direct or prohibit any act or cancel or vary any transaction or resolution;

(b) regulate the conduct of the affairs of the Company in future;

(c) authorise civil proceedings to be brought in the name of, or on behalf of, the Company by such person or persons and on such terms as the court may direct;

(d) provide for the purchase of the Shares or debentures of the Company by other Shareholder or debenture holders or by the Company and, in the case of a purchase of Shares by the Company, a corresponding reduction of the Company's share capital; or

(e) provide that the Company be wound up.

Treasury Shares

Our Constitution expressly permits our Company to purchase or acquire shares or stocks of our Company and to hold such shares or stocks (or any of them) as treasury shares in accordance with requirements of Section 76 of the Companies Act. Our Company may make a purchase or acquisition of our own shares (i) on a securities exchange if the purchase or acquisition has been authorised in advance by our Company in general meeting; or otherwise than on a securities exchange if the purchase or acquisition is made in accordance with an equal access scheme authorised in advance by our Company in general meeting. The aggregate number of Shares held as treasury shares shall not at any time exceed 10.0% of the total number of Shares of our Company at that time. Any excess shares shall be disposed or cancelled before the end of a period of six (6) months beginning with the day on which that contravention of limit occurs, or such further period as the Registrar may allow. Where Shares or stocks are held as treasury shares by our Company through purchase or acquisition by our Company, our Company shall be entered in the register as the member holding those shares or stocks.

Our Company shall not exercise any right in respect of the treasury shares and any purported exercise of such a right is void. Such rights include any right to attend or vote at meetings and our Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of our Company's assets (including any distribution of assets to members on a winding up) may be made, to our Company in respect of the treasury shares. However, this would not prevent an allotment of shares as fully paid bonus shares in respect of the treasury shares or the subdivision or consolidation of any treasury share into treasury share of a smaller amount, if the total value of the treasury shares after the subdivision or consolidation is the same as the total value of the treasury share before the subdivision or consolidation, as the case may be.

Where Shares are held as treasury shares, our Company may at any time (i) sell the Shares (or any of them) for cash; (ii) transfer the Shares (or any of them) for the purposes of or pursuant to an employees' share scheme; (iii) transfer the Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person; or (iv) cancel the Shares (or any of them).

Substantial Shareholders

The Securities and Futures Act requires our Substantial Shareholders to give notice to us of certain information as prescribed by the Authority, including particulars of their interest, within two (2) business days of becoming aware of being our Substantial Shareholders or ceasing to be our Substantial Shareholder and being aware of any change in the percentage level of their interest. "Percentage level", in relation to a Substantial Shareholder, is the percentage figure ascertained by expressing the total votes attached to all the voting shares in which the Substantial Shareholder has an interest (or interests) immediately before or (as the case may be) immediately after the relevant time, as a percentage of the total votes attached to all of the voting shares (excluding treasury shares), and if it is not a whole number, rounding that figure down to the next whole number.

Under the Securities and Futures Act, a person has a substantial shareholding in us if he has an interest (or interests) in one (1) or more of our voting shares (excluding treasury shares) and the total votes attached to those shares are not less than 5.0% of the total votes attached to all of our voting shares (excluding treasury shares).

Singapore

There are no Singapore government laws, decrees, regulations or other legislation that may affect the following:

(a) the import or export of capital, including the availability of cash and cash equivalents for use by our Group; and

(b) the remittance of dividends, interest or other payments to non-resident holders of our Company's securities.

Russia

In general, there are no legal, financial or economic restrictions on the ability of a Russian subsidiary to transfer funds to the Company in the form of cash dividends, loans or advances. According to Article 7 (Transfer of payments), paragraph 1 of the Agreement between the Governments of the Republic of Singapore and of the Russian Federation on the Promotion and Reciprocal Protection of Investments (2010) (the "**Russian IIA**"), each contracting party shall, in accordance with its legislation, guarantee to investors of the other contracting party, upon fulfillment by them of all their tax obligations, a free transfer abroad of payments related to their investments, *inter alia*:

(a) initial capital or any additional amounts for the maintenance or extension of the investments;

(b) returns;

(c) proceeds from the total or partial liquidation, sale, or other disposition of investments;

(d) repayments made pursuant to loan agreements in connection with an investment; and

(e) payments made under contracts related to an investment.

According to Article 7 paragraph 1 of the Russian IIA, the transfers of payments referred to shall be made at the current market rate of exchange at the time of transfer, in freely usable currency, pursuant to the procedures of exchange regulations in force, if applicable, of the contracting party in the territory of which the investment was made.

In addition, Federal Law No. 173-FZ "On Currency Regulations and Currency Control" dated 10 December 2003, as amended (the "**Currency Law**"), establishes the basic rules of the currency regulation and control regime in Russia. This law also mentions cases in which a Russian company is entitled to use foreign currency to pay to foreigners.

The Currency Law divides legal entities into "residents" and "non-residents". In the context of our Group, our Company is a "non-resident" and each of our Russian subsidiaries is a "resident".

As at the Latest Practicable Date, there are no substantive currency control requirements (in the form of consents, authorizations or permits) that apply to foreign transactions. However, certain requirements still apply to Russian residents as follows:

(a) Russian companies must remit all foreign currency export proceeds to their Russian bank account(s) ("repatriation of currency proceeds"), subject to certain exceptions;

(b) "transaction passports" are required for certain transactions (foreign trade, loans) at Russian banks;

(c) most Russian residents are prohibited from performing foreign currency transactions with other Russian residents (the Currency Law provides some exceptions);

(d) the purchase and sale of foreign currency may only be performed via authorized Russian banks;

(e) cash exports are subject to restrictions;

(f) when a Russian company or individual opens an overseas bank account, they must notify the Russian tax authorities and present regular reports on the cash flow in such accounts; and

(g) the operation of an overseas bank account by a Russian resident is subject to certain restrictions.

In accordance with Article 19 of the Currency Law, Russian companies must collect the full amount of payments due under a foreign trade contract on their accounts with Russian banks in accordance with the terms of the relevant foreign trade contract (the so-called "repatriation rule") with certain exceptions. For example, Russian companies may credit the payments to their accounts with foreign banks if the proceeds will be used for repayment under a loan agreement with an OECD or FATF resident and its term exceeds two (2) years. At the same time, certain goods and services should be paid for in RR in the proportion set by the Russian government. Article 19 of the Currency Law does not expressly allow a Russian supplier to assign or set off its claims against a foreign buyer under a foreign trade contract. There are certain exceptions to this rule. For instance, Russian suppliers are entitled to assign their claims under foreign trade contracts to a Russian factor under a factoring contract. In this case, the supplier should procure that funds payable under such foreign trade contract are transferred to the factor's account with a Russian bank. The factor must notify the supplier in writing of receipt of such funds or upon further assignment of claims under such foreign trade contract.

A Russian counterparty (which is not a bank) must comply with certain requirements in connection with payments to a foreign lender or another counterparty (export/import transactions), including:

(a) opening a transaction passport with its Russian authorised bank; and

(b) filing certain information, including a separate "certificate on currency transaction identification".

The main requirements in relation to transaction passports are listed in the Currency Law and Instruction of the Central Bank of Russia No. 138-I dated 4 June 2012 ("Instruction No. 138-I"). In particular, Instruction No. 138-I stipulates a list of documents that must be submitted to an authorized Russian bank by a Russian company in order to open a transaction passport. The banks generally require all documents to be translated into Russian. The documents to be filed typically include a certified copy of the agreement documenting the transaction. Furthermore, under Article 23 of the Currency Law, banks may request other supporting documents, such as acceptance certificates, bank statements, customs declarations, etc., although, in practice, only the basic documents are usually required. After receipt of the documents, the bank reviews them and opens the transaction passport.

The identification certificate requirement is applicable to settlements between Russian residents and non-residents under various types of financing transactions, including loans. For each payment under the relevant transaction, the resident company has to provide a separate "certificate on currency transaction identification" indicating the transaction passport details (if applicable) and the details of the currency operation, as envisaged by Instruction No. 138-I.

The currency control system is supervised by the Bank of Russia, the Russian government, the Federal Tax Service and the Federal Customs Service, and currency control is carried out through agents of the currency control regime (i.e. authorised banks and professional participants of the securities market).

Violation of Russian currency control requirements may entail civil, administrative or criminal liability. Administrative penalties for violation of Russia's currency control requirements include various fines, which may be imposed on individuals, legal entities and company executives. The amount of a fine may be as high as the entire value of the transaction performed in violation of the currency control requirements. Other sanctions include the revocation of licenses (primarily applicable to banks) and imprisonment. Violation of currency control requirements includes non-compliance with the terms for submission of reports on currency operations to a Russian authorized bank. The currency control legislation provides for differential fines up to RR3,000 for individuals and up to RR50,000 for legal entities depending on the term of the violation. In cases of repeated violation, the fine may reach up to RR10,000 for individuals and up to RR50,000 for legal entities. The fine for failure to submit the report on the cash flow in overseas accounts on time for the first time is the same, but for a repeated violation, the fine can reach up to RR20,000 for individuals and up to RR600,000 for legal entities. Failure to notify the Russian tax authorities of opening, closing or a change of details of an overseas bank account on time entails a fine of up to RR1,500 for individuals and up to RR100,000 for legal entities. Failure to notify the Russian tax authorities of these actions will result in a fine of up to RR5,000 for individuals and up to RR1.0 million for legal entities.

In addition, failure to comply with the repatriation requirements proceeds may result in the imposition of fines in the amount of 1/150 of the Bank of Russia's refinancing rate (currently 10.0% p.a.) of the amount of proceeds returned with a delay for each day of such delay in respect of foreign currency, or up to RR5,000 for company executives and up to RR50,000 for legal entities in respect of the Russian national currency. For failure to return foreign currency proceeds, the fine may be in the amount of 1/150 of the Bank of Russia's refinancing rate (currently 10.0% p.a.) of the amount of proceeds returned with a delay for each day of such delay, or up to 100.0% of the amount of non-returned proceeds. Failure to return foreign currency proceeds in the amount of more than RR9 million may also lead to criminal liability for the company's senior management.

The foregoing exchange control requirements currently do not have any implications for our Company with respect to the flow of dividends from our Russian subsidiaries to our Company.

Singapore Taxation

The following is a discussion of certain tax matters relating to Singapore income tax, stamp duty, estate duty and Goods and Service Tax ("**GST**") consequences in relation to the purchase, ownership and disposal of our Shares based on the current tax laws in Singapore. The discussion is limited to a general description of certain tax consequences in Singapore with respect to ownership of our Shares by Singapore investors, and does not purport to be a comprehensive nor exhaustive description of all of the tax considerations that may be relevant to a decision to purchase our Shares. It is also not intended to be and does not constitute legal or tax advice. The discussion below is based on the assumption that our Company is a tax resident in Singapore for Singapore income tax purposes. The laws, regulations and interpretations, may change at any time, and any change could be made on a retroactive basis. These laws and regulations are also subject to various interpretations and no assurance can be given that the relevant tax authorities or the courts of Singapore will agree with the explanations or conclusions set out below or that changes in such laws and regulations will not occur.

Prospective investors of our Shares should consult their tax advisers and/or legal advisers concerning the tax consequences of owning and disposing our Shares. Neither our Company, our Directors nor any other persons involved in this Placement accepts responsibility for any tax effects or liabilities resulting from the subscription, purchase, holding or disposal of our Shares.

INCOME TAX

(a) Individual Taxpayers

Individual taxpayers who are Singapore tax residents are subject to Singapore income tax on income accrued in or derived from Singapore. Foreign-source income received in Singapore by Singapore tax resident individuals is generally exempt from Singapore income tax, except for such income received through a partnership in Singapore.

Singapore tax resident individuals are subject to tax based on progressive rates, currently ranging from 0% to 22.0%, after deductions of relevant qualifying reliefs.

Non-Singapore tax resident individuals, subject to certain exceptions, are subject to Singapore income tax on income accrued in or derived from Singapore. They are generally subject to tax at 22.0% except for their employment income derived from Singapore, which is subjected to tax at a flat rate of 15.0% or at the progressive resident rates, whichever is higher.

An individual is regarded as a tax resident in Singapore in a year of assessment if, in the preceding calendar year, he was physically present in Singapore or exercised an employment in Singapore for 183 days or more, or if he ordinarily resides in Singapore. A foreigner whose stay in Singapore, including work, is for a continuous period of three (3) consecutive years or at least 183 days straddling two (2) calendar years will also be treated as a Singapore tax resident for each of the three (3) years or two (2) years respectively.

(b) Corporate Taxpayers

Corporate taxpayers are generally subject to Singapore income tax on income accrued in or derived from Singapore and foreign-sourced income received or deemed to be received in Singapore from outside Singapore (unless otherwise exempted).

Foreign-sourced income in the form of dividends, branch profits and service fee income received or deemed to be received in Singapore by Singapore tax resident companies are generally exempt from tax if certain prescribed conditions are met.

The prevailing corporate income tax rate in Singapore is 17.0%, with the first S$300,000 of chargeable income of a company being partially exempt from tax as follows:

(a) 75.0% of up to the first S$10,000 of chargeable income; and

(b) 50.0% of up to the next S$290,000 of chargeable income.

From the year of assessment 2020, 75.0% of the first S$10,000 of a company's chargeable income, and 50.0% of the next S$190,000 of chargeable income will be exempt from tax. Any chargeable income in excess of S$200,000 will be taxed at the prevailing corporate income tax rate.

A corporate income tax rebate of 20.0% of the income tax payable (up to a cap of S$10,000) was announced by the Minister of Finance in Budget 2018 for year of assessment 2019. The corporate income tax rebate will not be applicable to the income derived by a non-Singapore tax resident company that is subject to final withholding tax.

A company is regarded as a tax resident in Singapore if the control and management of its business is exercised in Singapore. Generally, the control and management of a company is vested in its board of directors and a company is usually regarded as a tax resident of Singapore if its board of directors holds the majority of its board meetings in Singapore.

Dividend Distributions

Singapore adopts the one-tier corporate taxation system ("**one-tier system**"), Under the one-tier system, the tax collected from corporate profits is a final tax and the after-tax profits of the company resident in Singapore can be distributed to its shareholders as tax exempt (one-tier) dividends. One-tier dividends are tax exempt in Singapore, regardless of the tax residence status or the legal form of the shareholders.

Singapore does not impose withholding tax on dividends paid to resident or non-resident shareholders.

Foreign shareholders are advised to consult their own tax advisers to take into account the tax laws of their respective home countries/countries of residence and the applicability of any double taxation agreement which their country of residence may have with Singapore.

TAXATION

CAPITAL GAINS TAX

There is currently no tax on capital gains in Singapore. However, there are currently no specific laws or regulations that address the characterisation of gains (whether such gains are considered capital in nature or income in nature) and one would have to rely on its ordinary meaning or principles derived from case laws.

In general, gains derived from the disposal of our Shares that are acquired for long-term investment purposes are considered to be capital in nature and not subject to Singapore tax.

On the other hand, where the gains arise from activities which the IRAS regards as the carrying on of a trade or business in Singapore of dealing in shares, or are otherwise of an income nature, the gains will generally be subject to Singapore income tax. Shareholders should consult their own tax advisers on the Singapore tax consequences that may apply to their individual circumstances.

Subject to certain conditions being met, gains derived from the disposal of ordinary shares before 31 May 2022 by companies are automatically tax exempt, if the divesting company holds a minimum shareholding of 20.0% of the ordinary shares in the company whose shares are being disposed for a continuous period of at least 24 months immediately prior to the date of the share disposal.

In addition, shareholders who have adopted or are required to adopt the Singapore Financial Reporting Standards (International) 9 – Financial Instruments ("**SFRS(I) 9**") may be taxed on fair value gains or losses (not being gains or losses of a capital nature) even though no sale or disposal of our Shares is made. Shareholders who are impacted by SFRS(I) 9 should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their subscription, holding and disposal of our Shares.

Foreign sellers are advised to consult their own tax advisers to take into account the applicable tax laws of their respective home countries or countries of residence as well as the provisions of any applicable double taxation agreement.

STAMP DUTY

No stamp duty is payable on the subscription and issuance of our Shares.

Where existing Shares evidenced in certificated form are acquired in Singapore, stamp duty is payable on the instrument of transfer of the Shares at the rate of 0.2% of the consideration paid, or market value of the Shares, whichever is higher. The purchaser is liable for stamp duty, unless otherwise agreed.

No stamp duty is payable if no instrument of transfer is executed (such as in the case of scripless shares, the transfer of which does not require instruments of transfer to be executed) or if the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is subsequently received in Singapore.

Stamp duty is not applicable to electronic transfers of our Shares through the CDP system.

ESTATE DUTY

Singapore estate duty has been abolished since 15 February 2008.

GST

The sale of our Shares by a GST-registered investor belonging in Singapore through a SGX-ST member or to another person belonging in Singapore is an exempt supply not subject to GST.

Any input GST (for example, GST on brokerage) incurred by the GST-registered investor in connection with the making of this exempt supply will generally become an additional cost to the investor unless the investor satisfies certain conditions prescribed under the GST legislation or certain GST concessions.

Where our Shares are sold by a GST-registered investor to a person belonging outside Singapore (and who is outside Singapore at the time of supply), the sale is a zero-rated supply (i.e. subject to GST at 0%). Consequently, any input GST (for example, GST on brokerage) incurred by him in the making of this zero-rated supply for the purpose of his business will, subject to the provisions of the GST legislation, be recoverable as an input tax credit in his GST returns.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and sale of our Shares.

Services such as brokerage and handling services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase or sale of our Shares will be subject to GST at the prevailing rate (currently of 7.0%). Similar services rendered contractually to an investor belonging outside Singapore should qualify for zero-rating (i.e. subject to GST at 0%) provided that the investor is not physically present in Singapore at the time the services are performed and the services do not directly benefit a person who belongs in Singapore.

CLEARANCE AND SETTLEMENT

Upon listing and quotation on the Catalist, our Shares will be traded under the book-entry settlement system of the CDP, and all dealings in and transactions of the Shares through the Catalist will be effected in accordance with the terms and conditions for the operation of securities accounts with the CDP, as amended from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, securities accounts with CDP. Persons named as direct securities account holders and depository agents in the depository register maintained by the CDP, rather than CDP itself, will be treated, under our Constitution and the Companies Act, as members of our Company in respect of the number of Shares credited to their respective securities accounts.

Persons holding our Shares in securities account with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on the Catalist, although they will be *prima facie* evidence of title and may be transferred in accordance with our Constitution. A fee of S$10.00 for each withdrawal of 1,000 Shares or less and a fee of S$25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing the Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of S$2.00 or such other amount as our Directors may decide, is payable to the share registrar for each share certificate issued and a stamp duty of S$10.00 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares or S$0.20 per S$100.00 or part thereof of the last-transacted price where it is withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on Catalist must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective securities accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S$10.00 is payable upon the deposit of each instrument of transfer with CDP.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's securities account being debited with the number of Shares sold and the buyer's securities account being credited with the number of Shares acquired. No transfer of stamp duty is currently payable for the Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on Catalist is payable at the rate of 0.0325% of the transaction value. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to Singapore Goods and Services Tax at the prevailing rate of 7.0% (or such other rate prevailing from time to time).

Dealings of our Shares will be carried out in Singapore dollars and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on Catalist generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in securities accounts. An investor may open a direct account with CDP or a sub-account with a CDP depository agent. The CDP depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

INFORMATION ON DIRECTORS AND EXECUTIVE OFFICERS

1. None of our Directors, Executive Officers and Controlling Shareholders:

   (a) has, at any time during the last 10 years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time he was a partner or at any within two (2) years after the date he ceased to be a partner;

   (b) has, at any time during the last 10 years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or key executive at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two (2) years after the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;

   (c) has any unsatisfied judgement against him;

   (d) has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;

   (e) has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;

   (f) has, at any time during the last 10 years, had judgement entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, nor has he been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;

   (g) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;

   (h) has ever been disqualified from acting as a director or equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;

   (i) has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity;

   (j) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:

      (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;

(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;

(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the corporation or partnership entity or business trust; and

(k) has ever been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Other disclosures in relation to Krinichansky

Krinichansky has had net assets lower than its charter capital ("**Charter Capital Non-compliance**") since 31 December 2015. Under Russian law, where a joint-stock company has net assets lower than its respective charter capital in any financial year, it is required to, within six (6) months upon completion of the relevant financial year (i) reduce the charter capital to an amount not exceeding the amount of the net assets of the company; or (ii) carry out liquidation. If the joint-stock company fails to comply with these requirements, the Russian tax authority can seek the involuntary liquidation of such company in court, and the company's creditors will have the right to accelerate their claims or demand early performance of the company's obligations as well as demand compensation of any damages. There are no other negative consequences provided for under Russian law. As at the Latest Practicable Date, to the best of our knowledge and belief, the Russian tax authority has not sought the involuntary liquidation of Krinichansky in court. Please refer to the section entitled "Restructuring Exercise" of this Offer Document for more details on the Charter Capital Non-compliance by Krinichansky.

In addition, as Krinichansky has more than 50 shareholders, it is technically required to make certain corporate disclosures such as publishing an annual report; however, it has inadvertently omitted to make the relevant corporate disclosures ("**Corporate Disclosure Non-compliance**") since 2012 as it has not had any significant business activities since 2010 and our Group had intended to either wind up or dispose of Krinichansky. Krinichansky is not a wholly-owned subsidiary of our Group and does not have any external debts or borrowings and does not hold any key assets or have any operations or business. The Corporate Disclosure Non-compliance may result in an administrative fine on Krinichansky of up to RR1.0 million (equivalent to approximately S$20,000) as well as an administrative fine on the general director of Krinichansky of up to RR50,000 (equivalent to approximately S$1,000) or disqualification of such general director[(1)] from the ability to, amongst others, occupy positions in the executive body and supervisory board of a legal entity for up to two (2) years. The Bank of Russia is authorised to inspect the disclosure of such corporate information and such inspections are generally carried out only upon a complaint. The limitation period for such liability is one (1) year from the date the Corporate Disclosure Non-compliance is discovered by the Bank of Russia and Nektorov, Saveliev & Partners, the

Legal Adviser to our Company on Russian Law, has advised that it is not typical for a general director to be held liable for such Corporate Disclosure Non-compliance. While Marat Devlet-Kildeyev, Artur Nazaryan and Vadim Novikov were directors on the supervisory board of Krinichansky, none of our Directors or Executive Officers was the general director of Krinichansky at the material time and, to the best of our knowledge and belief, no enforcement action or investigation has been taken or issued by any regulatory authorities on Krinichansky and/or its general director in relation to such Corporate Disclosure Non-compliance prior to its disposal by our Group. Krinichansky has been disposed in December 2018 and no representations or warranties were made by Tetra JSC and Don Agro JSC in the respective sale and purchase agreements in relation to the Charter Capital Non-compliance and the Corporate Disclosure Non-compliance by Krinichansky. Accordingly, the Directors are of the view that, as at the Latest Practicable Date, any enforcement action by the relevant regulatory authorities on Krinichansky and/or its general director in relation to such Corporate Disclosure Non-compliance will not have any material adverse implications to our Group and our operations.

Other disclosures in relation to Don Agro JSC

Don Agro JSC also had Charter Capital Non-compliance since 31 December 2015. Don Agro JSC is a wholly-owned subsidiary of our Group and does not have any operations or business, but holds our Group's interest in Selkhoztekhnika and Rassvet. Accordingly, a shareholders' resolution was duly passed on 30 November 2018 to reduce the charter capital of Don Agro JSC and the notification on Don Agro JSC's shareholders' resolution to reduce the charter capital was submitted to the Russian tax authority on 3 December 2018 and registered with the Central Bank of the Russian Federation on 28 February 2019. The procedural requirements for the reduction of the charter capital of Don Agro JSC were completed in May 2019. Following the rectification of Don Agro JSC's Charter Capital Non-compliance, Nektorov, Saveliev & Partners, the Legal Adviser to our Company on Russian Law, is of the view that there is minimal risk of involuntary liquidation by the Russian tax authority as a consequence of the past Charter Capital Non-compliance as an involuntary liquidation is an extraordinary sanction which is generally rejected by the Russian courts. As at the Latest Practicable Date, Don Agro JSC does not have any external debts or borrowings, and as such, in the event of an involuntary liquidation, its assets will be distributed to creditors which are entities within our Group.

Please refer to the section entitled "Restructuring Exercise" of this Offer Document for more details on the Charter Capital Non-compliance by Don Agro JSC.

Other disclosures in relation to Tetra JSC and Selkhoztekhnika

Each of Tetra JSC and Selkhoztekhnika had Charter Capital Non-compliance in 2015 and 2016 but has had net assets higher than its charter capital since 2017. Tetra JSC is a wholly-owned subsidiary of our Group and does not have any operations or business, but holds our Group's interest in Don Agro JSC, Don Agro LLC and Happy Cow. Selkhoztekhnika is a subsidiary of our Group and does not have any material operations or business, but holds certain of our Group's properties and a subsoil use licence. Nektorov, Saveliev & Partners, the Legal Adviser to our Company on Russian Law, is of the view that there is minimal risk of involuntary liquidation by the Russian tax authority as a consequence of the past Charter Capital Non-compliance as (i) the past Charter Capital Non-compliance is mitigated by the current compliance of the respective net assets of Tetra JSC and Selkhoztekhnika; and (ii) an involuntary liquidation is an extraordinary sanction which is generally rejected by the Russian courts; and consequently, the past Charter Capital Non-compliance by Tetra JSC and Selkhoztekhnika will not affect the Company's suitability to list on Catalist.

Other disclosures in relation to Rassvet

Rassvet was incorporated as a closed joint stock company which was not required to make corporate disclosures. With the amendment of the Russian regulations regarding corporate disclosures with effect from 2016, notwithstanding that it is a closed joint-stock company, Rassvet is technically required to make certain corporate disclosures such as the annual filing of certain financial information and business overview as it has more than 50 shareholders. However, inadvertently it had Corporate Disclosure Non-compliance since 2016 due to an incorrect interpretation of the amended Russian regulations. The Corporate Disclosure Non-compliance may result in an administrative fine on Rassvet of up to RR1.0 million (equivalent to approximately S$20,000) as well as an administrative fine on the general director(1) of Rassvet of up to RR50,000 (equivalent to approximately S$1,000) or disqualification of such general director from the ability to, amongst others, occupy positions in the executive body and supervisory board of a legal entity for up to two (2) years. The Bank of Russia is authorised to inspect the disclosure of such corporate information and such inspections are generally carried out only upon a complaint. The limitation period for such liability is one (1) year from the date the Corporate Disclosure Non-compliance is discovered by the Bank of Russia and Nektorov, Saveliev & Partners, the Legal Adviser to our Company on Russian Law, has advised that it is not typical for a general director to be held liable for such Corporate Disclosure Non-compliance. While Marat Devlet-Kildeyev, Artur Nazaryan and Vadim Novikov were directors on the supervisory board of Rassvet, none of our Directors or Executive Officers was the general director of Rassvet at the material time and, to the best of our knowledge and belief, as at the Latest Practicable Date, no enforcement action or investigation has been taken or issued by any regulatory authorities on Rassvet and/or its general director in relation to such Corporate Disclosure Non-compliance by Rassvet. Accordingly, the Directors are of the view that, as at the Latest Practicable Date, any enforcement action by the relevant regulatory authorities on Rassvet and/or its general director in relation to such Corporate Disclosure Non-compliance will not have any material adverse implications to our Group and our operations.

Note:

(1) Under Russian law, a "general director" is equivalent to a chief executive officer of the company and manages the day-to-day activities of the company including the corporate disclosure of the information (except where there is a specially authorized officer responsible for the corporate disclosure (such as a corporate secretary or another officer) although this is not the case for Krinichansky and Rassvet). "Directors" of a company refer to the members of the supervisory board whose competence is to resolve issues of the general management of a company's activities and is generally a supervisory role. As at the Latest Practicable Date, none of the general directors of our Russian subsidiaries are sanctioned individuals or are related to our Company, Directors, Controlling Shareholder or their respective associates.

2. There is no shareholding qualification for Directors under our Constitution.

3. Save as disclosed in the section entitled "Restructuring Exercise" of this Offer Document, none of our Directors is interested, directly or indirectly, in the promotion of, or in any property or assets which have, within the two (2) years preceding the date of this Offer Document, been acquired or disposed of by or leased to, our Company or our subsidiaries.

4. No sum or benefit has been paid or is agreed to be paid to any Director or expert, or to any firm in which such Director or expert is a partner or any corporation in which such Director or expert holds shares or debentures, in cash or shares or otherwise, by any person to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him or by such firm or corporation in connection with the promotion or formation of our Company.

5. Save as disclosed above and in the sections entitled "Interested Person Transactions – Potential Conflicts of Interest" and "Restructuring Exercise" of this Offer Document:

   (a) None of our Directors, Executive Officers, Substantial Shareholders or any of their Associates has had any interest, direct or indirect, in any transactions to which our Company was or is to be a party;

   (b) None of our Directors, Executive Officers, Substantial Shareholders or any of their Associates has any interest, direct or indirect, in any company carrying on the same business or a similar trade which competes materially and directly with the existing business of our Group;

   (c) None of our Directors, Executive Officers, Substantial Shareholders or any of their Associates has any interest, direct or indirect, in any company that is our customer or supplier of goods and services; and

   (d) None of our Directors has any interest in any existing contract or arrangement which is significant in relation to the business of our Company and our subsidiaries, taken as a whole.

SHARE CAPITAL

6. As at the Latest Practicable Date, there is only one (1) class of shares in the capital of our Company. There are no founder, management or deferred shares. The rights and privileges attached to our Shares are stated in our Constitution.

7. Save as disclosed in the sections entitled "Share Capital" and "Restructuring Exercise" of this Offer Document, there are no changes in the issued and paid-up share capital of our Company and our subsidiaries within the last three (3) years preceding the date of this Offer Document.

8. Save as disclosed below and in the sections entitled "Share Capital" and "Restructuring Exercise" of this Offer Document, no shares in, or debentures of, our Company or any of our subsidiaries have been issued, or are proposed to be issued, as fully or partially paid for cash or for a consideration other than cash, during the last three (3) years.

9. Apart from the Don Agro Employee Share Option Scheme, our Company does not have any arrangement that involves the issue or grant of options or Shares to the directors or employees of our Group.

MATERIAL CONTRACTS

10. Save as disclosed below, the Group and its subsidiaries have not entered into any material contracts, not being contracts entered into in the ordinary course of business, within the two (2) years preceding the date of lodgement of this Offer Document:

    (a) sale and purchase agreement dated 18 November 2018 entered into between Tetra JSC and Nikolay Cherchaga, pursuant to which Tetra JSC disposed of its entire interests in Krinichansky, comprising 14.75% of the capital of Krinichansky, for a consideration of approximately S$343 (equivalent to approximately RR16,600). The consideration was determined based on the unaudited NTA of Krinichansky as at 30 June 2018. For further details, please refer to the section entitled "Restructuring Exercise" of this Offer Document;

(b) sale and purchase agreement dated 18 November 2018 entered into between Don Agro JSC and Nikolay Cherchaga, pursuant to which Don Agro JSC disposed of its entire interests in Krinichansky, comprising 74.9% of the capital of Krinichansky, for a consideration of approximately S$1,725 (equivalent to approximately RR83,400). The consideration was determined based on the unaudited NTA of Krinichansky as at 30 June 2018. For further details, please refer to the section entitled "Restructuring Exercise" of this Offer Document;

(c) sale and purchase agreement dated 21 December 2018 entered into between our Company and Tetra JSC, pursuant to which our Company acquired from Tetra JSC 0.01% of the voting participatory interests in the capital of Don Agro LLC for a consideration of RR82,000 (equivalent to approximately S$1,763). The consideration was determined based on the net assets of Don Agro LLC as at 30 June 2018. For further details, please refer to the section entitled "Restructuring Exercise" of this Offer Document;

(d) sale and purchase agreement dated 21 December 2018 entered into between our Company and Tetra JSC, pursuant to which our Company acquired from Tetra JSC 1.0% of the voting participatory interests in the capital of Happy Cow for a consideration of RR1,000 (equivalent to approximately S$22). The consideration was determined based on the charter capital of Happy Cow. For further details, please refer to the section entitled "Restructuring Exercise" of this Offer Document;

(e) sale and purchase agreement dated 10 January 2019 entered into between our Company and Tetra JSC, pursuant to which our Company acquired from Tetra JSC 0.01% of the shareholding interests in the capital of Don Agro JSC comprising an aggregate of 25,000 shares for a consideration of RR25,000 (equivalent to approximately S$506). The consideration was determined based on the charter capital of Don Agro JSC. For further details, please refer to the section entitled "Restructuring Exercise" of this Offer Document; and

(f) share swap agreement dated 21 November 2019 entered into between our Company and Vallerd Investments pursuant to which our Company acquired from Vallerd Investments the entire issued and paid-up share capital of Tetra JSC held by it, comprising an aggregate of 62,403,000 ordinary shares for a total consideration of S$35,741,000 based on the unaudited net tangible assets of the Company and its subsidiaries as at 30 June 2019, to be satisfied by the issue and allotment by our Company of the Consideration Shares, credited as fully paid-up. For further details, please refer to the section entitled "Restructuring Exercise" of this Offer Document.

LITIGATION

11. Save as disclosed below and in Appendix E entitled "Properties and Leases" of this Offer Document, to the best of our knowledge and belief, having made all reasonable enquiries, neither our Company nor any our subsidiaries is engaged in any legal or arbitration proceedings as plaintiff or defendant, including those which are pending or known to be contemplated, which may have or which have had in the 12 months immediately preceding the date of lodgement of the Offer Document, a material effect on our Group's financial position or profitability of our Company or our subsidiaries:

On 11 April 2018, legal proceedings were commenced in the Federal Arbitrazh Court of Rostov Oblast by Russian Railway against Don Agro LLC and Rassvet as co-defendants for the seizure of land with plot number 61:42:0600022:519 with an area of approximately 58.3 hectares (Chertovsky district, Rostov region) ("**Disputed Land**") for state and municipal needs where the land acquisition price was disputed. The amount offered by the Russian Railway for the proposed acquisition of the Disputed Land is approximately RR6.2 million (equivalent to approximately S$0.12 million). However, based on an independent third party valuation conducted by our Group, the Disputed Land was valued to be approximately RR33.3 million (equivalent to approximately S$0.70 million). On 4 July 2018, proceedings were suspended to allow for a third party valuation of the value of the land under dispute, which have since been submitted to the court on 11 October 2018. On 21 January 2019, the Federal Arbitrazh Court of Rostov Oblast ruled that Don Agro LLC and Rassvet are to be compensated an aggregate of approximately RR33.3 million (equivalent to approximately S$0.7 million). The Russian Railway has appealed against this decision and its appeal was dismissed by the Fifteenth Appellate Arbitrazh Court in its decree dated 27 March 2019. Following that, the ruling made by the Federal Arbitrazh Court of Rostov Oblast on 21 January 2019 continued to be in force. The Disputed Land was not being used by our Group for crop production at the time of seizure by Russian Railway and is also currently not being used by our Group. The Russian Railway had in September 2019 fully-paid the Company in accordance with the Court order.

MANAGEMENT AND PLACEMENT ARRANGEMENTS

12. Pursuant to the Management Agreement dated 6 February 2020 entered into between our Company and PPCF, our Company has appointed (a) PPCF to sponsor and manage the Listing and PPCF will receive a management fee for such services rendered.

13. Pursuant to the Placement Agreement dated 6 February 2020 entered into between our Company and PPCF as the Placement Agent, our Company appointed PPCF as the Placement Agent and PPCF has agreed to procure subscriptions for the Placement Shares for a placement commission of 5.0% of the aggregate Placement Price for each Placement Share, to be paid by our Company. PPCF may, at its absolute discretion, appoint one (1) or more sub-placement agents for the Placement Shares.

14. Subscribers of the Placement Shares may be required to pay a brokerage of up to 1.0% of the Placement Price to the Placement Agent (and the prevailing GST, if applicable). Save as aforesaid, no commission, discount or brokerage, has been paid or other special terms granted within the two (2) years preceding the date of this Offer Document or is payable to any Director, promoter, expert, proposed Director or any other person for purchasing and/or subscribing or agreeing to purchase and/or subscribe or procuring or agreeing to procure purchase and/or subscriptions for any shares in, or debentures of, our Company or any of our Subsidiaries.

15. The Management Agreement may be terminated by PPCF, the Sponsor and Issue Manager at any time on or before the close of the Application List, on the occurrence of certain events including the following:

    (a) PPCF becomes aware of any inaccuracy or misrepresentation by our Company and/or our agent(s) or any breach of any of the warranties, representations, covenants or undertakings given by our Company to PPCF in the Management Agreement;

    (b) if any of the conditions specified in the Management Agreement has not been satisfied or waived by PPCF on or before the Closing Date;

(c) if there shall have been or come into effect, since the date of the Management Agreement:

(i) in the opinion of PPCF, any material adverse effect, or any development involving a prospective material adverse effect; or

(ii) in any relevant jurisdiction, any introduction or prospective introduction of or any change in any statute, regulation, order, policy or directive (whether or not having the force of law and including without limitation, any directive or request issued by the SGX-ST) or in the interpretation or application thereof by any court or other competent authority; or

(iii) any material adverse change, or any development involving a prospective material adverse change or crisis, in local, national or international monetary, financial and capital markets (including stock market, foreign exchange market, inter-bank market or interest rates or money market), political, industrial, economic, legal or monetary conditions, taxation or exchange controls (including without limitation, the imposition or any moratorium, suspension or material restriction on trading in securities generally on the SGX-ST (including Catalist); or

(iv) any material adverse change, or any development involving a prospective material adverse change, in local, national or international securities or stock markets or financial markets; or

(v) any occurrence or any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict that may have a material adverse effect on the financial markets; or

(vi) any regional or local outbreak of disease that may have a material adverse effect on the financial markets; or

(vii) any event or series of events in the nature of *force majeure* (including without limitation, acts of government, strikes, lock-outs, fire, explosion, flooding, civil commotion, acts of war, acts of terrorism, acts of God, accident, epidemics, earthquakes or interruption or delay in transportation); or

(viii) any material adverse change, or any development involving a prospective material adverse change, in the business, trading position, operations or prospects of the Company or of the Group as a whole; or

(ix) any material adverse change, or any development involving a prospective material adverse change, which makes it uncommercial or otherwise contrary to or outside the usual commercial practices in Singapore for PPCF to observe or perform or be obliged to observe or perform the terms of this Agreement,

which event(s) shall in the reasonable opinion of PPCF (1) be likely to prejudice the success of the placement or issue of the Placement Shares (whether in the primary market or in respect of dealings in the secondary market) or be likely to have a material adverse effect or a material adverse effect on the Placement, or (2) be likely to have a material adverse effect on the business, trading position, operations or prospects of our Company or of our Group as a whole, or (3) make it impracticable or inadvisable to proceed with the subscription, sale, placement, issue or transfer of the Placement Shares, or (4) be such that no reasonable full sponsor or issue manager would have entered into the Management Agreement or (5) result in a material fluctuation or material adverse conditions in the SGX-ST (including Catalist) which event(s) shall in the reasonable opinion of the Placement Agent exercised in good faith be likely to have a material adverse effect on the Placement, or (6) make it uncommercial or otherwise contrary to or outside the usual commercial practices in Singapore for PPCF to observe or perform or be obliged to observe or perform the terms of the Management Agreement;

(d) a stop order is issued by the SGX-ST, acting as agent on behalf of the Authority, or other competent authority pursuant to the Securities and Futures Act (notwithstanding that a supplementary or replacement offer document is subsequently registered with the SGX-ST);

(e) if the SGX-ST or Authority or other regulatory body having authority over our Company shall make any ruling (or revoke any ruling previously made) the effect of which would restrict or impede the listing and quotation of the Placement Shares and the Option Shares;

(f) if the issue and subscription and/or sale and transfer of the Placement Shares in accordance with the provisions of this Agreement shall be prohibited by any statute, order, regulation or directive issued by, or objected to by, any legislative, executive or regulatory body or authority of Singapore or elsewhere (including without any limitation, the Authority and the SGX-ST); or

(g) there is a conflict of interest for PPCF, or any dispute, conflict or disagreement with our Company or our Company wilfully fails to comply with any advice from or recommendation of PPCF.

Notwithstanding anything herein contained, PPCF may by notice in writing to the Company terminate the Management Agreement if:

(a) there comes to the notice of PPCF (1) any statement contained in this Offer Document or Application Forms relating hereto which in the sole and absolute opinion of PPCF has become untrue, incorrect or misleading in any material respect; or (2) circumstances or matters have arisen or have been discovered, which would, if this Offer Document was to be issued at that time, constitute in the sole and absolute opinion of PPCF, a material omission of such information, and the Company fails to lodge a supplementary or replacement Offer Document or document within a reasonable time after being notified of such a material misrepresentation or omission or fails to promptly take such steps as PPCF may reasonably require to inform investors of the lodgement of such supplementary Offer Document or document; or

(b) our Company has not been admitted to the Official List of Catalist or there is no listing or quotation for trading of the Shares or the Placement Shares on Catalist on or before 30 April 2020 (or such other date as the Company and PPCF and the SGX-ST may agree).

16. The Placement Agreement and the obligations of the Placement Agent under the Placement Agreement are conditional upon, *inter alia*, the following:

(a) this Offer Document having been registered by the SGX-ST, acting as agent on behalf of the Authority, by the date of registration in accordance with the Catalist Rules;

(b) the notice of registration ("**Registration Notice**") being issued or granted by the SGX-ST acting as agent on behalf of the Authority and such Registration Notice not being revoked or withdrawn on or prior to the Closing Date;

(c) the compliance by our Company to the satisfaction of the SGX-ST with all the conditions imposed by the SGX-ST in granting the Registration Notice (if any), where such conditions are required to be complied with by the Closing Date;

(d) the SGX-ST not having withdrawn or changed the terms and conditions of its listing and quotation notice for the admission of our Company to the Official List of Catalist ("**Admission**") and our Company having complied with any conditions contained therein required to be complied with prior to the Admission;

(e) such approvals as may be required for the transactions described in the Placement Agreement and in this Offer Document in relation to the Admission and the Placement being obtained, and not withdrawn or amended, on or before the date on which our Company is admitted to Catalist (or such other date as which Company and the Placement Agent may agree in writing);

(f) the offer, allotment, issue, transfer and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore or any other jurisdiction, which is applicable to our Company or the Placement Agent;

(g) there not having occurred, in the reasonable opinion of the Placement Agent, any material adverse effect or any development likely to result in a prospective material adverse effect, whether or not arising from transactions in the ordinary course of business, subsequent to the date of the Placement Agreement which, in the reasonable opinion of the Placement Agent, is or is likely to be materially adverse in the context of the Placement or is reasonably likely to prejudice materially the success of the Placement or dealings in the secondary market nor the occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any respect, as at the Closing Date, any of the warranties or representations contained in the Placement Agreement nor any breach by the Company of any of its obligations;

(h) the compliance by our Company with all applicable laws and regulations concerning the Admission, the listing of the Shares, the Placement Shares and the Option Shares on Catalist and the transactions contemplated in the Placement Agreement and this Offer Document and no new laws, regulations and directives having been promulgated, published and/or issued and/or having taken effect or any other similar matter having occurred which, in the reasonable opinion of the Placement Agent, has or may have an adverse effect on the Placement and the listing of the Shares, the Placement Shares and the Option Shares on Catalist;

(i) the letters of undertaking referred to in this Offer Document under the heading "Moratorium" being executed and delivered to PPCF before the date of registration of this Offer Document;

(j) the Management Agreement not being terminated or rescinded pursuant to the provisions of the Management Agreement; and

(k) the representations, warranties and undertakings in the Placement Agreement remaining true and accurate in all respects as at the Closing Date and our Company having performed all of its obligations hereunder to be performed on or before the Closing Date.

MISCELLANEOUS

17. There has not been any public takeover offer by a third party in respect of our Shares or by our Company in respect of shares of another corporation or units of a business trust which has occurred between 1 January 2018 and the Latest Practicable Date.

18. No expert is employed on a contingent basis by our Company or our subsidiaries, or has a material interest, whether direct or indirect, in the shares of our Company or our subsidiaries, or has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Placement.

19. No amount of cash or securities or benefit has been paid or given to any promoter within the two (2) years preceding the Latest Practicable Date or is proposed or intended to be paid or given to any promoter at any time.

20. Save as disclosed in the section entitled "General and Statutory Information – Management and Placement Agreements" of this Offer Document, no commission, discount or brokerage has been paid or other special terms granted within the two (2) years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in, or debentures of, our Company or our subsidiaries.

21. Application monies received by our Company in respect of successful applications (including successful applications which are subsequently rejected) will be placed in a separate non-interest bearing account with the Receiving Banker. In the ordinary course of business, the Receiving Banker will deploy these monies in the inter-bank money market. All profits derived from the deployment of such monies will accrue to the Receiving Bank. Any refund of all or part of the application monies to unsuccessful or partially successful applicants will be made without any interest or any share of revenue or any other benefit arising therefrom.

22. Save as disclosed in the sections entitled "Risk Factors", "Management's Discussion and Analysis of Results of Operations and Financial Position", "General Information on our Group" and "General and Statutory Information" of this Offer Document, our Directors are not aware of any relevant material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Company and our subsidiaries.

23. Save as disclosed in the sections entitled "Risk Factors", "Management's Discussion and Analysis of Results of Operations and Financial Position", "General Information on our Group" and "General and Statutory Information" of this Offer Document, the financial condition and operations of our Group are not likely to be affected by any of the following:

(a) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;

(b) material commitments for capital expenditure;

(c) unusual or infrequent events or transactions or any significant economic changes that will materially affect the amount of reported income from operations; and

(d) known trends or uncertainties that have had or that we reasonably expect will have a material favourable or unfavourable impact on revenues or operating income.

24. Save as disclosed in the sections entitled "Restructuring Exercise", "Management's Discussion and Analysis of Results of Operations and Financial Position", "General Information on our Group" and "General and Statutory Information" and in Appendices A and B of this Offer Document, our Directors are not aware of any event which has occurred since the end of FY2018 to the Latest Practicable Date which may have a material effect on the financial position and results of our Group or the financial information provided in this Offer Document.

25. Details, including the name, address and professional qualifications including membership in a professional body of the auditors of our Company since the incorporation of our Company are as follows:

Name, professional qualification and address	Professional body	Partner-in-charge/ Professional qualification
KPMG LLP/Public Accountants and Chartered Accountants/ 16 Raffles Quay, #22-00 Hong Leong Building, Singapore 048581	Institute of Singapore Chartered Accountants	Lim Pang Yew, Victor/ a member of the Institute of Singapore Chartered Accountants

We currently have no intention of changing our auditors after the listing of our Company on Catalist.

CONSENTS

26. The Independent Auditors and Reporting Accountants, KPMG LLP, has given and has not withdrawn their written consent to the issue of this Offer Document with the inclusion herein of the "Independent Auditors' Report and the Audited Combined Financial Statements for the Years Ended 31 December 2016, 31 December 2017 and 31 December 2018 of Don Agro International Limited and its Subsidiaries" as set out in Appendix A of this Offer Document and the "Independent Auditors' Review Report and Unaudited Condensed Combined Interim Financial Statements for the Six-month Period Ended 30 June 2019 of Don Agro International Limited and its Subsidiaries" as set out in Appendix B of this Offer Document and all references thereto in the form and context in which they are respectively included and references to its name in the form and context in which it appears in this Offer Document and to act in such capacity in relation to this Offer Document.

27. The Sponsor, Issue Manager and Placement Agent has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and references thereto in the form and context in which they respectively appear in this Offer Document and to act in such respective capacities in relation to this Offer Document.

28. The Legal Adviser to our Company on Russian Law, Nektorov, Saveliev & Partners, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of certain statements attributed to it in the sections entitled "Risks Factors – Risks Relating to Our Business and The Industry", "Restructuring Exercise", "Group Structure", "Capitalisation and Indebtedness", "General Information on our Group – Our Major Customers", "General Information on our Group – Our Major Suppliers", "General Information on our Group – Licences, Permits, Approvals, Certifications and Government Regulations", "General Information on Our Group – Sanction Laws and Regulations", "General Information on our Group – Properties and Fixed Assets", "General and Statutory Information – Information on Directors and Executive Officers" and Appendix E entitled "Properties and Leases" of this Offer Document in the form and context in which they are included and references to its name in the form and context in which it appears in this Offer Document and to act in such capacity in relation to this Offer Document. The statements attributed to Nektorov, Saveliev & Partners were made as at the date of this Offer Document and were prepared for the purpose of incorporation in this Offer Document.

29. The Legal Adviser to our Company on International Sanctions Laws, Hogan Lovells, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of certain statements attributed to it in the sections entitled "Risks Factors – Risks Relating to Our Business and The Industry", "General Information on Our Group – Sanctions Laws and Regulations" and Appendix F entitled "Sanctions Compliance Policy" of this Offer Document in the form and context in which they are included and references to its name in the form and context in which it appears in this Offer Document and to act in such capacity in relation to this Offer Document. The statements attributed to Hogan Lovells were made as at the date of this Offer Document and were prepared for the purpose of incorporation in this Offer Document.

30. Each of the Solicitors to the Placement and Legal Adviser to our Company on Singapore Law, the Share Registrar and Transfer Agent, the Principal Bankers and the Receiving Banker do not make or purport to make any statement in this Offer Document or any statement upon which a statement in this Offer Document is based and each of them makes no representation regarding any statement in this Offer Document and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any liability to any person which is based on, or arises out of, any statement, information or opinions in, or omission from, this Offer Document.

RESPONSIBILITY STATEMENT BY OUR DIRECTORS

31. This Offer Document has been seen and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Placement, the issuer and its subsidiaries, and our Directors are not aware of any facts the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available source or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

DOCUMENTS FOR INSPECTION

32. The following documents or copies thereof may be inspected at our registered office during normal business hours for a period of six (6) months from the date of registration of this Offer Document with the SGX-ST (acting as agent on behalf of the Authority):

    (i) the Constitution of our Company;

    (ii) the Independent Auditors' Report and the Audited Combined Financial Statements for the Years Ended 31 December 2016, 2017 and 2018 of Don Agro International Limited and its Subsidiaries;

    (iii) the Independent Auditors' Review Report and Unaudited Condensed Combined Interim Financial Statements for the Six-month Period Ended 30 June 2019 of Don Agro International Limited and its Subsidiaries;

    (iv) the respective audited financial statements of each entity in our Group (being entities which have audited financial statements) for FY2016, FY2017 and FY2018;

    (v) the Service Agreements referred to in this Offer Document;

    (vi) the Sanctions Compliance Policy;

    (vii) the material contracts referred to in this Offer Document; and

    (viii) the letters of consent referred to in this Offer Document.

Don Agro International Limited and its Subsidiaries

Independent Auditors' Report and the Audited Combined Financial Statements
For the years ended 31 December 2016, 31 December 2017
and 31 December 2018

Independent auditors' report

The Board of Directors
Don Agro International Limited

Report on the audit of the combined financial statements

Opinion

We have audited the combined financial statements of Don Agro International Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the combined statements of financial position of the Group as at 1 January 2016, 31 December 2016, 31 December 2017 and 31 December 2018, and the combined statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group for each of the financial years ended 31 December 2016, 31 December 2017 and 31 December 2018, and notes to the combined financial statements, including a summary of significant accounting policies, as set out on pages A-5 to A-76.

In our opinion, the accompanying combined financial statements of the Group are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the combined financial position of the Group as at 1 January 2016, 31 December 2016, 31 December 2017 and 31 December 2018, and of the combined financial performance, combined changes in equity and combined cash flows of the Group for each of the financial years ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the combined financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the combined financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and directors for the combined financial statements

Management is responsible for the preparation of combined financial statements that give a true and fair view in accordance with SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair combined financial statements and to maintain accountability of assets.

In preparing the combined financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the combined financial statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Restriction on Distribution and Use

This report is made solely for the inclusion in the Offer Document to be issued in relation to the proposed offering of shares of the Company in connection with the Company's listing on the Catalist Board of the Singapore Exchange Securities Trading Limited.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
6 February 2020

Lim Pang Yew, Victor
Partner-in-charge

Combined statements of financial position
As at 31 December 2016, 31 December 2017 and 31 December 2018

	Note	1 January 2016	31 December 2016	31 December 2017	31 December 2018
		S$'000	S$'000	S$'000	S$'000
Assets					
Property, plant and equipment	5	10,740	12,714	12,255	10,794
Biological assets	6	5,750	5,369	8,875	7,999
Other non-current assets		16	20	8	31
Non-current assets		16,506	18,103	21,138	18,824
Biological assets	6	4,990	5,498	4,359	5,647
Current tax assets		17	20	28	25
Inventories	7	6,641	5,582	10,293	12,363
Investments	8	–	2,384	2,339	–
Trade and other receivables	9	2,180	1,492	1,724	688
Cash and cash equivalents	10	935	1,636	1,952	1,263
Current assets		14,763	16,612	20,695	19,986
Total assets		31,269	34,715	41,833	38,810
Equity					
Share capital	11	14,007	14,007	14,007	14,007
Capital reserves	11	6,439	6,456	10,687	11,024
Foreign currency translation reserve		(1,983)	1,319	772	(3,989)
Accumulated (losses)/profits		(6,343)	(2,106)	1,995	8,384
Equity attributable to the owners of the Company		12,120	19,676	27,461	29,426
Non-controlling interests		58	24	19	18
Total equity		12,178	19,700	27,480	29,444
Liabilities					
Loans and borrowings	12	8,450	11,090	4	1,002
Finance lease liabilities	13	392	520	189	128
Deferred income		30	66	126	168
Non-current liabilities		8,872	11,676	319	1,298
Loans and borrowings	12	9,158	1	11,549	5,877
Finance lease liabilities	13	70	166	95	30
Current tax liabilities		17	51	2	2
Trade and other payables	14	777	2,001	1,138	1,226
Deferred income		6	16	33	52
Provisions	15	191	1,104	1,217	881
Current liabilities		10,219	3,339	14,034	8,068
Total liabilities		19,091	15,015	14,353	9,366
Total equity and liabilities		31,269	34,715	41,833	38,810

The accompanying notes form an integral part of these combined financial statements.

Combined statements of profit or loss and other comprehensive income
For the years ended 31 December 2016, 31 December 2017 and 31 December 2018

	Note	2016 S$'000	2017 S$'000	2018 S$'000
Revenue	16	30,979	23,193	24,375
Cost of sales	17	(31,668)	(21,495)	(22,017)
Gain from change in fair value of biological assets and agricultural produce	6	6,602	5,049	6,704
Gross profit		5,913	6,747	9,062
Administrative expenses	18	(954)	(1,482)	(1,291)
Other operating income/(expenses), net	18	1,004	(522)	(1,005)
Results from operating activities		5,963	4,743	6,766
Finance income		168	182	158
Finance costs		(1,796)	(751)	(482)
Net finance costs	21	(1,628)	(569)	(324)
Profit before tax		4,335	4,174	6,442
Tax expense	22	(132)	(78)	(54)
Profit for the year		4,203	4,096	6,388
Profit attributable to:				
Owners of the Company		4,237	4,101	6,389
Non-controlling interests		(34)	(5)	(1)
Profit for the year		4,203	4,096	6,388
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences arising from functional and presentation currency		3,302	(547)	(4,761)
Other comprehensive income for the year, net of tax		3,302	(547)	(4,761)
Total comprehensive income for the year		7,505	3,549	1,627
Total comprehensive income attributable to:				
Owners of the Company		7,539	3,554	1,628
Non-controlling interests		(34)	(5)	(1)
Total comprehensive income for the year		7,505	3,549	1,627
Earnings per share				
Basic and diluted earnings per share (cents)	27	3.33	3.22	5.02

The accompanying notes form an integral part of these combined financial statements.

Combined statements of changes in equity
For the years ended 31 December 2016, 31 December 2017 and 31 December 2018

		Attributable to owners of the Company						
	Note	Share capital S$'000	Capital reserves S$'000	Foreign currency translation reserve S$'000	Accumulated losses S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
At 1 January 2016		14,007	6,439	(1,983)	(6,343)	12,120	58	12,178
Total comprehensive income for the year								
Profit for the year		–	–	–	4,237	4,237	(34)	4,203
Other comprehensive income								
Foreign currency translation differences		–	–	3,302	–	3,302	–	3,302
Total comprehensive income for the year		–	–	3,302	4,237	7,539	(34)	7,505
Transaction with owners, recognised directly in equity								
Contributions from owners	11	–	17	–	–	17	–	17
Total transaction with owners		–	17	–	–	17	–	17
At 31 December 2016		14,007	6,456	1,319	(2,106)	19,676	24	19,700

The accompanying notes form an integral part of these combined financial statements.

		Attributable to owners of the Company						
	Note	Share capital S$'000	Capital reserves S$'000	Foreign currency translation reserve S$'000	Accumulated (losses)/ profits S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
At 1 January 2017		14,007	6,456	1,319	(2,106)	19,676	24	19,700
Total comprehensive income for the year								
Profit for the year		–	–	–	4,101	4,101	(5)	4,096
Other comprehensive income								
Foreign currency translation differences		–	–	(547)	–	(547)	–	(547)
Total comprehensive income for the year		–	–	(547)	4,101	3,554	(5)	3,549
Transactions with owners, recognised directly in equity								
Effect of transactions with entities controlled by the ultimate controlling party	11	–	(2,768)	–	–	(2,768)	–	(2,768)
Contributions from owners	11	–	5,881	–	–	5,881	–	5,881
Gain on disposal of subsidiary Volgo-Agro		–	1,118	–	–	1,118	–	1,118
Total transactions with owners		–	4,231	–	–	4,231	–	4,231
At 31 December 2017		14,007	10,687	772	1,995	27,461	19	27,480

The accompanying notes form an integral part of these combined financial statements.

	Note	Attributable to owners of the Company						
		Share capital S$'000	Capital reserves S$'000	Foreign currency translation reserve S$'000	Accumulated profits S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
At 1 January 2018		14,007	10,687	772	1,995	27,461	19	27,480
Total comprehensive income for the year								
Profit for the year		–	–	–	6,389	6,389	(1)	6,388
Other comprehensive income								
Foreign currency translation differences		–	–	(4,761)	–	(4,761)	–	(4,761)
Total comprehensive income for the year		–	–	(4,761)	6,389	1,628	(1)	1,627
Transaction with owners, recognised directly in equity								
Contributions from owners	11	–	337	–	–	337	–	337
Total transaction with owners		–	337	–	–	337	–	337
At 31 December 2018		14,007	11,024	(3,989)	8,384	29,426	18	29,444

The accompanying notes form an integral part of these combined financial statements.

Combined statements of cash flows
For the years ended 31 December 2016, 31 December 2017 and 31 December 2018

	2016	2017	2018
	S$'000	S$'000	S$'000
Cash flows from operating activities			
Profit for the year	4,203	4,096	6,388
Adjustments for:			
Depreciation of property, plant and equipment	1,671	1,703	1,662
Gain on disposal of property, plant and equipment	(34)	(43)	(6)
Income from trade payable write-off	(110)	(12)	–
Finance costs	1,796	751	482
Finance income	(168)	(182)	(158)
Tax expense	132	78	54
Withholding tax expense	–	348	–
Gain from change in fair value of biological assets and agricultural produce	(6,602)	(5,049)	(6,704)
Revaluation of sold biological assets recognised in cost of sales	8,586	4,735	1,646
Impairment loss on trade and other receivables and short-term investments made	–	6	252
Impairment loss on inventories relating to agricultural produce	223	103	314
Impairment loss on other inventories (reversed)/ made	(11)	92	(109)
Gain on disposal of subsidiary	–	–	(1)
	9,686	6,626	3,820
Changes in:			
Trade and other receivables	1,044	(822)	845
Inventories	2,052	(10,762)	(5,831)
Biological assets	50	1,784	4,049
Trade and other payables and provisions	1,764	(626)	431
Deferred income	34	81	92
Cash from/(used in) operations	14,630	(3,719)	3,406
Tax paid	(104)	(136)	(55)
Net cash from/(used in) operating activities	14,526	(3,855)	3,351

The accompanying notes form an integral part of these combined financial statements.

	Note	2016 S$'000	2017 S$'000	2018 S$'000
Cash flows from investing activities				
Purchase of property, plant and equipment		(1,448)	(2,283)	(2,109)
Proceeds from sale of property, plant and equipment		212	111	10
Deposits returned		–	–	3,128
Deposits placed		–	(2,125)	(1,193)
Proceeds from sale of other non-current assets		–	12	–
Purchase of non-current assets		–	–	(27)
Repayments of loans		–	477	–
Interest received		168	182	158
Loans issued		(2,109)	(595)	(12)
Disposal of subsidiary, net of cash disposed		–	(112)	(2)
Net cash used in investing activities		(3,177)	(4,333)	(47)
Cash flows from financing activities				
Proceeds from borrowings		3,969	16,298	13,018
Repayment of borrowings		(14,118)	(7,254)	(16,213)
Repayment of finance lease liabilities		(16)	(168)	(92)
Capital contributions from owners		17	104	23
Interest paid		(768)	(437)	(469)
Net cash (used in)/from financing activities		(10,916)	8,543	(3,733)
Net increase/(decrease) in cash and cash equivalents		433	355	(429)
Cash and cash equivalents at 1 January		935	1,636	1,952
Effect of exchange rate fluctuations on cash held		268	(39)	(260)
Cash and cash equivalents at 31 December	10	1,636	1,952	1,263

Significant non-cash transactions

Significant non-cash transactions are disclosed in the following notes:

- Note 8 – Investments
- Note 11 – Capital and reserves
- Note 12 – Loans and borrowings
- Note 24 – Contingencies and commitments

The accompanying notes form an integral part of these combined financial statements.

Notes to the combined financial statements

These notes form an integral part of the combined financial statements.

1 Business and organisation

1.1 Introduction

The combined financial statements of Don Agro International Limited (the "Company") and its subsidiaries (together referred to as the "Group" and individually as "Group entities") have been prepared in accordance with the principles and the accounting policies set out in note 3.

The combined financial statements have been prepared solely for inclusion in the Offer Document to be issued in connection with the initial public offering and listing of the shares of the Company on the Catalist Board of Singapore Exchange Securities Trading Limited.

These combined financial statements of the Group were authorised for issue by the directors of the Company on 6 February 2020.

1.2 The Company

The Company was incorporated on 16 October 2018 under the name of "Don Agro International Private Limited" and is domiciled in the Republic of Singapore. The Company was a private company limited by shares with an issued and paid-up share capital of S$100 comprising 100 shares of which 6% and 94% are held by Mr Marat Devlet-Kildeyev and Mr Evgeny Tugolukov, respectively. The Company was set up in accordance with the Singapore Companies Act. On 4 February 2020, the Company changed its name to "Don Agro International Limited" in connection with its conversion into a public company limited by shares. The Company's registered address is 10 Collyer Quay, #10-01, Ocean Financial Centre, Singapore 049315.

As at 31 December 2016, 2017 and 2018, the Group was ultimately controlled by Mr Evgeny Tugolukov, who has the power to direct the transactions of the Group at his own discretion and for his own benefit. He also has a number of other business interests outside the Group.

The Group's principal business activity is growing, processing and distribution of agricultural and dairy products, mainly grain and milk at farms located in the Rostov Region. The Group's products are sold in the Russian Federation.

1.3 Operating environment of the Group

Russian Federation

The Group's operations are located in the Russian Federation. Consequently, the Group is exposed to the economic and financial markets of the Russian Federation, which display the characteristics of an emerging market. The legal, tax and regulatory frameworks continue to develop and are subject to varying interpretations and frequent changes which contribute together with other legal and fiscal impediments to the challenges faced by entities operating in the Russian Federation.

Starting in 2014, the United States of America, the European Union and some other countries have imposed and expanded economic sanctions against a number of Russian individuals and legal entities. The imposition of the sanctions has led to increased economic uncertainty, including more volatile equity markets, a depreciation of the Russian rouble, a reduction in both local and foreign direct investment inflows and a significant tightening in the availability of credit. As a result, some Russian entities may experience difficulties accessing the international equity and debt markets and may become increasingly dependent on state support for their operations. The longer-term effects of the imposed and possible additional sanctions are difficult to determine.

The combined financial statements reflect management's assessment of the impact of the Russian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

1.4 The restructuring exercise ("Restructuring Exercise")

Pursuant to a share swap agreement dated 21 November 2019 entered into between the Company and Vallerd Investments, the Company acquired from Vallerd Investments the entire issued and paid-up share capital of Tetra JSC held by it, comprising an aggregate of 62,403,000 ordinary shares for a total consideration of S$35,741,000 based on the unaudited Net Tangible Assets ("NTA") of Tetra JSC and its subsidiaries as at 30 June 2019. The purchase consideration was satisfied by the issue and allotment of an aggregate of 9,999,900 Shares in the capital of the Company ("Consideration Shares") credited as fully paid-up on 23 December 2019 and was arrived at on a willing buyer willing seller basis.

The Restructuring Exercise was accounted for as a combination of businesses under common control by Mr Marat Devlet-Kildeyev and Mr Evgeny Tugolukov, as they control the entity within the Group before and after the Restructuring Exercise. The presentation reflects the economic substance of the combining entities, which were under common control throughout the relevant periods, as a single economic enterprise, notwithstanding that the Restructuring Exercise was not completed until after the reporting date.

1.5 Subsidiaries

The combined financial statements of the Group have been prepared to reflect the operations of the Company and the subsidiaries as a single economic enterprise and consist of those companies under common control during the years ended 31 December 2016, 31 December 2017 and 31 December 2018.

As at 31 December 2016, 2017 and 2018, the subsidiaries of the Group are set out in note 29 to the combined financial statements.

2 Basis of preparation

2.1 Transfer of entities under common control

The Restructuring Exercise is considered to be an acquisition of equity interests by entities under common control and therefore the entities acquired by the Group pursuant to the restructuring have been accounted for in a manner similar to the pooling-of-interest method. Accordingly, the assets and liabilities of these entities have been included in the combined financial statements at their historical carrying amounts. Although the share swap agreement was entered on 21 November 2019, the combined financial statements present the financial condition, results of operations and cash flows as if the restructuring had occurred as of the beginning of the earliest period presented.

These combined financial statements of the Group for the relevant periods were audited by KPMG LLP Singapore, a firm of Chartered Accountants registered with the Accounting and Corporate Regulatory Authority, in accordance with Singapore Standards on Auditing.

2.2 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). These are the Group's first financial statements prepared in accordance with SFRS(I) and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied.

In the previous financial years, the financial statements of the subsidiaries were prepared in accordance with International Financial Reporting standards ("IFRS").

2.3 Basis of measurement

These combined financial statements have been prepared on the historical cost basis except for:

- biological assets, which are measured at fair value less costs to sell;
- agricultural produce, which is measured at fair value less cost to sell at the point of harvest

2.4 Functional and presentation currency

These combined financial statements are presented in Singapore dollars ("S$"). The functional currency of the Company is the Russian rouble ("RR"). Assets and liabilities are translated from RR functional currency to S$ at rates of exchange ruling at the respective reporting date. All equity items are translated at historical rates. The result for the respective years are translated using the average rate. Resultant exchange differences are recognised directly in equity, in the foreign currency translation reserve. All financial information presented in S$ has been rounded to nearest thousand, unless otherwise stated.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the combined financial statements and in preparing the opening SFRS(I) statement of financial position at 1 January 2016 for the purposes of the transition to SFRS(I), unless otherwise indicated. The accounting policies have been applied consistently by the Group entities.

3.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method in accordance with SFRS(I) 3 *Business Combinations* as at the date of acquisition, which is the date on which control is transferred to the Group.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in surplus or deficit. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the combined financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's combined financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

(iv) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the combined financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to RR at exchange rates at the reporting date. The income and expenses of foreign operations are translated to RR at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

3.3 Financial instruments

(i) Recognition and initial measurement

The Group initially recognised trade receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss ("FVTPL")) and financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, the Group's financial assets are classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets, on which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities

Financial liabilities are classified as measured at amortised cost and comprise loans and borrowings, finance lease liabilities and trade and other payables.

Such financial liabilities are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

(iii) *Derecognition of financial assets and financial liabilities*

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. The Group enters into transactions whereby it transfers assets recognised.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(iv) *Offsetting of non-derivative financial assets and financial liabilities*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits placed with financial institutions.

3.4 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.5 Inventories

Inventories are recorded at the lower of cost and net realisable value. Cost of inventory is determined on weighted average basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. The cost of finished goods and work in progress comprises raw material, direct labour, other direct costs and related production overheads (based on normal operating capacity).

The cost of agricultural produce transferred from biological assets is its fair value less costs to sell at the date of harvest.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated costs necessary to make the sale.

3.6 Biological assets and agricultural produce

Biological assets of the Group consist of unharvested crops (grain crops and other plant crops), permanent grasses and livestock (dairy cows which are able to produce milk (mature livestock), heifers and calves, being raised to produce milk in the future (immature livestock)). Bearer livestock and permanent grasses are classified as non-current assets, unharvested crops are classified as current assets in the combined statement of financial position.

Crops are measured at fair value less costs to sell, which include all costs that would be necessary to sell the assets. Permanent grass is stated at cost less accumulated depreciation and accumulated impairment losses as the fair value of permanent grass cannot be measured reliably. The permanent grass is grown for internal consumption and has neither comparable nor observable market sales data.

The fair value of agricultural produce at the point of harvest is based on the market price less costs to sell.

Upon harvest, grain crops and other plant crops are included into inventory for further processing or for sale and are initially measured at their fair value less estimated point-of-sale costs at the time of harvesting. A gain or loss arising on initial recognition of agricultural produce at fair value less estimated point-of-sale costs is recognised in profit or loss in the period in which it arises.

Livestock is measured at their fair value less estimated point-of-sale costs. The fair value of livestock is based on cash flows model discounted using a pre-tax rate that reflects current market assessment of the time value of money and risks specific to the asset. The fair value of livestock was previously determined based on the market price less estimated costs to sell.

All the gross gains or loss arising from initial recognition of biological assets and from changes in fair value less costs to sell of biological assets are included as a separate line "Gain/(loss) from change in fair value of biological assets" above the gross profit line.

Cost to sell include all costs that would be necessary to sell the assets, including transportation costs.

3.7 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of assets, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land and properties under construction in progress are not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the years are as follows:

Buildings	7 – 50 years
Plant and equipment	3 – 12 years
Motor vehicles	3 – 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.8 Leases

(i) Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- the arrangement contains a right to use the asset(s).

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Company's incremental borrowing rate.

(ii) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

(iii) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.9 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for ECLs (expected credit loss) on financial assets measured at amortised costs.

Loss allowance for the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial assets. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risks.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;

- a breach of contract such as a default or being more than 90 days past due;

- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the consolidated statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than biological assets, inventories and current tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment loss recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.10 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.11 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs.

3.12 Revenue

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

3.13 Finance costs

Finance costs comprise interest expense on loans and borrowings, and finance lease liabilities. Interest expense is recognised using the effective interest method.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.14 Government grants

A conditional government grant related to property, plant and equipment are recognised initially as "deferred income" at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. These grants are presented at gross presentation basis in the financial statements. These grants are then recognised in profit or loss as "other operating income" on a systematic basis over the useful life of the asset. Grants that compensate the Group for finance cost incurred are recognised in profit or loss as reduction in "finance costs" on a systematic basis in the same periods in which the finance costs are recognised.

3.15 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes; if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the

Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.16 Fair value measurement

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair value. This includes a finance team that has overall responsibility for all significant fair value measurements, including Level 3 fair values, and report directly to the Chief Financial Officer.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as source documents, is used to measure values, then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of SFRS(I), including the level in fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Board of directors.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1* : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2* : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3* : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 6 – biological assets.

3.17 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.18 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Directors of the Company (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Directors of the Company include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

4 Use of judgements and estimates

In preparing the combined financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the combined financial statements is included in note 3.7(iii) – useful lives of property, plant and equipment.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year ending 31 December 2018 is included in note 6 – determining the fair value of biological assets and agricultural produce on the basis of significant unobservable inputs.

5 Property, plant and equipment

	Land	Buildings	Plant and equipment	Motor vehicles	Construction in progress	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Cost						
At 1 January 2016	3,934	1,827	9,217	699	83	15,760
Additions	24	442	944	18	20	1,448
Disposals/Write-off	–	(118)	(460)	(14)	–	(592)
Effect on movement in exchange rates	892	455	2,146	159	21	3,673
At 31 December 2016	4,850	2,606	11,847	862	124	20,289
Additions	8	809	1,369	116	–	2,302
Disposal of subsidiary	(581)	–	(790)	(17)	–	(1,388)
Disposals/Write-off	–	(17)	(35)	(19)	(53)	(124)
Effect on movements in exchanges rates	(84)	(66)	(243)	(18)	(1)	(412)
At 31 December 2017	4,193	3,332	12,148	924	70	20,667
Additions	15	338	1,511	56	189	2,109
Disposal of subsidiary	–	(6)	(3)	–	–	(9)
Disposals/Write-off	–	(2)	(2)	–	(4)	(8)
Effect on movements in exchanges rates	(639)	(535)	(1,979)	(145)	(27)	(3,325)
At 31 December 2018	3,569	3,127	11,675	835	228	19,434
Accumulated depreciation and impairment losses						
At 1 January 2016	–	(556)	(4,025)	(439)	–	(5,020)
Depreciation charge for the year	–	(136)	(1,441)	(94)	–	(1,671)
Disposals/Write-off	–	61	339	14	–	414
Effect on movement in exchange rates	–	(135)	(1,053)	(110)	–	(1,298)
At 31 December 2017	–	(766)	(6,180)	(629)	–	(7,575)
Depreciation charge for the year	–	(186)	(1,406)	(111)	–	(1,703)
Disposal of subsidiary	–	–	627	17	–	644
Disposals/Write-off	–	5	33	18	–	56
Effect on movements in exchange rates	–	18	134	14	–	166
At 31 December 2018	–	(929)	(6,792)	(691)	–	(8,412)
Depreciation charge for the year	–	(228)	(1,335)	(99)	–	(1,662)
Disposal of subsidiary	–	4	3	–	–	7
Disposals/Write-off	–	2	2	–	–	4
Effect on movements in exchange rates	–	161	1,148	114	–	1,423
At 31 December 2018	–	(990)	(6,974)	(676)	–	(8,640)
Carrying amounts						
At 1 January 2016	3,934	1,271	5,192	260	83	10,740
At 31 December 2016	4,850	1,840	5,667	233	124	12,714
At 31 December 2017	4,193	2,403	5,356	233	70	12,255
At 31 December 2018	3,569	2,137	4,701	159	228	10,794

Security

Property, plant and equipment of the Group with carrying amounts of S$4,820 thousand, S$Nil, S$3,526 thousand and S$1,999 thousand have been pledged to secure bank loans (see note 12) at 1 January 2016, 31 December 2016, 2017 and 2018, respectively.

Leased property, plant and machinery

The Group leases certain items of property, plant and equipment under a number of finance lease agreements. Certain leases provide the Group with the option to purchase the property, plant and equipment at a beneficial price. The net carrying amount of leased property, plant and machinery was S$282 thousand, S$636 thousand, S$529 thousand and S$367 thousand as at 1 January 2016, 31 December 2016, 2017 and 2018, respectively.

Depreciation

Depreciation for the years are charged to the accounts stated as follows:

	2016	**2017**	**2018**
	S$'000	**S$'000**	**S$'000**
Biological assets	284	437	263
Inventories	170	298	395
Cost of sales	1,199	948	978
Administrative and commercial expenses	18	20	26
	1,671	1,703	1,662

Depreciation expense, useful lives and residual value

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual value. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded at each financial year. Useful lives are derived based on management's judgement of the period in which the assets will generate revenue, which are periodically reviewed for continued appropriateness. Due to the long lives of assets, changes to the estimates used can result in significant variations in the carrying value.

6 Biological assets

	1 January 2016 S$'000	31 December 2016 S$'000	31 December 2017 S$'000	31 December 2018 S$'000
Livestock	5,336	5,178	8,683	7,854
Permanent grasses	414	191	192	145
Non-current	5,750	5,369	8,875	7,999
Current – crops	4,990	5,498	4,359	5,647
	10,740	10,867	13,234	13,646

Biological assets – crops

In 2016, 2017 and 2018, the Group cultivated wheat, sunflower, corn and other crops. As at 1 January/31 December, the unharvested crops are represented by the following types.

	1 January 2016 S$'000	31 December 2016 S$'000	31 December 2017 S$'000	31 December 2018 S$'000
Winter wheat	4,972	5,498	3,995	5,647
Sunflower	18	–	191	–
Corn	–	–	87	–
Sorghum	–	–	86	–
Balance at 31 December – current	4,990	5,498	4,359	5,647

Due to weather conditions, the Group did not manage to harvest sunflower, corn and sorghum during 2017 year in full. According to management estimates, the fair value of such crops is S$364 thousand as at 31 December 2017.

Changes in biological assets – crops balances during 2016, 2017 and 2018 are disclosed below:

	2016 S$'000	2017 S$'000	2018 S$'000
Balance at 1 January	4,990	5,498	4,359
Increase due to costs on growing crops	16,725	18,560	16,961
Disposal of subsidiary Volgo-Agro	–	(635)	–
Gain arising from changes in fair value less estimated cost to sell	8,184	2,175	7,414
Decrease of crops due to harvest	(25,457)	(21,152)	(22,238)
Effect on movements in exchange rates	1,056	(87)	(849)
Balance at 31 December – current	5,498	4,359	5,647

Biological assets – permanent grasses

Changes in biological assets – permanent grasses balances during 2016, 2017 and 2018 are disclosed below:

	2016 S$'000	2017 S$'000	2018 S$'000
Balance at 1 January	414	191	192
Increase due to costs on growing crops	896	865	839
Decrease of crops due to harvest	(1,176)	(860)	(859)
Effect on movements in exchange rates	57	(4)	(27)
Balance at 31 December – non-current	191	192	145

Biological assets – livestock

Changes in biological assets – livestock balances during 2016, 2017 and 2018 are disclosed below:

	2016 S$'000	2017 S$'000	2018 S$'000
Balance at 1 January	5,336	5,178	8,683
Increase due to cost on growth	5,795	6,403	7,234
Disposal due to mortality	(58)	(79)	(85)
Decrease due to sales of livestock	(957)	(676)	(694)
Decrease due to sales of milk	(4,404)	(4,845)	(5,207)
Gain/(loss) arising from changes in fair value less estimated cost to sell	(1,582)	2,874	(710)
Effect on movements in exchange rates	1,048	(172)	(1,367)
Balance at 31 December – non-current	5,178	8,683	7,854

Biological assets – livestock of the Group with carrying amount of S$2,456 thousand, S$Nil, S$5,757 thousand and S$Nil have been pledged to secure bank loans (see note 12) at 1 January 2016, 31 December 2016, 2017 and 2018, respectively.

Risk management strategy related to agriculture activities

The Group is exposed to the following risks related to its crops and livestock:

Regulatory and environmental risks

The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems are in place to manage those risks.

Supply and demand risk

The Group is exposed to risks arising from fluctuations in the price and sales volume of grain and milk products. Whenever possible the Group manages this risk by aligning its production volume to market supply and demand. Management performs regular industry trend analyses to ensure that the Group's pricing structure is in line with the market and to ensure that the projected harvest and milk volumes are consistent with expected demand.

Climate and other risks

The Group's crops are exposed to the risk of damage from climatic changes and diseases. The Group has extensive processes in place aimed at monitoring and mitigating those risks. The Group does not insure itself against failure of crops.

Measurement of fair values

Fair value hierarchy

The fair value measurements for the crops and livestock have been categorised as Level 3 fair values based on the inputs to the valuation techniques used.

Permanent grass is stated at cost less accumulated impairment losses as the fair value of permanent grass cannot be measure reliably. The permanent grass is grown for internal consumption and has neither comparable nor observable market sales data.

Level 3 fair value

The following table shows a breakdown of the total gains/(losses) recognised in respect of Level 3 fair values.

	2016	**2017**	**2018**
	S$'000	**S$'000**	**S$'000**
Gain from change in fair value of biological assets and agricultural produce			
– Change in fair value (realised)	6,091	2,739	2,072
– Change in fair value (unrealised)	511	2,310	4,632
	6,602	5,049	6,704
Gain/(Loss) included in OCI			
Effect of movements in exchange rates	2,161	(263)	(2,243)

Valuation techniques and significant unobservable inputs

The following table shows the Group's valuation techniques used in measuring Level 3 fair values of biological assets, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Bearer livestock: milk cow Number of dairy cows – 1 January 2016: 1,714; 31 December 2016: 1,838; 31 December 2017: 2,005; 31 December 2018: 2,033 Number of calves and heifers – 1 January 2016: 1,849; 31 December 2016: 1,737; 31 December 2017: 1,836; 31 December 2018: 2,005	*Discounted cash flow*: Fair value is determined using the cash flow model discounted using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the asset. The cash flow model is based on the physiological characteristics of the animals and management expectations concerning the potential productivity.	• Length of lactation period (years) 1 January 2016: 2.57; 31 December 2016: 2.25; 31 December 2017: 2.95; 31 December 2018: 3.21 • Herd average daily milk yield (litres) 1 January 2016: 15.04; 31 December 2016: 15.00; 31 December 2017: 15.86; 31 December 2018: 17.78 • Market prices for milk in the same region (in RR/litre excluding VAT) 1 January 2016: 25.71; 31 December 2016: 26.69; 31 December 2017: 28.46; 31 December 2018: 27.52 • Risk-adjusted discount rate 1 January 2016: 16.1%; 31 December 2016: 16.1%; 31 December 2017: 15.2%; 31 December 2018: 15.2%	The estimated fair value would increase (decrease) if: • the lengths of lactation period were higher (lower); • the herd average daily milk yields were higher (lower); • the market prices for milk in the same region were higher (lower); or • the risk-adjusted discount rates were lower (higher).

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Crops: winter wheat Don Agro LLC • Plant area (hectare) – 1 January 2016: 18,932; 31 December 2016: 17,092; 31 December 2017: 17,673; 31 December 2018: 18,243, Volgo-Agro • Plant area (hectare) – 1 January 2016: 1,592; 31 December 2016: 2,054	*Discounted cash flow*: The valuation model considers the present value of the net cash flows expected to be generated by the crops that are in growing stage as at the year ended. The cash flow projection include the planted area, expected yield, market price and future cost to grow and sell. The expected net cash flows are discounted using a risk-adjusted discount rate.	• Market prices for crop in the same region (in RR/tonne excluding VAT) – 1 January 2016: 9.239; 31 December 2016: 8,489; 31 December 2017: 8,636; 31 December 2018: 10,151 • Risk-adjusted discount rate – 1 January 2016: 16.10%; 31 December 2016: 16.10%; 31 December 2017: 15.20%; 31 December 2018: 15.20%. Don Agro LLC • Expected yield (tonne/hectare) 1 January 2016: 4.09; 31 December 2016: 4.12; 31 December 2017: 3.00; 31 December 2018: 3.88 • Future cost to grow and sell (in RR/hectare) 1 January 2016: 10,588; 31 December 2016: 10,416; 31 December 2017: 14,478; 31 December 2018: 12,683. Volgo-Agro • Expected yield (tonne/hectare) 1 January 2016: 3.00; 31 December 2016: 2.53 • Future cost to grow and sell (in RR/hectare) 1 January 2016: 9,933; 31 December 2016: 10,493	The estimated fair value would increase (decrease) if: • the expected yields were higher (lower); • the market prices for crop in the same region were higher (lower); • future cost to grow and sell were lower (higher); or • the risk-adjusted discount rates were lower (higher)

7 Inventories

	1 January 2016 S$'000	31 December 2016 S$'000	31 December 2017 S$'000	31 December 2018 S$'000
Raw materials and consumables	2,673	2,231	4,980	4,301
Work in progress	702	1,311	1,263	1,560
Finished goods – agricultural produce	3,327	2,101	4,201	6,530
	6,702	5,643	10,444	12,391
Less: Provision	(61)	(61)	(151)	(28)
	6,641	5,582	10,293	12,363

Work in progress is mainly represented by the cost incurred after the harvest of corn, sunflower and other crops.

Inventories of S$11,870 thousand, S$7,561 thousand and S$9,181 thousand were recognised as an expense during the years ended 31 December 2016, 2017 and 2018, and included in "cost of sales" (see note 17).

Provision is mainly represented by the write-down to net realisable value due to slow moving and obsolete inventories.

The write-downs and reversals are included in "cost of sales".

8 Investments

	1 January 2016 S$'000	31 December 2016 S$'000	31 December 2017 S$'000	31 December 2018 S$'000
Short-term loan issued	–	2,384	255	228
Less: Impairment loss	–	–	–	(228)
	–	2,384	255	–
Short-term bank deposits with maturities of three months or more	–	–	2,084	–
	–	2,384	2,339	–

In 2016, the Group issued US$ denominated loan bearing an interest rate of 5.25% per annum to Vallerd Investments, amounted to S$2,384 thousand as at 31 December 2016. The loan is repayable on demand, however, not later than 15 March 2019. In 2017, additional loan of S$207 thousand was provided to Vallerd Investments on the same terms. In addition, in February 2017 Volgo-Agro, a subsidiary of the Group, entered into cession agreement with Vallerd Investments whereby a loan receivable from a related party amounting to S$938 thousand was novated to Vallerd Investments. In February 2017, the ultimate controlling party made a decision to settle the total amount of the loan given, with the promissory notes payable to Vallerd Investments for the total amount of S$3,529 thousand (amount includes effect of interest accrued and foreign exchange loss as at the date of set off).

In 2017, the Group issued RR denominated non-interest bearing loan to Volgo-Agro in the amount of S$255 thousand (RR11,000 thousand), which is repayable on demand. In 2018, this loan had been fully impaired.

As at 31 December 2017, short-term bank deposits with maturities of three months or more are RR-denominated deposits with interest rates of 7.39-7.8% per annum that matures in April 2018. There are no such deposits as at 1 January 2016, 31 December 2016 and 31 December 2018.

The Group's exposure to credit risk and impairment losses for investments are disclosed in note 23.

9 Trade and other receivables

	1 January 2016 S$'000	31 December 2016 S$'000	31 December 2017 S$'000	31 December 2018 S$'000
Trade receivables	709	950	143	124
Other receivables	28	77	13	77
Less: Impairment losses	(155)	(15)	(6)	(7)
	582	1,012	150	194
Advances paid to suppliers	1,321	326	1,467	59
Value-added tax ("VAT") receivables	277	154	107	173
Prepaid listing expenses	–	–	–	262
	2,180	1,492	1,724	688

The Group's exposure to credit and currency risks, and impairment losses for trade and other receivables is disclosed in note 23.

10 Cash and cash equivalents

	1 January 2016 S$'000	31 December 2016 S$'000	31 December 2017 S$'000	31 December 2018 S$'000
Petty cash	2	2	8	5
Bank balances	779	87	338	148
Short-term bank deposits with maturities of three months or less	154	1,547	1,606	1,110
	935	1,636	1,952	1,263

Interest rates relating to short-term bank deposits with maturities of three months or less with financial institutions has interest rate of 10% per annum for the opening position as at 1 January 2016, and the interest rate that range between 8.5% and 9.6% per annum, range between 6.4% and 7.8% per annum and range between 6.8% and 7.2% per annum for the years ended 31 December 2016, 2017 and 2018, respectively. Cash and cash equivalents are denominated in RR.

11 Capital and reserves

Share capital

Share capital as presented in the combined statements of financial position refers to shares issued to the controlling shareholders pursuant to the Restructuring Exercise as described in note 1.4, which is deemed to have taken place since the beginning of the earliest period presented.

	Number of shares			Amount		
	2016	2017	2018	2016 S$'000	2017 S$'000	2018 S$'000
Issued and fully paid ordinary shares, at par value (RR 10 per share):						
In issue at 1 January	62,403,000	62,403,000	62,403,000	14,007	14,007	14,007
Issued during the year	–	–	–	–	–	–
In issue at 31 December	62,403,000	62,403,000	62,403,000	14,007	14,007	14,007

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Capital reserves

	1 January 2016 S$'000	31 December 2016 S$'000	31 December 2017 S$'000	31 December 2018 S$'000
Effect of transactions with entities controlled by the ultimate controlling party	6,381	6,381	3,613	3,613
Contributions from owners	58	75	5,956	6,293
Gain on disposal of subsidiary Volgo-Agro	–	–	1,118	1,118
	6,439	6,456	10,687	11,024

The movements in capital reserve balance are as follows:

	2016 S$'000	2017 S$'000	2018 S$'000
Balance at 1 January	6,439	6,456	10,687
Effect of transactions with entities controlled by the ultimate controlling party	–	(2,768)	–
Contributions from owners	17	5,881	337
Gain on disposal of subsidiary Volgo-Agro	–	1,118	–
Balance at 31 December	6,456	10,687	11,024

In 2017, the Group settled promissory notes payable with an entity under common control of ultimate controlling party prior to its contractual maturity resulting in reversal of previously recognised contribution of S$2,768 thousand.

In 2017, the owner of the Group made a decision to forgive repayment of promissory notes payable issued by the Group to an entity under common control of the ultimate controlling party resulting in a contribution to capital reserves of S$5,777 thousand. In addition, the ultimate controlling party made cash contributions to the Group in the amount of S$17 thousand, S$104 thousand and S$23 thousand, recorded in capital reserves during the years 2016, 2017 and 2018, respectively.

In 2018, the owner of the Group undertaken to settle the listing expenses incurred by the Group without requiring the Group to repay the listing expenses resulting in a contribution to capital reserve of S$314 thousand.

Dividends

The Company did not pay any dividends during the period from 1 January 2016 to 31 December 2018.

Capital management

The primary objective of the Group's capital management is to maximise participants' return while sustaining a reasonable level of financial risks. The Group does not have a quantified target level of participants' return or capital ratios. To fulfil capital management objectives while providing for external financing of regular business operations and investment projects, the Group's management compares expected return of these operations and projects with the costs of debt and maintains prudent financial risk management as described above. The amount of capital that the Group managed at 1 January 2016, 31 December 2016, 2017 and 2018 was S$12,178 thousand, S$19,700 thousand, S$27,480 thousand and S$29,444 thousand, respectively. The Group considers capital in the amount of equity attributable to the owners of the Company.

The Group monitors capital on the basis of net debt to earnings before interest, tax, depreciation and amortisation ("EBITDA") ratio. Net debt is calculated as total borrowings (including current and non-current loans, borrowings and finance lease liability as shown in the combined statement of financial position) less cash and cash equivalents. EBITDA for the 12 months preceding the combined statement of financial position is calculated as explained in note 19. As at 31 December 2016, 2017 and 2018, net debt to EBITDA ratio is calculated as follows:

	2016 S$'000	2017 S$'000	2018 S$'000
Net debt	10,141	9,885	5,774
EBITDA	8,109	6,161	8,417
Net debt to EBITDA ratio	1.25	1.60	0.69

12 Loans and borrowings

	1 January 2016 S$'000	31 December 2016 S$'000	31 December 2017 S$'000	31 December 2018 S$'000
Non-current liabilities				
Secured bank loans	–	–	–	998
Loans from third parties	4	4	4	4
Promissory notes payable to Vallerd Investments	8,446	11,086	–	–
	8,450	11,090	4	1,002
Current liabilities				
Secured bank loans	9,157	–	10,289	5,875
Loans from third parties	1	1	1	2
Loans from related parties	–	–	1,259	–
	9,158	1	11,549	5,877

Bank loans received in RR are secured by pledge of property, plant and equipment (see note 5) and biological assets (see note 6).

The Group's exposure to interest rate and liquidity risks related to loans and borrowings is disclosed in note 23.

Terms and debt repayment schedule

The terms and conditions of outstanding loans and borrowings are as follows:

				1 January 2016		31 December 2016		31 December 2017		31 December 2018	
	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount	Face value	Carrying amount	Face value	Carrying amount
		%		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Secured bank loans	RR	2.5%-13%	2018-2021	9,157	9,157	–	–	10,289	10,289	6,873	6,873
Promissory notes payable to Vallerd Investments	RR	5%	2021	11,025	8,446	13,926	11,086	–	–	–	–
Loans from third parties	RR	3%	2019-2020	5	5	5	5	5	5	6	6
Loans from related parties	RR	Nil%	2018	–	–	–	–	1,259	1,259	–	–
				20,187	17,608	13,931	11,091	11,553	11,553	6,879	6,879

In 2017, the mechanism for provision of governmental support to agricultural companies had changed. Prior to the change, the agricultural producer had to apply to the government and request to receive financial support upon fulfilment of certain requirements, subject to the availability of funds. After the change, agricultural producers are supported by government through provision of subsidised loans with a reduced interest rate by the government approved banks. Low interest rate is provided until the Group complies with the specific conditions in relation to agricultural companies operating in the Russian Federation and could be cancelled in case of violation or lack of government financial support provided to the bank. The lower interest rate of 2.5% per annum is treated as a government grants in 2018 (in 2017 is 5%). Government grants amounting to S$672 thousand, S$355 thousand and S$349 thousand were received during the years ended 31 December 2016, 2017 and 2018, respectively, and recognised in finance costs (see note 21).

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities					
	Promissory notes payable to related parties S$'000	Secured bank loans S$'000	Loans from related parties S$'000	Loans from third parties S$'000	Finance lease liabilities S$'000	Total S$'000
Balance at 1 January 2017	11,086	–	–	5	686	11,777
Changes from financing cash flows						
Proceeds from borrowings	–	16,227	71	–	–	16,298
Repayment of borrowings	(2,176)	(5,007)	(71)	–	–	(7,254)
Repayment of finance leases	–	–	–	–	(168)	(168)
Interest paid	–	(395)	–	–	(42)	(437)
Total changes from financing cash flows	(2,176)	10,825	–	–	(210)	8,439
Liability-related other changes						
Finance costs	194	395	42	1	42	674
Settlement	(11,870)	–	2,608	–	–	(9,262)
Net change in reserve from discounting loans from related parties on initial recognition	2,768	–	–	–	–	2,768
Disposal of subsidiary	–	(730)	(1,367)	–	(247)	(2,344)
New lease agreements	–	–	–	–	19	19
Total liability-related other changes	(8,908)	(335)	1,283	1	(186)	(8,145)
Effect on movement in exchange rates	(2)	(201)	(24)	(1)	(6)	(234)
Balance at 31 December 2017	–	10,289	1,259	5	284	11,837
Balance at 1 January 2018	–	10,289	1,259	5	284	11,837
Changes from financing cash flows						
Proceeds from borrowings	–	13,018	–	–	–	13,018
Repayment of borrowings	–	(15,044)	(1,169)	–	–	(16,213)
Repayment of finance leases	–	–	–	–	(92)	(92)
Interest paid	–	(452)	–	–	(17)	(469)
Total changes from financing cash flows	–	(2,478)	(1,169)	–	(109)	(3,756)
Liability-related other changes						
Finance costs	–	453	–	1	17	471
Total liability-related other changes	–	453	–	1	17	471
Effect on movement in exchange rates	–	(1,391)	(90)	–	(34)	(1,515)
Balance at 31 December 2018	–	6,873	–	6	158	7,037

Breach of loan covenants

As at 31 December 2017, the Group breached financial covenants in the amount S$10,289 thousand of which S$501 thousand of long-term loans and borrowings has been reclassified to current liabilities to reflect the ability of the lenders to demand immediate repayment following the breach of covenants. Historically, the lenders have not exercised their right to demand immediate repayment and management of the Group believes that probability for such request is remote as the Group continues to timely service its bank loans.

As at 31 December 2018 the Group breached a number of financial covenants. The principal amount of total amount of loans and borrowings with breached covenants is S$6,873 thousand at 31 December 2018 of which S$5,875 thousand are repayable in 2019 and S$998 thousand are repayable in 2020-2021. As at 31 December 2018 the Group received letter from the bank counterparty acknowledging that the Group had no loan payment defaults due to the breach of the loan covenants.

Settlement of promissory notes

In 2017, the owner of the Group made a number of decisions aimed at the settlement of the Group's debt related to the balance of promissory notes payable as at 31 December 2016 in the amount of S$11,086 thousand. In particular, the owner of the Group made a decision to forgive repayment of the promissory notes payable to an entity under common control of the ultimate controlling party resulting in a contribution to capital reserves of S$5,777 thousand (see note 11). In addition, the Group settled S$3,529 thousand promissory notes payable with loans receivable balance from Vallerd Investments (see note 8) and settled S$1,305 thousand promissory notes payable with the consideration received from the sale of Volgo-Agro (see note 29). Also, the Group repaid S$2,176 thousand in cash in 2017 with the remaining amount of debt of S$1,259 thousand (including interest payable of S$194 thousand) as at 31 December 2017 recorded as loans from related parties in these financial statements and was settled in 2018. As a result of above mentioned transactions, the Group reversed S$2,768 thousand of previously recorded discount on initial recognition of promissory notes in capital reserves (see note 11).

13 Finance lease liabilities

	1 January 2016 S$'000	31 December 2016 S$'000	31 December 2017 S$'000	31 December 2018 S$'000
Non-current				
Finance lease liabilities	392	520	189	128
Current				
Finance lease liabilities	70	166	95	30

The Group leases agricultural equipment. Finance lease liabilities are secured by the leased assets.

				1 January 2016		31 December 2016		31 December 2017		31 December 2018	
	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount	Face value	Carrying amount	Face value	Carrying amount
		%		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Finance lease liabilities	RR	5%-13%	2018-2024	890	461	1,218	686	333	284	186	158

Finance lease liabilities are payable as follows:

	1 January 2016			31 December 2016			31 December 2017			31 December 2018		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Less than one year	94	23	71	219	53	166	113	18	95	38	8	30
Between one and five years	175	73	102	294	93	201	157	28	129	125	17	108
More than five years	620	332	288	705	386	319	63	3	60	23	3	20
	889	428	461	1,218	532	686	333	49	284	186	28	158

The Group's exposure to interest rate and liquidity risks related to finance lease liabilities is disclosed in note 23.

14 Trade and other payables

	1 January 2016	31 December 2016	31 December 2017	31 December 2018
	S$'000	S$'000	S$'000	S$'000
Trade payables	252	232	187	400
Other payables	212	307	375	211
Payables to employees	88	154	154	120
Accrued listing expenses	–	–	–	203
	552	693	716	934
Advances received from customers	85	103	160	8
Tax payable other than income tax	140	1,205	262	284
	225	1,308	422	292
	777	2,001	1,138	1,226

Taxes payable other than on income tax is mostly related to VAT payable of S$6 thousand, S$1,039 thousand, S$91 thousand and S$111 thousand as at 1 January 2016, 31 December 2016, 2017 and 2018, respectively.

The Group's exposures to currency risk and liquidity risk related to trade and other payables are disclosed in note 23.

15 Provisions

Provisions were created mainly for staffs' unused vacation, year-end bonuses and withholding tax provision. The unused vacation, year-end bonuses and withholding tax provision are expected to be utilised within the next 12 months.

	2016 S$'000	2017 S$'000	2018 S$'000
At 1 January	191	1,104	1,217
Provision made during the year	985	1,217	667
– Staff's unused vacation	306	383	346
– Withholding tax provision	–	348	–
– Staff's year-end bonuses	679	486	321
Provision used during the year	(217)	(1,079)	(832)
Effect on movements in exchange rates	145	(25)	(171)
At 31 December	1,104	1,217	881

16 Revenue

	2016 S$'000	2017 S$'000	2018 S$'000
Revenue from sale of crop production	24,749	15,056	16,723
Revenue from sale of livestock and milk	6,095	7,998	7,485
Revenue from services provided	135	139	167
	30,979	23,193	24,375

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Nature of goods or services	The Group is growing, processing and distribution of agricultural and dairy products, mainly grain and milk at farms.
When revenue is recognised	Revenue is recognised when the crops, livestock and milk are collected by the customer or delivered to the customer's premises.
Significant payment terms	Invoices are issued when the products are delivered. Payment for these products is due within period of 10 days. Advance payment is collected from most of the customer upon confirmation of order. Payment of the outstanding amount is due within period of 10 days from the date of the products are delivered to the customer. The Group applied the practical expedient not to recognise any financing element as the contracts are typically completed within a year.

17 Cost of sales

	2016 S$'000	2017 S$'000	2018 S$'000
Biological assets sold	20,456	12,296	10,827
Wages and salaries	4,713	4,199	4,796
Depreciation	2,128	1,398	1,625
Operating lease expenses	1,559	1,153	1,542
Growing and harvesting services	727	767	1,032
Energy utilities	345	327	410
Taxes	152	158	149
Impairment loss on inventories relating to agriculture produce	223	103	314
Others	1,365	1,094	1,322
	31,668	21,495	22,017

Biological assets sold consist of the cost of material expenses incurred and the cumulative fair value changes of the agricultural produce at the date of harvest.

18 Operating income and expenses

	2016 S$'000	2017 S$'000	2018 S$'000
Administrative expenses			
Wages and salaries	626	821	881
Depreciation	18	20	26
Information, consulting and other professional services	82	370	121
Operating lease expenses	40	41	43
Repair costs	23	19	9
Business travel expenses	52	78	91
Other material expenses	62	73	68
Others	51	60	52
	954	1,482	1,291
Other operating income/(expenses)			
Government grants received	1,056	326	409
Income from trade payable write-off	110	12	–
Impairment loss on trade and other receivables and short-term investments made	–	(6)	(252)
Bank services	(147)	(120)	(70)
Gain on disposal of property, plant and equipment	34	43	6
Withholding tax provision on interest payments in relation to promissory notes payable to Vallerd Investments	–	(348)	–
Penalties	(18)	(56)	(19)
Research and development expenses	–	(77)	–
Other taxes	(85)	(176)	(100)
Impairment loss on other inventories reversed/(made)	11	(92)	109
Other income/(expenses)	43	(28)	(61)
Listing expenses	–	–	(1,027)
	1,004	(522)	(1,005)

The Group as an agricultural producer recognised government grants in the total amount of S$1,728 thousand, S$681 thousand and S$758 thousand during the years ended 31 December 2016, 2017 and 2018, respectively.

The government grants recognised during the years are attributable to:

	2016 S$'000	2017 S$'000	2018 S$'000
Operational activities – other operating income	1,056	326	409
Financing activities – finance costs	672	355	349
	1,728	681	758

19 Earnings before interest, tax, depreciation and amortisation (EBITDA)

The Group uses EBITDA measure for the purposes of capital management (see note 11). Since the term EBITDA is not a standard SFRS(I) measure, the Group's assessing financial performance and definition of EBITDA may differ from that of other companies.

A reconciliation of EBITDA to profit for the year is as follows:

	Note	2016 S$'000	2017 S$'000	2018 S$'000
Profit for the year		4,203	4,096	6,388
Adjusted for:				
Depreciation	17, 18	2,146	1,418	1,651
Finance income	21	(168)	(182)	(158)
Finance costs	21	1,796	751	482
Tax expense	22	132	78	54
EBITDA		8,109	6,161	8,417

20 Employee benefits

	2016 S$'000	2017 S$'000	2018 S$'000
Salaries and related expenses	(2,987)	(4,103)	(4,065)
Contributions to defined contribution plans	(982)	(1,348)	(1,315)
Provision made for unused vacation	(306)	(383)	(346)
Year-end bonuses provision	(679)	(486)	(321)
	(4,954)	(6,320)	(6,047)

Employee benefits expense for the years are charged to the accounts stated as follows:

	2016 S$'000	2017 S$'000	2018 S$'000
Biological assets	(660)	(1,067)	(610)
Inventories	(395)	(728)	(915)
Cost of sales	(3,273)	(3,704)	(3,641)
Administrative expenses	(626)	(821)	(881)
	(4,954)	(6,320)	(6,047)

21 Finance income and finance costs

	2016 S$'000	2017 S$'000	2018 S$'000
Finance income			
Interest income	168	182	158
	168	182	158
Finance costs			
Interest expense	(1,442)	(702)	(803)
Interest expense to related parties	(864)	(244)	–
Government grants compensating finance cost	672	355	349
Foreign exchange differences	(145)	(118)	(11)
Finance lease expense	(17)	(42)	(17)
	(1,796)	(751)	(482)
Net finance costs	(1,628)	(569)	(324)

22 Tax expense

	2016 S$'000	2017 S$'000	2018 S$'000
Current tax expense			
Current year	(132)	(78)	(54)
	(132)	(78)	(54)
Total expense	(132)	(78)	(54)

	2016 S$'000	2017 S$'000	2018 S$'000
Reconciliation of effective tax rate			
Profit before tax	4,335	4,174	6,442
Tax at the domestic rates applicable in the respective jurisdiction (20%)	(867)	(835)	(1,288)
Tax effect of income of agricultural subsidiaries taxed at Nil%	685	740	1,346
Non-deductible expenses	–	–	(49)
Change in unrecognised temporary differences	50	17	(63)
	(132)	(78)	(54)

The income tax rate applicable to the majority of the Group's 2016, 2017 and 2018 income is 0% as activities related to agricultural production; other activities are taxed at 20% respectively.

Unrecognised deferred tax assets

	2016 S$'000	2017 S$'000	2018 S$'000
Tax losses	1,055	970	1,285

Due to amendments to the Russian tax legislation, starting from 1 January 2017 tax losses carried forward do not expire, but may be set off only against 50% of taxable profits. The deferred tax assets are not recognised as there is no evidence of probable future taxable profits related Group's non-core activities.

Unrecognised deferred tax liabilities

At 1 January 2016, 31 December 2016, 2017 and 2018, deferred tax liabilities of SNil, S1,585 thousand, S$1,231 thousand and S$1,461 thousand, respectively, related to investments in subsidiaries. These have not been recognised as the Group is able to control the timing of reversal of the difference, and reversal is not expected in the foreseeable future.

23 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counter party to settle its financial and contractual obligations to the Group, as and when they fall due. Management has a credit policy in place which establishes credit limit for customers and monitors their balances on an ongoing basis.

Trade and other receivables

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	1 January 2016 S$'000	31 December 2016 S$'000	31 December 2017 S$'000	31 December 2018 S$'000
Trade and other receivables*	9	582	1,012	150	194
Short-term loan issued	8	–	2,384	255	–
Short-term bank deposits with maturities of three months or more	8	–	–	2,084	–
Cash and cash equivalents	10	935	1,636	1,952	1,263
		1,517	5,032	4,441	1,457

* *exclude advances paid to suppliers, VAT receivables and prepaid listing expenses*

The maximum exposure to credit risk for financial assets at the reporting date by customer type was:

	1 January 2016 S$'000	31 December 2016 S$'000	31 December 2017 S$'000	31 December 2018 S$'000
Corporate customers	568	951	141	123
Related corporations	–	2,384	255	–
Financial institutions	935	1,636	4,036	1,263
Others	14	61	9	71
	1,517	5,032	4,441	1,457

The maximum exposure to credit risk for financial assets at the reporting date by geographical segment was:

	1 January 2016 S$'000	31 December 2016 S$'000	31 December 2017 S$'000	31 December 2018 S$'000
Russian Federation	1,517	2,648	4,441	1,457
Cyprus	–	2,384	–	–
	1,517	5,032	4,441	1,457

Trade and other receivables

Expected credit loss assessment for individual customers

The Group uses an allowance matrix to measure the ECLs of trade receivables from customer. The allowance matrix is based on actual credit loss experience over the past three years. The ECLs computed is derived from the historical data which management is of the view that the historical conditions are representative of the conditions prevailing at the reporting date.

The Group's historical experience is that the write-offs of trade receivables fall within the recorded allowances. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables:

	Weighted average loss rate	Gross	Impairment	Credit Impaired
	%	S$'000	S$'000	
1 January 2016				
Not past due	*%	1,517	–	No
Between 1 to 365 days	*%	–	–	No
More than one year	100%	155	(155)	Yes
		1,672	(155)	
31 December 2016				
Not past due	*%	1,006	–	No
Between 1 to 365 days	*%	6	–	No
More than one year	100%	15	(15)	Yes
		1,027	(15)	
31 December 2017				
Not past due	*%	148	–	No
Between 1 to 365 days	*%	2	–	No
More than one year	100%	6	(6)	Yes
		156	(6)	
31 December 2018				
Not past due	*%	194	–	No
Between 1 to 365 days	*%	–	–	No
More than one year	100%	7	(7)	Yes
		201	(7)	

* The weighted average loss rate for accounts was negligible

Movement in allowance for impairment in respect of trade and other receivables

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	Lifetime ECL – credit impaired		
	2016 **S$'000**	**2017** **S$'000**	**2018** **S$'000**
At 1 January	(155)	(15)	(6)
Impairment loss made	–	(6)	(2)
Amounts written off	155	15	–
Effect on movements in exchange rates	(15)	–	1
At 31 December	(15)	(6)	(7)

Cash and cash equivalents

Cash and bank balances are placed with banks and financial institutions which are regulated. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and low credit risk of the exposures. The amount of the allowance on cash and cash equivalents was negligible.

Investments

Investments are loan issued to a related corporation and short-term bank deposits with maturities of three months or more. The loan are amounts lent to a related corporation to satisfy short term funding requirements. The Group uses a similar approach for assessment of ECLs for investments to those used for cash and cash equivalents.

The following table presents an analysis of the credit quality of investments. It indicated whether assets were subject to a 12-month ECLs, or lifetime ECLs allowance and in latter case, whether they were credit impaired:

	1 January 2016			31 December 2016			31 December 2017			31 December 2018		
	12-month ECL	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired	12-month ECL	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired	12-month ECL	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired	12-month ECL	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Investments												
Not impaired	–	–	–	2,384	–	–	2,339	–	–	–	–	–
Impaired	–	–	–	–	–	–	–	–	–	–	–	228
Gross carrying amounts	–	–	–	2,384	–	–	2,339	–	–	–	–	228
Loss allowance	–	–	–	–	–	–	–	–	–	–	–	(228)
Carrying amount	–	–	–	2,384	–	–	2,339	–	–	–	–	–

The movement in the allowance for impairment in respect of investments during the year was as follows:

	Lifetime ECL – credit impaired		
	2016	**2017**	**2018**
	S$'000	**S$'000**	**S$'0000**
At 1 January	–	–	–
Impairment loss made	–	–	(228)
At 31 December	–	–	(228)

Liquidity risk

Risk management policy

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Management believes that the Group will have the continued support of its creditor-banks to renew its short-term loans as and when they fall due.

The following are the expected contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

			Cash flows		
	Carrying amount S$'000	**Contractual cash flows S$'000**	**Within 1 year S$'000**	**Within 1 to 5 years S$'000**	**More than 5 years S$'000**
1 January 2016					
Non-derivative financial liabilities					
Loans and borrowings	17,608	20,190	9,158	4	11,028
Finance lease liabilities	461	890	94	175	621
Trade and other payables*	692	692	692	–	–
	18,761	21,772	9,944	179	11,649

	Carrying amount S$'000	Contractual cash flows S$'000	Cash flows Within 1 year S$'000	Within 1 to 5 years S$'000	More than 5 years S$'000
31 December 2016					
Non-derivative financial liabilities					
Loans and borrowings	11,091	13,935	1	13,934	–
Finance lease liabilities	686	1,218	219	294	705
Trade and other payables*	1,898	1,898	1,898	–	–
	13,675	17,051	2,118	14,228	705
31 December 2017					
Non-derivative financial liabilities					
Loans and borrowings	11,553	11,553	11,549	–	4
Finance lease liabilities	284	333	113	157	63
Trade and other payables*	978	978	978	–	–
	12,815	12,864	12,640	157	67
31 December 2018					
Non-derivative financial liabilities					
Loans and borrowings	6,879	7,109	6,035	1,070	4
Finance lease liabilities	158	186	38	125	23
Trade and other payables*	1,218	1,218	1,218	–	–
	8,255	8,513	7,291	1,195	27

* *exclude advances received from customers*

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its interest-bearing financial liabilities. The Group's objective is to maintain a balance of fixed and floating rate borrowings as well as a balanced maturity period.

The Group does not hedge its exposure to changes in interest rates on interest-bearing borrowings.

	Nominal amount			
	1 January 2016 S$'000	**31 December 2016 S$'000**	**31 December 2017 S$'000**	**31 December 2018 S$'000**
Fixed rate instruments				
Loans and borrowings	17,608	11,091	11,553	6,879
Finance lease liabilities	461	686	284	158
	18,069	11,777	11,837	7,037

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect the profit or loss.

Foreign currency risk

The Group has minimal exposure to foreign currency risks as transactions are mainly denominated in the respective functional currencies of the Group entities. The currencies in which these transactions primarily denominated are the Euro and US$. The changes in the exchange rates at the reporting date would not significantly affect profit or loss and equity.

24 Contingencies and commitments

Insurance

The insurance industry in the Russian Federation is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Group does not have full coverage for its plant facilities, biological assets, business interruption, or third party liability in respect of property or environmental damage arising from accidents on Group property or relating to Group operations. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Group's operations and financial position.

Taxation

The taxation system in the Russian Federation continues to evolve and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes contradictory and subject to varying interpretation by different tax authorities.

Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year generally remains open for review by the tax authorities during the three subsequent calendar years. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive and substance-based position in their interpretation and enforcement of tax legislation.

In addition, a number of new laws introducing changes to the Russian tax legislation have been recently adopted. In particular, starting from 1 January 2015 changes aimed at regulating tax consequences of transactions with foreign companies and their activities were introduced, such as concept of beneficial ownership of income, taxation of controlled foreign companies, tax residency rules, etc. These changes may potentially impact the Group's tax position and create additional tax risks going forward. This legislation and practice of its application is still evolving and the impact of legislative changes should be considered based on the actual circumstances.

All these circumstances may create tax risks in the Russian Federation that are substantially more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Russian tax legislation, official pronouncements and court decisions. However, the interpretations of the tax authorities and courts, especially due to reform of the supreme courts that are resolving tax disputes, could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

Operating lease

Non-cancellable operating lease rentals are expected to be settled as follows:

	1 January 2016 S$'000	**31 December 2016 S$'000**	**31 December 2017 S$'000**	**31 December 2018 S$'000**
Within one year	1,113	1,576	1,277	1,178
Between one and five years	636	6,162	4,920	4,528
More than five years	72	8,442	5,582	4,136
	1,821	16,180	11,779	9,842

The Group leases a number of land plots under operating lease agreements. The lease agreements typically run for a period of 10 years, with an option to renew the lease after expiration.

For majority of lease agreements, rent is established as a payment in-kind in a form of agricultural produce harvested by the Group. However, in accordance with the lease terms, lessor has an option to receive cash from the Group, if approved by the Group During the years ended 31 December 2016, 2017, and 2018, land lease expenses of S$1,559 thousand, S$1,153 thousand and S$1,542 thousand were recognised as operating lease expenses (note 17), of which payments in-kind are amounted to S$843 thousand, S$706 thousand and S$1,067 thousand, respectively.

25 Fair value of financial instruments

(a) Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, short-term investments, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Carrying amounts of non-current financial liabilities approximate their fair values.

At 1 January 2016, 31 December 2016, 31 December 2017 and 31 December 2018, the carrying amounts of promissory notes payable to Vallerd Investments and finance lease liabilities approximate their fair values. Fair values of these financial instruments calculated using the valuation techniques. Their fair values belong to Level 2 measurements in the fair value hierarchy.

(b) Accounting classification and fair value

The carrying amounts and fair values of financial assets and financial liabilities are as follows:

	Amortised cost S$'000	Other financial liabilities S$'000	Total S$'000
1 January 2016			
Financial assets not measured at fair value			
Trade and other receivables*	859	–	859
Cash and cash equivalents	935	–	935
	1,794	–	1,794
Financial liabilities not measured at fair value			
Loans and borrowings	–	17,608	17,608
Finance lease liabilities	–	461	461
Trade and other payables**	–	692	692
	–	18,761	18,761
31 December 2016			
Financial assets not measured at fair value			
Trade and other receivables*	1,166	–	1,166
Investments	2,384	–	2,384
Cash and cash equivalents	1,636	–	1,636
	5,186	–	5,186
Financial liabilities not measured at fair value			
Loans and borrowings	–	11,091	11,091
Finance lease liabilities	–	686	686
Trade and other payables**	–	1,898	1,898
	–	13,675	13,675
31 December 2017			
Financial assets not measured at fair value			
Trade and other receivables*	257	–	257
Investments	2,339	–	2,339
Cash and cash equivalents	1,952	–	1,952
	4,548	–	4,548

	Amortised cost S$'000	Other financial liabilities S$'000	Total S$'000
Financial liabilities not measured at fair value			
Loans and borrowings	–	11,553	11,553
Finance lease liabilities	–	284	284
Trade and other payables**	–	978	978
	–	12,815	12,815
31 December 2018			
Financial assets not measured at fair value			
Trade and other receivables*	367	–	367
Investments	–	–	–
Cash and cash equivalents	1,263	–	1,263
	1,630	–	1,630
Financial liabilities not measured at fair value			
Loans and borrowings	–	6,879	6,879
Finance lease liabilities	–	158	158
Trade and other payables**	–	1,218	1,218
	–	8,255	8,255

* *exclude advances paid to suppliers and prepaid listing expenses*

** *exclude advances received from customers*

26 Related parties

Key management personnel compensation

Key management personnel of the Group are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

Key management received the following remuneration during the year, which is included in employee benefits expense (see note 20):

	2016 S$'000	2017 S$'000	2018 S$'000
Salaries and related expenses	194	213	349
Contributions to defined contribution plans	52	60	100
	246	273	449

Other related party transactions

Other than disclosed elsewhere in the financial statements, transactions with related parties are as follows:

	2016	2017	2018
	S$'000	S$'000	S$'000
Immediate holding company			
Interest expense	(864)	(244)	–
Interest income	31	20	–
Foreign exchange loss, net	(152)	(109)	–
Balances at 31 December			
Promissory notes payables	(11,086)	–	–
Loans payable	–	(1,259)	–
Loans issued	2,384	–	–
Other receivables	33	–	–
Related corporation under common control			
Transactions for the year			
Interest income	–	5	–
Balances at 31 December			
Loans issued	–	255	–

Transactions with immediate holding company related to Vallerd Investments.

Guarantees

At 1 January 2016, 31 December 2016, 2017 and 2018, the Group received a number of guarantees from a related party in connection with certain bank loans obtained by the Group in the amount of S$9,157 thousand, S$Nil, S$10,289 thousand and S$6,873 thousand, respectively.

27 Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 31 December 2016, 31 December 2017 and 31 December 2018 is based on the profit attributable to ordinary shareholders of S$4,237 thousand, S$4,101 thousand and S$6,389 thousand, respectively and the weighted-average number of ordinary shares outstanding during the years, as follows:

	2016 No. of shares	2017 No. of shares	2018 No. of shares
Issued ordinary shares at 1 January	100	100	100
Issue of ordinary shares pursuant to the Restructuring Exercise	9,999,900	9,999,900	9,999,900
Issued ordinary shares immediately after the Restructuring Exercise	10,000,000	10,000,000	10,000,000
Sub-division of ordinary shares via share split	125,000,000	125,000,000	125,000,000
Issue of ordinary shares pursuant to the management agreement	2,272,700	2,272,700	2,272,700
Weighted average number of shares at 31 December	127,272,700	127,272,700	127,272,700

For purposes of preparing the combined financial statements, the weighted average number of shares as at 31 December 2016, 2017 and 2018 includes the estimated shares issued to effect the acquisition of interests in common control entities pursuant to the Restructuring Exercise on the basis the transfer had taken effect as at 1 January 2016, or the dates of incorporation/establishments of subsidiaries under common control, if later.

Diluted earnings per share

As at 31 December 2016, 31 December 2017 and 31 December 2018, there were no outstanding dilutive potential ordinary shares.

28 Operating segments

Basis of segmentation

The Group has the following two strategic divisions, which are its reportable segments. These divisions offer different products and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations in each of the Group's reportable segment.

Reportable segments	**Operations**
Crops	It includes production and sale of agriculture produce in the Russian Federation, mainly winter wheat, sunflower and corn
Livestock	It includes the breeding of dairy cows for milk production and sale of livestock

The Group's chief executive officer reviews the internal management reports of each division at least quarterly.

Other operations include other non-significant segments. None of these segments met the quantitative thresholds for reportable segments in 2016, 2017 and 2018.

There are varying levels of integration between the Crops segment and Livestock segment. This integration includes transfer of harvested crops for production of feed for dairy cow consumption. Inter-segment pricing is determined on an arm's length basis.

Information about reportable segments

Information related to each reportable segment is set out below. Segment profit (loss) before tax is used to measure performance because management believes that such information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

	Reportable segments		Total	
			reportable	All other
	Crops	Livestock	segments	segments
	S$'000	S$'000	S$'000	S$'000
2016				
External revenue	24,749	6,095	30,844	135
Inter-segment revenue	2,896	–	2,896	–
Segment revenue	27,645	6,095	33,740	135
Segment profit/(loss) before tax	4,863	(661)	4,202	133
Other income	537	465	1,002	2
Finance income	134	33	167	1
Finance costs	(1,667)	(127)	(1,794)	(2)
Depreciation	(1,869)	(172)	(2,041)	(105)
Segment assets	25,506	9,189	34,695	20
Capital expenditure	847	551	1,398	50
Segment liabilities	12,055	2,898	14,953	62
2017				
External revenue	15,056	7,998	23,054	139
Inter-segment revenue	2,320	–	2,320	–
Segment revenue	17,376	7,998	25,374	139
Segment (loss)/profit before tax	(782)	4,895	4,113	61
Other expenses	(395)	(121)	(516)	(6)
Finance income	118	63	181	1
Finance costs	(526)	(219)	(745)	(6)
Depreciation	(1,130)	(252)	(1,382)	(36)
Segment assets	27,355	14,449	41,804	29
Capital expenditure	1,608	657	2,265	37
Segment liabilities	11,648	2,660	14,308	45

	Reportable segments		Total reportable segments	All other segments
	Crops	Livestock		
	S$'000	S$'000	S$'000	S$'000
2018				
External revenue	16,723	7,485	24,208	167
Inter-segment revenue	2,148	–	2,148	–
Segment revenue	18,871	7,485	26,356	167
Segment profit/(loss) before tax	6,900	630	7,530	(61)
Other (expenses)/income	(177)	200	23	(1)
Finance income	109	48	157	1
Finance costs	(355)	(126)	(481)	(1)
Depreciation	(1,345)	(168)	(1,513)	(138)
Unallocated expenses:				
Listing expenses	–	–	–	(1,027)
Segment assets	26,242	12,294	38,536	12
Unallocated assets:				
Prepaid listing expenses	–	–	–	262
Capital expenditure	1,760	330	2,090	19
Segment liabilities	7,532	1,614	9,146	17
Unallocated liabilities:				
Accrued listing expenses	–	–	–	203

Reconciliations of information on reportable segments to SFRS(I) measures

	2016 S$'000	2017 S$'000	2018 S$'000
Revenue			
Total revenue for reportable segments	33,740	25,374	26,356
Revenue for other segments	135	139	167
Elimination of inter-segment revenue	(2,896)	(2,320)	(2,148)
Combined revenue	30,979	23,193	24,375
Profit before tax			
Total profit before tax for reportable segments	4,202	4,113	7,530
Profit/(Loss) before tax for other segments	133	61	(61)
Unallocated expenses: Listing expenses	–	–	(1,027)
Combined profit before tax	4,335	4,174	6,442
Assets			
Total assets for reportable segments	34,695	41,804	38,536
Assets for other segments	20	29	12
Unallocated assets: Prepaid listing expenses	–	–	262
Combined total assets	34,715	41,833	38,810
Liabilities			
Total liabilities for reportable segments	14,953	14,308	9,146
Liabilities for other segments	62	45	17
Unallocated liabilities: Accrued listing expenses	–	–	203
Combined total liabilities	15,015	14,353	9,366

Other material items

	Reportable segment totals	Adjustments	Combined Totals
	S$'000	S$'000	S$'000
2016			
Finance income	167	1	168
Finance costs	(1,794)	(2)	(1,796)
Capital expenditure	1,398	50	1,448
Depreciation	(2,041)	(105)	(2,146)
2017			
Finance income	181	1	182
Finance costs	(745)	(6)	(751)
Capital expenditure	2,265	37	2,302
Depreciation	(1,382)	(36)	(1,418)
2018			
Finance income	157	1	158
Finance costs	(481)	(1)	(482)
Capital expenditure	2,090	19	2,109
Depreciation	(1,513)	(138)	(1,651)

Geographical information

External customers of the Group are located in Russian Federation. The Group carries out its operations in Russian Federation and all the Group's non-current assets are located in Russian Federation.

Major customers

The following are major customers with revenue equal to more than 10% of the Group's total revenue during the years:

	2016	2017	2018
	S$'000	S$'000	S$'000
Grain Service LLC	12,244	8,989	4,647
Voronejskijj	5,138	7,315	6,790
Aston JSC	5,519	555	1,845
Bunge (RZT LLC)	–	571	5,676
	22,901	17,430	18,958

29 Subsidiaries

As at 31 December 2016, 31 December 2017 and 31 December 2018, the subsidiaries of the Group are as follows:

Name of subsidiaries	Principal activities	Principal place of business	Ownership interest 1 January 2016 %	31 December 2016 %	31 December 2017 %	31 December 2018 %
Don Agro LLC	Production of agricultural products	Russia	100	100	100	100
Volgo-Agro	Production of agricultural products	Russia	97	100	–	–
Selkhoztekhnika	Lease of assets	Russia	91.8	91.8	91.8	91.8
Rassvet	Lease of assets	Russia	86.2	86.2	86.2	86.2
Don Agro JSC	Holding company	Russia	100	100	100	100
Tetra JSC	Holding company	Russia	100	100	100	100
Krinichansky	Lease of assets	Russia	89.6	89.6	89.6	–
Degtevskoe	Lease of assets	Russia	98.4	98.4	98.4	98.4
Happy Cow	Construction of livestock building	Russia	100	100	100	100

Acquisition of non-controlling interest

During 2016, the Group acquired remaining 3% of equity shares in Volgo-Agro for S$* thousand. The result of these operations is recorded in net assets attributable to non-controlling party line of the combined statement of financial position.

* *the transaction represents an amount less than S$1,000*

Effect of disposal of subsidiary on the financial position of the Group

In 2018, Krinichansky was disposed from perimeter of the Group due to the sales of 90% of equity shares owned by Tetra JSC and Don Agro JSC to physical person Nikolay Cherchaga (an unrelated third party).

In 2017, Volgo-Agro was disposed from perimeter of the Group due to the sales of 100% of equity shares owned by Tetra JSC to Vallerd Investments.

	2017 S$'000	2018 S$'000
Property, plant and equipment	(744)	(2)
Biological assets	(635)	–
Inventories	(917)	–
Trade and other receivables	(550)	(75)
Cash and cash equivalents	(112)	(2)
Loans and borrowings	2,097	72
Finance lease liabilities	247	–
Trade and other payables	427	6
Net assets disposed	(187)	(1)
Consideration received – settled against promissory notes payable	1,305	–
Consideration received – settled by cash	–	2
Net gain from disposal of Volgo-Agro recognised in capital reserves/disposal of Krinichansky recognised in operating expenses	1,118	1

30 Non-controlling interests

The subsidiaries of the Company have non-controlling interest that are not material to the Group.

31 Transition to SFRS(I) and new standards and interpretations adopted

In December 2017, the Accounting Standards Council (ASC) issued SFRS(I). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

As stated in note 2.2, these are the first financial statements of the Group prepared in accordance with SFRS(I).

The accounting policies set out in note 3 have been applied in preparing the combined financial statements for the years ended 31 December 2016, 31 December 2017 and 31 December 2018, and in the preparation of the opening SFRS(I) statement of financial position at 1 January 2016 (the Group's date of transition), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

In preparing the opening SFRS(I) statement of financial position, the Group has adjusted amounts reported previously in the financial statements prepared in accordance with previous financial reporting standards.

In addition, the Group has concurrently adopted all new standards that are effective from 1 January 2018, including SFRS(I) 9 Financial Instruments and SFRS(I) 15 Revenue from Contracts with Customers.

SFRS(I) 1

In adopting SFRS(I), the Group has applied the transition requirements in SFRS(I) 1 with 1 January 2016 as the date of transition. SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, as if such accounting policy had always been applied, subject to the mandatory exceptions and optional exemptions in SFRS(I) 1. The application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 did not have any significant impact on the financial statements.

32 New standards and interpretations not yet adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however the Group has not early applied the following new or amended standards in preparing these combined financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are effective for the annual periods beginning after 1 January 2018:

Applicable to 2019 financial statements

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to SFRS(I) 1-28)
- *Prepayment Features with Negative Compensation* (Amendments to SFRS(I) 9)
- *Previously Held Interest in a Joint Operation* (Amendments to SFRS(I) 3 and 11)
- *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* (Amendments to SFRS(I) 1-12)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to SFRS(I) 1-23)
- *Plan Amendment, Curtailment or Settlement* (Amendments to SFRS(I) 1-19)

Applicable to 2021 financial statements

- SFRS(I) 17 *Insurance Contracts*

Mandatory effective date deferred

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(1) 1-28)

The Group has assessed the estimated impact that initial application of SFRS(I) 16 will have on the combined financial statements. The Group's assessment of SFRS(I) 16, which is expected to have a more significant impact on the Group, is as described below.

SFRS(I) 16 *Leases*

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. SFRS(I) 16 replaces existing lease accounting guidance, including SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Group plan to apply SFRS(I) 16 initially on 1 January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting SFRS(I) 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. The Group plan to apply the practical expedient to grandfather the definition of a lease on transition. This means that the Group will apply SFRS(I) 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with SFRS(I) 1-17 and SFRS(I) INT 4.

The Group as lessee

The Group expects to measure lease liabilities by applying a single discount rate to their portfolio of land leases. Furthermore, the Group are likely to apply the practical expedient to recognise amounts of ROU assets equal to their lease liabilities at 1 January 2019. For lease contracts that contain the option to renew, the Group are expected to use hindsight in determining the lease term.

The Group expects their existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16. For majority of lease agreements, rent is established as a payment in-kind in a form of agricultural produce harvested by the Group. The Group expects to measure the lease liability at the present value of the payments in-kind that are not paid at 1 January 2019. The following payments are not expected to be included in the measurement of lease liability: plowing services, ritual services, and reimbursement of land tax to the lessor. In accordance with SFRS(I) 16 variable payments which do not depend on index or rate, i.e. do not reflect changes in market rental rates, should not be included in calculation of lease liability. In respect of municipal (or federal) land leases where the lease payments are based on cadastral value of the land plot and do not change until the next potential revision of that value or payments (or both) by the authorities, the Group expected that these lease payments are not considered as either variable (that depend on an index or rate or reflect changes in market rental rates) or in-substance fixed, and therefore these payments are not be included in the measurement of the lease liability.

The Group expected to apply judgment to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

As at 1 January 2019, the Group expects an increase in ROU assets and lease liabilities of $4,820 thousand. When measuring lease liabilities for leases that are classified as operating leases, the Group expects to discount lease payments using its incremental borrowing rate of 11.9% per annum at 1 January 2019.

The nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

No significant impact is expected for the Group's finance leases.

The Group as lessor

The Group does not have significant contracts in which the Group is a lessor. No significant impact is expected for such leases.

33 Subsequent events

On 4 February 2020, in connection with the proposed initial public offering of the Company's shares, the Company approved the following:

(i) the sub-division of each ordinary share in the existing issued share capital of the Company into 12.5 ordinary shares;

(ii) the issue and allotment of 2,272,700 ordinary shares to the Sponsor and Issue Manager as part of the management fee pursuant to the Management Agreement which when allotted, issued and credited as fully paid-up, will rank *pari passu* in all respects with the existing issued ordinary shares.

Don Agro International Limited and its subsidiaries

Unaudited condensed combined interim financial statements
For the six-month period ended 30 June 2019

Independent auditors' report on review of condensed combined interim financial statements for the six-month ended 30 June 2019

Board of Directors
Don Agro International Limited

Introduction

We have reviewed the condensed combined interim statement of financial position of Don Agro International Limited (the "Company") and its subsidiaries (collectively the "Group") as at 30 June 2019 and the related condensed combined interim statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information (the "Condensed Combined Interim Financial Statements"). The Company's management is responsible for the preparation and presentation of the Condensed Combined Interim Financial Statements in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on the Condensed Combined Interim Financial Statements based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Combined Interim Financial Statements is not prepared, in all material respects, in accordance with SFRS(I) 1-34 *Interim Financial Reporting*.

Restriction on Distribution and Use

This report is made solely to you as a body and for the inclusion in the Offer Document to be issued in relation to the proposed offering of the shares of the Company in connection with the Company's listing on the Catalist Board of the Singapore Exchange Securities Trading Limited.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
6 February 2020

Lim Pang Yew, Victor
Partner

Unaudited Condensed Combined Interim Statement of financial position

As at 30 June 2019

	Note	30 June 2019 S$'000	31 December 2018 S$'000
Assets			
Property, plant and equipment	6	11,318	10,794
Biological assets	7	9,074	7,999
Right-of-use assets	4	5,368	–
Other non-current assets		31	31
Non-current assets		25,791	18,824
Biological assets	7	18,573	5,647
Current tax assets		26	25
Inventories	8	5,876	12,363
Investments	9	385	–
Trade and other receivables	10	2,160	688
Cash and cash equivalents	11	1,809	1,263
Current assets		28,829	19,986
Total assets		54,620	38,810
Equity			
Share capital	12	14,007	14,007
Capital reserves		10,971	11,024
Foreign currency translation reserve		(1,286)	(3,989)
Accumulated profits		12,049	8,384
Equity attributable to owners of the Company		35,741	29,426
Non-controlling interests		41	18
Total equity		35,782	29,444
Liabilities			
Loans and borrowings	13	1,432	1,002
Lease liabilities	4	4,559	128
Deferred income		155	168
Non-current liabilities		6,146	1,298
Loans and borrowings	13	7,046	5,877
Lease liabilities	4	1,391	30
Current tax liabilities		45	2
Trade and other payables	14	3,454	1,226
Deferred income		28	52
Provisions	15	728	881
Current liabilities		12,692	8,068
Total liabilities		18,838	9,366
Total equity and liabilities		54,620	38,810

The accompany notes from an integral part of these unaudited condensed combined interim financial statements.

Unaudited Condensed Combined Interim Statement of profit or loss and other comprehensive income

For the six-month period ended 30 June 2019

	Note	For the six-month period ended 30 June 2019 S$'000	2018 S$'000
Revenue	16	11,640	7,826
Cost of sales	17	(9,624)	(7,196)
Gain from change in fair value of biological assets and agricultural produce	7	3,226	1,826
Gross profit		5,242	2,456
Administrative expenses		(949)	(569)
Other operating income, net		494	356
Results from operating activities		4,787	2,243
Finance income		63	111
Finance costs		(444)	(295)
Net finance costs		(381)	(184)
Profit before tax		4,406	2,059
Tax expense	19	(124)	(32)
Profit for the period		4,282	2,027
Profit attributable to:			
Owners of the Company		4,259	2,035
Non-controlling interests		23	(8)
Profit for the period		4,282	2,027
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences arising from functional and presentation currency		2,703	(1,796)
Other comprehensive income for the period, net of tax		2,703	(1,796)
Total comprehensive income for the period		6,985	231
Total comprehensive income attributable to:			
Owners of the Company		6,962	239
Non-controlling interests		23	(8)
Total comprehensive income for the period		6,985	231
Earnings per share			
Basic and diluted earnings per share (cents)	20	3.35	1.60

The accompany notes from an integral part of these unaudited condensed combined interim financial statements.

Unaudited Condensed Combined Statement of changes in equity

For the six-month period ended 30 June 2019

	Note	Attributable to owners of the Company						
		Share capital	**Capital reserves**	**Foreign currency translation reserve**	**Accumulated profits**	**Total**	**Non-controlling interests**	**Total equity**
		S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
At 1 January 2019		14,007	11,024	(3,989)	8,384	29,426	18	29,444
Total comprehensive income for the period								
Profit for the period		–	–	–	4,259	4,259	23	4,282
Other comprehensive income								
Foreign currency translation differences		–	–	2,703	–	2,703	–	2,703
Total comprehensive income for the period		–	–	2,703	4,259	6,962	23	6,985
Transactions with owners, recorded directly in equity								
Dividends	12	–	–	–	(594)	(594)	–	(594)
Transactions with owners		–	(53)	–	–	(53)	–	(53)
Total transactions with owners		–	(53)	–	(594)	(647)	–	(647)
At 30 June 2019		14,007	10,971	(1,286)	12,049	35,741	41	35,782

The accompany notes from an integral part of these unaudited condensed combined interim financial statements.

Unaudited Condensed Combined Statement of changes in equity

For the six-month period ended 30 June 2019

	Attributable to owners of the Company						
	Share capital	**Capital reserves**	**Foreign currency translation reserve**	**Accumulated profits**	**Total**	**Non-controlling interests**	**Total equity**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
At 1 January 2018	14,007	10,687	772	1,995	27,461	19	27,480
Total comprehensive income for the period							
Profit for the period	–	–	–	2,035	2,035	(8)	2,027
Other comprehensive income							
Foreign currency translation differences	–	–	(1,796)	–	(1,796)	–	(1,796)
Total comprehensive income for the period	–	–	(1,796)	2,035	239	(8)	231
Transactions with owners, recorded directly in equity							
Transactions with owners	–	17	–	–	17	–	17
Total transactions with owners	–	17	–	–	17	–	17
At 30 June 2018	14,007	10,704	(1,024)	4,030	27,717	11	27,728

The accompany notes from an integral part of these unaudited condensed combined interim financial statements.

Unaudited Condensed Combined Statement of cash flows

For the six-month period ended 30 June 2019

	For the six-month period ended 30 June	
	2019	**2018**
	S$'000	**S$'000**
Cash flows from operating activities		
Profit for the period	**4,282**	**2,027**
Adjustments for:		
Depreciation of property, plant and equipment and right-of-use assets	1,114	821
Gain on disposal of property, plant and equipment	(635)	(6)
Finance income	(63)	(111)
Finance costs	444	295
Tax expense	124	32
Gain from change in fair value of biological assets and agricultural produce	(3,226)	(1,826)
Revaluation of sold biological assets recognised in cost of sales	2,576	(729)
Impairment loss on trade and other receivables reversed	(7)	–
Impairment loss on other inventories reversed	(30)	(95)
Impairment loss on inventories in relating to agricultural produce made	108	94
	4,687	502
Changes in:		
Trade and other receivables	(674)	489
Inventories	4,740	5,391
Biological assets	(9,248)	(9,033)
Trade and other payables and provisions	1,349	1,191
Deferred income	(55)	127
Cash from/(used) in operations	799	(1,333)
Taxes paid	(81)	(31)
Net cash from/(used) in operating activities	718	(1,364)
Cash flows from investing activities		
Purchase of property, plant and equipment	(786)	(1,342)
Proceeds from sale of property, plant and equipment	17	6
Deposits placed	(375)	–
Deposits returned	–	1,059
Interest received	63	111
Loans issued	–	(13)
Net cash used in investing activities	(1,081)	(179)
Cash flows from financing activities		
Proceeds from borrowings	2,913	7,547
Repayment of borrowings	(1,948)	(5,620)
Payment of lease liabilities (2018: payment of finance lease liabilities)	(43)	(75)
Capital contributions from owners	–	17
Interest paid	(136)	(272)
Net cash from financing activities	786	1,597
Net increase in cash and cash equivalents	423	54
Cash and cash equivalents at 1 January	1,263	1,952
Effect of exchange rate fluctuations on cash held	123	(125)
Cash and cash equivalents at 30 June	1,809	1,881

The accompany notes from an integral part of these unaudited condensed combined interim financial statements.

Notes to the unaudited condensed combined interim financial statements

These notes form an integral part of the unaudited condensed combined interim financial statements.

1. Reporting entity

1.1 Introduction

The unaudited condensed combined interim financial statements of Don Agro International Limited (the "Company") and its subsidiaries (together referred to as the "Group" and individually as "Group entities") have been prepared solely for inclusion in the Offer Document to be issued in connection with the initial public offering and listing of the shares of the Company on the Catalist Board of Singapore Exchange Securities Trading Limited.

1.2 The Company

The Company was incorporated on 16 October 2018 under the name of "Don Agro International Private Limited" and is domiciled in the Republic of Singapore. The Company was a private company limited by shares with an issued and paid-up share capital of S$100 comprising 100 shares of which 6% and 94% are held by Mr Marat Devlet-Kildeyev and Mr Evgeny Tugolukov, respectively. The Company was set up in accordance with the Singapore Companies Act. On 4 February 2020, the Company changed its name to "Don Agro International Limited" in connection with its conversion into a public company limited by shares. The Company's registered address is 10 Collyer Quay, #10-01, Ocean Financial Centre, Singapore 049315.

As at 30 June 2019 and 31 December 2018, the Group was ultimately controlled by Mr Evgeny Tugolukov, who has the power to direct the transactions of the Group at his own discretion and for his own benefit. He also has a number of other business interests outside the Group.

The Group's principal business activity is growing, processing and distribution of agricultural and dairy products, mainly grain and milk at farms located in the Rostov Region. The Group's products are sold in the Russian Federation.

1.3 The restructuring exercise ("Restructuring Exercise")

Pursuant to a share swap agreement dated 21 November 2019 entered into between the Company and Vallerd Investments, the Company acquired from Vallerd Investments the entire issued and paid-up share capital of Tetra JSC held by it, comprising an aggregate of 62,403,000 ordinary shares for a total consideration of S$35,741,000 based on the unaudited Net Tangible Assets ("NTA") of Tetra JSC and its subsidiaries as at 30 June 2019. The purchase consideration was satisfied by the issue and allotment of an aggregate of 9,999,900 Shares in the capital of the Company ("Consideration Shares") credited as fully paid-up on 23 December 2019 and was arrived at on a willing buyer willing seller basis.

The Restructuring Exercise was accounted for as a combination of businesses under common control by Mr Marat Devlet-Kildeyev and Mr Evgeny Tugolukov, as they control the entity within the Group before and after the Restructuring Exercise. The presentation reflects the economic substance of the combining entities, which were under common control throughout the relevant periods, as a single economic enterprise, notwithstanding that the Restructuring Exercise was not completed until after the reporting date.

2. Basis of accounting

These unaudited condensed combined interim financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") I-34 *Interim Financial Reporting,* and should be read in conjunction with the last issued audited combined financial statements of the Group as at and for the years ended 31 December 2016, 2017 and 2018 which is included in the Offer Document of the Company. They do not include all of the information required for a complete set of SFRS(I) financial statements. However, selected explanatory notes are included to explain the events and transactions that are significant to understanding of the changes in the Group's financial position and performance since the last issued audited combined financial statements.

This is the first set of the Group's financial statements in which SFRS(I) 16 has been applied. Changes to significant accounting policies are described in note 4.

These combined financial statements are presented in Singapore dollars ("S$"). The functional currency of the Company is the Russian rouble ("RR"). Assets and liabilities are translated from RR functional currency to S$ at rates of exchange ruling at the respective reporting date. All equity items are translated at historical rates. The result for the respective years are translated using the average rate. Resultant exchange differences are recognised directly in equity, in the foreign currency translation reserve. All financial information presented in S$ has been rounded to nearest thousand, unless otherwise stated.

These unaudited condensed combined interim financial statements were authorised for issue by the Company's board of directors on 6 February 2020.

3. Use of judgements and estimates

In preparing the unaudited condensed combined interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last issued audited combined financial statements, except for new significant judgements related to lessee accounting under SFRS(I) 16, which are described in Note 4B(i).

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair value. This includes a finance team that has overall responsibility for all significant fair value measurements, including Level 3 fair values, and report directly to the Chief Financial Officer.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as source documents, is used to measure values, then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of SFRS(I), including the level in fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Board of directors.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1* : quoted prices (unadjusted) in active markets for identical assets or liabilities.

- *Level 2* : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- *Level 3* : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 7-biological assets.

4. Changes in significant accounting policies

Except as described below, the accounting policies applied in these unaudited condensed combined interim financial statements are the same as those applied in the Group's combined financial statements as at and for the year ended 31 December 2018.

The changes in accounting policies are also expected to be reflected in the Group's combined financial statements as at and for the year ending 31 December 2019.

SFRS(I) 16

The Group has initially adopted SFRS(I) 16 *Leases* from 1 January 2019. SFRS(I) 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The Group has applied SFRS(I) 16 using the modified retrospective approach, under which the cumulative effect, if any, of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under SFRS(I) 1-17 *Leases* and related interpretations. The details of the changes in accounting policies are disclosed below.

A. Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under SFRS(I) INT 4 *Determining Whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under SFRS(I) 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to SFRS(I) 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied SFRS(I) 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under SFRS(I) 1-17 and SFRS(I) INT 4 were not reassessed. Therefore, the definition of a lease under SFRS(I) 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

B. As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under SFRS(I) 16, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

(i) Significant accounting policies

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

In accordance with SFRS(I) 16 variable payments which do not depend on index or rate, i.e. do not reflect changes in market rental rates, should not be included in calculation of lease liability. In respect of municipal (or federal) land leases where the lease payments are based on cadastral value of the land plot and do not change until the next potential revision of that value or payments (or both) by the authorities, the Group determined that these lease payments are not considered as either variable (that depend on an index or rate or reflect changes in market rental rates) or in-substance fixed, and therefore these payments are not be included in the measurement of the lease liability.

The Group leases a number of land plots under lease agreements that typically run for a period of 10 years, with an option to renew the lease after expiration. The Group determined the lease term as a contract term.

For majority of lease agreements, rent is established as a payment in-kind in a form of agricultural produce harvested by the Group. At the commencement date, the Group measures the lease liability at the present value of the payments in-kind that are not paid at that date. The following payments are not included in the measurement of lease liability: plowing services, ritual services, and reimbursement of land tax to the lessor.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

As a lessor

The Group does not have significant lease arrangements in which it acts as a lessor.

(ii) Transition

Previously, the Group classified land leases as operating leases under SFRS(I) 1-17.

At transition, for leases classified as operating leases under SFRS(I) 1-17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used the following practical expedients when applying SFRS(I) 16 to leases previously classified as operating leases under SFRS(I) 1-17.

– Applied a single discount rate to a portfolio of leases with similar characteristics.

The Group leases a number of items of agricultural machinery. These leases were classified as finance leases under SFRS(I) 1-17. For these finance leases, the carrying amount of the right-of-use asset and the lease liability at 1 January 2019 were determined at the carrying amount of the lease asset and lease liability under SFRS(I) 1-17 immediately before that date.

C. Impacts on financial statements

(i) Impacts on transition

On transition to SFRS(I) 16, the Group recognised additional right-of-use assets and additional lease liabilities. The impact on transition is summarised below.

S$'000	1 January 2019
Right-of-use assets – Property	4,820
Right-of-use assets – Machinery	342
Property, plant and equipment	(342)
Lease liabilities	(4,820)
Lease liabilities	(148)
Trade and other payables	148

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate of 11.9% at 1 January 2019.

S$'000	1 January 2019
Operating lease commitments at 31 December 2018 as disclosed in the Group's combined financial statements	9,842
Discounted using the incremental borrowing rate at 1 January 2019	5,563
Lease liabilities reclassified from trade and other payables at 1 January 2019	148
Finance lease liabilities recognised as at 31 December 2018	158
– Future lease payments that do not depend on index or rate	(743)
Lease liabilities recognised at 1 January 2019	5,126

(ii) Impacts for the period

As a result of initially applying SFRS(I) 16, in relation to the leases that were previously classified as operating leases, the Group recognised S$5,041 thousand of right-of-use assets and S$5,661 thousand of lease liabilities as at 30 June 2019. In addition to right-of-use assets and lease liabilities recognised due to adoption of SFRS(I) 16 the Group included previously recognised assets and related finance lease liabilities in amount of S$327 thousand and S$158 thousand, respectively in right-of-use assets and lease liabilities in the statement of financial position. Also the Group included previously recognised payables related to operating lease arrangements in amount of S$131 thousand in lease liabilities in the statement of financial position.

Also in relation to those leases under SFRS(I) 16, the Group has recognised depreciation and interest costs, instead of operating lease expense. During the six-month period ended 30 June 2019, the Group recognised S$301 thousand of depreciation charges and S$304 thousand of interest costs from these leases.

For the impact of SFRS(I) 16 on EBITDA and segment information, see Notes 21 and 25 respectively.

5. Seasonality of operations

The Group's crops segment is subject to seasonal fluctuations due to the different cultivation period for each type of crops. In particular, winter wheat are cultivated between October and August, while other corps such as sunflower and corn are cultivated between April and October.

The Group attempts to minimise the seasonal impact by managing inventories to meet demand during this period. However, this segment typically has lower revenues and results for the first half of the year. Revenue for the crop segment for the six-month period ended 30 June 2019 amounted to S$7,811 thousand (six-month period ended 30 June 2018: S$5,052 thousand).

Fluctuations of results are minimised by measuring the biological assets as at 30 June at fair value less estimated point-of-sale costs at the time of harvesting.

6. Property, plant and equipment

Acquisitions and disposals

During the six-month period ended 30 June 2019, the Group acquired property, plant and equipment with a cost of S$789 thousand (six-month period ended 30 June 2018: S$1,342 thousand).

Assets were disposed during the six-month period ended 30 June 2019 with carrying amount of S$77 thousand (six-month period ended 30 June 2018: carrying amount of S$nil thousand), resulted in a gain of S$635 thousand (six-month period ended 30 June 2018: gain of S$6 thousand), primarily as a result of compensation from Russian Railways in the amount of S$695 thousand for a seized plot of land, gain is included in 'other operating income, net' in the profit or loss.

Depreciation

During the six-month period ended 30 June 2019, the Group's depreciation charge amounted to S$771 thousand (six-month period ended 30 June 2018: S$821 thousand).

7. Biological assets

	30 June 2019 S$'000	31 December 2018 S$'000
Livestock	8,740	7,854
Permanent grass	334	145
Non-current	9,074	7,999
Current – crops	18,573	5,647
	27,647	13,646

Biological assets – crops

During the six-month period ended 30 June 2019 and 30 June 2018, the Group cultivated winter wheat, sunflower, corn and other crops.

The unharvested crops are represented by the following types.

	30 June 2019 S$'000	31 December 2018 S$'000
Winter wheat	11,784	5,647
Sunflower	5,574	–
Corn	797	–
Others	418	–
	18,573	5,647

During the six-month period ended 30 June 2019, the cost incurred on growing crops was S$8,583 thousand (six-month period ended 30 June 2018: S$8,902 thousand). The gain arising from changes in fair value less estimated cost to sell due to price changes was S$3,534 thousand (six-month period ended 30 June 2018: gain of S$3,724 thousand).

Biological assets – permanent grass

During the six-month period ended 30 June 2019, the cost incurred on growing permanent grass was S$722 thousand (six-month period ended 30 June 2018: S$661 thousand).

Permanent grass was stated at cost less accumulated depreciation and accumulated impairment losses as the fair value cannot be measured reliably. The cultivation of permanent grass was for internal consumption and has neither comparable nor observable market prices.

Biological assets – livestock

During the six-month period ended 30 June 2019, the cost incurred on breeding livestocks were S$3,674 thousand (six-month period ended 30 June 2018: S$3,907 thousand). The loss arising from changes in fair value less estimated cost to sell due to price changes was S$308 thousand (six-month period ended 30 June 2018: loss S$1,898 thousand).

Measurement of fair values

Fair value hierarchy

The fair value measurements for the crops and livestock have been categorised as Level 3 fair values based on the inputs to the valuation techniques used.

Permanent grass is stated at cost less accumulated impairment losses as the fair value of permanent grass cannot be measure reliably. The permanent grass is grown for internal consumption and has neither comparable nor observable market sales data.

Level 3 fair value

The following table shows a breakdown of the total gains recognised in respect of Level 3 fair values.

	Six-month period ended 30 June	
	2019	**2018**
	S$'000	**S$'000**
Gain from change in fair value of biological assets and agricultural produce		
– Change in fair value (realised)	–	96
– Change in fair value (unrealised)	3,226	1,730
	3,226	1,826

Valuation techniques and significant unobservable inputs

The following table shows the Group's valuation techniques used in measuring Level 3 fair values of biological assets, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Bearer livestock: milk cow • Number of dairy cows – 30 June 2019: 2,037 (31 December 2018: 2,033) • Number of calves and heifers – 30 June 2019: 1,972 (31 December 2018: 2,005)	*Discounted cash flow*: Fair value is determined using the cash flow model discounted using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the asset. The cash flow model is based on the physiological characteristics of the animals and management expectations concerning the potential productivity.	• Length of lactation period (years) 30 June 2019: 3.03 (31 December 2018: 3.21) • Herd average daily milk yield (litres) 30 June 2019: 19.01 (31 December 2018: 17.78) • Market prices for milk in the same region (in RR/litre excluding VAT) 30 June 2019: 29.01, 31 December 2018: 27.52) • Risk-adjusted discount rate 30 June 2019: 15.2% (31 December 2018: 15.2%)	The estimated fair value would increase (decrease) if: • the lengths of lactation period were higher (lower); • the herd average daily milk yields were higher (lower); • the market prices for milk in the same region were higher (lower); or • the risk-adjusted discount rates were lower (higher).

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Crops: Winter wheat • Plant area (hectare) – 30 June 2019: 18,243 (31 December 2018: 18,243) Sunflower • Plant area (hectare) – 30 June 2019: 9,767 (31 December 2018: n/a)	*Discounted cash flow*: The valuation model considers the present value of the net cash flows expected to be generated by the crops that are in growing stage as at the year ended. The cash flow projection include the planted area, expected yield, market price and future cost to grow and sell. The expected net cash flows are discounted using a risk-adjusted discount rate.	• Risk-adjusted discount rate 30 June 2019: 15.2% (31 December 2018: 15.2%) Winter wheat • Market prices for crop in the same region (in RR/tonne excluding VAT) 30 June 2019: 9,088 (31 December 2018: 10,151) • Expected yield (tonne/hectare) 30 June 2019: 3.93 (31 December 2018: 3.88) • Future cost to grow and sell (in RR/hectare) 30 June 2019: 5,323 (31 December 2018: 12,683) Sunflower • Market prices for crop in the same region (in RR/tonne excluding VAT) 30 June 2019: 18,713 (31 December 2018: n/a) • Expected yield (tonne/hectare) 30 June 2019: 1.9 (31 December 2018: n/a) • Future cost to grow and sell (in RR/hectare) 30 June 2019: 2,727 (31 December 2018: n/a)	The estimated fair value would increase (decrease) if: • the expected yields were higher (lower); • the market prices for crop in the same region were higher (lower); • future cost to grow and sell were lower (higher); or • the risk-adjusted discount rates were lower (higher).

8. Inventories

	30 June 2019 S$'000	31 December 2018 S$'000
Raw materials and consumables	3,996	4,301
Work in progress	1,718	1,560
Finished goods – agricultural produce	162	6,530
	5,876	12,391
Less: Provision	–	(28)
	5,876	12,363

9. Investments

As at 30 June 2019, short-term bank deposits amounted to S$385 thousand with maturities of three months or more are RR-denominated deposits with interest rates of 6.5%-7.2% per annum that matures in July 2019. There are no such deposits as at 31 December 2018.

The Group has RR-denominated non-interest bearing loan to Volgo-Agro in the amount of S$228 thousand as at 31 December 2018, which is repayable on demand. In 2018, this loan had been fully impaired.

10. Trade and other receivables

	30 June 2019 S$'000	31 December 2018 S$'000
Trade receivables	27	124
Other receivables	752	77
Less: Impairment losses	–	(7)
	779	194
Advances paid to suppliers	184	59
Value-added tax ("VAT") receivables	797	173
Prepaid listing expenses	400	262
	2,160	688

11. Cash and cash equivalents

	30 June 2019 S$'000	31 December 2018 S$'000
Petty cash	1	5
Bank balances	297	148
Short-term bank deposits with maturities of three months or less	1,511	1,110
	1,809	1,263

12. Share capital

There were no changes in share capital of the Group during the six-month period ended 30 June 2019.

Dividends

During the six-month ended 30 June 2019, the Group declared dividends in amount of S$594 thousand (six-months period ended 30 June 2018: S$nil thousand). As at 30 June 2019, the dividends were not paid, dividends payable is included in 'trade and other payables' in the statement of financial position.

13. Loans and borrowings

	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
				S$'000	S$'000
Balance at 1 January 2019	RR			6,879	6,879
New issue					
Secured bank loans	RR	2.45-13%	2019-2021	2,913	2,913
Repayments					
Secured bank loans	RR	2.45-13%	2019-2021	(1,948)	(1,948)
Other movement					
Effect on movements in exchange rates				634	634
Balance at 30 June 2019				8,478	8,478

Breach of loan covenants

As at 30 June 2019, the Group breached a number of financial covenants. Total amount of loans and borrowings with breached covenants are S$6,871 thousand (31 December 2018: S$6,873 thousand), of which S$5,443 thousand (31 December 2018: S$5,875 thousand) are classified as current liabilities and S$1,428 thousand (31 December 2018: S$998 thousand) are classified as non-current liabilities. As at 30 June 2019 and also 31 December 2018 the Group received letter from the bank counterparty acknowledging that the Group had no loan payment defaults due to the breach of the loan covenants.

14. Trade and other payables

	30 June 2019 S$'000	31 December 2018 S$'000
Trade payables	1,875	400
Dividends payable	609	–
Other payables	153	211
Payables to employees	252	120
Accrued listing expenses	277	203
	3,166	934
Advances received from customers	18	8
Tax payables other than income tax	270	284
	288	292
	3,454	1,226

15. Provisions

As at 30 June 2019, provisions were created mainly for staffs' unused vacation for amount of S$412 thousand (31 December 2018: S$299 thousand), withholding tax provision for amount of S$316 thousand (31 December 2018: S$290 thousand) and provision staff's year-end bonuses of S$Nil (31 December 2018: S$292 thousand). The unused vacation and withholding tax provision are expected to be utilised within the next 12 months.

16. Revenue

	For the six-month period ended 30 June	
	2019	2018
	S$'000	S$'000
Revenues from contracts with customers		
Revenue from sale of crop production	6,721	3,849
Revenue from sale of livestock and milk	4,871	3,888
Revenue from services provided	48	89
	11,640	7,826

17. Cost of sales

	For the six-month period ended 30 June	
	2019	2018
	S$'000	S$'000
Biological assets sold	5,577	2,904
Wages and salaries	1,869	2,262
Depreciation	393	503
Operating lease expenses	579	425
Growing and harvesting services	418	320
Energy utilities	205	222
Taxes	67	35
Impairment loss on inventories in relating to agriculture produce	108	94
Others	408	431
	9,624	7,196

Biological assets sold consist of the cost of material expenses incurred and the cumulative fair value changes of the agricultural produce at the date of harvest.

18. Employee benefits

The following items have been included in arriving at profit before tax:

	For the six-month period ended 30 June	
	2019	2018
	S$'000	S$'000
Employee benefits expenses		
Salaries and related expenses	2,055	1,710
Contributions to defined contribution plans	639	570
Provision made for unused vacation	210	172
	2,904	2,452

Employee benefits expenses for the periods are charged to the accounts stated as follows:

	For the six-month period ended 30 June	
	2019	2018
	S$'000	S$'000
Biological assets	1,491	1,544
Inventories	220	333
Cost of sales	405	215
Administrative expenses	788	360
	2,904	2,452

19. Tax expense

The income tax rate applicable to the majority of the Group's income is 0% as activities related to agricultural production; other activities are taxed at 20% respectively.

20. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 June 2019 and 30 June 2018 is based on the profit attributable to ordinary shareholders of S$4,259 thousand and S$2,035 thousand respectively and the weighted-average number of ordinary shares outstanding during the years, as follows:

	2019 No. of shares	2018 No. of shares
Issued ordinary shares at 1 July	100	100
Issue of ordinary shares pursuant to the Restructuring Exercise	9,999,900	9,999,900
Issued ordinary shares immediately after the Restructuring Exercise	10,000,000	10,000,000
Sub-division of ordinary shares via share split	125,000,000	125,000,000
Issue of ordinary shares pursuant to the management agreement	2,272,700	2,272,700
Weighted average number of shares at 30 June	127,272,700	127,272,700

For purposes of preparing the unaudited condensed combined interim financial statement, the weighted average number of shares as at 30 June 2019 and 30 June 2018 includes the estimated shares issued to effect the acquisition of interests in common control entities pursuant to the Restructuring Exercise on the basis the transfer had taken effect as of 1 January 2015, or the dates of incorporation/establishments of subsidiaries under common control, if later.

Diluted earnings per share

As at 30 June 2019 and 30 June 2018, there were no outstanding dilutive potential ordinary shares.

21. Earnings before interest, tax, depreciation and amortisation (EBITDA)

The Group has presented the performance measure EBITDA for the purposes of capital management. EBITDA is not a defined performance measure in SFRS(I). The Group's definition of EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

Reconciliation of adjusted EBITDA to profit

	For the six-month period ended 30 June	
	2019	**2018**
	S$'000	**S$'000**
Profit for the period	4,282	2,027
Adjusted for:		
Depreciation	393	504
Finance income	(63)	(111)
Finance costs	444	295
Tax expense	124	32
EBITDA	5,180	2,747

22. Financial instruments and risk management

(a) Fair value of financial instruments

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, short-term investments, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. Carrying amounts of floating interest rate instruments are assumed to approximate their fair value. The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity.

There were no transfers between Level 1 and Level 2 during the six-month period ended 30 June 2019.

Accounting classification and fair value

The carrying amounts and fair values of financial assets and financial liabilities are as follows:

	Amortised cost S$'000	Other financial liabilities S$'000	Total S$'000
30 June 2019			
Financial assets not measured at fair value			
Trade and other receivables*	1,576	–	1,576
Short-term bank deposits with maturities of three months or more	385	–	385
Cash and cash equivalents	1,809	–	1,809
	3,770	–	3,770
Financial liabilities not measured at fair value			
Loans from third parties	–	6	6
Secured bank loans	–	8,472	8,472
Lease liabilities	–	5,950	5,950
Trade and other payables**	–	3,436	3,436
	–	17,864	17,864

	Amortised cost	Other financial liabilities	Total
	S$'000	**S$'000**	**S$'000**
31 December 2018			
Financial assets not measured at fair value			
Trade and other receivables*	367	–	367
Cash and cash equivalents	1,263	–	1,263
	1,630	–	1,630
Financial liabilities not measured at fair value			
Loans from third parties	–	6	6
Secured bank loans	–	6,873	6,873
Finance lease liabilities	–	158	158
Trade and other payables**	–	1,218	1,218
	–	8,255	8,255

* *Excludes Advances paid to suppliers and prepaid listing expenses*

** *Excludes Advances received from customers*

(b) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counter party to settle its financial and contractual obligations to the Group, as and when they fall due. Management has a credit policy in place which establishes credit limit for customers and monitors their balances on an ongoing basis.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	30 June 2019	31 December 2018
	S$'000	**S$'000**
Trade and other receivables*	779	194
Short-term bank deposits with maturities of three months or more	385	–
Cash and cash equivalents	1,809	1,263
Recognised financial assets	2,973	1,457

* *exclude advances paid to suppliers, VAT receivables and prepaid listing expenses*

The maximum exposure to credit risk for financial assets at the reporting date by customer type was:

	30 June 2019 S$'000	31 December 2018 S$'000
Corporate customers	27	123
Financial institutions	2,194	1,263
Others	752	71
	2,973	1,457

The maximum exposure to credit risk for trade and other receivables at the reporting date by geographical segment was:

	30 June 2019 S$'000	31 December 2018 S$'000
Russian Federation	2,973	1,457

Trade and other receivables

The Group uses an allowance matrix to measure the ECLs of trade receivables from customer. The allowance matrix is based on actual credit loss experience over the past three years. The ECLs computed is derived from the historical data which management is of the view that the historical conditions are representative of the conditions prevailing at the reporting date.

The Group's historical experience is that the write-offs of trade receivables fall within the recorded allowances. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. The methodology for the calculation of ECL is the same as described in the last issued audited combined financial statements. As at 30 June 2019, there are no allowance for doubtful debts arising from trade and other receivables as the ECL is not material. As at 30 June 2019, there are no overdue receivables balances.

Cash and cash equivalents

Cash and bank balances are placed with banks and financial institutions which are regulated. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and low credit risk of the exposures. The amount of the allowance on cash and cash equivalents was negligible.

Investments

Investments are loan issued to a related corporation and short-term bank deposits with maturities of three months or more. The loan are amounts lent to a related corporation to satisfy short term funding requirements. The Group uses a similar approach for assessment of ECLs for investments to those used for cash and cash equivalents.

23. Contingencies and commitments

Insurance

The insurance industry in the Russian Federation is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Group does not have full coverage for its plant facilities, biological assets, business interruption, or third party liability in respect of property or environmental damage arising from accidents on Group property or relating to Group operations. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Group's operations and financial position.

Taxation

The taxation system in the Russian Federation continues to evolve and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes contradictory and subject to varying interpretation by different tax authorities.

Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year generally remains open for review by the tax authorities during the three subsequent calendar years. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive and substance-based position in their interpretation and enforcement of tax legislation.

In addition, a number of new laws introducing changes to the Russian tax legislation have been recently adopted. In particular, starting from 1 January 2015 changes aimed at regulating tax consequences of transactions with foreign companies and their activities were introduced, such as concept of beneficial ownership of income, taxation of controlled foreign companies, tax residency rules, etc. These changes may potentially impact the Group's tax position and create additional tax risks going forward. This legislation and practice of its application is still evolving and the impact of legislative changes should be considered based on the actual circumstances.

All these circumstances may create tax risks in the Russian Federation that are substantially more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Russian tax legislation, official pronouncements and court decisions. However, the interpretations of the tax authorities and courts, especially due to reform of the supreme courts that are resolving tax disputes, could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

24. Related parties

Key management personnel compensation

Key management personnel of the Group are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Board of Directors is considered as key management personnel of the Group.

Key management personnel received the following remuneration during the period, which is included in employee benefits expenses:

	For six-month period ended 30 June	
	2019	**2018**
	S$'000	**S$'000**
Salaries and related expenses	394	82
Contributions to defined contribution plans	101	31
	495	113

Guarantees

As at 30 June 2019, the Group received a number of guarantees from a related party in connection with certain bank loans obtained by the Group in amount of S$8,472 thousand (31 December 2018: S$6,873 thousand).

25. Operating segments

Basis of segmentation

The Group has the following two strategic divisions, which are its reportable segments. These divisions offer different products and are managed separately because that requires different technology and marketing strategies.

The following summary describes the operations of each reportable segment.

Reportable segments	**Operations**
Crops	It includes production and sale of agriculture produce in the Russian Federation, mainly winter wheat, sunflower and corn
Livestock	It includes the breeding of dairy cows for milk production and sale of livestock

The Group's chief executive officer reviews the internal management reports of each division at least quarterly.

Other operations include other non-significant segments. None of these segments met the quantitative thresholds for reportable segments during the period.

There are varying levels of integration between the Crops segment and Livestock segment. This integration includes transfer of harvested crops for production of feed for dairy cow consumption. Inter-segment pricing is determined on an arm's length basis.

Information about reportable segments

Information related to each reportable segment is set out below. Segment profit (loss) before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

	Reportable segments		Total reportable segments	All other segments
	Crops S$'000	Livestock S$'000	S$'000	S$'000
For the six-month period ended				
30 June 2019				
External revenues	6,721	4,871	11,592	48
Inter-segment revenue	1,091	–	1,091	–
Segment revenue	7,812	4,871	12,683	48
Segment profit/(loss) before tax	3,180	1,643	4,823	(14)
For the six-month period ended				
30 June 2018				
External revenues	3,849	3,888	7,737	89
Inter-segment revenue	1,203	–	1,203	–
Segment revenue	5,052	3,888	8,940	89
Segment profit/(loss) before tax	3,474	(1,388)	2,086	(27)

	Reportable segments		Total reportable segments	All other segments
	Crops S$'000	Livestock S$'000	S$'000	S$'000
As at 30 June 2019				
Segment assets	32,675	21,530	54,205	15
Unallocated assets: Prepaid listing expenses	–	–	–	400
Capital expenditure	772	17	789	–
Segment liabilities	15,600	2,338	17,938	14
Unallocated liabilities: Dividends payable	–	–	–	609
Unallocated liabilities: Accrued listing expenses	–	–	–	277
As at 31 December 2018				
Segment assets	26,242	12,294	38,356	12
Unallocated assets: Prepaid listing expenses	–	–	–	262
Capital expenditure	1,760	330	2,090	19
Segment liabilities	7,532	1,614	9,146	17
Unallocated liabilities: Accrued listing expenses	–	–	–	203

Reconciliations of information on reportable segments to SFRS(I) measures

	For the six-month periods ended 30 June	
	2019	2018
Revenue	S$'000	S$'000
Total revenue for reportable segments	12,683	8,940
Revenue for other segments	48	89
Elimination of inter-segment revenue	(1,091)	(1,203)
Combined revenue	11,640	7,826
Profit before tax		
Total profit before tax for reportable segments	4,823	2,086
Loss before tax for other segments	(14)	(27)
Unallocated expenses: Listing expenses	(403)	–
Combined profit before tax	4,406	2,059

	30 June 2019 S$'000	31 December 2018 S$'000
Assets		
Total assets for reportable segments	54,205	38,536
Assets for other segments	15	12
Unallocated assets: Prepaid listing expenses	400	262
Combined total assets	54,620	38,810
Liabilities		
Total liabilities for reportable segments	17,938	9,146
Liabilities for other segments	14	17
Unallocated liabilities: Dividends payable	609	–
Unallocated liabilities: Accrued listing expenses	277	203
Combined total liabilities	18,838	9,366

Other material items

	Reportable segment totals S$'000	Adjustments S$'000	Combined Totals S$'000
For the six-month period ended 30 June			
2019			
Finance income	63	–	63
Finance costs	(442)	(2)	(444)
Capital expenditure	(789)	–	(789)
Depreciation and amortisation	(361)	(32)	(393)
2018			
Finance income	109	1	110
Finance costs	(294)	(1)	(295)
Capital expenditure	(1,322)	(20)	(1,342)
Depreciation and amortisation	(489)	(14)	(503)

Geographical information

External customers of the Group are located in Russian Federation. The Group carries out its operations in Russian Federation and all the Group's non-current assets are located in Russian Federation.

Major customers

The following are major customers with revenue equal to more than 10% of the Group's total revenue during the periods:

	For the six-month period ended 30 June	
	2019	**2018**
	S$'000	**S$'000**
Voronejskijj	4,371	3,599
CJSC "Yug of Rus"	3,830	–
Aston JSC	2,494	1,693
Zolotaya Semechka LLC	–	1,664
	10,695	6,956

26. Subsequent events

On 4 February 2020, in connection with the proposed initial public offering of the Company's shares, the Company approved the following:

(i) the sub-division of each ordinary share in the existing issued share capital of the Company into 12.5 ordinary shares;

(ii) the issue and allotment of 2,272,700 ordinary shares to the Sponsor and Issue Manager as part of the management fee pursuant to the Management Agreement which when allotted, issued and credited as fully paid-up, will rank *pari passu* in all respects with the existing issued ordinary shares.

This page has been intentionally left blank.

APPENDIX C – SELECTED EXTRACTS OF OUR CONSTITUTION

The discussion below provides information about certain provisions of our Constitution. This description is only a summary and is qualified by reference to our Constitution. The following are extracts of the provisions in our Constitution relating to:

(a) **A director's power to vote on a proposal, arrangement or contract in which he is interested**

Regulation 105

A Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any personal material interest, directly or indirectly. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(b) **A director's power to vote on remuneration (including pension or other benefits) for himself or for any other director and whether the quorum at a meeting of the board of directors to vote on directors' remuneration may include the director whose remuneration is the subject of the vote**

Regulation 82

The ordinary remuneration of the Directors shall from time to time be determined by an Ordinary Resolution of the Company, shall not be increased except pursuant to an Ordinary Resolution passed at a General Meeting where notice of the proposed increase shall have been given in the notice convening the General Meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office.

Regulation 83(A)

Any Director who holds any executive office, or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine.

Regulation 83(B)

The remuneration (including any remuneration under regulation 83(A) above) in the case of a Director other than an Executive Director shall be payable by a fixed sum and shall not at any time be by commission on or percentage of the profits or turnover, and no Director whether an Executive Director or otherwise shall be remunerated by a commission on or a percentage of turnover.

Regulation 85

The Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums.

Regulation 86

A Director may be party to or in any way interested in any contract or arrangement or transaction to which the Company is a party or in which the Company is in any way interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of Auditor of the Company or any subsidiary thereof) under the Company or any other company in which the Company is in any way interested and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and be remunerated therefor and in any such case as aforesaid (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof.

Regulation 91

The remuneration of a Chief Executive Officer (or person holding an equivalent position) shall from time to time be fixed by the Directors and may subject to this Constitution be by way of salary or commission or participation in profits or by any or all these modes but he shall not under any circumstances be remunerated by a commission on or a percentage of turnover.

Regulation 101(D)

An Alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as Alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his principal as such principal may by notice in writing to the Company from time to time direct.

(c) **The borrowing powers exercisable by the directors and how such borrowing powers may be varied**

Regulation 112

Subject as hereinafter provided and to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(d) **The retirement or non-retirement of a director under an age limit requirement**

There are no specific provisions in our Constitution relating to the retirement or non-retirement of a Director under an age limit requirement.

(e) **The number of shares, if any, required for the qualification of a director**

Regulation 81

A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at General Meetings.

(f) **The rights, preferences and restrictions attaching to each class of shares**

Regulation 6(A)

The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution.

Regulation 8(A)

Preference shares may be issued subject to such limitation thereof as may be prescribed by the Stock Exchange. The total number of issued preference shares shall not exceed the total number of issued ordinary shares at any time. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrear.

Regulation 15

Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution or, if required by the Statutes, by Special Resolution determine (or, in the absence of any such determination, but subject to the Statutes, as the Directors may determine) and subject to the provisions of the Statutes, the Company may issue preference shares which are, or at the option of the Company are, liable to be redeemed.

Regulation 68

Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to regulation 13(C), each member entitled to vote may vote in person or by proxy. Every member who is present in person or by proxy shall:

(a) on a poll, have one vote for every share which he holds or represents; and

(b) on a show of hands, have one vote, Provided always that:

  (i) in the case of a member who is not a relevant intermediary and who is represented by two proxies, only one of the two proxies as determined by that member or, failing such determination, by the chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and

  (ii) in the case of a member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.

For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company.

Regulation 69

In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or (as the case may be) the Depository Register in respect of the share.

Regulation 71

No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid.

Regulation 126

Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:

(a) all dividends in respect of shares must be paid in proportion to the number of shares held by a member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and

(b) all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.

For the purposes of this regulation, an amount paid or credited as paid on a share in advance of a call is to be ignored.

(g) **Any change in capital**

Regulation 7

Subject to the Statutes and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to regulation 11, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, Provided always that:

(a) (subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of regulation 11(A) with such adaptations as are necessary shall apply; and

(b) any other issue of shares, the aggregate of which would exceed the limits referred to in regulation 11(B), shall be subject to the approval of the Company in General Meeting.

Regulation 11(A)

Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the listing rules of the Stock Exchange, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this regulation 11(A).

Regulation 11(B)

Notwithstanding regulation 11(A), the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:

(a) (i) issue shares of the Company whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and

(b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,

Provided always that:

(1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Stock Exchange;

(2) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the listing rules of the Stock Exchange for the time being in force (unless such compliance is waived by the Stock Exchange) and this Constitution; and

(3) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Statutes (whichever is the earliest).

Regulation 11(C)

Except so far as otherwise provided by the conditions of issue or by this Constitution, all new shares shall be subject to the provisions of the Statutes and of this Constitution with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

Regulation 12(A)

The Company may by Ordinary Resolution:

(a) consolidate and divide all or any of its shares;

(b) sub-divide its shares, or any of them (subject, nevertheless, to the provisions of the Statutes and this Constitution), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to new shares; and

(c) subject to the provisions of the Statutes, convert its share capital or any class of shares from one currency to another currency.

Regulation 12(B)

The Company may by Special Resolution, subject to and in accordance with the Statutes, convert one class of shares into another class of shares.

Regulation 13(A)

The Company may reduce its share capital or any undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.

Regulation 13(B)

The Company may, subject to and in accordance with the Act, purchase or otherwise acquire its issued shares on such terms and in such manner as the Company may from time to time think fit. If required by the Act, any share which is so purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to this Constitution, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.

(h) **Any change in the respective rights of the various classes of shares including the action necessary to change the rights, indicating where the conditions are different from those required by the applicable law**

Regulation 9

Whenever the share capital of the Company is divided into different classes of shares, subject to the provisions of the Statutes, preference capital, other than redeemable preference capital, may be repaid and the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of this Constitution relating to General Meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, Provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from the holders of three-quarters of the issued shares of the class concerned within two months of such General Meeting shall be as valid and effectual as a Special Resolution carried at such General Meeting. The foregoing provisions of this regulation shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

Regulation 10

The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

(i) **Any time limit after which a dividend entitlement will lapse and an indication of the party in whose favour this entitlement operates**

Regulation 131

The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or any such moneys unclaimed after a period of six years from the date they are first payable shall be forfeited and shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the moneys so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six years has elapsed from the date such dividend or other moneys are first payable.

Regulation 133

Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

Regulation 136

Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.

(j) **Any limitation on the right to own shares including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on the shares**

Regulation 14

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by this Constitution or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository or its nominee (as the case may be)) entered in the Register of Members as the registered holder thereof or (as the case may be) the person whose name is entered in the Depository Register in respect of that share.

RULES OF THE DON AGRO EMPLOYEE SHARE OPTION SCHEME

1. NAME OF THE ESOS

The ESOS shall be called the "Don Agro Employee Share Option Scheme".

2. DEFINITIONS

2.1 In the ESOS, unless the context otherwise requires, the following words and expressions shall have the following meanings:

"Act"	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
"Associate"	Has the meaning assigned to it by the Listing Manual, as amended, modified or supplemented from time to time
"Auditors"	The auditors of the Company for the time being
"Board"	The board of directors of the Company
"CDP"	The Central Depository (Pte) Limited
"CPF"	Central Provident Fund
"Committee"	The remuneration committee of the Company, or such other committee comprising directors of the Company duly authorised and appointed by the Board to administer this ESOS
"Company"	Don Agro International Limited
"control"	The capacity to dominate decision making, directly or indirectly, in relation to the financial and operating policies of the Company
"Controlling Shareholder"	A shareholder exercising control over the Company and unless rebutted, a person who controls directly or indirectly 15.0% or more of the Company's issued share capital shall be presumed to be a Controlling Shareholder of the Company
"Date of Grant"	In relation to an Option, the date on which the Option is granted to a Participant pursuant to Rule 7
"Director"	A person holding office as a director for the time being of the Company and/or its Subsidiaries, as the case may be

"ESOS"	The Don Agro Employee Share Option Scheme, as the same may be modified or altered from time to time
"Executive Director"	A director of the Company and/or its Subsidiaries, as the case may be, who performs an executive function within the Company or the relevant Subsidiary, as the case may be
"Exercise Price"	The price at which a Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 9, as adjusted in accordance with Rule 10
"Grantee"	A person to whom an offer of an Option is made
"Group"	The Company and its Subsidiaries
"Group Employee"	Any confirmed full time employee of the Group (including any Executive Director) selected by the Committee to participate in the ESOS in accordance with Rule 4
"Listing Manual"	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
"Market Day"	A day on which the SGX-ST is open for trading in securities
"Market Price"	A price equal to the average of the last dealt prices for the Shares on Catalist over the five consecutive Trading Days immediately preceding the Date of Grant of that Option, as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices
"Non-Executive Director"	A director of the Company and/or its Subsidiaries, as the case may be, other than an Executive Director but including the independent Directors of the Company
"Offer Date"	The date on which an offer to grant an Option is made pursuant to the ESOS
"Offeree"	The person to whom an offer of an Option is made
"Option"	The right to subscribe for Shares granted or to be granted to a Group Employee pursuant to the ESOS and for the time being subsisting

"Participant"	The holder of an Option
"Record Date"	The date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions
"Rules"	Rules of the Don Agro Employee Share Option Scheme
"securities account"	The securities account maintained by a Depositor with CDP
"SGX-ST"	Singapore Exchange Securities Trading Limited
"Shareholders"	Registered holders of Shares, except where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, mean the Depositors whose securities accounts are credited with Shares
"Shares"	Ordinary shares in the capital of the Company
"Sponsor"	The sponsor appointed by the Company in accordance with the Listing Manual, for such time as the Company remains listed on the Catalist Board of the SGX-ST
"Subsidiaries"	Companies which are for the time being subsidiaries of the Company as defined by Section 5 of the Act; and "Subsidiary" means each of them
"Trading Day"	A day on which the Shares are traded on the Official List of Catalist
"per cent."	Percentage or per centum
"S$"* or *"$" and *"cents"*	Singapore dollars and cents respectively

2.2 The term "Depositor", "Depository Register" and "Depository Agent" shall have the meanings ascribed to it by Section 130A of the Act and the term "associate" shall have the meaning ascribed to it by the Listing Manual or any other publication prescribing rules or regulations for corporations admitted to the Official List of Catalist (as modified, supplemented or amended from time to time).

2.3 Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.

2.4 Any reference to a time of a day in the ESOS is a reference to Singapore time.

2.5 Any reference in the ESOS to any enactment is a reference to that enactment as for the time being amended or re-enacted. Unless otherwise defined, any word defined under the Act or any statutory modification thereof and used in the ESOS shall have the meaning assigned to it under the Act.

3. OBJECTIVES OF THE ESOS

3.1 The ESOS will provide an opportunity for Group Employees who have contributed significantly to the growth and performance of the Group (including Executive Directors) and Non-Executive Directors (including Independent Directors) and who satisfy the eligibility criteria as set out in Rule 4 of the ESOS, to participate in the equity of the Company.

3.2 The ESOS is primarily a share incentive scheme. It recognises the fact that the services of such Group Employees are important to the success and continued well-being of the Group. Implementation of the ESOS will enable the Company to give recognition to the contributions made by such Group Employees. At the same time, it will give such Group Employees an opportunity to have a direct interest in the Company and will also help to achieve the following positive objectives:

(a) to motivate each Participant to optimise his performance standards and efficiency and to maintain a high level of contribution to the Group;

(b) to retain key employees and Directors whose contributions are essential to the long-term growth and profitability of the Group;

(c) to instil loyalty to, and a stronger identification by the Participants with the long-term prosperity of, the Group;

(d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders; and

(e) to align the interests of the Participants with the interests of the Shareholders.

4. ELIGIBILITY

4.1 Confirmed Group Employees (including Executive Directors) and Non-Executive Directors (including Independent Directors) who have attained the age of twenty-one (21) years on or prior to the relevant Offer Date and are not undischarged bankrupts and have not entered into a composition with their respective creditors, shall be eligible to participate in the ESOS at the absolute discretion of the Committee.

4.2 Controlling Shareholders and their Associates who meet the eligibility criteria in Rule 4.1 shall be eligible to participate in the ESOS, provided that (a) the participation of, and (b) the terms of any Options to be granted and the actual number of Options to be granted under the ESOS, to a Participant who is a Controlling Shareholder or an Associate of a Controlling Shareholder shall be approved by the independent Shareholders in separate resolutions for each such person. The Company will at such time provide the rationale and justification for any proposal to grant the Controlling Shareholder or his Associate any Options (including the rationale for any discount to the market price, if so proposed).

Such Controlling Shareholder and his Associate shall abstain from voting on the resolution in relation to his participation in this ESOS and the grant of Options to him.

4.3 For the purposes of determining eligibility to participate in the ESOS, the secondment of a confirmed Group Employee to another company within the Group shall not be regarded as a break in his employment or his having ceased by reason only of such secondment to be a full-time employee of the Group.

4.4 There will be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any other companies within the Group.

4.5 Subject to the Act and any requirement of the SGX-ST, the terms of eligibility for participation in the ESOS may be amended from time to time at the absolute discretion of the Committee, which would be exercised judiciously.

5. MAXIMUM ENTITLEMENT

5.1 Subject to Rule 4, Rule 5.1, Rule 5.2 and Rule 10, the aggregate number of Shares in respect of which Options may be offered to a Grantee for subscription in accordance with the ESOS shall be determined the discretion of the Committee, who shall take into account criteria such as rank, past performance, years of service and potential development of the Participant. The Committee may also, in its discretion, prescribe performance targets based on factors including but not limited to the Group's business goals and directions for each financial year, the Grantee's job scope and responsibilities, and the prevailing market and economic conditions.

5.2 The aggregate number of Shares issued and issuable in respect of all Options granted under the ESOS available to the Controlling Shareholders or Associates of the Controlling Shareholders shall not exceed 25.0% of the total number of Shares available under the ESOS.

5.3 The number of Shares issued and issuable in respect of all Options granted under the ESOS available to each Controlling Shareholder or Associate of a Controlling Shareholder under the ESOS shall not exceed 10.0% of the total number of Shares available under the ESOS.

6. LIMITATION ON SIZE OF THE ESOS

The total number of Shares over which the Committee may grant Options on any date, when added to the number of Shares issued and issuable in respect of (a) all Options granted under the ESOS; and (b) all outstanding options or awards granted under such other share-based incentive schemes of the Company, shall not exceed 15.0% of the number of issued Shares (including treasury shares, as defined in the Companies Act) on the day immediately preceding the Offer Date of the Option.

7. OFFER DATE

7.1 The Committee may, save as provided in Rule 4, Rule 5 and Rule 6, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the ESOS is in force, except that no Option shall be granted during the period of 30 days immediately preceding the date of announcement of the Company's interim and/or final results (as the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, offers to grant Options may only be made on or after the second Market Day on which such announcement is released.

7.2 An offer to grant the Option to a Grantee shall be made by way of a letter (the "Letter of Offer") in the form or substantially in the form set out in Schedule A, subject to such amendments as the Committee may determine from time to time.

8. ACCEPTANCE OF OFFER

8.1 An Option offered to a Grantee pursuant to Rule 7 may only be accepted by the Grantee within 30 days after the relevant Offer Date and not later than 5.00 p.m. on the 30th day from such Offer Date (a) by completing, signing and returning to the Company the acceptance form ("Acceptance Form") in or substantially in the form set out in Schedule B, subject to such modification as the Committee may from time to time determine, accompanied by payment of S$1.00 as consideration and (b) if, at the date on which the Company receives from the Grantee the Acceptance Form in respect of the Option as aforesaid, he remains eligible to participate in the ESOS in accordance with these Rules.

8.2 If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8.1, such offer shall, upon the expiry of the 30 day period, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.

8.3 The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 or exercise notice ("Exercise Notice") in or substantially in the form set out in Schedule C given pursuant to Rule 12 which does not strictly comply with the terms of the ESOS.

8.4 Options are personal to the Grantees to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee's prior written approval, but may be exercised by the Grantee's duly appointed personal representative as provided in Rule 11.6 in the event of the death of such Grantee.

8.5 The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 100 Shares.

8.6 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and be of no effect and the relevant Participant shall have no claim whatsoever against the Company.

8.7 Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:

(a) it is not accepted in the manner as provided in Rule 8.1 within the thirty (30) day period; or

(b) the Grantee dies prior to his acceptance of the Option; or

(c) the Grantee is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or

(d) the Grantee being a Group Employee ceases to be in the employment of the Group or (being a Director) ceases to be a Director of the Company, in each case, for any reason whatsoever prior to his acceptance of the Option; or

(e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

9. EXERCISE PRICE

9.1 Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee, in its absolute discretion, on the Date of Grant, at:

(a) a price equal to the Market Price; or

(b) a price which is set at a discount to the Market Price, provided that:

(i) the maximum discount shall not exceed 20.0% of the Market Price (or such other percentage or amount as may be determined by the Committee and permitted by the SGX-ST); and

(ii) the Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the ESOS at a discount not exceeding the maximum discount as aforesaid.

9.2 In making any determination under Rule 9.1(b) on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:

(a) the performance of the Company and/or its Subsidiaries, as the case may be;

(b) the years of service and individual performance of the eligible Group Employee or Director;

(c) the contribution of the eligible Group Employee or Director to the success and development of the Company and/or the Group; and

(d) the prevailing market conditions.

9.3 In the event that the Company is no longer listed on Catalist or any other relevant stock exchange or trading in the Shares on Catalist or such stock exchange is suspended for any reason for 14 days or more, the Exercise Price for each Share in respect of which an Option is exercisable shall be the fair market value of each such Share as determined by the Committee in good faith.

10. ALTERATION OF CAPITAL

10.1 If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction (including any reduction arising by reason of the Company purchasing or acquiring its issued Shares), subdivision, consolidation or distribution, or otherwise howsoever) should take place, then:

(a) the Exercise Price for the Shares, class and/or number of Shares comprised in the Options to the extent unexercised and the rights attached thereto; and/or

(b) the class and/or number of Shares in respect of which additional Options may be granted to Participants,

may be adjusted in such manner as the Committee may determine to be appropriate including retrospective adjustments where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

10.2 Notwithstanding the provisions of Rule 10.1 above, no such adjustment shall be made:

(a) if as a result, the Participant receives a benefit that a Shareholder does not receive; and

(b) unless the Committee, after considering all relevant circumstances, considers it equitable to do so.

10.3 The issue of securities as consideration for an acquisition of any assets by the Company, or the cancellation of issued Shares purchased or acquired by the Company by way of market purchase of such Shares undertaken by the Company on Catalist during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force, shall not be regarded as a circumstance requiring adjustment under the provisions of this Rule 10, unless the Committee considers an adjustment to be appropriate, having due regard to the interests of Shareholders and Participants.

10.4 The restriction on the number of Shares to be offered to any Grantee under Rule 5 above, shall not apply to the number of additional Shares or Options over additional Shares issued by virtue of any adjustment to the number of Shares and/or Options pursuant to this Rule 10.

10.5 Upon any adjustment required to be made pursuant to this Rule 10, the Company shall notify each Participant (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised. Any adjustment shall take effect upon such written notification being given.

11. OPTION PERIOD

11.1 Options granted with the Exercise Price set at Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), at any time, by a Participant after the first anniversary of the Offer Date of that Option, Provided Always that the Options shall be exercised before the tenth anniversary of the relevant Offer Date (or, in the case of Options granted to a Non-Executive Director, before the fifth anniversary of the relevant Offer Date), or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

11.2 Options granted with the Exercise Price set at a discount to Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), at any time, by a Participant after the second anniversary from the Offer Date of that Option, Provided always that the Options shall be exercised before the tenth anniversary of the relevant Offer Date (or, in the case of Options granted to a Non-Executive Director, before the fifth anniversary of the relevant Offer Date), or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

11.3 An Option shall, to the extent unexercised, immediately lapse and become null and void and a Participant shall have no claim against the Company:

(a) subject to Rules 11.4, 11.5 and 11.6, upon the Participant ceasing to be in the employment of the Company or any of the companies within the Group for any reason whatsoever; or

(b) upon the bankruptcy of the Participant or the happening of any other event which result in his being deprived of the legal or beneficial ownership of such Option; or

(c) in the event of misconduct on the part of the Participant, as determined by the Committee in its absolute discretion.

For the purpose of Rule 11.3(a), a Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

11.4 If a Participant ceases to be employed by the Group by reason of his:

(a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;

(b) redundancy;

(c) retirement at or after a normal retirement age; or

(d) retirement before that age with the consent of the Committee,

or for any other reason approved in writing by the Committee, he may, at the absolute discretion of the Committee exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.5 If a Participant ceases to be employed by a Subsidiary:

(a) by reason of the Subsidiary, by which he is principally employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such Subsidiary, being transferred otherwise than to another company within the Group; or

(b) for any other reason, provided the Committee gives its consent in writing, he may, at the absolute discretion of the Committee, exercise any unexercised Options within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.6 If a Participant dies and at the date of his death holds any unexercised Option, such Option may, at the absolute discretion of the Committee, be exercised by the duly appointed legal personal representatives of the Participant within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.7 If a Participant, who is also an Executive Director, ceases to be a Director for any reason whatsoever, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

12. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

12.1 An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), by a Participant giving notice in writing to the Company in or substantially in the form set out in Schedule C (the "Exercise Notice"), subject to such amendments as the Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Committee may require. All payments shall be made by cheque, cashier's order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the abovementioned Notice duly completed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.

12.2 Subject to:

(a) such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary; and

(b) compliance with the Rules, the Act and the Constitution of the Company, the Company shall, as soon as practicable after the exercise of an Option by a Participant but in any event within 10 Market Days after the date of the exercise of the Option in accordance with Rule 12.1, allot the Shares in respect of which such Option has been exercised by the Participant and within five (5) Market Days from the date of such allotment, despatch the relevant share certificates to CDP for the credit of the securities account of that Participant by ordinary post or such other mode of delivery as the Committee may deem fit.

12.3 The Company shall, if necessary, as soon as practicable after the exercise of an Option, apply for the listing and quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Participant pursuant to any adjustments made in accordance with Rule 10.

12.4 Shares which are allotted on the exercise of an Option by a Participant shall be issued, as the Participant may elect, in the name of CDP to the credit of the securities account of the Participant maintained with CDP or the Participant's securities sub-account with a CDP Depository Agent.

12.5 Shares allotted and issued upon the exercise of an Option shall be subject to all provisions of the Constitution of the Company and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividends, rights, allotments or other distributions, the Record Date for which is prior to the date such Option is exercised.

12.6 The Company shall keep available sufficient unissued Shares to satisfy the full exercise of all Options for the time being remaining capable of being exercised.

13. MODIFICATIONS TO THE ESOS

13.1 Any or all the provisions of the ESOS may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:

(a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) of the total number of Shares which would fall to be allotted upon exercise in full of all outstanding Options;

(b) any modification or alteration which would be to the advantage of Participants under the ESOS shall be subject to the prior approval of the Shareholders in general meeting; and

(c) no modification or alteration shall be made without the prior approval of the Sponsor or (if required) any other stock exchange on which the Shares are quoted and listed, and such other regulatory authorities as may be necessary.

For the purposes of Rule 13.1(a), the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive.

13.2 Notwithstanding anything to the contrary contained in Rule 13.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the Sponsor) amend or alter the ESOS in any way to the extent necessary to cause the ESOS to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body.

13.3 Written notice of any modification or alteration made in accordance with this Rule 13 shall be given to all Participants.

14. DURATION OF THE ESOS

14.1 The ESOS shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years, commencing on the date on which the ESOS is adopted by the Company in general meeting. Subject to compliance with any applicable laws and regulations in Singapore, the ESOS may be continued beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

14.2 The ESOS may be terminated at any time by the Committee or by ordinary resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the ESOS is so terminated, no further Options shall be offered by the Company hereunder.

14.3 The termination, discontinuance or expiry of the ESOS shall be without prejudice to the rights accrued to Options which have been granted and accepted as provided in Rule 8, whether such Options have been exercised (whether fully or partially) or not.

15. TAKE-OVER AND WINDING UP OF THE COMPANY

15.1 In the event of a take-over offer being made for the Company, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rules 11.1 and 11.2) holding Options as yet unexercised shall, notwithstanding Rules 11 and 12 but subject to Rule 15.5, be entitled to exercise such Options in full or in part during the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

(a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6) month period, at the recommendation of the offeror and with the approvals of the Committee and the Sponsor, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Option Period relating thereto); or

(b) the date of the expiry of the Option Period relating thereto,

whereupon any Option then remaining unexercised shall immediately lapse and become null and void.

Provided Always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under the provisions of the Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participants until such specified date or the expiry of the Option Period relating thereto, whichever is earlier. Any Option not so exercised by the said specified date shall lapse and become null and void.

Provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 11.3, remain exercisable until the expiry of the Option Period.

15.2 If, under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another corporation or corporations, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and 11.2) shall notwithstanding Rules 11 and 12 but subject to Rule 15.5, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon any unexercised Option shall lapse and become null and void, Provided always that the date of exercise of any Option shall be before the expiry of the relevant Option Period.

15.3 If an order or an effective resolution is passed for the winding up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.

15.4 In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provision of this Rule 15.4) and thereupon, each Participant (or his personal representative) shall be entitled to exercise all or any of his Options at any time not later than two business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the shares in respect of which the notice is given whereupon the Company shall as soon as possible and in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Participant credited as fully paid.

15.5 If in connection with the making of a general offer referred to in Rule 15.1 above or the scheme referred to in Rule 15.2 above or the winding up referred to in Rule 15.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 15.

15.6 If the events stipulated in this Rule 15 should occur, to the extent that an Option is not exercised within the respective periods referred to herein in this Rule 15, it shall lapse and become null and void.

16. ADMINISTRATION OF THE ESOS

16.1 The ESOS shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred upon it by the Board.

16.2 The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the ESOS) as it may consider necessary, desirable or expedient for it to administer and give effect to the ESOS.

16.3 Any decision of the Committee, made pursuant to any Rule of the ESOS (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Rules of the ESOS or any rule, regulation or procedure thereunder or as to any rights under the ESOS).

16.4 A Director who is a member of the Committee shall not be involved in its deliberation in respect of Options to be granted to him.

17. NOTICES

17.1 Any notice given by a Participant to the Company shall be sent by post or delivered to the registered office of the Company or such other address as may be notified by the Company to the Participant in writing.

17.2 Any notice or documents given by the Company to a Participant shall be sent to the Participant by hand or sent to him at his home address stated in the records of the Company or the last known address of the Participant, and if sent by post shall be deemed to have been given on the day immediately following the date of posting.

18. TERMS OF EMPLOYMENT UNAFFECTED

18.1 The ESOS or any Option shall not form part of any contract of employment between the Company or any Subsidiary (as the case may be) and any Participant and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the ESOS or any right which he may have to participate in it or any Option which he may hold and the ESOS or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.

18.2 The ESOS shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company and/or any Subsidiary directly or indirectly or give rise to any cause of action at law or in equity against the Company or any Subsidiary.

19. TAXES

All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the ESOS shall be borne by that Participant.

20. COSTS AND EXPENSES OF THE ESOS

20.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP or the Participant's securities sub-account with a Depository Agent or CPF investment account with a CPF agent bank and all taxes referred to in Rule 19 which shall be payable by the relevant Participant.

20.2 Save for such costs and expenses expressly provided in the Rules to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the ESOS including but not limited to the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the exercise of any Option shall be borne by the Company.

21. CONDITION OF OPTION

Every Option shall be subject to the condition that no Shares shall be issued pursuant to the exercise of an Option if such issue would be contrary to the constitutive documents of the Company or any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country.

22. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained and subject to the Act, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in respect of any matter under or in connection with the ESOS, including but not limited to the Company's delay in allotting and issuing the Shares or in applying for or procuring the listing of the Shares on Catalist (or any other relevant stock exchange).

23. DISCLOSURE IN ANNUAL REPORT

The Company shall make the following disclosure in its annual report:

(a) The names of the members of the Committee;

(b) The information required in the table below for the following Participants (which for the avoidance of doubt, shall include Participants who have exercised all their Options in any particular financial year):

(i) participants who are Directors of the Company; and

(ii) participants who are controlling shareholders of the Company and their associates; and

(iii) participants, other than those in (i) and (ii) above, who receive 5% or more of the total number of Options available under the scheme;

Name of Participant	Options granted during financial year under review (including terms)	Aggregate Options granted since commencement of the ESOS to end of financial year under review	Aggregate Options exercised since commencement of the ESOS to end of financial year under review	Aggregate Options outstanding as at end of financial year under review

(c) In respect of Options granted to directors and employees of the parent company and its subsidiaries:

(i) the names of and number and terms of Options granted to each director or employee of the parent company and its subsidiaries who receives 5% or more of the total number of Options available to all directors and employees of the parent company and its subsidiaries under the scheme, during the financial year under review; and

(ii) the aggregate number of Options granted to the directors and employees of the parent company and its subsidiaries for the financial year under review, and since the commencement of the scheme to the end of the financial year under review.

(d) The number and proportion of Options granted at the following discounts to average market value of the Shares in the financial year under review:

(i) Options granted at up to 10.0% discount; and

(ii) Options granted at between 10.0% but not more than 20.0% discount.

Provided that if any of the above requirements is not applicable, an appropriate negative statement must be included.

24. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the ESOS shall abstain from voting on any Shareholders' resolution relating to the ESOS, including (a) the implementation of the ESOS; (b) the discount quantum; and (c) the participation by and option grant to controlling shareholders and their associates.

25. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

26. GOVERNING LAW

The ESOS shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting Options in accordance with the ESOS, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

Schedule A

DON AGRO EMPLOYEE SHARE OPTION SCHEME

LETTER OF OFFER

Serial No: __________________

Date: __________________

To: [Name]
[Designation]
[Address]

Private and Confidential

Dear Sir/Madam,

1. We have the pleasure of informing you that, pursuant to the Don Agro Employee Share Option Scheme (the "ESOS"), you have been nominated to participate in the ESOS by the Committee (the "Committee") appointed by the Board of Directors of Don Agro International Limited (the "Company") to administer the ESOS. Terms as defined in the Rules of the ESOS shall have the same meaning when used in this letter.

2. Accordingly, in consideration of the payment of a sum of S$1.00, an offer is hereby made to grant you an option (the "Option"), to subscribe for and be allotted _____________ Shares at the price of S$ _____________ per Share.

3. The Option is personal to you and shall not be transferred, charged, pledged, assigned or otherwise disposed of by you, in whole or in part, except with the prior approval of the Committee.

4. The Option shall be subject to the terms of the ESOS, a copy of which is available for inspection at the business address of the Company.

5. If you wish to accept the offer of the Option on the terms of this letter, please sign and return the enclosed Acceptance Form with a sum of S$1.00 not later than 5.00 p.m. on ___________________, failing which this offer will lapse.

Yours faithfully,
For and on behalf of

Don Agro International Limited

Name:
Designation:

Schedule B

DON AGRO EMPLOYEE SHARE OPTION SCHEME

ACCEPTANCE FORM

Serial No: __________________

Date: __________________

To: The Committee,
Don Agro Employee Share Option Scheme
Don Agro International Limited
10 Collyer Quay
#10-01 Ocean Financial Centre
Singapore 049315

Closing Date for Acceptance of Offer	:	__________________
Number of Shares Offered	:	__________________
Exercise Price for each Share	:	S$ __________________
Total Amount Payable	:	S$ __________________

I have read your Letter of Offer dated __________________ and agree to be bound by the terms of the Letter of Offer and ESOS referred to therein. Terms defined in your Letter of Offer shall have the same meanings when used in this Acceptance Form.

I hereby accept the Option to subscribe for ____________ Shares at S$ ____________ per Share. I enclose cash for S$1.00 in payment for the purchase of the Option/I authorise my employer to deduct the sum of S$1.00 from my salary in payment for the purchase of the Option.

I understand that I am not obliged to exercise the Option.

I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of shares in the Company or options to subscribe for such shares.

I further acknowledge and confirm that you have not made any representation to induce me to accept the offer in respect of the said Option and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

APPENDIX D – RULES OF THE DON AGRO EMPLOYEE SHARE OPTION SCHEME

Please print in block letters

Name in full : ____________________

Designation : ____________________

Address : ____________________

Nationality : ____________________

*NRIC/Passport No. : ____________________

Signature : ____________________

Date : ____________________

Note:

* Delete where inapplicable

Schedule C

DON AGRO EMPLOYEE SHARE OPTION SCHEME

EXERCISE NOTICE

Total number of ordinary shares (the "Shares") offered at S$ ____________ per Share (the "Exercise Price") under the ESOS on ____________ (Date of Grant)	:	________________________
Number of Shares previously allotted thereunder	:	________________________
Outstanding balance of Shares to be allotted thereunder	:	________________________
Number of Shares now to be subscribed	:	________________________

To: The Committee,
Don Agro Employee Share Option Scheme
Don Agro International Limited
10 Collyer Quay
#10-01 Ocean Financial Centre
Singapore 049315

1. Pursuant to your Letter of Offer dated ________________ and my acceptance thereof, I hereby exercise the Option to subscribe for ________________ Shares in Don Agro International Limited (the "Company") at S$ ________________ per Share.

2. I enclose a *cheque/cashiers order/banker's draft/postal order no. ________________ for S$ ________________ by way of subscription for the total number of the said Shares.

3. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the Don Agro Employee Share Option Scheme and the Constitution of the Company.

4. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.

5. I request the Company to allot and issue the Shares in the name of The Central Depository (Pte) Limited ("CDP") for credit of my *securities account with CDP/Sub-Account with the Depository Agent/CPF investment account with my Agent Bank specified below and I hereby agree to bear such fees or other charges as may be imposed by CDP in respect thereof.

APPENDIX D – RULES OF THE DON AGRO EMPLOYEE SHARE OPTION SCHEME

Please print in block letters

Name in full	:	____________________
Designation	:	____________________
Address	:	____________________
Nationality	:	____________________
*NRIC/Passport No.	:	____________________
*Direct Securities Account No.	:	____________________
OR		
*Sub Account No.	:	____________________
Name of Depository Agent	:	____________________
OR		
*CPF Investment Account No.	:	____________________
Name of Agent Bank	:	____________________
Signature	:	____________________
Date	:	____________________

Note:

* Delete where inapplicable

This page has been intentionally left blank.

APPENDIX E – PROPERTIES AND LEASES

The following table sets out the properties leased by our Group as at the date of lodgement of this Offer Document, with Material Multiple Lessor Leases (as defined in the section entitled "General Information on Our Group – Properties and Fixed Assets" of this Offer Document) highlighted in grey:

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
1.	9 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, 1.7 km west of sl. Pozdneevka	600,145 (equivalent to approximately 60.0 hectares)	10 years from 8 April 2019 to 8 April 2029(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 100 kg of sunflower, 1,000 kg of the straw on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more then 2,000 sq for free, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for placing of agricultural objects and agricultural grounds
2.	9 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District	376,340 (equivalent to approximately 37.6 hectares)	10 years from 8 April 2019 to 7 April 2029(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 100 kg of sunflower, 1,000 kg of the straw on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more then 2,000 sq for free, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
3.	9 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District	570,895 (equivalent to approximately 57.1 hectares)	10 years from 27 April 2019 to 27 April 2029(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 100 kg of sunflower, 1,000 kg of the straw on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more then 2,000 sq for free, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for placing of agricultural objects and agricultural grounds
4.	9 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District	412,888 (equivalent to approximately 41.3 hectares)	10 years from 27 April 2019 to 27 April 2029(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 100 kg of sunflower, 1,000 kg of the straw on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more then 2,000 sq for free, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for placing of agricultural objects and agricultural grounds

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
5.	31 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District	571,175 (equivalent to approximately 57.2 hectares)	10 years from 27 April 2019 to 27 April 2029[(6)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 100 kg of sunflower, 1,000 kg of the straw on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more then 2,000 sq for free, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land/Assigned for placing of agricultural objects and agricultural grounds
6.	31 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District	2,482,998 (equivalent to approximately 248.3 hectares)	10 years from 27 April 2019 to 27 April 2029[(6)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 100 kg of sunflower, 1,000 kg of the straw on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more then 2,000 sq for free, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land/Assigned for placing of agricultural objects and agricultural grounds
7.	31 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District	419,884 (equivalent to approximately 41.9 hectares)	10 years from 27 April 2019 to 27 April 2029[(6)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 100 kg of sunflower, 1,000 kg of the straw on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more then 2,000 sq for free, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land/Assigned for placing of agricultural objects and agricultural grounds
8.	28 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District	725,627 (equivalent to approximately 72.6 hectares)	10 years from 4 May 2019 to 4 May 2029[(6)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 100 kg of sunflower, 1,000 kg of the straw on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more then 2,000 sq for free, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land/Assigned for placing of agricultural objects and agricultural grounds

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
9.	28 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District	2,766,037 (equivalent to approximately 276.6 hectares)	10 years from 4 May 2019 to 4 May 2029[(6)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 100 kg of sunflower, 1,000 kg of the straw on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more then 2,000 sq for free, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land
10.	32 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District	781,751 (equivalent to approximately 78.2 hectares)	10 years from 29 April 2019 to 29 April 2029[(6)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 100 kg of sunflower, 1,000 kg of the straw on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more then 2,000 sq for free, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land/Assigned for agricultural production
11.	28 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District	140,129 (equivalent to approximately 14.0 hectares)	10 years from 4 May 2019 to 4 May 2029[(6)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 100 kg of sunflower, 1,000 kg of the straw on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more then 2,000 sq for free, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land
12.	32 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District	1,717,811 (equivalent to approximately 171.8 hectares)	10 years from 29 April 2019 to 29 April 2029[(6)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 100 kg of sunflower, 1,000 kg of the straw on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more then 2,000 sq for free, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
13.	32 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District	1,125,733 (equivalent to approximately 112.6 hectares)	10 years from 29 April 2019 to 29 April 2029[(6)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 100 kg of sunflower, 1,000 kg of the straw on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more then 2,000 sq for free, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land/Assigned for agricultural production
14.	8 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District	341,800 (equivalent to approximately 34.2 hectares)	10 years from 4 May 2019 to 4 May 2029[(6)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 100 kg of sunflower, 1,000 kg of the straw on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more then 2,000 sq for free, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land
15.	8 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District	542,613 (equivalent to approximately 54.3 hectares)	10 years from 4 May 2019 to 4 May 2029[(6)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 100 kg of sunflower, 1,000 kg of the straw on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more then 2,000 sq for free, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)].	Agricultural land
16.	Mrs. Datchenko Maria Mr. Korotkov Viktor Mr. Shinkarev Ivan	Rostov Oblast, Millerovsky District, southwest from sl. Krivorozhe	210,000 (equivalent to approximately 21.0 hectares)	10 years from 23 December 2009 to 23 December 2019[(6)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 100 kg of sunflower, 1,000 kg of the straw on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more then 2,000 sq for free, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
17.	Mr. Aliazov Sabirjan Mrs. Alieva Khalida	Rostov Oblast, Millerovsky District, southwest from sl. Krivorozhe	136,000 (equivalent to approximately 13.6 hectares)	10 years from 23 December 2009 to 23 December 2019(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 100 kg of sunflower, 1,000 kg of the straw on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more then 2,000 sq for free, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessor's.(1)	Agricultural land
18.	7 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, southeast from sl. Krivorozhe	466,156 (equivalent to approximately 46.6 hectares)	10 years from 23 December 2009 to 23 December 2019(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 100 kg of sunflower, 1,000 kg of the straw on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more then 2,000 sq for free, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for placing of agricultural objects and agricultural grounds
19.	Mr. Ovcharov Alexander	Rostov Oblast, Millerovsky District, southeast from sl. Krivorozhe, west part of the cadastral quarter 61:22:0600024	196,000 (equivalent to approximately 19.6 hectares)	10 years 8 months from 17 April 2017 to 31 December 2027(9)	Lease payment in kind at the rate of 2,800 kg of the grain fodder, including 400 kg of corn or sorgo, 50 l of sunflower oil (or 200kg of sunflower), 2,000 kg of the straw (or 40kg of flour) on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more than 2,000 sq for free, to pay for the funeral in case of the lessors death to the heir of interest of the land plot, to compensate land tax to the lessor.	Agricultural land/Assigned for placing of agricultural objects and agricultural grounds
20.	12 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, southeast from sl. Krivorozhe	408,000 (equivalent to approximately 40.8 hectares)	10 years from 23 December 2009 to 23 December 2019(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 100 kg of sunflower, 1,000 kg of the straw on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more then 2,000 sq for free, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for placing of agricultural objects and agricultural grounds

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
21.	Nikolay Ivanovich Pleskachev	Rostov Oblast, Millerovsky District	54,530 (equivalent to approximately 5.4 hectares)	5 years from 3 August 2019 to 3 August 2024(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the wheat fodder, 30 kg of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the prive of RR10 per 100 sq m, to pay for the funeral, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
22.	141 co-owners of a land plot (natural persons and Don Agro LLC)	Rostov Oblast, Millerovsky District, around s. Rogalik	14,539,413 (equivalent to approximately 1,453.9 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,600 kg of the grain fodder including 200 kg of the corn, 30 kg of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
23.	Mrs. Nina Nisheva	Rostov Oblast, Millerovsky District, within the borders of the cadastral quarter No. 61:22:0600018	89,950 (equivalent to approximately 9.0 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027(8)	Lease payment in kind of 1,600 kg of the grain fodder including 200 kg of the corn, 30 kg of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
24.	Mrs. Ludmila Karamzina	Rostov Oblast, Millerovsky District, within the borders of the cadastral quarter No. 61:22:0600018	6,202 (equivalent to approximately 0.6 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027(8)	Lease payment (for three land plots leased by the Company from Mrs. Ludmila Karamzina) in kind of 1,600 kg of the grain fodder including 200 kg of the corn, 30 kg of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
25.	Mrs. Ludmila Karamzina	Rostov Oblast, Millerovsky District, within the borders of the cadastral quarter No. 61:22:0600018	35,000 (equivalent to approximately 3.5 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027(8)	Lease payment (for three land plots leased by the Company from Mrs. Ludmila Karamzina) in kind of 1,600 kg of the grain fodder including 200 kg of the corn, 30 kg of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
26.	Mrs. Karamzina Ludmila	Rostov Oblast, Millerovsky District, within the borders of the cadastral quarter No. 61:22:0600018	40,344 (equivalent to approximately 4.0 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027(8)	Lease payment (for three land plots leased by the Company from Mrs. Ludmila Karamzina) in kind of 1,600 kg of the grain fodder including 200 kg of the corn, 30 kg of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
27.	Mr. Djanibekov Kemal	Rostov Oblast, Millerovsky District, within the borders of the cadastral quarter No. 61:22:0600018	194,071 (equivalent to approximately 19.4 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027(8)	Lease payment in kind of 3,200 kg of the grain fodder including 400 kg of the corn, 60 kg of the sunflower oil, 100 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 4,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
28.	Mrs. Schilova Nadezdah	Rostov Oblast, Millerovsky District, within the borders of the cadastral quarter No. 61:22:0600018	81,539 (equivalent to approximately 8.1 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027(8)	Lease payment in kind of 1,600 kg of the grain fodder including 200 kg of the corn, 30 kg of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
29.	23 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, within the borders of the cadastral quarter No. 61:22:0600018	3,008,107 (equivalent to approximately 300.8 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,600 kg of the grain fodder including 200 kg of the corn, 30 kg of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
30.	8 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, within the borders of the cadastral quarter No. 61:22:0600018	873,321 (equivalent to approximately 87.3 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 9 shares) at the rate of 1,600 kg of the grain fodder including 200 kg of the corn, 30 kg of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
31.	14 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, within the borders of the cadastral quarter No. 61:22:0600018	2,037,750 (equivalent to approximately 203.7 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 21 shares) at the rate of 1,600 kg of the grain fodder including 200 kg of the corn, 30 kg of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
32.	31 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, within the borders of the cadastral quarter No. 61:22:0600018	3,493,285 (equivalent to approximately 349.3 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 36 shares) at the rate of 1,600 kg of the grain fodder including 200 kg of the corn, 30 kg of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
33.	15 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, within the borders of the cadastral quarter No. 61:22:0600018	1,843,679 (equivalent to approximately 184.4 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 19 shares) at the rate of 1,600 kg of the grain fodder including 200 kg of the corn, 30 kg of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land/Assigned for agricultural production
34.	14 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, within the borders of the cadastral quarter No. 61:22:0600018	1,552,572 (equivalent to approximately 155.3 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 16 shares) at the rate of 1,600 kg of the grain fodder including 200 kg of the corn, 30 kg of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land/Assigned for agricultural production
35.	Mr. Tonchinskiy Andrey	Rostov Oblast, Millerovsky District, within the borders of the cadastral quarter No. 61:22:0600018	119,683 (equivalent to approximately 11.9 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027[(8)]	Lease payment in kind of 1,600 kg of the grain fodder including 200 kg of the corn, 30 kg of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land/Assigned for agricultural production
36.	Mrs. Tonchinskaya Natalia	Rostov Oblast, Millerovsky District, within the borders of the cadastral quarter No. 61:22:0600018	119,683 (equivalent to approximately 11.9 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027[(8)]	Lease payment in kind of 1,600 kg of the grain fodder including 200 kg of the corn, 30 kg of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
37.	Mrs. Tonchinskaya Eva	Rostov Oblast, Millerovsky District, within the borders of the cadastral quarter No. 61:22:0600018	119,683 (equivalent to approximately 11.9 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027[8]	Lease payment in kind of 1,600 kg of the grain fodder including 200 kg of the corn, 30 kg of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[1]	Agricultural land/Assigned for agricultural production
38.	Mr. Tonchinskiy Sergey	Rostov Oblast, Millerovsky District, within the borders of the cadastral quarter No. 61:22:0600018	119,683 (equivalent to approximately 11.9 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027[8]	Lease payment in kind of 1,600 kg of the grain fodder including 200 kg of the corn, 30 kg of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[1]	Agricultural land/Assigned for agricultural production
39.	Mr. Demchenko Aleksey	Rostov Oblast, Millerovsky District, within the borders of the cadastral quarter No. 61:22:0600018	269,850 (equivalent to approximately 26.9 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027[8]	Lease payment in kind of 4,800 kg of the grain fodder including 600 kg of the corn, 90 kg of the sunflower oil, 150 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[1]	Agricultural land/Assigned for agricultural production
40.	Mrs. Demchenko Valentina	Rostov Oblast, Millerovsky District, within the borders of the cadastral quarter No. 61:22:0600018	179,900 (equivalent to approximately 18.0 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027[8]	Lease payment in kind of 1,600 kg of the grain fodder including 400 kg of the corn, 60 kg of the sunflower oil, 100 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[1]	Agricultural land/Assigned for agricultural production
41.	Mrs. Zaikina Nadezhda	Rostov Oblast, Millerovsky District, within the borders of the cadastral quarter No. 61:22:0600018	89,950 (equivalent to approximately 9.0 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027[8]	Lease payment in kind of 1,600 kg of the grain fodder including 200 kg of the corn, 30 kg of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
42.	Mr. Zaikin Sergey	Rostov Oblast, Millerovsky District, within the borders of the cadastral quarter No. 61:22:0600018	89,950 (equivalent to approximately 9.0 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027(8)	Lease payment in kind of 1,600 kg of the grain fodder including 200 kg of the corn, 30 kg of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production
43.	Mrs. Zaikina Nina	Rostov Oblast, Millerovsky District, within the borders of the cadastral quarter No. 61:22:0600018	89,950 (equivalent to approximately 9.0 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027(8)	Lease payment in kind of 1,600 kg of the grain fodder including 200 kg of the corn, 30 kg of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production
44.	Mr. Anatoliy Shaposhnikov	Rostov Oblast, Millerovsky District,. s/p Voloshinskoe, in the north part of the cadastral block 61:22:0600017	95,631 (equivalent to approximately 9.5 hectares)	10 years from 19 January 2017 to 19 January 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder 12 kg of the sunflower, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR10 per 100 sq m, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
45.	Mr. Sergey Nazarenko Mr. Alexander Pogorelov	Rostov Oblast, Millerovsky District, s/p. Voloshinskoe, in the border of cadastral block No. 61:22:0600017	191,266 (equivalent to approximately 19.1 hectares)	10 years from 14 February 2017 to 14 February 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder 12 kg of the sunflower, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR10 per 100 sq m, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessor's.(1)	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
46.	22 co-owners of a Land plot (natural persons)	Rostov Oblast, Millerovsky District, southwest, south and east from sl. Voloshino	881,912 (equivalent to approximately 88.2 hectares)	11 years from 15 December 2016 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,600 kg of the grain fodder including 200 kg of the corn, 25 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land/Assigned for agricultural production
47.	6 co-owners of a Land plot (natural persons)	Rostov Oblast, Millerovsky District, sl. Voloshino, within the borders of the kadastral quarter No. 61:22:0600017	587,940 (equivalent to approximately 58.8 hectares)	11 years from 15 December 2016 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,600 kg of the grain fodder including 200 kg of the corn, 25 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production
48.	6 co-owners of a Land plot (natural persons)	Rostov Oblast, Millerovsky District, s. Voloshino, south part of the cadastral quarter No. 61:22:0600017	587,940 (equivalent to approximately 58.8 hectares)	11 years from 15 December 2016 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,600 kg of the grain fodder including 200 kg of the corn, 25 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
49.	247 co-owners of a Land plot (natural persons and Don Agro LLC	Rostov Oblast, Millerovsky District, northwest, north, northeast, east, southeast, south, west from sl. Voloshino	10,825,874 (equivalent to approximately 1,082.6 hectares)	10 years 6 months from 8 June 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 2,000 kg of the grain fodder including 300 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the light wheat flour, 10 kg of sugar on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR10,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
50.	28 co-owners of a Land plot (natural persons)	Rostov Oblast, Millerovsky District, s/p Voloshinskoe, within the borders of the cadastral quarter No. 61:22:0600017	3,038,000 (equivalent to approximately 303.8 hectares)	10 years 6 months from 8 June 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 2,000 kg of the grain fodder including 300 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the light wheat flour, 10 kg of sugar on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR10,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
51.	15 co-owners of a Land plot (natural persons)	Rostov Oblast, Millerovsky District, s/p Voloshinskoe, within the borders of the cadastral quarter No. 61:22:0600017	2,058,000 (equivalent to approximately 205.8 hectares)	10 years 6 months from 8 June 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 2,000 kg of the grain fodder including 300 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the light wheat flour, 10 kg of sugar on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR10,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
52.	10 co-owners of a Land plot (natural persons)	Rostov Oblast, Millerovsky District, s/p Voloshinskoe, within the borders of the cadastral quarter No. 61:22:0600017	1,274,000 (equivalent to approximately 127.4 hectares)	10 years 6 months from 8 June 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 2,000 kg of the grain fodder including 300 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessor's written application), 50 kg of the light wheat flour, 10 kg of sugar on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR10,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
53.	8 co-owners of a Land plot (natural persons)	Rostov Oblast, Millerovsky District, s/p Voloshinskoe, within the borders of the cadastral quarter No. 61:22:0600017	882,000 (equivalent to approximately 88.2 hectares)	10 years 6 months from 8 June 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 2,000 kg of the grain fodder including 300 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessor's written application), 50 kg of the light wheat flour, 10 kg of sugar on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR10,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
54.	Mr. Gorohov Ivan	Rostov Oblast, Millerovsky District, s/p Voloshinskoe, within the borders of the cadastral quarter No. 61:22:0600017	196,000 (equivalent to approximately 19.6 hectares)	10 years 6 months from 8 June 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 2,000 kg of the grain fodder including 300 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessor's written application), 50 kg of the light wheat flour, 10 kg of sugar on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR10,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessor.(1)	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
55.	14 co-owners of a Land plot (natural persons)	Rostov Oblast, Millerovsky District, s/p Voloshinskoe, within the borders of the cadastral quarter No. 61:22:0600017	1,535,333 (equivalent to approximately 153.5 hectares)	10 years 6 months from 8 June 2017 to 31 December 2027[8]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 2,000 kg of the grain fodder including 300 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the light wheat flour, 10 kg of sugar on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR10,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[1]	Agricultural land/Assigned for agricultural production
56.	Mr. Chernishev Alexander Mr. Chernishev Sergey	Rostov Oblast, Millerovsky District, s/p Voloshinskoe, within the borders of the cadastral quarter No. 61:22:0600017	196,000 (equivalent to approximately 19.6 hectares)	10 years 6 months from 8 June 2017 to 31 December 2027[8]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 2,000 kg of the grain fodder including 300 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the light wheat flour, 10 kg of sugar on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR10,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[1]	Agricultural land/Assigned for agricultural production
57.	12 co-owners of a Land plot (natural persons)	Rostov Oblast, Millerovsky District, s/p Voloshinskoe, within the borders of the cadastral quarter 61:22:0600017	1,568,000 (equivalent to approximately 156.8 hectares)	10 years 6 months from 8 June 2017 to 31 December 2027[8]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 2,000 kg of the grain fodder including 300 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the light wheat flour, 10 kg of sugar on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR10,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[1]	Agricultural land/Assigned for agricultural production

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
58.	Mr. Odinokin Anatoliy Mrs. Olenyak Ludmila Mr. Olenyak Vladimir	Rostov Oblast, Millerovsky District, s/p Voloshinskoe, within the borders of the cadastral quarter 61:22:0600017	294,000 (equivalent to approximately 29.4 hectares)	10 years 6 months from 8 June 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 2,000 kg of the grain fodder including 300 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessor's written application), 50 kg of the light wheat flour, 10 kg of sugar on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR10,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
59.	11 co-owners of a Land plot (natural persons)	Rostov Oblast, Millerovsky District, s/p Voloshinskoe, within the borders of the cadastral quarter 61:22:0600017	1,568,000 (equivalent to approximately 156.8 hectares)	10 years 6 months from 8 June 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 2,000 kg of the grain fodder including 300 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessor's written application), 50 kg of the light wheat flour, 10 kg of sugar on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR10,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
60.	Mr. Pogrebniyak Yuriy	Rostov Oblast, Millerovsky District, s/p Voloshinskoe, within the borders of the cadastral quarter 61:22:0600017	98,000 (equivalent to approximately 9.8 hectares)	10 years 6 months from 8 June 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 2,000 kg of the grain fodder including 300 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessor's written application), 50 kg of the light wheat flour, 10 kg of sugar on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR10,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessor.(1)	Agricultural land/Assigned for agricultural production
61.	Voloshinskaya settlement administration of Millerovsky District(2)	Rostov Oblast, Millerovsky District	401,000 (equivalent to approximately 40.1 hectares)	9 years 10 months from 25 January 2012 to 24 November 2021	44,455.23	Agricultural land
62.	Voloshinskaya settlement administration of Millerovsky District(2)	Rostov Oblast, Millerovsky District, northwest from kh. Khersony	786,000 (equivalent to approximately 78.6 hectares)	9 years 10 months from 25 January 2012 to 24 November 2021	44,455.23	Agricultural land

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
63.	Administration of property of city Millerovo[(2)]	Rostov Oblast, Millerovsky District, northwest from sl. Rogalik	1,637,000 (equivalent to approximately 163.7 hectares)	9 years 6 months from 18 September 2012 to 28 March 2022	93,695.84	Agricultural land
64.	23 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, north, northeast, east, southeast, south, southwest, west, northwest from sl. Grekovo	11,326,550 (equivalent to approximately 1,132.6 hectares)	10 years 5 months from 14 July 2017 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 342 shares) at the rate of 1,600 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessors option), 25 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production
65.	Mrs. Djigirina Nina Pavlovna Mrs. Djigirina Nadezdah Dmitrievna Mr. Djigirin Alexander Nikalaevich	Rostov Oblast, Millerovsky District, s/p Sulinskoe, within the borders of the cadastral quarter 61:22:0600029	410,015 (equivalent to approximately 41.0 hectares)	10 years 5 months from 14 July 2017 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 5 shares) at the rate of 1,600 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessors option), 25 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production
66.	Mrs. Schodina Nina Ivanovna Mr. Schodin Vasiliy Egorovich Mrs. Sidorenko Svetlana Vasilievna	Rostov Oblast, Millerovsky District, s/p Sulinskoe, within the borders of the cadastral quarter 61:22:0600029	246,009 (equivalent to approximately 24.6 hectares)	10 years 5 months from 14 July 2017 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 3 shares) at the rate of 1,600 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessors option), 25 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
67.	Mrs. Revina Nadezhda Petrovna	Rostov Oblast, Millerovsky District, s/p Sulinskoe, within the borders of the cadastral quarter 61:22:0600029	82,003 (equivalent to approximately 8.2 hectares)	10 years 5 months from 14 July 2017 to 31 December 2027(8)	Lease payment in kind of 1,600 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessors option), 25 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessor.	Agricultural land/Assigned for agricultural production
68.	Mrs. Strukova Valentina Egorovna	Rostov Oblast, Millerovsky District, s/p Sulinskoe, within the borders of the cadastral quarter 61:22:0600029	82,001 (equivalent to approximately 8.2 hectares)	49 years 9 months from April 2019 to 31 December 2068(8)	RR50,000 in 2019-2021. Amount of land tax for the relevant period in 2022-2068.	Agricultural land/Assigned for agricultural production
69.	Mr. Kravtcov Uriy Nilolaevich Mrs. Kravtcova Elena Nikolaevna Mr. Kravtcov Nikolay Vasilievich Mrs. Kravtcova Galina Ivanovna Mrs. Kravtcova Elena Viktorovna	Rostov Oblast, Millerovsky District, s/p Sulinskoe, south part of the cadastral quarter 61:22:0600029	738,013 (equivalent to approximately 73.8 hectares)	10 years 5 months from 14 July 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 9 shares) at the rate of 1,600 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessors option), 25 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production
70.	Mrs. Antoschenko Nadezda Mrs. Klimchenko Tatiyana Mr. Klimichenko Vasiliy Mr. Antoschenko Iosif	Rostov Oblast, Millerovsky District, s/p Sulinskoe, within the borders of the cadastral quarter 61:22:0600029	328,012 (equivalent to approximately 32.8 hectares)	10 years 5 months from 14 July 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 4 shares) at the rate of 1,600 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessor's option), 25 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
71.	Mrs. Mazur Irina	Rostov Oblast, Millerovsky District, s/p Sulinskoe, within the borders of the cadastral quarter 61:22:0600029	164,006 (equivalent to approximately 16.4 hectares)	10 years 5 months from 14 July 2017 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 2 shares) at the rate of 1,600 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessor's option), 25 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessor.	Agricultural land/Assigned for agricultural production
72.	Mr. Khohotkin Anatoliy Mrs. Khohotkina Natalia	Rostov Oblast, Millerovsky District, s/p Sulinskoe, within the borders of the cadastral quarter 61:22:0600029	164,006 (equivalent to approximately 16.4 hectares)	10 years 5 months from 14 July 2017 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 7 shares) at the rate of 1,600 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessor's option), 25 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production
73.	6 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, s/p Sulinskoe, within the borders of the cadastral quarter 61:22:0600029	574,539 (equivalent to approximately 57.4 hectares)	10 years 5 months from 14 July 2017 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 7 shares) at the rate of 1,600 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessor's option), 25 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
74.	Mrs. Suragenko Valentina Mrs. Volikova Larisa Mr. Suragenko Nikolay Mr. Volikov Vladimir Mr. Volikov Anatoliy	Rostov Oblast, Millerovsky District, s/p Sulinskoe, within the borders of the cadastral quarter 61:22:0600029	574,620 (equivalent to approximately 57.4 hectares)	10 years 5 months from 14 July 2017 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 7 shares) at the rate of 1,600 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessor's option), 25 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production
75.	7 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, s/p Sulinskoe, within the borders of the cadastral quarter 61:22:0600029	820,382 (equivalent to approximately 82.0 hectares)	10 years 5 months from 14 July 2017 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 10 shares) at the rate of 1,600 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessor's option), 25 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production
76.	19 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, s/p Sulinskoe, within the borders of the cadastral quarter 61:22:0600029	1,706,828 (equivalent to approximately 170.6 hectares)	10 years 1 month from 8 November 2017 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 21.5 shares) at the rate of 1,600 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessor's option), 25 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
77.	12 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, s/p Sulinskoe, within the borders of the cadastral quarter 61:22:0600029	1,298,381 (equivalent to approximately 129.8 hectares)	10 years 5 months from 14 July 2017 to 31 December 2027[8]	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 16 shares) at the rate of 1,600 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessors option), 25 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production
78.	34 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, s/p Sulinskoe, south part of the cadastral quarter 61:22:0600029	3,281,154 (equivalent to approximately 328.1 hectares)	9 years 6 months from 20 June 2018 to 31 December 2027[9]	Lease payment in kind of 1,600 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessors option), 25 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis per one share in the land plot. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[1]	Agricultural land/Assigned for agricultural production
79.	13 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, sl. Sulinskoe, south-east of the cadastral quarter 61:22:0600029	983,352 (equivalent to approximately 98.3 hectares)	9 years 9 months (from 22 March 2018 to 31 December 2027)[9]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,600 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessors option), 25 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[1]	Agricultural land/Assigned for agricultural production
80.	Mr. Andrey Paliev	Rostov Oblast, Millerovsky District, s/p Sulinskoe, south-east of the cadastral quarter 61:22:0600029	287,007 (equivalent to approximately 28.7 hectares)	8 years 6 months from 14 June 2019 to 31 December 2027	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,600 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessor's option), 25 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessor.[1]	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
81.	Mr. Schondin Vladimir Mr. Schondin Alexander Mrs. Pushkina Tatiana Mr. Schodin Nikolay	Rostov Oblast, Millerovsky District, s/p Sulinskoe, within the borders of the cadastral quarter 61:22:0600029	492,018 (equivalent to approximately 49.2 hectares)	9 years 9 months from 22 March 2018 to 31 December 2027	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,600 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessors option), 25 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land/Assigned for agricultural production
82.	14 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, s/p Sulinskoe, within the borders of the cadastral quarter 61:22:0600029	1,722,063 (equivalent to approximately 172.2 hectares)	9 years 9 months from 22 March 2018 to 31 December 2027	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,600 kg of the grain fodder including 200 kg of the corn (or sorgo at the Lessor's option), 25 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land/Assigned for agricultural production
83.	Mrs. Dubovskaya Olga Georgievna Mr. Dubovskiy Uriy Mrs. Dubovskaya Olga Anatolievna	Rostov Oblast, Millerovsky District, within the borders of the cadastral quarter 61:22:0600029	410,015 (equivalent to approximately 41.0 hectares)	10 years 5 months from 14 July 2017 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 5 shares) at the rate of 1,600 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessor's option), 25 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production
84.	Mrs. Lukovenko Zinaida	Rostov Oblast, Millerovsky District, s/p Sulinskoe, within the borders of the cadastral quarter 61:22:0600029	82,002 (equivalent to approximately 8.2 hectares)	10 years 5 months from 14 July 2017 to 31 December 2027[(8)]	Lease payment in kind of 1,600 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessor's option), 25 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessor.	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
85.	Mrs. Belousova Ekaterina	Rostov Oblast, Millerovsky District, s/p Sulinskoe, within the borders of the cadastral quarter 61:22:0600029	82,003 (equivalent to approximately 8.2 hectares)	10 years 5 months from 14 July 2017 to 31 December 2027[8]	Lease payment in kind of 1,600 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessor's option), 25 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessor.	Agricultural land/Assigned for agricultural production
86.	Mrs. Tabunschikova Tatiana	Rostov Oblast, Millerovsky District, s/p Sulinskoe, within the borders of the cadastral quarter 61:22:0600029	164,007 (equivalent to approximately 16.4 hectares)	10 years 5 months from 14 July 2017 to 31 December 2027[8]	Lease payment in kind effected on the basis of one interest in joint shared ownership of 1,600 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessor's option), 25 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessor.	Agricultural land/Assigned for agricultural production
87.	129 co-owners of a Land plot (natural persons)	Rostov Oblast, Millerovsky District, southwest and northwest from sl. Grekovo	310,662 (equivalent to approximately 31.1 hectares)	10 years 7 months from 12 May 2017 to 31 December 2027[8]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,300 kg of the grain fodder including 100 kg of the corn, 25 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee is to compensate land tax to the lessors.[1]	Agricultural land/Assigned for agricultural production
88.	Mrs. Kravtcova Elena	Rostov Oblast, Millerovsky District, southwest and northwest from sl. Grekovo	77,658 (equivalent to approximately 7.76 hectares)	10 years 7 months from 12 May 2017 to 31 December 2027[8]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,300 kg of the grain fodder including 100 kg of the corn, 25 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee is to compensate land tax to the lessors.[1]	Agricultural land/Assigned for agricultural production
89.	Administration of property of city Millerovo and Millerovsky District[2]	Rostov Oblast, Millerovsky District, northeast from sl. Grekovo	1,660,000 (equivalent to approximately 166.0 hectares)	9 years 10 months from 2 April 2010 to 24 February 2020	66,792.83	Agricultural land/Assigned for agricultural production

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
90.	170 co-owners of a land plot (natural persons) and Don Agro LLC	Rostov Oblast, Millerovsky District, north, northeast, southeast, south, southwest, west from kh. Kumshatsky	18,849,739 (equivalent to approximately 1,884.9 hectares)	10 years 6 months from 2 June 2017 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,500 kg of the grain fodder including 150 kg of the corn, 32 l of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land/Assigned for agricultural production
91.	Mr. Doroschev Andrey	Rostov Oblast, Millerovsky District, north, northeast, southeast, south, southwest, west from kh. Kumshatsky	97,880 (equivalent to approximately 9.8 hectares)	10 years 6 months from 2 June 2017 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,500 kg of the grain fodder including 150 kg of the corn, 32 l of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessor.[(1)]	Agricultural land/Assigned for agricultural production
92.	Mrs. Derbenceva Svetlana	Rostov Oblast, Millerovsky District, north, northeast, southeast, south, southwest, west from kh. Kumshatsky	97,880 (equivalent to approximately 9.8 hectares)	10 years 6 months from 2 June 2017 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,500 kg of the grain fodder including 150 kg of the corn, 32 l of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessor.[(1)]	Agricultural land/Assigned for agricultural production
93.	Administration of Verkhne-Talovsk Selskovet[(2)]	Rostov Oblast, Millerovsky District, northwest from kh. Turoverovo-Glubokinsky, north from kh. Novoivanovka	2,915,034 (equivalent to approximately 291.5 hectares)	8 years 7 months from 11 July 2011 till 24 February 2020	90,515.36	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
94.	25 co-owners of a land plot (natural persons and Don Agro LLC)	Rostov Oblast, Millerovsky District, northeast, west from sl. Degtevo	2,737,509 (equivalent to approximately 273.7 hectares)	11 years 7 months from 4 May 2017 to 31 December 2028[8]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,500 kg of the grain fodder including 150 kg of the corn, 26 l of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to 2,000 sq m of the garden for free, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[1]	Agricultural land/Assigned for agricultural production
95.	Mr. Abayan German	Rostov Oblast, Millerovsky District, northeast, west from sl. Degtevo	523,089 (equivalent to approximately 52.3 hectares)	11 years 7 months from 4 May 2017 to 31 December 2028[8]	Lease payment in kind of effected on the basis of one interest in joint shared ownership at the rate of 1,500 kg of the grain fodder including 150 kg of the corn, 26 l of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to 2,000 sq m of the garden for free, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessor.[1]	Agricultural land/Assigned for agricultural production
96.	Mr. Akeksandr Petrovich Goncharov	Rostov Oblast, Millerovsky District, cadastral no. 61:22:0600006:721	106,000 (equivalent to approximately 10.6 hectares)	4 years 11 months from 24 September 2019 to 24 August 2024[8]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 30 kg of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors. [1]	Agricultural land
97.	Olga Ivanovna Shevtsova	Rostov Oblast, Millerovsky District, southwest from sl. Degtevo	106,000 (equivalent to approximately 10.6 hectares)	10 years from 18 November 2010 to 18 November 2020[8]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 30 kg of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more than 2,000 sq m for free, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors. [1]	Agricultural land
98.	Administration of Millerovsky District property[2]	Rostov Oblast, Millerovsky District, northeast from sl. Degtevo	200,593 (equivalent to approximately 20.0 hectares)	9 years 10 months from 9 July 2012 to 21 May 2022	6,349	Agricultural land

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
99.	Mr. Aleksandr Sergeyevich Sleptsov	Rostov Oblast, Millerovsky District, Degtevskoe rural local authority unit, south of cadastral quarter No. 61:22:0600006	106,000 (equivalent to approximately 10.6 hectares)	10 years from 15 October 2013 to 15 October 2023(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 30 kg of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to compensate land tax to the lessors, to supply with a coal (fuel for transportation is at the lessor's account).(1)	Agricultural land
100.	113 co-owners of a land plot (natural persons) and Don Agro LLC	Rostov Oblast, Millerovsky District, north, northwest, southwest, west, south from kh. Taradinka; north, south from kh. Kamenka	13,390,704 (equivalent to approximately 1,339.0 hectares)	11 years 6 months from 2 June 2017 to 31 December 2028	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg of the grain fodder including 200 kg of the corn or sorgo, 100 kg of the sunflower (or 25 l of the sunflower oil at the lessors written application), 20 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/ Assigned for agricultural production
101.	Mrs. Linichenko Nina Mrs. Reznik Anna Mr. Sidorenko Ivan Mr. Linichenko Albert	Rostov Oblast, Millerovsky District, north, northwest, southwest, west, south from kh. Taradinka; north, south from kh. Kamenka	391,507 (equivalent to approximately 39.1 hectares)	11 years 6 months from 2 June 2017 to 31 December 2028	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg of the grain fodder including 200 kg of the corn or sorgo, 100 kg of the sunflower (or 25 l of the sunflower oil at the lessors written application), 20 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
102.	Yurtovoe Cossack society "Millerovsky Yurt"	Rostov Oblast, Millerovsky District, east from balka Sukhaya	1,174,000 (equivalent to approximately 117.4 hectares)	9 years 8 months from 3 April 2014 to 31 December 2023	93,236	Agricultural land
103.	Yurtovoe Cossack society "Millerovsky Yurt"	Rostov Oblast, Millerovsky District, northeast from balka Sukhaya	1,073,000 (equivalent to approximately 107.3 hectares)	9 years 8 months from 3 April 2014 to 31 December 2023	45,933.52	Agricultural land

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
104.	Mrs. Stakharina Galina Mr. Oleynikov Viktor	Rostov Oblast, Millerovsky District, central part of the cadastral quarter No. 61:22:0600020	196,000 (equivalent to approximately 19.6 hectares)	9 years 8 months from 3 April 2014 to 31 December 2023[(6)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder including 300 kg of the corn or sorgo, 100 kg of the sunflower (or 50 l of the sunflower oil at the lessor's written application), on a yearly basis and the lessee upon the written application of the lessor is to plow the garden not more than 10,000 sq m for RR1,000. Additionally, the lessee upon the written application of the lessor is to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land
105.	Administration of the Millerovsky District property	Rostov Oblast, Millerovsky District, balka Svinnaya	1,170,079 (equivalent to approximately 117.0 hectares)	9 years 6 months (from September 18, 2012 to March 28, 2022)	100,944.54	Agricultural land
106.	Mr. Linichenko Vasiliy	Rostov Oblast, Millerovsky District, northeast from balka Sukhaya	98,000 (equivalent to approximately 9.8 hectares)	9 years 8 months from 3 April 2014 to 31 December 2023[(6)]	Lease payment in kind at the rate of 1,400 kg of the grain fodder including 200 kg of the corn or sorgo, 100 kg of the sunflower (or 25 l of the sunflower oil at the lessors written application), 20 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors. [(1)]	Agricultural land/Assigned for agricultural production
107.	7 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, northeast from kh. Taradinka	605,000 (equivalent to approximately 60.5 hectares)	10 years from 1 August 2011 to 1 August 2021[(6)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 100 kg of the sunflower, 1,000 kg of the straw on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more then 2,000 sq m for free, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land
108.	7 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, east from kh. Taradinka, balka Taradinka	53,500 (equivalent to approximately 5.3 hectares)	10 years from 1 August 2011 to 1 August 2021[(6)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 100 kg of the sunflower, 1,000 kg of the straw on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more then 2,000 sq m for free, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
109.	374 co-owners of a land plot (natural persons) and Don Agro LLC	Rostov Oblast, Millerovsky District, around sl. Krivorozhye	52,806,476 (equivalent to approximately 5,280.6 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessors option), 25 l of the sunflower oil (or 100 kg of the sunflower upon lessors written application), 20 kg of the wheat flour (or 1,000 kg of the straw upon lessors written application) on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden at the price of RR200 per 2,000 sq m, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
110.	Mr. Besedin Vladimir	Rostov Oblast, Millerovsky District, around sl. Krivorozhye	195,898 (equivalent to approximately 19.6 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership of 1,400 kg of the wheat fodder, 250 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
111.	Mrs. Tertisnikova Raisa	Rostov Oblast, Millerovsky District, around sl. Krivorozhye	97,949 (equivalent to approximately 9.8 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessors option), 25 l of the sunflower oil (or 100 kg of the sunflower upon lessors written application), 20 kg of the wheat flour (or 1,000 kg of the straw upon lessors written application) on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden at the price of RR200 per 2,000 sq m, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessor.(1)	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
112.	Mrs. Kravchenko Elena	Rostov Oblast, Millerovsky District, around sl. Krivorozhye	97,949 (equivalent to approximately 9.8 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessors option), 25 l of the sunflower oil (or 100 kg of the sunflower upon lessors written application), 20 kg of the wheat flour (or 1,000 kg of the straw upon lessors written application) on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden at the price of RR200 per 2,000 sq m, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessor.[(1)]	Agricultural land/Assigned for agricultural production
113.	Mrs. Kravchenko Elena	Rostov Oblast, Millerovsky District, around sl. Krivorozhye	391,796 (equivalent to approximately 39.2 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessor's option), 25 l of the sunflower oil (or 100 kg of the sunflower upon lessor's written application), 20 kg of the wheat flour (or 1,000 kg of the straw upon lessor's written application) on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden at the price of RR200 per 2,000 sq m, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land/Assigned for agricultural production
114.	Vera Nadoenko	Rostov Oblast, Millerovsky District, around sl. Krivorozhskoye s/p, in the west part of the cadastral quarter 61:22:0600024	195,898 (equivalent to approximately 19.6 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessor's option), 25 l of the sunflower oil (or 100 kg of the sunflower upon lessor's written application), 20 kg of the wheat flour (or 1,000 kg of the straw upon lessor's written application) on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden at the price of RR200 per 2,000 sq m, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
115.	Valentina Svenko	Rostov Oblast, Millerovsky District, around sl. Krivorozhskoye s/p, in the west part of the cadastral quarter 61:22:0600024	97,949 (equivalent to approximately 9.8 hectares)	10 years 7 months from 16 May 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessors option), 25 l of the sunflower oil (or 100 kg of the sunflower upon lessors written application), 20 kg of the wheat flour (or 1,000 kg of the straw upon lessors written application) on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden at the price of RR200 per 2,000 sq m, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessor.(1)	Agricultural land/Assigned for agricultural production
116.	23 co-owners of a land plot (natural persons) and Don Agro LLC	Rostov Oblast, Millerovsky District, south from sl. Krivorozhye	2,577,213 (equivalent to approximately 257.7 hectares)	10 years 8 months from 24 April 2017 to 31 December 2027(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1400 kg of the grain fodder including 200 kg of the corn, 25 l of the sunflower oil, 20 kg of the wheat flour (or 1,000 kg of the straw) on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to 2,000 sq m of the garden at the price of RR200 per 2,000 sq m, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
117.	8 co-owners of a land plot (natural persons) and Don Agro LLC	Rostov Oblast, Millerovsky District, west, southwest from sl. Krivorozhye	670,250 (equivalent to approximately 67.0 hectares)	10 years 8 months from 24 April 2017 to 31 December 2027(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1400 kg of the grain fodder including 200 kg of the corn, 25 l of the sunflower oil, 20 kg of the wheat flour (or 1,000 kg of the straw) on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to 2,000 sq m of the garden at the price of RR200 per 2,000 sq m, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
118.	Galina Kononovna Sitkina	Rostov Oblast, Millerovsky District, west, southwest from sl. Krivorozhe	196,000 (equivalent to approximately 19.6 hectares)	10 years 8 months from 28 May 2018 to 31 December 2028(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 2,800 kg of the grain fodder, including 400 kg of the corn or sorgo, 50 l of the sun flower oil (or 200 kg of the sunflower upon the lessors written application), 40 kg of the wheat flour (or 1,000 kg of the straw upon the lessors written application) on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more then 4,000 sq m at the price of RR400 per 4,000 sq m, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land
119.	9 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, northeast and east from sl. Pozdneevka	882,002 (equivalent to approximately 88.2 hectares)	10 years from 8 June 2010 to 8 June 2020(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the grain fodder, 100 kg of sunflower, 1,000 kg of the straw on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more then 2,000 sq for free, to pay for the funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land
120.	173 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, within the boundaries of cadastral quarter No. 61:22:600025:, east, northeast, southeast, northwest from kh. Krinichny	16,993,024 (equivalent to approximately 1,699.3 hectares)	10 years 7 months from 3 May 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,500 kg of the grain fodder including 500 kg of the corn, 25 l of the sunflower oil (or 100 kg of the sunflower at the lessors written application), 20 kg of the light wheat flour (or 1,000 kg of the straw at the lessors written application), 10 kg of sugar on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 3,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for placing of agricultural objects and agricultural grounds

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
121.	Mrs. Tsisar Elena Mr. Tsisar Valeriy	Rostov Oblast, Millerovsky District, s/p in the north part of the cadastral quarter 61:22:0600025	342,797 (equivalent to approximately 34.3 hectares)	10 years 7 months from 3 May 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,500 kg of the grain fodder including 500 kg of the corn, 25 l of the sunflower oil (or 100 kg of the sunflower at the lessors written application), 20 kg of the light wheat flour (or 1,000 kg of the straw at the lessors written application), 10 kg of sugar on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 3,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
122.	Anatoliy Nikolaevich Baldin	Rostov Oblast, Millerovsky District, northeast from sl. Kudinovka	177,092 (equivalent to approximately 17.7 hectares)	10 years from 8 November 2012 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 2,800 kg of the grain fodder, 250 kg of the corn, 60 l of the sunflower oil (or 240 kg of sunflower), 100 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for placing of agricultural objects and agricultural grounds
123.	45 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, north from sl. Kudinovka	4,576,644 (equivalent to approximately 457.6 hectares)	10 years 9 months (from 23 March 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg of the grain fodder including 250 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower), 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for placing of agricultural objects and agricultural grounds

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
124.	Mr. Lebedev Vladimir Ivanovich	Rostov Oblast, Millerovsky District, s/p Kolodezyanskoe, within the borders of the cadastral quarter 61:22:0600001	166,434 (equivalent to approximately 16.6 hectares)	10 years from 19 September 2016 to 19 September 2026(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg of the grain fodder including 250 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower), 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessor.(1)	Agricultural land/Assigned for agricultural production
125.	175 co-owners of a land plot (natural persons)(12)	Rostov Oblast, Millerovsky District, north and northeast from sl. Kudinovka	26,454,664 (equivalent to approximately 2,645.4 hectares)	10 years 7 months from 26 May 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg of the wheat fodder, 250 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
126.	Mrs. Lisovaya Tatiana Nikolaevna	Rostov Oblast, Millerovsky District, s/p Kolodezyanskoe, west of the cadastral quarter 61:22:0600001	180,285 (equivalent to approximately 18.0 hectares)	3 years 11 months from 15 November 2017 to 8 October 2021(8)	Lease payment in kind of 2,800 kg of the wheat fodder, 500 kg of the corn, 30 l of the sunflower oil (or 240 kg of the sunflower at the lessors written application), 100 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessor.	Agricultural land/Assigned for agricultural production

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
127.	Mr. Lebedev Alexander Anatolievich Mrs. Lebedeva Nina Ivanovna Mrs. Lebedeva Tatiana Vladimirovna Mr. Lebedev Sergey Anatolievich	Rostov Oblast, Millerovsky District, s/p Kolodezyanskoe, within the borders of the cadastral quarter 61:22:0600001	811,287 (equivalent to approximately 81.1 hectares)	10 years 7 months from 26 May 2017 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 9 shares) at the rate of 1,400 kg of the wheat fodder, 250 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production
128.	Mrs. Efremova Antonina Petrovna Mr. Efremov Pavel Petrovich Mrs. Efremova Ekaterina Viktorovna	Rostov Oblast, Millerovsky District, s/p Kolodezyanskoe, within the borders of the cadastral quarter 61:22:0600001	360,572 (equivalent to approximately 36.0 hectares)	10 years 7 months from 26 May 2017 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 4 shares) at the rate of 1,400 kg of the wheat fodder, 250 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Assigned for agricultural production
129.	Mr. Lebedev Vladimir Ivanovich Mrs. Lebedeva Natalia Petrovna	Rostov Oblast, Millerovsky District, s/p Kolodezyanskoe, within the borders of the cadastral quarter 61:22:0600001	450,715 (equivalent to approximately 45.1 hectares)	10 years 7 months from 26 May 2017 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 5 shares) at the rate of 1,400 kg of the wheat fodder, 250 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
130.	Mrs. Lebedeva Lubov Vasilievna Mr. Lebedev Nikolay Alekseevich	Rostov Oblast, Millerovsky District, s/p Kolodezyanskoe, within the borders of the cadastral quarter 61:22:0600001	360,572 (equivalent to approximately 36.1 hectares)	10 years 7 months from 26 May 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 4 shares) at the rate of 1,400 kg of the wheat fodder, 250 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production
131.	9 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, s/p Kolodezyanskoe, within the borders of the cadastral quarter 61:22:0600001	1,081,716 (equivalent to approximately 108.2 hectares)	10 years from 17 April 2017 to 12 April 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 12 shares) at the rate of 1,400 kg of the wheat fodder, 250 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production
132.	Mrs. Bereznaya Tamara Dmitrievna Mr. Berexnoy Aleksey Andreevich Mr. Bereznoy Alexey Andreevich	Rostov Oblast, Millerovsky District, s/p Kolodezyanskoe, within the borders of the cadastral quarter 61:22:0600001	721,144 (equivalent to approximately 72.1 hectares)	10 years 7 months from 26 May 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 8 shares) at the rate of 1,400 kg of the wheat fodder, 250 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
133.	Mr. Kuksin Nikolay Petrovich Mr. Kusksin Alexander Nikolaevich Mrs. Kuksina Elizaveta Ivanovna	Rostov Oblast, Millerovsky District, s/p Kolodezyanskoe, within the borders of the cadastral quarter 61:22:0600001	360,572 (equivalent to approximately 36.0 hectares)	10 years 7 months from 26 May 2017 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 4 shares) at the rate of 1,400 kg of the wheat fodder, 250 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production
134.	Mrs. Plotnikova Ludmila Ivanovna	Rostov Oblast, Millerovsky District, s/p Kolodezyanskoe, within the borders of the cadastral quarter 61:22:0600001	90,143 (equivalent to approximately 9.0 hectares)	10 years 7 months from 26 May 2017 to 31 December 2027[(8)]	Lease payment in kind of 1,400 kg of the wheat fodder, 250 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production
135.	Mr. Pleskacheva Nikolay Ivanovich Mrs. Pleskacheva Anna Nikolaevna Mrs. Plescacheva Maria Ivanovna	Rostov Oblast, Millerovsky District, s/p Kolodezyanskoe, centre of the cadastral quarter 61:22:0600001	360,567 (equivalent to approximately 36.1 hectares)	10 years 7 months from 26 May 2017 to 31 December 2027[(8)]	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 4 shares) at the rate of 1,400 kg of the wheat fodder, 250 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
136.	Mr. Vlasenko Victor Ivanovich Mrs. Vlasenko Valentina Ivanovna	Rostov Oblast, Millerovsky District, s/p Kolodezyanskoe, centre of the cadastral quarter 61:22:0600001	180,286 (equivalent to approximately 18.0 hectares)	10 years 7 months from 26 May 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 2 shares) at the rate of 1,400 kg of the wheat fodder, 250kg of corn, 30litres of the sunflower oil (or 120kg of the sunflower at the lessors written application), 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessors death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production
137.	Mrs. Isaeva Nadezdah Nikolaevna	Rostov Oblast, Millerovsky District, s/p Kolodezyanskoe, within the borders of the cadastral quarter 61:22:0600001	90,143 (equivalent to approximately 9.0 hectares)	10 years 7 months from 26 May 2017 to 31 December 2027(8)	Lease payment in kind of 1,400 kg of the wheat fodder, 250 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production
138.	Mrs. Bikovskaya Raisa Emelyanova Mr. Bikovskiy Valeriy Anatolievich	Rostov Oblast, Millerovsky District, s/p Kolodezyanskoe, within the borders of the cadastral quarter 61:22:0600001	180,286 (equivalent to approximately 18.0 hectares)	10 years 7 months from 26 May 2017 to 31 December 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 2 shares) at the rate of 1,400 kg of the wheat fodder, 250 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
139.	Ms. Nina Mikhaylovna Burdinova	Rostov Oblast, Millerovsky District, west from sl. Kolodezi	98,000 (equivalent to approximately 9.8 hectares)	10 years 2 months from 26 October 2018 to 31 December 2028(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg of the wheat fodder, 250 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower upon the lessors written application), 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to pay RR8,000 in case of the lessors death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land
140.	Tatiana Viktorovna Lysova	Rostov Oblast, Millerovsky District, north, northeast from sl. Kudinovka	89,000 (equivalent to approximately 8.9 hectares)	10 years from 4 July 2018 to 4 July 2028(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the wheat fodder, 30 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the prive of RR10 per 100 sq m, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
141.	Administration of Millerovsky District property(2)	Rostov Oblast, Millerovsky District	200,000 (equivalent to approximately 20.0 hectares)	19 years 6 months from 18 September 2012 to 28 March 2022	8,992.66	Agricultural land/Assigned for agricultural production
142.	Mr. Sergey Petrovich Baldin Ms. Zinaida Nikolaevna Baldina	Rostov Oblast, Millerovsky District	107,635 (equivalent to approximately 10.7 hectares)	11 years 2 months from 10 October 2016 to 31 December 2027	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,650 kg of the wheat fodder, including 250 kg of the corn, 120 kg of the sun flower (or 30 l of the sunflower oil upon the lessors written application), 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
143.	Ms. Nina Mikhaylovna Burdinova Mr. Igor Balynsky	Rostov Oblast, Millerovsky District	588,000 (equivalent to approximately 58.8 hectares)	10 years 2 months from 26 October 2018 to 31 December 2028	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg of the wheat fodder, 250 kg of the corn, 120 kg of the sunflower (or 30 l of the sunflower oil upon the lessors written application), 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow not more than 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land
144.	53 co-owners of a land plot (natural persons) and Don Agro LLC	Rostov Oblast, Millerovsky District, northwest from sl. Kolodezi	530,285 (equivalent to approximately 53.0 hectares)	11 years 5 months from 18 July 2017 to 31 December 2028(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg of the wheat fodder, 250 kg of the corn, 120 kg of the sunflower (or 30 l of the sunflower oil upon the lessors written application), 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow not more than 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
145.	53 co-owners of a land plot (natural persons) and Don Agro LLC	Rostov Oblast, Millerovsky District, northwest from sl. Kolodezi	434,994 (equivalent to approximately 43.5 hectares)	11 years 5 months from 18 July 2017 to 31 December 2028(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg of the wheat fodder, 250 kg of the corn, 120 kg of the sunflower (or 30 l of the sunflower oil upon the lessors written application), 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow not more than 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
146.	53 co-owners of a land plot (natural persons) and Don Agro LLC	Rostov Oblast, Millerovsky District, northwest from sl. Kolodezi	466,960 (equivalent to approximately 46.7 hectares)	11 years 5 months from 18 July 2017 to 31 December 2028(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg of the wheat fodder, 250 kg of the corn, 120 kg of the sunflower (or 30 l of the sunflower oil upon the lessors written application), 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow not more than 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
147.	53 co-owners of a land plot (natural persons) and Don Agro LLC	Rostov Oblast, Millerovsky District, northwest from sl. Kolodezi	2,584,240 (equivalent to approximately 258.4 hectares)	11 years 5 months from 18 July 2017 to 31 December 2028(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg of the wheat fodder, 250 kg of the corn, 120 kg of the sun flower (or 30 l of the sunflower oil upon the lessor's written application), 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow not more than 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
148.	53 co-owners of a land plot (natural persons) and Don Agro LLC	Rostov Oblast, Millerovsky District, northwest from sl. Kolodezi	323,934 (equivalent to approximately 32.4 hectares)	11 years 5 months from 18 July 2017 to 31 December 2028(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg of the wheat fodder, 250 kg of the corn, 120 kg of the sun flower (or 30 l of the sunflower oil upon the lessor's written application), 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow not more than 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
149.	53 co-owners of a land plot (natural persons) and Don Agro LLC	Rostov Oblast, Millerovsky District, northwest from sl. Kolodezi	1,048,868 (equivalent to approximately 104.9 hectares)	11 years 5 months from 18 July 2017 to 31 December 2028(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg of the wheat fodder, 250 kg of the corn, 120 kg of the sun flower (or 30 l of the sunflower oil upon the lessor's written application), 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow not more than 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
150.	53 co-owners of a land plot (natural persons) and Don Agro LLC	Rostov Oblast, Millerovsky District, east from sl. Kolodezi	30,112 (equivalent to approximately 3.0 hectares)	11 years 5 months from 18 July 2017 to 31 December 2028(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg of the wheat fodder, 250 kg of the corn, 120 kg of the sun flower (or 30 l of the sunflower oil upon the lessor's written application), 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow not more than 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
151.	8 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, east from sl. Kolodezi	204,100 (equivalent to approximately 20.4 hectares)	11 years 7 months from 3 May 2017 to 31 December 2028(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg of the wheat fodder, including 250 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower upon the lessors written application), 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
152.	8 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, east from sl. Kolodezi	610,670 (equivalent to approximately 61.0 hectares)	11 years 7 months from 3 May 2017 to 31 December 2028(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg of the wheat fodder, including 250 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower upon the lessors written application), 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land
153.	Vladimir Ivanovich Lebedev	Rostov Oblast, Millerovsky District, northeast and southeast from sl. Kudinovka	534,000 (equivalent to approximately 53.4 hectares)	10 years from 19 April 2012 to 19 April 2022(6)	Lease payment in kind of 7,200 kg of the wheat fodder, 720 kg of the sunflower, 300 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR10 per 100 sq m, to pay for the funeral, to compensate land tax to the lessors.(1)	Agricultural land
154.	Vasiliy Ivanovich Kulikov	Rostov Oblast, Millerovsky District, east from sl. Kolodezi	452,650 (equivalent to approximately 45.2 hectares)	13 years 11 months from 21 January 2014 to 31 December 2027(6)	Lease payment in kind of 7,000 kg of the wheat fodder, 1,250 kg of the corn, 150 l of sunflower oil (or 600 kg of the sunflower), 250 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land
155.	Sergey Tikhomirovich Varyanitsyn	Rostov Oblast, Millerovsky District, northeast from sl. Kudinovka	21,950 (equivalent to approximately 2.2 hectares)	10 years from 15 November 2013 to 15 November 2023(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the wheat fodder, 30 kg of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR10 per 100 sq m, to pay for the funeral, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
156.	Yekaterina Viktorovna Yefremova, Yuriy Sergeyevich Klavdiyev and Vyacheslav Viktorovich Shedenko	Rostov Oblast, Millerovsky District, Kolodezyanskoe rural local authority unit, northwest of cadastral quarter No. 61:22:0600005	40,300 (equivalent to approximately 4.0 hectares)	20 years from 3 June 2013 to 3 June 2023(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the wheat fodder, 30 kg of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden not more that 2,000 sq m for free, to pay for the funeral, to compensate land tax to the lessors.(1)	Agricultural land
157.	Yekaterina Viktorovna Yefremova, Yuriy Sergeyevich Klavdiyev and Vyacheslav Viktorovich Shedenko	Rostov Oblast, Millerovsky District, Kolodezyanskoe rural local authority unit, northwest of cadastral quarter No. 61:22:0600005	253,700 (equivalent to approximately 25.3 hectares)	20 years from 3 June 2013 to 3 June 2023(6)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the wheat fodder, 100 kg of the sunflower, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR10 per 100 sq m, to pay for the funeral, to compensate land tax to the lessors.(1)	Agricultural land
158.	31 co-owners of a land plot (natural persons), Don Agro LLC and Selkhoztekhnika	Rostov Oblast, Millerovsky District, west from kh. Malotokmatskiy	1,227,697 (equivalent to approximately 122.8 hectares)	11 years 7 months from 26 May 2017 to 31 December 2028(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,500 kg of the wheat fodder, including 200 kg of the corn, 30 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
159.	31 co-owners of a land plot (natural persons), Don Agro LLC and Selkhoztekhnika	Rostov Oblast, Millerovsky District, west from kh. Malotokmatsky	594,093 (equivalent to approximately 59.4 hectares)	11 years 7 months from 26 May 2017 to 31 December 2028(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,500 kg of the wheat fodder, including 200 kg of the corn, 30 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
160.	31 co-owners of a land plot (natural persons), Don Agro LLC and Selkhoztekhnika	Rostov Oblast, Millerovsky District, south from kh. Malotokmatsky	608,719 (equivalent to approximately 60.8 hectares)	11 years 7 months from 26 May 2017 to 31 December 2028(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,500 kg of the wheat fodder, including 200 kg of the corn, 30 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
161.	31 co-owners of a land plot (natural persons), Don Agro LLC and Selkhoztekhnika	Rostov Oblast, Millerovsky District, south from kh. Malotokmatsky	495,491 (equivalent to approximately 49.5 hectares)	11 years 7 months from 26 May 2017 to 31 December 2028(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,500 kg of the wheat fodder, including 200 kg of the corn, 30 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
162.	31 co-owners of a land plot (natural persons), Don Agro LLC and Selkhoztekhnika	Rostov Oblast, Millerovsky District, east from kh. Malotokmatsky	156,231 (equivalent to approximately 15.6 hectares)	11 years 7 months from 26 May 2017 to 31 December 2028(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,500 kg of the wheat fodder, including 200 kg of the corn, 30 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
163.	31 co-owners of a land plot (natural persons), Don Agro LLC and Selkhoztekhnika	Rostov Oblast, Millerovsky District, southeast from kh. Malotokmatsky	362,293 (equivalent to approximately 36.2 hectares)	11 years 7 months from 26 May 2017 to 31 December 2028(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,500 kg of the wheat fodder, including 200 kg of the corn, 30 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
164.	31 co-owners of a land plot (natural persons), Don Agro LLC and Selkhoztekhnika	Rostov Oblast, Millerovsky District, northeast from kh. Malotokmatsky	129,974 (equivalent to approximately 12.9 hectares)	11 years 7 months from 26 May 2017 to 31 December 2028(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,500 kg of the wheat fodder, including 200 kg of the corn, 30 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
165.	31 co-owners of a land plot (natural persons), Don Agro LLC and Selkhoztekhnika	Rostov Oblast, Millerovsky District, northeast from kh. Malotokmatsky	100,839 (equivalent to approximately 10.0 hectares)	11 years 7 months from 26 May 2017 to 31 December 2028(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,500 kg of the wheat fodder, including 200 kg of the corn, 30 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
166.	31 co-owners of a land plot (natural persons), Don Agro LLC and Selkhoztekhnika	Rostov Oblast, Millerovsky District, north from kh. Malotokmatsky	43,563 (equivalent to approximately 4.3 hectares)	11 years 7 months from 26 May 2017 to 31 December 2028(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,500 kg of the wheat fodder, including 200 kg of the corn, 30 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
167.	413 co-owners of a land plot (natural persons)	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:600022, workplaces No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 23, 24, 25, 31, 32, 33, 34, 35, 36, 45, 46, 47, 48, 49, 59, 60, 61, 91, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 93, 97, 98, north of workplace No. 62. Pasture plots No. 26g, 25g, 17o, 22g, 20g, 18g, 11o, 23g, 2o, 20g, 6g, 24g, 19g, 5o, 7g, 19g northwest of 10o	58,449,200 (equivalent to approximately 5,844.9 hectares)	10 years 3 months from 15 September 2016 to 31 December 2026	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 2,000 kg of the wheat fodder, including 200 kg of the corn, 120 kg of sunflower (or 25 l of the sunflower oil upon the lessors written consent), 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to pay RR10,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(3)	Agricultural land/Assigned for agricultural production

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
168.	Mr. Bortnikov Aleksey	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:600022, workplaces No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 23, 24, 25, 31, 32, 33, 34, 35, 36, 45, 46, 47, 48, 49, 59, 60, 61, 91, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 93, 97, 98, north of workplace No. 62. Pasture plots No. 26g, 25g, 17o, 22g, 20g, 18g, 11o, 23g, 2o, 20g, 6g, 24g, 19g, 5o, 7g, 19g northwest of 10o	129,110 (equivalent to approximately 12.9 hectares)	10 years 3 months from 15 September 2016 to 31 December 2026	Lease payment in kind of 2,000 kg of the wheat fodder, including 200 kg of the corn, 120 kg of sunflower (or 25 l of the sunflower oil upon the lessors written consent), 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to pay RR10,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.	Agricultural land/Assigned for agricultural production
169.	41 co-owners of a land plot (natural persons)	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:0600022, east of pasture plot No. 14o, east of pasture plot No. 15o	961,958 (equivalent to approximately 96.2 hectares)	10 years from 3 October 2012 to 3 October 2022	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the wheat fodder, 100 kg of sunflower, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to pay for funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(3)	Agricultural land/Assigned for agricultural production
170.	41 co-owners of a land plot (natural persons)	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:0600022, workplace No. 45	685,565 (equivalent to approximately 68.5 hectares)	10 years from 3 October 2012 to 3 October 2022	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the wheat fodder, 100 kg of sunflower, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to pay for funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(3)	Agricultural land/Assigned for agricultural production
171.	41 co-owners of a land plot (natural persons)	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:0600022, workplace No. 90	209,544 (equivalent to approximately 20.9 hectares)	10 years from 3 October 2012 to 3 October 2022	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the wheat fodder, 100 kg of sunflower, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to pay for funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(3)	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
172.	41 co-owners of a land plot (natural persons)	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:0600022, workplace No. 89	342,174 (equivalent to approximately 34.2 hectares)	10 years from 3 October 2012 to 3 October 2022	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the wheat fodder, 100 kg of sunflower, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to pay for funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(3)	Agricultural land/Assigned for agricultural production
173.	41 co-owners of a land plot (natural persons)	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:0600022, workplace No. 88	825,684 (equivalent to approximately 82.5 hectares)	10 years from 3 October 2012 to 3 October 2022	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the wheat fodder, 100 kg of sunflower, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to pay for funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(3)	Agricultural land/Assigned for agricultural production
174.	41 co-owners of a land plot (natural persons)	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:0600022, workplace No. 87	962,795 (equivalent to approximately 96.3 hectares)	10 years from 3 October 2012 to 3 October 2022	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the wheat fodder, 100 kg of sunflower, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to pay for funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(3)	Agricultural land/Assigned for agricultural production
175.	41 co-owners of a land plot (natural persons)	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:0600022, workplace No. 25	90,490 (equivalent to approximately 9.0 hectares)	10 years from 3 October 2012 to 3 October 2022	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the wheat fodder, 100 kg of sunflower, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to pay for funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(3)	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
176.	41 co-owners of a land plot (natural persons)	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:0600022, workplace No. 26	326,273 (equivalent to approximately 32.6 hectares)	10 years from 3 October 2012 to 3 October 2022	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the wheat fodder, 100 kg of sunflower, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to pay for funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(3)	Agricultural land/Assigned for agricultural production
177.	41 co-owners of a land plot (natural persons)	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:0600022, workplace No. 27	364,916 (equivalent to approximately 36.5 hectares)	10 years from 3 October 2012 to 3 October 2022	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the wheat fodder, 100 kg of sunflower, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to pay for funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(3)	Agricultural land/Assigned for agricultural production
178.	41 co-owners of a land plot (natural persons)	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:0600022, west of pasture plot No. 7g	630,542 (equivalent to approximately 63.0 hectares)	10 years from 3 October 2012 to 3 October 2022	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the wheat fodder, 100 kg of sunflower, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to pay for funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(3)	Agricultural land/Assigned for agricultural production
179.	41 co-owners of a land plot (natural persons)	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:0600022, east of workplace No. 89	536,719 (equivalent to approximately 53.7 hectares)	10 years from 3 October 2012 to 3 October 2022	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,200 kg of the wheat fodder, 100 kg of sunflower, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to pay for funeral in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(3)	Agricultural land/Assigned for agricultural production

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
180.	51 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, northeast, east and southeast from sl. Mashlykino	5,104,000 (equivalent to approximately 510.4 hectares)	14 years 8 months from 9 January 2008 to 1 September 2022	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 900 kg of the wheat fodder, 200 kg of sunflower on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
181.	9 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, s/p Titovskoye, within the boundaries of cadastral quarter No. 61:42:0600010	924,000 (equivalent to approximately 92.4 hectares)	14 years 8 months from 9 January 2008 to 1 September 2022)(5)	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 10.5 shares) at the rate of 400 kg of the wheat fodder, 500 kg of another crops, 200 kg of sunflower on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to compensate land tax to the lessors, to provide transport for coal (filling is at the lessors expense).	Agricultural land/Assigned for agricultural production
182.	13 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, s. Grekovo	1,312,049 (equivalent to approximately 131.2 hectares)	9 years 10 months from 1 February 2018 to 31 December 2027(9)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,600 kg of the wheat fodder, including 200 kg of sunflower or sorgo at the lessors' option, 25 l of the sunflower oil, 50 kg of light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 for 10,000 sq m to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
183.	Gulko Nadezhda Dmitrievna	Rostov Oblast, Millerovsky District, s/p Voloshinskoe, south of cadastral quarter No. 61:22:0600017	97,999 (equivalent to approximately 9.8 hectares)	9 years 6 months from 1 June 2018 to 31 December 2027(9)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 2,000 kg of the grain fodder including 300 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessor's written application), 50 kg of the light wheat flour, 10 kg of sugar on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR10,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
184.	Gulko Nadezhda Dmitrievna	Rostov Oblast, Millerovsky District, s/p Voloshinskoe within the boundaries of cadastral quarter No. 61:22:0600017	97,990 (equivalent to approximately 9.8 hectares)	9 years 6 months from 1 June 2018 to 31 December 2027(9)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 2,000 kg of the grain fodder including 300 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessor's written application), 50 kg of the light wheat flour, 10 kg of sugar on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR10,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
185.	Nadoenko Alexander Yakovlevich	Rostov Oblast, Millerovsky District, Krivorozhskoe rural local authority unit north of cadastral quarter No. 61:22:0600025	98,000 (equivalent to approximately 9.8 hectares)	10 years and 8 months from 18 April 2018 to 31 December 2028(9)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg grain fodder including 200 kg of the corn or the sorgo of the landlord's choice at his written application to a tenant), 25 l of the sunflower oil, 20 kg of the wheat flour of the first grade (or 1,000 kg of straw) on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden at the price of RR200 per 2,000 sq m, to pay RR8,000 in case of the lessors death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
186.	Sidorov Sergey Ivanovich	Rostov Oblast, Millerovsky District, Krivorozhskoe rural local authority unit, north west of cadastral quarter No. 61:22:0600024	196,000 (equivalent to approximately 19.6 hectares)	9 years 11 months from 18 January 2018 to 31 December 2027(9)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg grain fodder including 200 kg of the corn or the sorgo of the landlord's choice at his written application to a tenant), 25 l of the sunflower oil, 20 kg of the wheat flour of the first grade (or 1,000 kg of straw) on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden at the price of RR200 per 2,000 sq m, to pay RR8,000 in case of the lessors death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
187.	Stovolosova Ludmila Ivanovna	Rostov Oblast, Millerovsky District, Krivorozhskoe rural local authority unit, northwest of cadastral quarter No. 61:22:0600024	98,000 (equivalent to approximately 9.8 hectares)	9 years 9 months from 13 March 2018 to 31 December 2027[9]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg grain fodder including 200 kg of the corn or the sorgo (of the landlord's choice at his written application to a tenant), 25 l of the sunflower oil, 20 kg of the wheat flour of the first grade (or 1,000 kg of straw) on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden at the price of RR200 per 2,000 sq m, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[1]	Agricultural land/Assigned for agricultural production
188.	Bondareva Tatyana Fedorovna	Rostov Oblast, Millerovsky District, Degtevskoe rural local authority unit within the boundaries of cadastral quarter No. 61:22:0600006	106,000 (equivalent to approximately 10.6 hectares)	9 years 7 months from 21 May 2018 to 31 December 2028[9]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,500 kg of the wheat fodder including 150 kg of the corn, 26 l of the sunflower oil, 50 kg of the flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[1]	Agricultural land/Assigned for agricultural production
189.	12 co-owners of a land plot (natural persons)	Rostov Oblast, Chertkovsky District within the boundaries of cadastral quarter No. 61:42:0600022	1,603,300 (equivalent to approximately 160.3 hectares)	9 years 7 months from 18 May 2018 to 31 December 2028[9]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 2,000 kg of the wheat fodder including 200 kg of the corn, 200 kg of sunflower (or 25 l of the sunflower oil), 50 kg of the flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to pay RR10,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.[3]	Agricultural land/Assigned for agricultural production

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
190.	Anatoliy Nadtoka Elena Nadtoka	Rostov Oblast, Millerovsky District, Krivorozhskoe rural local authority unit within the boundaries of cadastral quarter No. 61:22:0600025	196,000 (equivalent to approximately 19.6 hectares)	9 years 8 months from 18 April 2018 to 31 December 2027(9)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg of grain fodder including 200 kg of the corn or sorgo, 25 l of sunflower oil, 20 kg of the wheat flour of the first grade (or 1,000 kg of straw) on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to 2,000 sq m of the garden at the price of RR200 per 2,000 sq m, to pay RR8,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
191.	Bulatkina Tatyana Petrovna	Rostov Oblast, Chertkovsky District within the boundaries of cadastral quarter No. 61:42:0600022	130,000 (equivalent to approximately 13.0 hectares)	10 years 6 months from 13 June 2018 to 31 December 2028(9)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 2,000 kg of the grain fodder including 200 kg of the corn, 120 kg of the sunflower (or 25 l of the sunflower oil), 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up to not more than 2,000 sq m for free, to pay RR10,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(3)	Agricultural land/Assigned for agricultural production
192.	Sibileva Elena Viktorovna	Rostov Oblast, Millerovsky District, sl. Sulinskoe	82,003 (equivalent to approximately 8.2 hectares)	9 years 6 months from 14 June 2018 to 31 December 2027(9)	Lease payment in kind of 1,600 kg of the wheat fodder, including 200 kg of sunflower or sorgo, 25 l of the sunflower oil, 50 kg of the wheat on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 10,000 sq m, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
193.	357 co-owners of a land plot (natural persons) and Don Agro LLC	Rostov Oblast, Millerovsky District	44,056,631 (equivalent to approximately 4,405.7 hectares)	10 years from 12 January 2017 to 12 January 2027(8)	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,500 kg of grain fodder, including 150 kg of corn, 26 litres of sunflower oil, 50 kg of light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
194.	Mrs. Buiyanova Lubov	Rostov Oblast, Millerovsky District	105,097 (equivalent to approximately 10.5 hectares)	10 years from 12 January 2017 to 12 January 2027[(8)]	Lease payment in kind of 1,500 kg of the grain fodder including 150 kg of the corn, 26 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessor.	Agricultural land/Assigned for agricultural production
195.	Mrs. Sitnik Maria	Rostov Oblast, Millerovsky District	211,814 (equivalent to approximately 21.2 hectares)	10 years from 12 January 2017 to 12 January 2027[(8)]	Lease payment in kind of 3,000 kg of the grain fodder including 300 kg of the corn, 52 l of the sunflower oil, 100 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessor.	Agricultural land/Assigned for agricultural production
196.	Mr. Chentsov Aleksey	Rostov Oblast, Millerovsky District	105,907 (equivalent to approximately 10.6 hectares)	10 years from 12 January 2017 to 12 January 2027[(8)]	Lease payment in kind of 1,500 kg of the grain fodder including 150 kg of the corn, 26 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessor.	Agricultural land/Assigned for agricultural production
197.	63 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District	5,808,000 (equivalent to approximately 580.8 hectares)	14 years 5 months from 19 January 2008 to 30 June 2022	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 400 kg of the wheat fodder, 500 kg of another crops, 200 kg of sunflower on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to provide transport for coal (filling is at the lessors expense).[(1)]	Agricultural land/Assigned for agricultural production
198.	10 Co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, s/p Titovskoye, within the boundaries of the cadastral 61:22:0600010	968,000 (equivalent to approximately 96.8 hectares)	14 years 5 months from 19 January 2008 to 31 June 2022[(5)]	Lease payment in kind effected on the basis of one interest in joint shared ownership (the ownership is divided into 11 shares) at the rate of 400 kg of the wheat fodder, 500 kg of another crops, 200 kg of sunflower on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to provide transport for coal (filling is at the lessors expense).	Agricultural land/Assigned for agricultural production

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
199.	69 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District	4,590,644 (equivalent to approximately 459.0 hectares)	14 years 10 months from 11 February 2008 to 15 December 2022	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 400 kg of the wheat fodder, 500 kg of another crops, 200 kg of sunflower on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to compensate land tax to the lessors, to provide transport for coal (filling is at the lessors expense).	Agricultural land/Assigned for agricultural production
200.	15 co-owners of a land plot (natural persons)	Rostov Oblast, Millerovsky District, s/p Titovskoye within the boundaries of the cadastral quarter 61:22:0600010	1,583,984 (equivalent to approximately 158.4 hectares)	14 years 10 months from 11 February 2008 to 15 December 2022[5]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 400 kg of the wheat fodder, 500 kg of another crops, 200 kg of sunflower on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to compensate land tax to the lessors, to provide transport for coal (filling is at the lessors expense).	Agricultural land/Assigned for agricultural production
201.	Administration of Titovskiy District	Rostov Oblast, Millerovsky District	206,000 (equivalent to approximately 20.6 hectares)	14 years 10 months from 11 February 2008 to 15 December 2022	22,168.63	Agricultural land/Assigned for agricultural production
202.	Administration of Titovskiy District	Rostov Oblast, Millerovsky District	1,288,322 (equivalent to approximately 128.8 hectares)	14 years 10 months from 11 February 2008 to 15 December 2022	109,100.00	Agricultural land/Assigned for agricultural production
203.	Mrs. Novak Iyana	Rostov Oblast, Millerovsky District, s/p Titovskoe, central part of the cadastral quarter No. 61:22:0600010	58,600 (equivalent to approximately 5.8 hectares)	5 years from 22 November 2018 to 31 December 2023[10]	Lease payment in kind of 900 kg of the grain fodder including 100 kg of the corn, 15 l of the sunflower oil (or 70 kg of the sunflower at the lessors written application), 30 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors. The lessee has a right to make payment in a monetary form at the average market price for such kind of products in Millerovsky District at the date of payment upon written application of the lessor.	Agricultural land/Assigned for agricultural production

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
204.	Municipal formation "Sheptuhovskoe selskoe poselenie"	Rostov Oblast, Chertkovskiy District, within the borders of the cadastral quarter 61:42:0600022:521, east part	130,000 (equivalent to approximately 13.0 hectares)	5 years from 30 October 2017 to 30 October 2022	12,000	Agricultural land/ Assigned for agricultural production
205.	Mr. Vladimir Shkondin Mr. Oleg Volgin	Rostov Oblast, Millerovsky District, north part of sl. Kudinovka	190,800 (equivalent to approximately 19.0 hectares)	10 years 3 months from 11 September 2017 to 31 December 2027	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,500 kg of the grain fodder, including 200 kg of corn, 120 kg of the sunflower, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee is to plow up to the 2,000 sq m of the garden for free, to compensate land tax to the lessor.	Agricultural land/ Assigned for agricultural production
206.	Mr. Chumachenko Ivan	Rostov Oblast, Millerosky District, within the boundaries relative to the landmark on the northwest and southwest sides of sl. Degtevo	106,000 (equivalent to approximately 10.6 hectares)	10 years 3 months from 4 September 2019 to 31 December 2029(9)	Lease payment in kind of 1,500 kg of the grain fodder, including 150 kg of corn, 26 litres of sunflower oil, 50 kg of wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot.(1)	Agricultural land/ Assigned for agricultural production
207.	Mr. Ivan Kopachev	Rostov Oblast, Millerovsky District, north-east part of sl. Degtevo	209,236 (equivalent to approximately 20.9 hectares)	5 years from 29 December 2015 to 29 December 2020(8)	Lease payment in kind of 2,400 kg of the grain fodder, 60 kg of the sunflower, 100 kg of the wheat flour on a yearly basis. Additionally, the lessee is to compensate land tax to the lessor.	Agricultural land/ Assigned for agricultural production
208.	Ms. Larisa Kemenok	Rostov Oblast, Millerovsky District, established concerning the reference point located in the boundaries of a land. The landmark is within the boundaries of the cadastral quarter 61:22:0600006	105,907 (equivalent to approximately 10.6 hectares)	8 years from 28 June 2019 to 31 December 2027(9)	Lease payment in kind of 1,500 kg of the grain fodder including 150kg of corn, 26litres of the sunflower oil, 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to 2,000 sq m of the garden for free, to pay RR6,000 in case of the lessors death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production
209.	Ms. Lubov Bondareva	Rostov Oblast, Millerovsky District, on the east side of sl. Kolodezi	85,744 (equivalent to approximately 8.6 hectares)	10 years 3 months from 5 September 2019 to 31 December 2029(9)	Lease payment in kind of 1,400 kg of the grain fodder, 250kg of corn, 30litres of the sunflower oil (or 120kg of the sunflower at the lessors written application), 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessors death to the heir of interest of the land plot, to compensate land tax to the lessors.(1)	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
210.	Ms. Alla Vlasova	Rostov Oblast, Millerovsky District, from the north, northeast, east, southeast, south, southwest, west, northwest side of sl. Grekovo	164,007 (equivalent to approximately 16.4 hectares)	10 years 3 months from 20 September 2019 to 31 December 2029[9]	Lease payment in kind of 3,200 kg of the grain fodder including 400kg of corn or sorghum of the lessor's choice at his written application to the lessee, 50litres of the sunflower oil, 100 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per hectare, to pay RR6,000 in case of the lessors death to the heir of interest of the land plot, to compensate land tax to the lessors.[1]	Agricultural land/Assigned for agricultural production
211.	Mr. Victor Luzanov	Rostov Oblast, Millerovsky District, s/p Kolodezyanskoye, within the boundaries of the cadastral quarter 61:22:0600001	90,143 (equivalent to approximately 9.0 hectares)	8 years 3 months from 3 September 2019 to 31 December 2027[9]	Lease payment in kind of 1,400 kg of the grain fodder, 250kg of corn, 30litres of the sunflower oil (or 120kg of the sunflower at the lessors written application), 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessors death to the heir of interest of the land plot, to compensate land tax to the lessors.[1]	Agricultural land/Assigned for agricultural production
212.	Mr. Andrey Paliev	Rostov Oblast, Millerovsky District, from the north, northeast, east, southeast, south, southwest, west, northwest sides of the village. Grekovo	82,000 (equivalent to approximately 8.2 hectares)	10 years from 3 April 2019 to 31 December 2029[9]	Lease payment in kind of 1,600 kg of the grain fodder including 200 kg of the corn (or sorgo at the lessor's option), 25 l of the sunflower oil, 50 kg of the light wheat flour of the first grade on a yearly basis, upon the written request of the lessor, deliver fodder grain free of charge to the lessor's place of residence located within 7 km from the lessor's warehouse in sl. Grekovo Millerovsky district. Additionally, the lessee upon the written application of the lessor is to plow the garden at the price of RR1,000 per 1 hectare, to pay RR6,000 in case of the lessor's death to the heir of interest of the land plot, to compensate land tax to the lessors[1]	Agricultural land/Assigned for agricultural production

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
213.	Mrs. Medvedeva Valentina, Mr. Rabochiy Viktor, Mrs. Rabochaya Nina, Mrs. Rabochaya Varvara	Rostov Oblast, Millerovsky District, Kolodezi rural settlement, within the borders of the cadastral quarter 61:22:0600001	525,654 (equivalent to approximately 72.1 hectares)	8 years 3 months from 3 July 2019 to 31 December 2027[9]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,400 kg of the grain fodder, 250 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the wheat flour of the first grade on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessors death to the heir of interest of the land plot, to compensate land tax to the lessors.[1]	Agricultural land/Assigned for agricultural production
214.	Mrs. Karchenko Galina, Mr. Karchenko Nikolay	Rostov Oblast, Millerovsky District, s/p Kolodezyanskoe, within the borders of the cadastral quarter 61:22:0600001	350,436 (equivalent to approximately 35.0 hectares)	8 years from 3 October 2019 to 31 December 2027[9]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,650 kg of the grain fodder including 250 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the wheat flour of the first grade on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessors death to the heir of interest of the land plot, to compensate land tax to the lessors.[1]	Agricultural land/Assigned for agricultural production
215.	Mr. Karchenko Nikolay	Rostov Oblast, Millerovsky District, s/p Kolodezyanskoe, within the borders of the cadastral quarter 61:22:0600001	175,218 (equivalent to approximately 17.5 hectares)	8 years from 30 September 2019 to 31 December 2027[9]	Lease payment in kind of 3,300 kg of the grain fodder including 500 kg of the corn, 60 l of the sunflower oil (or 240 kg of the sunflower at the lessors written application), 100 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessors death to the heir of interest of the land plot, to compensate land tax to the lessors.[1]	Agricultural land/Assigned for agricultural production

APPENDIX E – PROPERTIES AND LEASES

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
216.	Mrs. Plastunova Maria, Mr. Plastunov Anatoly, Mr. Plastunov Valeriy	Rostov Oblast, Millerovsky District, s/p Kolodezyanskoe, within the borders of the cadastral quarter 61:22:0600001	525,654 (equivalent to approximately 52.5 hectares)	10 years from 4 October 2019 to 16 September 2029[(9)]	Lease payment in kind effected on the basis of one interest in joint shared ownership at the rate of 1,650 kg of the grain fodder including 250 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the wheat flour of the first grade on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessors death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land/Assigned for agricultural production
217.	Mrs. Khudetskaya Tatyana	Rostov Oblast, Millerovsky District, from the north, north-east side of the village. Kudinovka	90,143 (equivalent to approximately 9.01 hectares)	10 years 2 months from 9 October 2019 to 31 December 2029[(9)]	Lease payment in kind at the rate of 1,400 kg of the wheat fodder, 250 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower at the lessors written application), 50 kg of the wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR8,000 in case of the lessors death to the heir of interest of the land plot, to compensate land tax to the lessors.[(1)]	Agricultural land/Assigned for agricultural production
218.	Mr. Vladimir Kramov	Rostov Oblast, Chertkovsky District, within the boundaries of the cadastral quarter 61:42:0600022, the central part of the workplace No. 20, the central part of the pasture plot 8	124,306 (equivalent to approximately 12.4 hectares)	10 years 3 months from 15 April 2019 to 31 December 2029[(9)]	Lease payment in kind of 2,000 kg of the grain fodder, including 200 kg of the corn, 120 kg of sunflower (or 25 l of the sunflower oil upon the lessors written application), 50 kg of the flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow the garden up not more than 2,000 sq m for free, to pay RR10,000 in case of the lessors death to the heir of interest of the land plot, to compensate land tax to the lessors.[(3)]	Agricultural land/Assigned for agricultural production
219.	Mrs. Kazachenko Anna	Rostov Oblast, Millerovsky District, within the borders of the cadastral quarter 61:22:0600006	106,000 (equivalent to approximately 10.6 hectares)	8 years 5 months from 2 July 2019 to 31 December 2027)[(9)]	Lease payment in kind of 1,500 kg of the grain fodder including 150 kg of the corn, 26 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR6,000 in case of the lessors death to the heir of interest of the land plot, to compensate land tax to the lessor.[(1)]	Agricultural land/Assigned for agricultural production

S/No.	Lessor	Location	Approximate gross floor area (sq m)	Tenure	Yearly rental (RR)	Description of use
220.	Mrs. Pushkareva Vera	Rostov Oblast, Millerovsky District, within the borders of the cadastral quarter 61:22:0600006	106,000 (equivalent to approximately 10.6 hectares)	8 years 6 months from 9 September 2019 to 31 December 2027)[9]	Lease payment in kind of 1,500 kg of the grain fodder including 150 kg of the corn, 26 l of the sunflower oil, 50 kg of the light wheat flour on a yearly basis. Additionally, the lessee upon the written application of the lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR6,000 in case of the lessors death to the heir of interest of the land plot, to compensate land tax to the lessor.[1]	Agricultural land/Assigned for agricultural production
221.	Mr. Vadim Novikov	Rostov Oblast, Millerovsky District, south from h. Kumshatskiy	551,524 (equivalent to approximately 55.1 hectares)	2 years 4 months from 7 September 2017 to 31 December 2019	RR160,533.33 until 8 September 2017. RR57,880.28 from 10 August 2018 to 31 December 2018. Rental from 1 January 2019 to 8 July 2019 is RR457.41 per day multiplied by the indexation coefficient for 2019	Agricultural land/Assigned for agricultural production
222.	Ms. Anna Kazachenko	Rostov Oblast, Millerovsky District, within the boundaries of cadastral quarter No. 61:22:600006	212,000 (equivalent to approximately 21.2 hectares)	8 years 1 month from 1 November 2019 to 31 December 2027[9]	Lease payment in kind of 3,000 kg of the grain fodder including 300 kg of the corn, 52 l of the sunflower oil, 100 kg of the wheat flour on a yearly basis. Additionally, the Lessee upon the written application of the Lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR6,000 in case of the Lessors death to the heir of interest of the land plot, to compensate land tax to the Lessors.[1]	Agricultural land/Assigned for agricultural production
223.	Mr. Roman Bykadorov	Rostov Oblast, Millerovsky District, northeast, west from sl. Degtevo	52,308 (equivalent to approximately 5.2 hectares)	10 years 2 months from 29 October 2019 to 31 December 2029[9]	Lease payment in kind of 750, kg of the grain fodder including 75 kg of the corn, 13 l of the sunflower oil, 25 kg of the wheat flour on a yearly basis. Additionally, the Lessee upon the written application of the Lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR6,000 in case of the Lessors death to the heir of interest of the land plot, to compensate land tax to the Lessors.[1]	Agricultural land/Assigned for agricultural production
224.	Ms. Valentina Petrova	Rostov Oblast, Millerovsky District, s/p Kolodezyanskoe, within the boundaries of cadastral quarter No. 61:22:600001	83,217 (equivalent to approximately 8.3 hectares)	10 years 2 months from 15 October 2019 to 31 December 2029[9]	Lease payment in kind of 1,400, kg of the grain fodder and 250 kg of the corn, 30 l of the sunflower oil (or 120 kg of the sunflower upon the Lessor written application), 50 kg of the wheat flour of the first grade on a yearly basis. Additionally, the Lessee upon the written application of the Lessor is to plow up to the 2,000 sq m of the garden for free, to pay RR86,000 in case of the Lessors death to the heir of interest of the land plot, to compensate land tax to the Lessors.[1]	Agricultural land/Assigned for agricultural production

Notes:

(1) The lessee has a right to make payment in a monetary form at the average market price for such kind of products in Millerovsky District at the date of payment upon written application of the lessor.

(2) The lessor is entitled to unilaterally terminate this lease agreement in the case of improper performance by the lessee of the obligation to pay the rent.

(3) The lessee has a right to make payment in a monetary form at the average market price for such kind of products in Chertkovsky District at the date of payment upon written application of the lessor.

(4) The lessor is entitled to unilaterally terminate this lease agreement with prior written notification of the lessee (notification period is three (3) months). Any unilateral termination of this lease agreement by the lessor is not expected to have a material effect on our Group given the relatively small size of the land plot.

(5) The land plot was allocated from another land plot in respect of which the lease agreement indicated in the table was concluded. The right to lease applies to the allocated plot but the respective registration statement has been not included into the Unified State Register of Real Estate of the Russian Federation. The parties are going to enter into a new land lease agreement.

(6) The lease agreement contains provision which states that the lease shall be renewed for the duration of the original tenure unless the lessor gives the lessee written notice of its intent not to renew the lease at least six (6) months prior to the end of the original tenure. The Group confirms that it has not received any written notice from the lessor stating its intention not to renew the lease.

(7) The lease will not be renewed upon its expiry.

(8) The lease agreement contains provision which states that the lease shall be renewed for the duration of the original tenure unless the lessor gives the lessee written notice of its intent not to renew the lease at least three (3) months prior to the end of the original tenure. The Group confirms that it has not received any written notice from the lessor stating its intention not to renew the lease.

(9) The lease agreement contains provision which states that the lease shall be renewed for the duration of the original tenure unless the lessor gives the lessee written notice of its intent not to renew the lease at least 18 months prior to the end of the original tenure. The Group confirms that it has not received any written notice from the lessor stating its intention not to renew the lease.

(10) The lease agreement contains provision which states that the lease shall be renewed for the duration of the original tenure unless the lessor gives the lessee written notice of its intent not to renew the lease at least nine (9) months prior to the end of the original tenure. The Group confirms that it has not received any written notice from the lessor stating its intention not to renew the lease.

(11) The lease agreement contains provision which states that the lease shall be renewed for the duration of the original tenure unless the lessor gives the lessee written notice of its intent not to renew the lease at least six (6) months prior to the end of the original tenure. The Group confirms that it has not received any written notice from the lessor stating its intention not to renew the lease.

(12) On 6 August 2019, two (2) lessors commenced legal proceedings in order to establish their respective boundaries of the land plots between the lessors of this lease based on their shareholding ("**Boundaries Establishment**"). As part of the process of the Boundaries Establishment, the two (2) lessors had approached Don Agro LLC, as lessee of this lease, to seek approval to commence the Boundaries Establishment. However, as Don Agro LLC had not responded to them promptly, the lessors had filed a lawsuit against Don Agro LLC in connection with the Boundaries Establishment. Nektorov, Saveliev & Partners, the Legal Adviser to our Company on Russian Law, has confirmed that the Boundaries Establishment (including the lawsuit filed by the lessors against Don Agro LLC) will not affect the validity of this lease which will continue to remain valid and enforceable as the proceedings for the Boundaries Establishment is limited to establishing the respective boundaries of the land plots between two (2) of the lessors of this lease based on their relative shareholdings in this lease. Accordingly, as the validity of this lease is not affected and the Group will be able to continue leasing the land during and after the Boundaries Establishment, there are no implications to the Group arising from the Boundaries Establishment (including the lawsuit filed by the lessors against Don Agro LLC). On 5 December 2019, based on the results of the consideration of the claim on the merits, the Millerovsky district court of Rostov Region denied the claim in full.

Save as provided above, none of the leases set out above may be unilaterally terminated by the lessor(s).

APPENDIX E – PROPERTIES AND LEASES

The following tables set out the land/properties owned by our Group as at the date of lodgement of this Offer Document:

Land Owned

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
1.	Don Agro LLC	Rostov Oblast, Millerovsky District, southeast from kh. Khersony	907,933 (equivalent to approximately 90.8 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of RSHB(1)
2.	Don Agro LLC	Rostov Oblast, Millerovsky District, north and northwest from kh. Kamenka	7,887,743 (equivalent to approximately 788.7 hectares)	Agricultural land/ Assigned for agricultural production	–
3.	Don Agro LLC	Rostov Oblast, Millerovsky District, north from kh. Kamenka	761,000 (equivalent to approximately 76.1 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of RSHB(1)
4.	Don Agro LLC	Rostov Oblast, Millerovsky District, northeast from kh. Kamenka	399,000 (equivalent to approximately 39.9 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of RSHB(1)
5.	Don Agro LLC	Rostov Oblast, Millerovsky District, northeast from kh. Kamenka	340,500 (equivalent to approximately 34.0 hectares)	Agricultural land/ Assigned for agricultural production	Lease (registration record No. 61:22:0600020:15-61/ 026/2018-5)
6.	Don Agro LLC	Rostov Oblast, Millerovsky District, northeast from kh. Kamenka	6,187,160 (equivalent to approximately 618.7 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of RSHB(1)
7.	Don Agro LLC	Rostov Oblast, Millerovsky District, northeast from kh. Kumshatsky, V-Talovskoy s/a	211,000 (equivalent to approximately 21.1 hectares)	Agricultural land/ Assigned for agricultural production	–
8.	Don Agro LLC	Rostov Oblast, Millerovsky District, northeast from kh. Kumshatsky, V-Talovskoy s/a	114,000 (equivalent to approximately 11.4 hectares)	Agricultural land/ Assigned for agricultural production	–
9.	Don Agro LLC	Rostov Oblast, Millerovsky District, northeast from kh. Kumshatsky, V-Talovskoy s/a	207,000 (equivalent to approximately 20.7 hectares)	Agricultural land/ Assigned for agricultural production	–
10.	Don Agro LLC	Rostov Oblast, Millerovsky District, northeast from kh. Kumshatsky, V-Talovskoy s/a	209,000 (equivalent to approximately 20.9 hectares)	Agricultural land/ Assigned for agricultural production	–
11.	Don Agro LLC	Rostov Oblast, Millerovsky District, northwest from s. Grekov	1,433,900 (equivalent to approximately 143.4 hectares)	Agricultural land/ Assigned for agricultural production	–

APPENDIX E – PROPERTIES AND LEASES

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
12.	Don Agro LLC	Rostov Oblast, Millerovsky District, northwest from s. Grekovo	317,000 (equivalent to approximately 31.7 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of RSHB(1)
13.	Don Agro LLC	Rostov Oblast, Millerovsky District, west from s. Grekovo	888,909 (equivalent to approximately 88.9 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of RSHB(1)
14.	Don Agro LLC	Rostov Oblast, Millerovsky District, south from s. Grekovo	780,000 (equivalent to approximately 78 hectares)	Agricultural land/ Assigned for agricultural production	–
15.	Don Agro LLC	Rostov Oblast, Millerovsky District, east from pos. Dolotinka	1,059,987 (equivalent to approximately 105.9 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of RSHB(1)
16.	Don Agro LLC	Rostov Oblast, Millerovsky District, northeast from pos. Dolotinka	846,000 (equivalent to approximately 84.6 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of RSHB(1)
17.	Don Agro LLC	Rostov Oblast, Millerovsky District, southwest from sl. Rogalik	135,000 (equivalent to approximately 13.5 hectares)	Agricultural land/ Assigned for agricultural production	–
18.	Don Agro LLC	Rostov Oblast, Millerovsky District, southwest from sl. Rogalik	110,000 (equivalent to approximately 11.0 hectares)	Agricultural land/ Assigned for agricultural production	–
19.	Don Agro LLC	Rostov Oblast, Millerovsky District, southwest from sl. Rogalik	1,159,000 (equivalent to approximately 115.9 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of RSHB(1)
20.	Don Agro LLC	Rostov Oblast, Millerovsky District, north from sl. Kudinovka	290,700 (equivalent to approximately 29.0 hectares)	Agricultural land/ Assigned for agricultural production	–
21.	Don Agro LLC	Rostov Oblast, Millerovsky District, southeast from sl. Kudinovka	57,900 (equivalent to approximately 5.8 hectares)	Agricultural land/ Assigned for agricultural production	–
22.	Don Agro LLC	Rostov Oblast, Millerovsky District, south from sl. Rogalik	5,270,446 (equivalent to approximately 527.0 hectares)	Agricultural land/ Assigned for agricultural production	–
23.	Don Agro LLC	Rostov Oblast, Millerovsky District, around sl. Rogalik	2,416,000 (equivalent to approximately 241.6 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of RSHB(1)
24.	Don Agro LLC	Rostov Oblast, Millerovsky District	77,002 (equivalent to approximately 7.7 hectares)	Agricultural land/ Assigned for agricultural production	–
25.	Don Agro LLC	Rostov Oblast, Millerovsky District	154,000 (equivalent to approximately 15.4 hectares)	Agricultural land/ Assigned for agricultural production	–

APPENDIX E – PROPERTIES AND LEASES

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
26.	Don Agro LLC	Rostov Oblast, Millerovsky District	195,112 (equivalent to approximately 19.5 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of RSHB(1)
27.	Don Agro LLC	Rostov Oblast, Millerovsky District	1,991,660 (equivalent to approximately 199.1 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of RSHB(1)
28.	Don Agro LLC	Rostov Oblast, Millerovsky District, northeast from sl. Rogalik	584,675 (equivalent to approximately 58.5 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of Sberbank
29.	Don Agro LLC	Rostov Oblast, Millerovsky District northeast from sl. Rogalik	1,169,350 (equivalent to approximately 116.9 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of Sberbank
30.	Don Agro LLC	Rostov Oblast, Millerovsky District	53,000 (equivalent to approximately 5.3 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
31.	Don Agro LLC	Rostov Oblast, Millerovsky District	106,000 (equivalent to approximately 10.6 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
32.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Titovka	90,000 (equivalent to approximately 9.0 hectares)	Agricultural land/ Assigned for agricultural production	–
33.	Don Agro LLC	Rostov Oblast, Millerovsky District, Krivorozhskoe rural local authority unit, northeast from kh. Kamenka	179,145 (equivalent to approximately 17.9 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Mortgage in favour of RSHB(1)
34.	Don Agro LLC	Rostov Oblast, Millerovsky District, Krivorozhskoe rural local authority unit, southwest from kh. Kamenka	513,855 (equivalent to approximately 51.4 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
35.	Don Agro LLC	Rostov Oblast, Millerovsky District, Krivorozhskoe rural local authority unit, southwest from kh. Kamenka	70,371 (equivalent to approximately 7.0 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Mortgage in favour of RSHB(1)
36.	Don Agro LLC	Rostov Oblast, Millerovsky District, Krivorozhskoe rural local authority unit, southwest from kh. Kamenka	80,766 (equivalent to approximately 8.0 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Mortgage in favour of RSHB(1)

APPENDIX E – PROPERTIES AND LEASES

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
37.	Don Agro LLC	Rostov Oblast, Millerovsky District, Krivorozhskoe rural local authority unit, southwest from kh. Kamenka	3,819 (equivalent to approximately 0.4 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Mortgage in favour of RSHB(1)
38.	Don Agro LLC	Rostov Oblast, Millerovsky District, Krivorozhskoe rural local authority unit, southwest from kh. Kamenka	34,044 (equivalent to approximately 3.4 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Mortgage in favour of RSHB(1)
39.	Don Agro LLC	Rostov Oblast, Millerovsky District, Degtevskoe rural local authority unit, south of cadastral quarter No. 61:22:0600006	318,000 (equivalent to approximately 31.8 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of Sberbank
40.	Don Agro LLC	Rostov Oblast, Millerovsky District, Sulinskoe rural local authority unit, northwest of cadastral quarter No. 61:22:0600029	1,312,000 (equivalent to approximately 131.2 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of Sberbank
41.	Don Agro LLC	Rostov Oblast, Millerovsky District, s/p Verkhnetalovskoe, southeast of cadastral quarter No. 61:22:0600026	3,817,316 (equivalent to approximately 381.7 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of Sberbank
42.	Don Agro LLC	Rostov Oblast, Millerovsky District, s/p Voloshinskoe, south of cadastral quarter No. 61:22:0600017	1,273,871 (equivalent to approximately 127.4 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of Sberbank
43.	Don Agro LLC	Rostov Oblast, Millerovsky District, s/p Krivorozhskoe, south of cadastral quarter No. 61:22:0600020	2,740,556 (equivalent to approximately 274.0 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of Sberbank
44.	Don Agro LLC	Rostov Oblast, Millerovsky District, s/p Sulinskoe, northwest of cadastral quarter No. 61:22:0600018	2,338,700 (equivalent to approximately 233.8 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of Sberbank
45.	Don Agro LLC	Rostov Oblast, Millerovsky District, s/p Kolodezyanskoe, northwest of cadastral quarter No. 61:22:0600001	5,949,438 (equivalent to approximately 594.9 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of Sberbank

APPENDIX E – PROPERTIES AND LEASES

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
46.	Don Agro LLC	Rostov Oblast, Millerovsky District, s/p Degtevskoe, northeast of cadastral quarter No. 61:22:0600006	5,983,746(4) (equivalent to approximately 598.3 hectares)	Agricultural land	Lease (Registration record No. No.61-61-27/023/2006-540, dated June 27, 2014)(2)
47.	Don Agro LLC	Rostov Oblast, Millerovsky District, s/p Krivorozhskoe, northeast of cadastral quarter No. 61:22:0600025	3,917,705(4) (equivalent to approximately 391.8 hectares)	Agricultural land	–
48.	Don Agro LLC	Rostov Oblast, Millerovsky District, s/p Sulinskoe, southeast of cadastral quarter No. 61:22:0600029	9,065,141 (equivalent to approximately 906.5 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of Sberbank
49.	Don Agro LLC	Rostov Oblast, Millerovsky District, s/p Krivorozhskoe, northeast of cadastral quarter No. 61:22:0600024	543,623 (equivalent to approximately 54.3 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Mortgage in favour of Sberbank
50.	Don Agro LLC	Rostov Oblast, Millerovsky District, s/p Krivorozhskoe, northeast of cadastral quarter No. 61:22:0600024	15,813,860 (equivalent to approximately 1,581.4 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Mortgage in favour of Sberbank
51.	Don Agro LLC	Rostov Oblast, Tarasovskiy District	100,000 (equivalent to approximately 10.0 hectares)	Agricultural land/ Assigned for agricultural production	–
52.	Don Agro LLC	Rostov Oblast, Tarasovskiy District, p. Kholmy	240,000 (equivalent to approximately 24.0 hectares)	Agricultural land/ Assigned for agricultural production	–
53.	Don Agro LLC	Rostov Oblast, Tarasovskiy District, p.	400,000 (equivalent to approximately 40.0 hectares)	Agricultural land/ Assigned for agricultural production	–
54.	Don Agro LLC	Rostov Oblast, Tarasovskiy District, p. Kholmy	100,000 (equivalent to approximately 10.0 hectares)	Agricultural land/ Assigned for agricultural production	–
55.	Don Agro LLC	Rostov Oblast, Millerovsky District, Degtevskoe rural local authority unit, center of cadastral quarter No. 61:22:0600006	105,907 (equivalent to approximately 10.6 hectares)	Agricultural land/ Assigned for agricultural production	–

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
56.	Don Agro LLC	Rostov Oblast, Millerovsky District, Voloshinskoe rural local authority unit, 2.0 km southwest from sl. Rogalik	21,000 (equivalent to approximately 2.1 hectares)	Agricultural land/ Under other special purpose objects	–
57.	Don Agro LLC	Rostov Oblast, Millerovsky District, Voloshinskoe rural local authority unit, 3.6 km southwest from sl. Rogalik	77,000 (equivalent to approximately 7.7 hectares)	Agricultural land/ Under other special purpose objects	–
58.	Don Agro LLC	Rostov Oblast, Millerovsky District, Sulinskoe rural local authority unit, 3.1 km west from kh. Sulin	97,001 (equivalent to approximately 9.7 hectares)	Agricultural land/ Assigned for agricultural production	–
59.	Don Agro LLC	Rostov Oblast, Millerovsky District, Kolodezyanskoe rural local authority unit, northwest of cadastral quarter No. 61:22:0600005	294,000 (equivalent to approximately 29.4 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
60.	Don Agro LLC	Rostov Oblast, Millerovsky District, Kolodezyanskoe rural local authority unit, northwest of cadastral quarter No. 61:22:0600005	56,591 (equivalent to approximately 5.6 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of Sberbank
61.	Don Agro LLC	Rostov Oblast, Millerovsky District, Kolodezyanskoe rural local authority unit, northeast of cadastral quarter No. 61:22:0600005	600,200 (equivalent to approximately 60.0 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of Sberbank
62.	Don Agro LLC	Rostov Oblast, Millerovsky District, Kolodezyanskoe rural local authority unit, northwest of cadastral quarter No. 61:22:0600005	76,020 (equivalent to approximately 7.6 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of Sberbank
63.	Don Agro LLC	Rostov Oblast, Millerovsky District, Kolodezyanskoe rural local authority unit, northwest of cadastral quarter No. 61:22:0600005	92,715 (equivalent to approximately 9.2 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of Sberbank

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
64.	Don Agro LLC	Rostov Oblast, Millerovsky District, Kolodezyanskoe rural local authority unit, northwest of cadastral quarter No. 61:22:0600005	452,233 (equivalent to approximately 45.2 hectares)	Agricultural land/ Assigned for agricultural production	–
65.	Don Agro LLC	Rostov Oblast, Millerovsky District, Kolodezyanskoe rural local authority unit, north of cadastral quarter No. 61:22:0600005	183,537 (equivalent to approximately 18.3 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of RSHB(1)
66.	Don Agro LLC	Rostov Oblast, Millerovsky District, Kolodezyanskoe rural local authority unit, northwest of cadastral quarter No. 61:22:0600005	81,689 (equivalent to approximately 8.2 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of Sberbank
67.	Don Agro LLC	Rostov Oblast, Millerovsky District, Kolodezyanskoe rural local authority unit, southwest of cadastral quarter No. 61:22:0600001	169,054 (equivalent to approximately 16.9 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of Sberbank
68.	Don Agro LLC	Rostov Oblast, Millerovsky District, Kolodezyanskoe rural local authority unit, northwest of cadastral quarter No. 61:22:0600001	1,165,023 (equivalent to approximately 116.5 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of Sberbank
69.	Don Agro LLC	Rostov Oblast, Millerovsky District, Krivorozhskoe rural local authority unit, north of cadastral quarter No. 61:22:0600025	685,589 (equivalent to approximately 68.5 hectares)	Agricultural land/ Assigned for agricultural production	–
70.	Don Agro LLC	Rostov Oblast, Millerovsky District, Sulinskoe rural local authority unit, southwest of cadastral quarter No. 61:22:0600029	931,916 (equivalent to approximately 93.2 hectares)	Agricultural land/ Assigned for agricultural production	Mortgage in favour of RSHB(1)
71.	Don Agro LLC	Rostov Oblast, Millerovsky District, Vernetalovskoe rural local authority unit, southeast of cadastral quarter No. 61:22:0600026	804,205 (equivalent to approximately 80.4 hectares)	Agricultural land/ Assigned for agricultural production	–

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
72.	Don Agro LLC	Rostov Oblast, Millerovsky District, Kolodezyanskoe rural local authority unit within the boundaries of cadastral quarter No. 61:22:0600005	3,750 (equivalent to approximately 0.4 hectares)	Agricultural land/ Assigned for agricultural production	–
73.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Voloshino, Kolkhoznaya str., 22	82,590 (equivalent to approximately 8.3 hectares)	Agricultural land/ Assigned for other special purpose objects	Mortgage in favour of RSHB(1)
74.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Voloshino, Kolkhoznaya str., 23	42,821 (equivalent to approximately 4.3 hectares)	Agricultural land/ Assigned for other special purpose objects	Mortgage in favour of RSHB(1)
75.	Don Agro LLC	Rostov Oblast, Millerovsky District, Sulinskoye rural unit, center of cadastral quarter, sl Grekovo, Molodezhnaya str., 7	57,705 (equivalent to approximately 5.7 hectares)	Agricultural land/ Assigned for other special purpose objects	–
76.	Don Agro LLC	Rostov Oblast, Millerovsky District, Sulinskoye rural unit, s Grekovo, Molodezhnaya str., 8	6,859 (equivalent to approximately 0.7 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
77.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Grekovo, Centralnaya str., 2	27,663 (equivalent to approximately 2.7 hectares)	Agricultural land/ Assigned for other special purpose objects	Mortgage in favour of RSHB(1)
78.	Don Agro LLC	Rostov Oblast, Millerovsky District	33,867 (equivalent to approximately 3.4 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
79.	Don Agro LLC	Rostov Oblast, Millerovsky District	29,701 (equivalent to approximately 2.9 hectares)	Agricultural land/ Assigned for placing of storage room	–
80.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Krivorozhye, Lenin str., 28	1,758 (equivalent to approximately 0.2 hectares)	Agricultural land/ Assigned for placing of objects of public and business importance	–
81.	Don Agro LLC	Rostov Oblast, Millerovsky District, 350 m northwest from sl. Kudinovka	11,851 (equivalent to approximately 1.2 hectares)	Agricultural land/ Assigned for other types of agricultural production	–

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
82.	Don Agro LLC	Rostov Oblast, Millerovsky District, 316 m south from sl. Kudinovka	19,945 (equivalent to approximately 2.0 hectares)	Agricultural land	–
83.	Don Agro LLC	Rostov Oblast, Millerovsky District, g. Millerovo, sl. Grekovo, Molodezhnaya str., 3	5,200 (equivalent to approximately 0.5 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
84.	Don Agro LLC	Rostov Oblast, Millerovsky District, g. Millerovo, Krivorozhskoe rural local authority unit in the centre of cadastral quarter 61:22:0600024, 10 m southeast from sl. Krivorozhye	29,309 (equivalent to approximately 2.9 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
85.	Don Agro LLC	Rostov Oblast, Millerovsky District, Degtevskoye Krivorozhskoe rural local authority unit in northeast of cadastral quarter No. 61:22:0600006	529,535 (equivalent to approximately 52.9 hectares)	Agricultural land/ Assigned for agricultural production	–
86.	Don Agro LLC	Rostov Oblast, Millerovsky District, Degtevskoye Krivorozhskoe rural local authority unit in south of cadastral quarter No. 61:22:0600024	543,844 (equivalent to approximately 54.3 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
87.	Don Agro LLC	Rostov Oblast, Millerovsky District, Degtevskoye Krivorozhskoe rural local authority unit in northeast of cadastral quarter No. 61:22:0600025	438,174 (equivalent to approximately 43.8 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
88.	Don Agro LLC	Rostov Oblast, Millerovsky District, Titovskoye rural local authority unit in west of cadastral quarter No. 61:22:0600010	615,972 (equivalent to approximately 61.6 hectares)	Agricultural land/ Assigned for agricultural production	–
89.	Don Agro LLC	Rostov Oblast, Millerovsky District, Krivorozhskoye rural local authority unit in west of cadastral quarter No. 61:22:0600024	478,750 (equivalent to approximately 47.8 hectares)	Agricultural land/ Assigned for agricultural production.	–

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
90.	Don Agro LLC	Rostov Oblast, Millerovsky District, Degtevskoye rural local authority unit within boundaries of cadastral quarter No. 61:22:0600006	1,185,658 (equivalent to approximately 118.5 hectares)	Agricultural land/ Assigned for agricultural production.	–
91.	Don Agro LLC	Rostov Oblast, Millerovsky District, Krivorozhskoye rural local authority in south of cadastral quarter No. 61:22:0600024	1,049,961 (equivalent to approximately 104.9 hectares)	Agricultural land/ Assigned for agricultural production.	–
92.	Don Agro LLC	Rostov Oblast, Millerovsky District, Titovskoye rural local authority in north of cadastral quarter No. 61:22:0600010	528,000 (equivalent to approximately 52.8 hectares)	Agricultural land/ Assigned for agricultural production.	–
93.	Don Agro LLC	Rostov Oblast, Millerovsky District, Kolodezyanskoye local authority within boundaries of cadastral quarter No. 61:22:0600005	1,500 (equivalent to approximately 0.2 hectares)	Agricultural land/ Assigned for agricultural production.	–
94.	Don Agro LLC	Rostov Oblast, Millerovsky District, Krivorozhskoye local authority in northeast of cadastral quarter No. 61:22:0600024	1,665,130 (equivalent to approximately 166.5 hectares)	Agricultural land/ Assigned for agricultural production.	–
95.	Don Agro LLC	Rostov Oblast, Chertkovsky District, east of cadastral quarter 61:42:0600022	260,000 (equivalent to approximately 26.0 hectares)	Agricultural land/ Assigned for agricultural production.	–
96.	Don Agro LLC	Rostov Oblast, Millerovsky District, north, northwest, southwest, west, south from kh. Taradinka;north, south from kh. Kamenka	548,157 (equivalent to approximately 54.8 hectares)	Agricultural land/ Assigned for agricultural production.	Lease (registration record No. 61:22:0600020:126-61/ 043/2019-60 made on October 09, 2019)(2)

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
97.	Don Agro LLC	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:60 00 22, working section No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 23, 24, 25, 31, 32, 33, 34, 35, 36, 45, 46, 47, 48, 49, 59, 60, 61, 91, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 93, 97, 98, north of working section No. 62. Pasture section No. 26g, 25g, 17o, 22g, 20g, 18g, 11o, 23g, 2o, 20g, 6g, 24g, 19g, 5o, 7g, 19g, northwest of 10o	4,784,000(3) (equivalent to approximately 478.4 hectares)	Agricultural land/ Assigned for agricultural production.	Lease (registration No. 61:42:0600022:222-61/ 048/2019-162 made on October 30, 2019)(2)
98.	Don Agro LLC	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:0600022, east of pasture section No. 14o, east of pasture section No. 15o	169,135.5(3) (equivalent to approximately 16.9 hectares)	Agricultural land/ Assigned for agricultural production	–
99.	Don Agro LLC	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:0600022, working section No. 45	120,538.9(3) (equivalent to approximately 12.0 hectares)	Agricultural land/ Assigned for agricultural production.	–
100.	Don Agro LLC	Rostov Oblast, Millerovsky District within the boundaries of cadastral quarter No. 61:22:600006	145,161.9(3) (equivalent to approximately 14.5 hectares)	Agricultural land/ Assigned for agricultural production.	Lease (registration No. 61:22:0600006:378-61/ 026/2019-182 made on November 08, 2019)(2)
101.	Don Agro LLC	Rostov Oblast, Millerovsky District, northwest from sl. Krivorozhie	158,667(3) (equivalent to approximately 15.8 hectares)	Agricultural land/ Assigned for agricultural production.	Lease (registration number No. 61:22:0600024:479-61/ 026/2019-8)(2)
102.	Don Agro LLC	Rostov Oblast, Millerovsky District, northeast, east and southeast of sl. Mashlykino	298,044(3) (equivalent to approximately 29.8 hectares)	Agricultural land/ Assigned for agricultural production.	Lease (registration number No. 61:22:0600010:229-61/ 026/2019-58)(2)

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
103.	Don Agro LLC	Rostov Oblast, Millerovsky District,	248,300 (equivalent to approximately 24.8 hectares)	Agricultural land/ Assigned for agricultural production.	Lease (registration number No. 61:22:0600025:337-61/ 026/2019-30)(2)
104.	Don Agro LLC	Rostov Oblast, Millerovsky District, Krivorozhie	1,240,883.2(3) (equivalent to approximately 124.1 hectares)	Agricultural land/ Assigned for agricultural production.	Lease (registration No. 61:22:0600024:207-61/ 043/2019-325 made on November 18, 2019)(2)
105.	Don Agro LLC	Rostov Oblast, Millerovsky District	105,642(3) (equivalent to approximately 10.6 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration number No. 61-22:0600025:333-61/ 026/2018-4)(2)
106.	Don Agro LLC	Rostov Oblast, Millerovsky District, north, northeast, southeast, south, southwest, west from kh. Kumshatsk	97,880 (equivalent to approximately 9.8 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
107.	Don Agro LLC	Rostov Oblast, Millerovsky District	232,137(3) (equivalent to approximately 23.2 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration number No. 61-22:0600025:336-61/026/2018-4)(2)
108.	Don Agro LLC	Rostov Oblast, Millerovsky District	152,126(3) (equivalent to approximately 15.2 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration number No. 61-22:0600025:342-61/ 026/2018-4)(2)
109.	Don Agro LLC	Rostov Oblast, Millerovsky District	37,634(3) (equivalent to approximately 3.7 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration number No. 61-61-27/011/2009-243/2)(2)
110.	Don Agro LLC	Rostov Oblast, Millerovsky District	142,794(3) (equivalent to approximately 14.3 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration No. 61:22:0600025:330-61/026/2019-28)(2)
111.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Voloshino, within the borders of the land plot facing northwest, north, northeast, east, southeast, south, west side of sl. Voloshino	7,872,666 (equivalent to approximately 787.2 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
112.	Don Agro LLC	Rostov Oblast, Millerovsky District	125,965(3) (equivalent to approximately 12.6 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration No 61:22:0600025:340-61/ 026/2019-28)(2)

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
113.	Don Agro LLC	Rostov Oblast, Millerovsky District	7,575[3] (equivalent to approximately 0.7 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration No. 61:22:0600025:334-61/ 026/2017-4)[2]
114.	Don Agro LLC	Rostov Oblast, Millerovsky District	39,223[3] (equivalent to approximately 3.9 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration No. 61:22:0600025:331-61/ 026/2017-4)[2]
115.	Don Agro LLC	Rostov Oblast, Millerovsky District, north, northeast, southeast, south southwest, west from kh. Kumchatsky	543,414[3] (equivalent to approximately 54.3 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration No. 61:22:0600026:104-61/ 043/2019-135)[2]
116.	Don Agro LLC	Rostov Oblast, Millerovsky District	60,015[3] (equivalent to approximately 6.0 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration No. 61-61-27/011/2009-243/1)[2]
117.	Don Agro LLC	Rostov Oblast, Millerovsky District, south from kh. Malotokmatskiy	26,078[3] (equivalent to approximately 2.6 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration No 61:22:0600027: 1164-61/026/2019-20)[2]
118.	Don Agro LLC	Rostov Oblast, Millerovsky District, east from kh. Malotokmatskiy	8,223[3] (equivalent to approximately 0.8 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration No 61:22:0600027: 1165-61/026/2019-20)[2]
119.	Don Agro LLC	Rostov Oblast, Millerovsky District, southeast from kh. Malotokmatskiy	19,068[3] (equivalent to approximately 1.9 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration No 61:22:0600027: 1166-61/026/2019-20)[2]
120.	Don Agro LLC	Rostov Oblast, Millerovsky District, northeast from kh. Malotokmatskiy	5,307[3] (equivalent to approximately 0.5 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration No 61:22:0600027: 1168-61/026/2019-20)[2]
121.	Don Agro LLC	Rostov Oblast, Millerovsky District, north from kh. Malotokmatskiy	2,293[3] (equivalent to approximately 0.2 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration No 61:22:0600027: 1169-61/026/2019-20)[2]

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
122.	Don Agro LLC	Rostov Oblast, Millerovsky District, northeast from kh. Malotokmatskiy	6,841[(3)] (equivalent to approximately 0.7 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration No 61:22:0600027: 1167-61/026/2019-20)[(2)]
123.	Don Agro LLC	Rostov Oblast, Millerovsky District, south from kh. Malotokmatskiy	32,038[(3)] (equivalent to approximately 3.2 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration No 61:22:0600027: 1163-61/026/2019-20)[(2)]
124.	Don Agro LLC	Rostov Oblast, Millerovsky District, west from kh. Malotokmatskiy	31,268[(3)] (equivalent to approximately 3.2 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration No 61:22:0600027: 1162-61/026/2019-20)[(2)]
125.	Don Agro LLC	Rostov Oblast, Millerovsky District west from Malotokmatsky	64,616[(3)] (equivalent to approximately 6.4 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration No. 61:22:0600027:1161-61/026/2019-22)[(2)]
126.	Don Agro LLC	Rostov Oblast, Millerovsky District, north from sl. Kudinovka	123,693[(3)] (equivalent to approximately 12.7 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration No. 61:22:0600001:116-61/043/2019-22 made on October 30, 2019)[(2)]
127.	Don Agro LLC	Rostov Oblast, Millerovsky District	510,048[(3)] (equivalent to approximately 51.0 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
128.	Don Agro LLC	Rostov Oblast, Millerovsky District, around sl. Rogalik	96,970[(3)] (equivalent to approximately 9.7 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
129.	Don Agro LLC	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:600022, west of pasture plot No. 7g	83,144[(3)] (equivalent to approximately 8.3 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
130.	Don Agro LLC	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:600022, working section No. 90	36,842.9[(3)] (equivalent to approximately 3.7 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
131.	Don Agro LLC	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:600022, east side of the working section No. 89	94,368.2[(3)] (equivalent to approximately 9.4 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
132.	Don Agro LLC	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:600022, east side of the working section No. 27	64,161[(3)] (equivalent to approximately 6.4 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
133.	Don Agro LLC	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:600022, east side of the working section No. 25	15,910.3[(3)] (equivalent to approximately 1.6 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
134.	Don Agro LLC	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:600022, working section No. 26	57,366.7[(3)] (equivalent to approximately 5.7 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
135.	Don Agro LLC	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:600022, east side of the working section No. 87	169,282.6[(3)] (equivalent to approximately 16.9 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
136.	Don Agro LLC	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:600022, east side of the working section No. 89	60,162.5[(3)] (equivalent to approximately 6.0 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
137.	Don Agro LLC	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:600022, east side of the working section No. 88	145,175.2[(3)] (equivalent to approximately 14.5 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
138.	Don Agro LLC	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:0600022	129,997[(3)] (equivalent to approximately 12.9 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
139.	Don Agro LLC	Rostov Oblast, Millerovsky District, around s. Rogalik	79,422.6[(3)] (equivalent to approximately 7.9 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration No. 61:22:0600018:247-61/026/2019/207)[(2)]
140.	Don Agro LLC	Millerovsky District, north, north-east, east, south-east, south sl.	35,710[(3)] (equivalent to approximately 3.6 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration No. 61:22:0600029:180-61/043/2019/322)[(2)]
141.	Don Agro LLC	Rostov Oblast, Millerovsky District, around sl. Kudinovka	21,909 (equivalent to approximately 2.2 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
142.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Rogalk, 58 Druzbi str.	19,086 (equivalent to approximately 1.9 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
143.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, Sovetskayastr.	16,243 (equivalent to approximately 1.6 hectares)	Residential lands	–
144.	Don Agro LLC	Rostov Oblast, Millerovsky District, north, north-east side of sl. Kudinovka	123,546.4[(3)] (equivalent to approximately 12.4 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration No. 61:22:0600001:146-61/ 026/2019-212)[(2)]
145.	Don Agro LLC	Rostov Oblast, Millerovsky District, northwest, north, northeast, east, southeast, south, west of sl. Voloshino	92,529[(3)] (equivalent to approximately 9.3 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration No. 61:22:0600017:92-61/ 026/2019-337 made on November 08, 2019)[(2)]

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
146.	Don Agro LLC	Rostov Oblast, Millerovsky District, within the borders of cadastral quarter 61:22:00 60 25: facing east, northeast, southeast, northwest, southwest, northwest side of h. Krynychniy	159,809(3) (equivalent to approximately 16.0 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration No. 61:22:0600025:86-61/043/ 2019-185)(2)
147.	Don Agro LLC	Rostov Oblast, Millerovsky District, Degtevskoye selskoe poselenie, in the southern part of the cadastral quarter 61:22:0600006	105,998(4) (equivalent to approximately 10.6 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
148.	Don Agro LLC	Rostov Oblast, Chertkovsky District, sp. Sheptuhovskoye, in the northeastern part of cadastral quarter No. 61:42:0600022	3,355,502(3) (equivalent to approximately 335.6 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	–
149.	Don Agro LLC	Rostov Oblast, Millerovsky District, northeast and west of sl. Degtevo	60,833.5(3) (equivalent to approximately 6.1 hectares)	Agricultural land/ Assigned for agricultural production	Lease (registration No. 61:22:0600006:609-61/ 043/2019-26)(2)
150.	Don Agro LLC	Rostov Oblast, Millerovsky District	149,515.5(3) (equivalent to approximately 15.0 hectares)	Agricultural land/ Assigned for placing of agricultural objects and agricultural grounds	Lease (registration No. 61:22:0600025:332-61/ 026/2017-4)(2)
151.	Don Agro LLC	Rostov Oblast, Millerovsky District, sp. Voloshinskoye, within the boundaries of cadastral quarter No. 61:22:600017	98,000(3) (equivalent to approximately 9.8 hectares)	Agricultural land/ Assigned for agricultural production	Lease (registration No. 61:22:0600017:627-61/ 043/2019-33 made on October 17, 2019)(2)
152.	Don Agro LLC	Rostov Oblast, Millerovsky District, selskoye poselenie Verhnetalovskoye, within the boundaries of cadastral quarter No. 61:22:600026	97,880(3) (equivalent to approximately 9.8 hectares)	Agricultural land/ Assigned for agricultural production	–
153.	Don Agro LLC	Rostov Oblast, Millerovsky District, south-west from sl. Krivorozhye	35,858(3) (equivalent to approximately 3.6 hectares)	Agricultural land/ Assigned for agricultural production	Lease (registration No. 61:22:0600024:476-61/ 043/2019-9 made on November 13, 2019)(2)

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
154.	Don Agro LLC	Rostov Oblast, Millerovsky District, s/p Voloshinskoe, within the boundaries of the cadastral quartal No. 61:22:0600017	196,000[(3)] (equivalent to approximately 19.6 hectares)	Agricultural land/ Assigned for agricultural production	Lease (registration No. 61:22:0600017:648-61/ 026/2019-22 made on November 18, 2019)[(2)]
155.	Degtevskoe	Rostov Oblast, Millerovsky District, north, northeast from sl. Degtevo	424,000 (equivalent to approximately 42.4 hectares)	Agricultural land/ Assigned for agricultural production	–
156.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, northeast of cadastral quarter No. 61:22:0600006	4,501,047.5[(5)] (equivalent to approximately 450.1 hectares)	Agricultural land/ Assigned for agricultural production	Lease (registration number No. 61-61-27/023/2006-540)[(2)]
157.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, 1,500 meters southeast from sl. Degtevo	153,340 (equivalent to approximately 15.3 hectares)	Animal industry/ Assigned for agricultural production	–
158.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, 1,000 meters northwest from sl. Degtevo	54,598 (equivalent to approximately 5.4 hectares)	Animal industry/ Assigned for agricultural production	–
159.	Degtevskoe	Rostov Oblast, Millerovsky District, sl. Degtevo, ul. Pervomaiskaya, 72	1,500 (equivalent to approximately 0.2 hectares)	Private residential structure/residential area	–
160.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, 1,000 meters northwest from h. Grai-Voronez	207,130 (equivalent to approximately 20.7 hectares)	Agricultural land/ Assigned for agricultural production	–
161.	Degtevskoe	Rostov region, Millerovsky District, within the cadastral quarter 61:22:060006	21,967 (equivalent to approximately 2.1 hectares)	Lands of industry energy, transport, communications, broadcasting, television, computer science, land for space activities, land defense, security and other special purpose lands	–
162.	Degtevskoe	Rostov Oblast, Millerovsky District, selskoye poselenie Degtevskoye, in the southern part of cadastral quarter No. 61:22:060006	105,998.5[(3)] (equivalent to approximately 10.6 hectares)	Animal industry/ Assigned for agricultural production	–

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
163.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, h. Malotokmatskiy, ul. Shkolnaya, d. 8	39,881.64 (equivalent to approximately 3.9 hectares)	Land of residential area assigned for the operation of industry buildings	–
164.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, g. Millerovo, ul. Sedova, 12	88,123 (equivalent to approximately 8.8 hectares)	For objects of social and business purposes/Land of residential area under industrial premises and structures	Lease (registration No. 61:54:0041601:191-61/026/2017-2)
165.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, g. Millerovo, ul. Sedova, 12	7,268 (equivalent to approximately 0.7 hectares)	For objects of social and business purposes/Land of residential area under industrial premises and structures	Lease (registration No. 61:54:0041601:190-61/026/2018-4)
166.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, g. Millerovo, ul. Sedova, 12	3,519 (equivalent to approximately 0.4 hectares)	For objects of social and business purposes/Land of residential area under industrial premises and structures	Lease (registration No. 61:54:0041601:189-61/026/2017-2)
167.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, g. Millerovo, ul. Sedova, 12	739 (equivalent to approximately 0.1 hectares)	For objects of social and business purposes/Land of residential area under industrial premises and structures	Lease (registration No. 61:54:0041601:188-61/026/2017-2)
168.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, g. Millerovo, ul. Sedova, 12	100 (equivalent to approximately 0.01 hectares)	For objects of social and business purposes/Land of residential area under industrial premises and structures	Lease (registration No. 61:54:0041601:187-61/026/2017-2)
169.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, west from kh. Malotokmatcky	64,615.63(3) (equivalent to approximately 6.4 hectares)	Agricultural land/Assigned for agricultural production	–
170.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, west from kh. Malotokmatcky	31,268(3) (equivalent to approximately 3.1 hectares)	Agricultural land/Assigned for agricultural production	Lease (registration No. 61:22:0600027:1162-61/026/2019-20)(2)
171.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, south from kh. Malotokmatcky	32,037.84(3) (equivalent to approximately 3.2 hectares)	Agricultural land/Assigned for agricultural production	Lease (registration No. 61:22:0600027:1163-61/026/2019-20)(2)
172.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, northeast from kh. Malotokmatcky	6,840.74(3) (equivalent to approximately 0.6 hectares)	Agricultural land/Assigned for agricultural production	Lease (registration No. 61:22:0600027:1167-61/026/2019-20)(2)

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
173.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, north from kh. Malotokmatcky	2,292.79(3) (equivalent to approximately 0.2 hectares)	Agricultural land/ Assigned for agricultural production	Lease (registration No. 61:22:0600027:1169-61/026/2019-20)(2)
174.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, northeast from kh. Malotokmatcky	5,307.32(3) (equivalent to approximately 0.5 hectares)	Agricultural land/ Assigned for agricultural production	Lease (registration No. 61:22:0600027:1168-61/026/2019-20)(2)
175.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, southeast from kh. Malotokmatcky	19,068.06(3) (equivalent to approximately 1.9 hectares)	Agricultural land/ Assigned for agricultural production	Lease (registration No. 61:22:0600027:1166-61/026/2019-20)(2)
176.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, east from kh. Malotokmatcky	8,222.68(3) (equivalent to approximately 0.8 hectares)	Agricultural land/ Assigned for agricultural production	Lease (registration No. 61:22:0600027:1165-61/026/2019-20)(2)
177.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, south from kh. Malotokmatcky	26,078.5(3) (equivalent to approximately 2.6 hectares)	Agricultural land/ Assigned for agricultural production	Lease (registration No. 61:22:0600027:1164-61/026/2019-20)(2)
178.	Rassvet	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:600022 working sections No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 23, 24, 25, 31, 32, 33, 34, 35, 36, 45, 46, 47, 48, 49, 59, 60, 61, 91, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 93, 97, 98, north side of the working section No. 62, pasture plots No. 26g, 25g, 17o, 22g, 20g, 18g, 11o, 23g, 2o, 20g, 6g, 24g, 19g, 5o, 7g, 19g, north-west side 10o	1,296,000(3) (equivalent to approximately 129.6 hectares)	Agricultural land/ Assigned for agricultural production	Lease (registration No. 61-42-0600022:222-61/048/2019-162)

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
179.	Rassvet	Rostov Oblast, Chertkovsky District, within the boundaries of cadastral quarter No. 61:42:600022 working sections No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 23, 24, 25, 31, 32, 33, 34, 35, 36, 45, 46, 47, 48, 49, 59, 60, 61, 91, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 93, 97, 98, north side of the working section No. 62, pasture plots No. 26g, 25g, 17o, 22g, 20g, 18g, 11o, 23g, 2o, 20g, 6g, 24g, 19g, 5o, 7g, 19g, north-west side 10o	388,700(3) (equivalent to approximately 38.9 hectares)	Agricultural land/ Assigned for agricultural production	Lease (registration No. 61-42-0600022:222-61/048/2019-162)
180.	Rassvet	Rostov Oblast, Chertkovsky District, Sheptukhovskoye village, north side of cadastral quarter No. 61:42:0600022	1,504,190.38(3) (equivalent to approximately 150.4 hectares)	Agricultural land/ Assigned for accommodation and operation of railway transport facilities	–

Notes:

(1) This encumbrance is in the process of being removed.

(2) We own a part of this land plot (the area indicated in the table) and the remaining part of this land plot that is not owned by us has been leased by Don Agro LLC.

(3) We own a part of this land plot (the area indicated in the table).

(4) Don Agro LLC owns a part of this land plot (the area indicated in the table) and the remaining part of this land is owned by Degtevskoe LLC.

(5) Degtevskoe LLC owns a part of this land plot (the area indicated in the table) and the remaining part of this land is owned by Don Agro LLC.

APPENDIX E – PROPERTIES AND LEASES

Buildings

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
1.	Don Agro LLC	Rostov Oblast, Millerovsky District, 10 m southeast from sl. Krivorozhye	230.4	Non-living building	–
2.	Don Agro LLC	Rostov Oblast, Millerovsky District, 10 m north from sl. Krivorozhye	172	Non-living building	–
3.	Don Agro LLC	Rostov Oblast, Millerovsky District, 180 m north from sl. Krivorozhye	549.3	Non-living building	–
4.	Don Agro LLC	Rostov Oblast, Millerovsky District, 30 m north from sl. Krivorozhye	18.1	Non-living building	–
5.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Voloshino, 22 Kolkhoznaya str.	191.7	Non-living building	Mortgage in favour of RSHB(1)
6.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Voloshino, 22 Kolkhoznaya str.	1,088.2	Non-living building	Mortgage in favour of RSHB(1)
7.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Voloshino, 23 Kolkhoznaya str.	1,136.7	Non-living building	Mortgage in favour of RSHB(1)
8.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Voloshino, 23 Kolkhoznaya str.	304.4	Non-living building	Mortgage in favour of RSHB(1)
9.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Voloshino, 23 Kolkhoznaya str.	5,036.2	Non-living building	Mortgage in favour of RSHB(1)
10.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Voloshino, 23 Kolkhoznaya str.	1,240	Non-living building	Mortgage in favour of RSHB(1)
11.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Voloshino, 23 Kolkhoznaya str.	665.5	Non-living building	Mortgage in favour of RSHB(1)
12.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Voloshino, 23 Kolkhoznaya str.	20.7	Non-living building	Mortgage in favour of RSHB(1)
13.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Voloshino, 22 Kolkhoznaya str.	9.9	Non-living building	Mortgage in favour of RSHB(1)

APPENDIX E – PROPERTIES AND LEASES

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
14.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Voloshino, 22 Kolkhoznaya str.	137	Non-living building	Mortgage in favour of RSHB(1)
15.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Voloshino, 22 Kolkhoznaya str.	341.6	Non-living building	Mortgage in favour of RSHB(1)
16.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Voloshino, 22 Kolkhoznaya str.	156.8	Non-living building	Mortgage in favour of RSHB(1)
17.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Voloshino, 22 Kolkhoznaya str.	10.7	Non-living building	Mortgage in favour of RSHB(1)
18.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Voloshino, 23 Kolkhoznaya str.	15.2	Non-living building	Mortgage in favour of RSHB(1)
19.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 128 Sovetskaya str.	482	Non-living building	–
20.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 128 Sovetskaya str.	38.4	Non-living building	–
21.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 8 Zvezdnuy per.	1,446.3	Non-living building	–
22.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 8 Zvezdnuy per.	1,068.2	Non-living building	–
23.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 316 m south from sloboda Kudinovka of Millerovskiy District of Rostov oblast	1,539.9	Non-living building	–
24.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 8 Zvezdnuy per.	670.4	Non-living building	–
25.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 8 Zvezdnuy per.	1,458.5	Non-living building	–
26.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 2 Octyabrskaya str.	54.8	Non-living building	–

APPENDIX E – PROPERTIES AND LEASES

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
27.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 23 Pobedy str.	344.7	Non-living building	–
28.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 1 Pobedy str.	1,209.2	Non-living building	–
29.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 37 Sovetskaya str.	337.1	Non-living building	–
30.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 1 Pobedy str.	554.6	Non-living building, warehouse	–
31.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 1 Pobedy str.	1,084.5	Non-living building	–
32.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 1 Pobedy str.	539.5	Non-living building	–
33.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 37 Sovetskaya str.	66.1	Non-living building	–
34.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 128 Sovetskaya str.	753.6	Non-living building	–
35.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 18 8 March str.	88.4	Non-living building	–
36.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 18 8 March str.	56.1	Non-living building	–
37.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 19 8 March str.	21.6	Non-living building	–
38.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 19 8 March str.	20.1	Non-living building, warehouse	–
39.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 8 Zvezdnuy per.	534.5	Non-living building	–
40.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 8 Zvezdnuy per.	58.3	Non-living building	–

APPENDIX E – PROPERTIES AND LEASES

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
41.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 8 Zvezdnuy per.	88.5	Non-living building	–
42.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 8 Zvezdnuy per.	2,329.9	Unfinished building	–
43.	Don Agro LLC	Rostov Oblast, Millerovsky District, s/p Kolodezyanskoye, sl. Kudinovka, 96 Sovetskaya str.	295.1	Non-living building	–
44.	Don Agro LLC	Rostov Oblast, Millerovsky District, s/p Kolodezyanskoye, sl. Kudinovka, 37 Sovetskaya str.	61.5	Non-living building	–
45.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 8 Zvezdnuy per.	73.3	Non-living building	–
46.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 1 Pobedy str.	9	Non-living building	–
47.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 96 Sovetskaya str.	135.8	Non-living building	–
48.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 37 Sovetskaya str.	546	Non-living building	–
49.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 37 Sovetskaya str.	50.7	Non-living building	–
50.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 37 Sovetskaya str.	352.4	Non-living building	–
51.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 37 Sovetskaya str.	334.2	Non-living building	–
52.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Krivorozhye, 28 Stepnaya str.	204.6	Non-living building	–

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
53.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Krivorozhye, 50 name of V.S.Ovchinnikova str.	275.5	Non-living building	–
54.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Krivorozhye, 50 name of V.S.Ovchinnikov str.	9.8	Non-living building	–
55.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Krivorozhye, 28 name of V.I.Lenin str.	199.7	Non-living building	–
56.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Grekovo, 12 Centralnaya str.	248.7	Non-living building	–
57.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Grekovo, 4 Centralnaya str.	206.1	Non-living building	–
58.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Grekovo, 10 Centralnaya str.	250	Non-living building	–
59.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Grekovo, 10 Centralnaya str.	149.2	Non-living building	–
60.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Grekovo, 7 Centralnaya str.	36.1	Non-living building	–
61.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Grekovo, 6 Centralnaya str.	631.5	Non-living building	–
62.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Grekovo, 2 Yubileynaya str.	649	Non-living building	–
63.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Grekovo, 9 Centralnaya str.	299.3	Non-living building	–
64.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Grekovo, 5 Centralnaya str.	28.1	Non-living building	–
65.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Grekovo, 2 Centralnaya str.	106.1	Non-living building	Mortgage in favour of RSHB(1)

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
66.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Grekovo, 2 Centralnaya str.	88	Non-living building	Mortgage in favour of RSHB(1)
67.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Grekovo, 2 Centralnaya str.	918.3	Non-living building	Mortgage in favour of RSHB(1)
68.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Grekovo, 2 Centralnaya str.	2,239.7	Non-living building	Mortgage in favour of RSHB(1)
69.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Grekovo, 2 Centralnaya str.	2,417.1	Non-living building	Mortgage in favour of RSHB(1)
70.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Grekovo, 2 Centralnaya str.	284.4	Non-living building	Mortgage in favour of RSHB(1)
71.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Grekovo, 2 Centralnaya str.	1,206.7	Non-living building	Mortgage in favour of RSHB(1)
72.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Grekovo, 6 Molodezhnaya str.	72.8	Non-living building	–
73.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Grekovo, 2 Centralnaya str.	126.5	Non-living building	Mortgage in favour of RSHB(1)
74.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Rogalik, 62 Druzhby str.	82.1	Non-living building	–
75.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Rogalik, 58 Druzhby str.	13.9	Non-living building	–
76.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Rogalik, 58 Druzhby str.	1,222.8	Non-living building	–
77.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Rogalik, 58 Druzhby str.	2,240	Non-living building	–
78.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Rogalik, 46 Druzhby str.	274.7	Non-living building	–
79.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Rogalik, 58 Druzhby str.	104.1	Non-living building	–

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
80.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Rogalik, 58 Druzhby str.	156	Non-living building	–
81.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Rogalik, 58 Druzhby str.	8,781	Non-living building	–
82.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Kudinovka, 350 m northwest from sloboda Kudinovka	1,417.6	Non-living building	–
83.	Don Agro LLC	Rostov Oblast, Millerovsky District, s/p Degtevskoye, 1,500 m southeast from sl. Degtevo	1,747.4	Non-living building	–
84.	Don Agro LLC	Rostov Oblast, Millerovsky District, s/p Degtevskoye, 1,500 m southeast from sl. Degtevo	1,975.4	Non-living building	–
85.	Don Agro LLC	Rostov Oblast, Millerovsky District, s/p Degtevskoye, 1,500 m southeast from sl. Degtevo	1,955.2	Non-living building	–
86.	Don Agro LLC	Rostov Oblast, Millerovsky District, 30 m north from soboda Krivorozhye	599.9	Non-living building	–
87.	Don Agro LLC	Rostov Oblast, Millerovsky District, s/p Krivorozhskoye, 30 m north from soboda Krivorozhye	2,148.2	Non-living building	–
88.	Don Agro LLC	Rostov Oblast, Millerovsky District, s/p Krivorozhskoye, 30 m north from soboda Krivorozhye	2,650.9	Non-living building	–
89.	Don Agro LLC	Rostov Oblast, Millerovsky District, s/p Krivorozhskoye, 30 m north from soboda Krivorozhye	1,069.2	Non-living building	–
90.	Don Agro LLC	Rostov Oblast, Millerovsky District, s/p Krivorozhskoye, 30 m north from soboda Krivorozhye	819.1	Non-living building	–
91.	Don Agro LLC	Rostov Oblast, Millerovsky District, 150 m north from soboda Krivorozhye	76	Non-living building	–

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
92.	Don Agro LLC	Rostov Oblast, Millerovsky District, 150 m north from soboda Krivorozhye	1,008.4	Non-living building	–
93.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Grekovo, 7 Molodezhnaya str.	54.7	Non-living building	–
94.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Grekovo, 7 Molodezhnaya str.	986.6	Non-living building	–
95.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Grekovo, 7 Molodezhnaya str.	949.5	Non-living building	–
96.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Grekovo, 7 Molodezhnaya str.	815	Non-living building	–
97.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl Grekovo, 8 Molodezhnaya str.	1,565.7	Non-living building	–
98.	Don Agro LLC	Rostov Oblast, Millerovsky District, s/p Sulinskoye, sl. Grekovo, 3 Molodezhnaya str.	857.2	Non-living building	–
99.	Don Agro LLC	Rostov Oblast, Millerovsky District, sl. Pozdneevka, ul. Nabereznaya, d. 22	817.6	Non-living building	–
100.	Don Agro LLC	Rostov Oblast, Millerovsky District, h. Kamenka, ul. Pochtovaya, d. 19	802.4	Non-living building	–
101.	Don Agro LLC	Rostov Oblast, Millerovsky District, h. Kamenka, ul. Pochtovaya, d. 19	230.8	Non-living building	–
102.	Don Agro LLC	Rostov Oblast, Millerovsky District, h. Kamenka, ul. Pochtovaya, d. 19	902.6	Non-living building	–
103.	Don Agro LLC	Rostov Oblast, Millerovsky District, h. Kamenka, ul. Pochtovaya, d. 19	619.3	Non-living building	–
104.	Don Agro LLC	Rostov Oblast, Millerovsky District, h. Kamenka, ul. Pochtovaya, d. 19	1,521	Non-living building	–

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
105.	Don Agro LLC	Rostov Oblast, Millerovsky District, h. Kamenka, ul. Pochtovaya, d. 19	177.3	Non-living building	–
106.	Don Agro LLC	Rostov Oblast, Millerovsky District, h. Kamenka, ul. Pochtovaya, d. 19	42.2	Non-living building	–
107.	Don Agro LLC	Rostov Oblast, Millerovsky District, h. Kamenka, ul. Pochtovaya, d. 19	81.1	Non-living building	–
108.	Don Agro LLC	Rostov Oblast, Millerovsky District, h. Kamenka, ul. Pochtovaya, d. 19	1,370	Non-living building	–
109.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, 1,000 meters northwest from h. Grai-Voronez	1,977	Non-living building	–
110.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, 1,000 meters northwest from h. Grai-Voronez	1,444.7	Non-living building	–
111.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, 1,000 meters northwest from h. Grai-Voronez	1,097.6	Non-living building	–
112.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, 1,000 meters northwest from h. Grai-Voronez	38.9	Non-living building	–
113.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, 1,000 meters northwest from h. Grai-Voronez	152.3	Non-living building	–
114.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, 1,500 meters southeast from sl. Degtevo	1,478.7	Non-living building	–
115.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, 1,500 meters southeast from sl. Degtevo	918.1	Non-living building	–

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
116.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, 1,500 meters southeast from sl. Degtevo	244.6	Non-living building	–
117.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, 1,500 meters southeast from sl. Degtevo	515.9	Non-living building	–
118.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, 1,500 meters southeast from sl. Degtevo	644.7	Non-living building	–
119.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, 1,500 meters southeast from sl. Degtevo	249	Non-living building	–
120.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, 1,000 meters northwest from sl. Degtevo	1,010.3	Non-living building	–
121.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, 1,000 meters northwest from sl. Degtevo	981.1	Non-living building	–
122.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, 1,000 meters northwest from sl. Degtevo	1,364.9	Non-living building	–
123.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, 1,000 meters northwest from sl. Degtevo	52.6	Non-living building	–
124.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, 500 meters west from sl. Degtevo	25.4	Non-living building	–
125.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, sl. Degtevo, ul. Pervomaiskaya, d, 74	40	Non-living building	–

APPENDIX E – PROPERTIES AND LEASES

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
126.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, sl. Degtevo, ul. Pervomaiskaya, d, 72	323.1	Non-living building	–
127.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, sl. Degtevo, ul. Pervomaiskaya, d, 74	1,073.7	Non-living building	–
128.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, 500 meters west from sl. Degtevo	4,961	Non-living building	–
129.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, 500 meters west from sl. Degtevo	1,224.2	Non-living building	–
130.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, sl. Degtevo, ul. Pervomaiskaya, d, 74	529	Non-living building	–
131.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, sl. Degtevo, ul. Pervomaiskaya, d, 74	280.8	Non-living building	–
132.	Degtevskoe	Rostov Oblast, Millerovsky District, s/p Degtevskoe, 500 meters west from sl. Degtevo	116.7	Non-living building	–
133.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, h. Malotokmatskiy, ul. Shkolnaya, d. 8	274.5	Non-living building	–
134.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, h. Malotokmatskiy, ul. Shkolnaya, d. 8	2,501.1	Non-living building	–
135.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, h. Malotokmatskiy, ul. Shkolnaya, d. 8	741	Non-living building	–
136.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, h. Malotokmatskiy, ul. Shkolnaya, d. 8	1,413.2	Non-living building	–

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
137.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, h. Malotokmatskiy, ul. Shkolnaya, d. 8	3,173.3	Non-living building	–
138.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, g. Millerovo, ul. Sedova, d. 12	1,115.8	Non-living building	–
139.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, g. Millerovo, ul. Sedova, d. 12	1,155.7	Non-living building	–
140.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, g. Millerovo, ul. Sedova, d. 12	3,000.9	Non-living building	–
141.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, g. Millerovo, ul. Sedova, d. 12	236.7	Apartment building	–
142.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, g. Millerovo, ul. Sedova, d. 12	449.5	Non-living building	–
143.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, g. Millerovo, ul. Sedova, d. 12	485	Non-living building	–
144.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, g. Millerovo, ul. Sedova, d. 12	14.5	Non-living building	–
145.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, g. Millerovo, ul. Sedova, d. 12	41.1	Non-living building	–
146.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, g. Millerovo, ul. Sedova, d. 12	612.1	Non-living building	–
147.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, g. Millerovo, ul. Sedova, d. 12	28.4	Non-living building	–
148.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, g. Millerovo, ul. Sedova, d. 12	1,173.1	Non-living building	Lease (registration No. 61:54:0041601:74-61/026/2018-9)[(2)]
149.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, g. Millerovo, ul. Sedova, d. 12	654.4	Non-living building	–
150.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, g. Millerovo, ul. Sedova, d. 12	404.8	Non-living building	–

S/No.	Owner	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
151.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, g. Millerovo, ul. Sedova, d. 12	12.9	Non-living building	–
152.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, g. Millerovo, ul. Sedova, d. 12	464.7	Non-living building	–
153.	Selkhoztekhnika	Rostov Oblast, Millerovsky District, g. Millerovo, ul. Sedova, d. 12	390.9	Non-living building	–

Notes:

(1) This encumbrance is in the process of being removed.

(2) This property has been leased out by our Group to an independent third party.

Factual Ownership

The following table sets out the immovable property ("**Buildings**") over which our Group exercises rights of ownership. However, due to the unfinished process of land privatisation arising from the collapse of the Soviet Union, (i) the Buildings; and (ii) the land on which the Buildings are located ("**Buildings Land**") (which is estimated to be approximately 4.77 hectares) are not included in any cadastral documents and are not registered in the cadastral register of the Department of the Federal Service for State Registration, Cadastre and Cartography. Given that the Buildings and the Buildings Land are not registered in the cadastral register, there is no data to support any ownership claims or claims that the ownership title is false; and by default, the ownership title of the Buildings Land belongs to the public property. Generally, the factual owner of the Buildings can initiate the court procedures to acquire the ownership title of the Buildings and after that the ownership title of the Buildings Land underneath. Our Group is in the process of acquiring the ownership title to the Buildings and the Buildings Land and has, in June 2019, initiated judicial proceedings in order to obtain the ownership rights on such real property on the bases of usucaption. Barring unforeseen circumstances and assuming that the Russian court will grant the rights of ownership of the Buildings to our Group, we expect to obtain ownership title to the Buildings and the land on which they are located by the end of the first quarter of FY2020. The potential risks of the Russian authorities forbidding us to use and taking back the Buildings and Buildings Land are remote.

S/No.	Relevant Group entity	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
1.	Rassvet	Rostov Oblast, Millerovsky District	720	Garage	–
2.	Rassvet	Rostov Oblast, Millerovsky District	72	Garage	–
3.	Rassvet	Rostov Oblast, Millerovsky District	576	Hangar	–
4.	Rassvet	Rostov Oblast, Millerovsky District	1,849.3	Granary	–

APPENDIX E – PROPERTIES AND LEASES

S/No.	Relevant Group entity	Location	Approximate gross floor area (sq m)	Use of property	Encumbrances
5.	Rassvet	Rostov Oblast, Millerovsky District	242.8	Feeding room	–
6.	Rassvet	Rostov Oblast, Millerovsky District	960	Cowshed	–
7.	Rassvet	Rostov Oblast, Millerovsky District	1,711.1	Cowshed	–
8.	Rassvet	Rostov Oblast, Millerovsky District	3,426.5	Cowshed	–
9.	Rassvet	Rostov Oblast, Millerovsky District	1,767.5	Cowshed	–
10.	Rassvet	Rostov Oblast, Millerovsky District	108	Smithy	–
11.	Rassvet	Rostov Oblast, Millerovsky District	12	Tractor repair shop	–
12.	Rassvet	Rostov Oblast, Millerovsky District	108	Warehouse	–
13.	Rassvet	Rostov Oblast, Millerovsky District	12	Security post building on the grain flow structure	–
14.	Rassvet	Rostov Oblast, Millerovsky District	914.6	Calf pen	–
15.	Rassvet	Rostov Oblast, Millerovsky District	768	Calf pen	–
16.	Rassvet	Rostov Oblast, Millerovsky District	892.3	Calf pen	–
17.	Rassvet	Rostov Oblast, Millerovsky District	630	Storehouse	–
18.	Rassvet	Rostov Oblast, Millerovsky District	10	Software and hardware complexes for grain weighing on the grain flow structure	–
19.	Rassvet	Rostov Oblast, Millerovsky District	40	Grain separator aggregate	–
20.	Rassvet	Rostov Oblast, Millerovsky District	40	Grain separator aggregate	–
21.	Rassvet	Rostov Oblast, Millerovsky District	4,080	Grain flow structure	–

This page has been intentionally left blank.

APPENDIX F – SANCTIONS COMPLIANCE POLICY

1. INTRODUCTION

Don Agro International Limited (the "**Company**") is committed to conducting business in full compliance with all applicable laws and regulations related to economic sanctions, export controls, trade embargoes and wider prohibitions and restrictions on international trade and investment related activities, including but not limited to those adopted, administered and enforced by the Government of the United States, the European Union and its member states, the United Nations Security Council, the Government of Australia and the Government of Singapore ("**International Sanctions**"), to the extent they apply to the activities of the Company, its subsidiaries and associated companies (collectively, the "**Group**").

The primary objectives of this Policy are to ensure, *inter alia*, that (i) the Group does not violate any International Sanctions; (ii) the Group does not engage in any Sanctioned Activity[1]; and (iii) the undertaking dated 22 November 2019 to the SGX-ST is being complied with.

This Policy provides an overview of relevant International Sanctions laws and regulations and instructions on relevant internal control procedures. The Policy applies to every director, officer and employee of each member of the Group, as well as the joint ventures of the Group's members.

2. TRADE AND ECONOMIC SANCTIONS

The United States and other jurisdictions or organisations, including the European Union, the United Nations and Australia, have, through executive order, passing of legislation or other governmental means, implemented measures that impose economic sanctions against various countries or against targeted industry sectors, groups of companies or persons, and/or organisations within such countries.

It is our policy that all Group companies will comply fully, in every respect of their business, with all International Sanctions that apply to our business. The Group shall not engage in any Sanctioned Activity and any funds of the Group (including funds raised from any listing and any secondary fund-raising post-listing on the SGX-ST) shall not benefit any Sanctioned Subject.

A complete list of countries subject to International Sanctions shall be maintained by the Company's Chief Operating Officer ("**COO**") and updated on an ongoing basis for guidance. Further, the COO shall have access to any lists of "restricted parties" or "Sanctioned Subjects"[2] maintained by any relevant International Sanctions authority, including but not limited to the List of Specially Designated Nationals and Blocked Persons (the "**SDN List**"), the Sectoral Sanctions Identification List (the "**SSI List**") maintained by the U.S. Department of the Treasury's Office of Foreign Asset Control ("**OFAC**") and the Special Economic and Other Restrictive Measures (Sanctions) List (the "**NSDC List**") maintained by the Ukrainian National Security and Defense Council. Parties on the SDN List, SSI List, NSDC List or other lists of restricted or Sanctioned Subjects, entities and organizations maintained by the United States, European Union or other jurisdictions are referred to in this Policy as "**Restricted Parties**".

---

[1] Sanctioned Activity refers to any activity by the Group that is subject to and in violation of any Relevant Sanction. Relevant Sanction refers to any sanction law or regulation which is imposed by a Relevant Jurisdiction and applicable to the Group, and Relevant Jurisdiction refers to any jurisdiction that is relevant to the Group or which the Group would otherwise have any nexus with, and has sanction laws or regulations.

[2] Sanctioned Subject refers to any individual or entity or government which is (i) listed/designated on any sanction list(s); and/or (ii) owned or controlled by any individual or entity or government listed in (i).

If necessary, we will seek advice from our external international legal counsel with necessary expertise and experience in sanctions (the "**External Sanctions Counsel**"[3]) to provide information that we require to carry out this Policy, such as the current list of countries subject to International Sanctions and Sanctioned Subjects to our Directors, senior management and other relevant personnel, who will in turn disseminate such information throughout our domestic operations and overseas offices and branches.

2.1 Sanctioned Countries and Restricted Parties under U.S. Law

Sanctions imposed by the U.S. Government may limit the Group's ability to engage in certain activities or transactions with specified countries or territories, entities, and individuals. In general, the Group is prohibited from engaging in any U.S. Dollar-denominated transactions involving Comprehensively Sanctioned Countries (as defined below) or Restricted Parties, including making or receiving payments from a Restricted Party or from an individual or entity in a Comprehensively Sanctioned Country.

The following countries and territories (the "**Comprehensively Sanctioned Countries**") are subject to comprehensive U.S. sanctions that prohibit virtually all transactions involving the country or territory if those transactions involve transfers of U.S.-origin goods/software/technology, participation of U.S. persons (U.S. citizens, U.S. permanent residents, and any persons physically in the United States), or the use of U.S. dollar-denominated payments made by wire transfer/international funds transfer:

- Cuba;
- Iran;
- North Korea;
- Syria; and
- Crimea Region (only the Crimea region is subject to comprehensive sanctions; the same restrictions do not extend to the rest of Ukraine or Russia).

These prohibitions are not limited to actions with the government or designated parties; they extend to virtually all activities with persons and entities in Cuba, Iran, North Korea, Syria and Crimea region if they have any U.S. nexus (such as, for example, the use of US$ as payment currency for sales to these countries).

Several additional countries are subject to narrower, more targeted U.S. sanctions programs (at present, these countries are: Belarus, Burundi, Central African Republic, D.R. Congo, Iraq, Lebanon, Libya, Russia, Somalia, South Sudan, Ukraine, Venezuela, Yemen and Zimbabwe, which are referred to in this policy as "**Sanctioned Countries**"). The restrictions on these countries focus on activities involving particular industries, entities, or individuals that are identified on the SDN List maintained by the U.S. Government.

[3] The External Sanctions Counsel should be ranked by both Chambers & Partners and Legal 500.

In addition, some individuals and entities identified on the SDN List are targeted for specified activities (e.g., terrorists, transnational criminal organisations, narcotics traffickers, cyber criminals), and are subject to substantial limitations, regardless of their country affiliation or the location of any activity or transaction that involves them. Because these Restricted Parties may change from time to time, please refer to Annex A of this Sanctions Compliance Policy, which contains links to current lists of Restricted Parties. It is worth noting here that these Sanctioned Subjects can be resident in any country, and not just countries that may be traditionally associated with International Sanctions.

2.2 **Sanctions under the European Union**

Sanctions applicable in the European Union stem from policies and prohibitions adopted by the United Nations Security Council or autonomous sanctions regimes adopted by the European Union. EU sanctions regimes are generally targeted, meaning that the relevant prohibitions or restrictions are focused on individual people or organisations, certain sectors of the target's economy, specified goods, technology, technical assistance and wider associated services, or specific activities.

Under the European Union sanctions measures, there is no "blanket" ban on doing business in or with a jurisdiction targeted by sanctions measures. While it is prohibited for a person or entity to which the European Union sanctions apply to make any product of the Group available directly or indirectly to or for the benefit of a Sanctioned Subject or entity, or to finance such activity, it is not generally prohibited (or otherwise restricted) for that person or entity to do business (involving non-controlled or restricted items) with a counterparty in a country subject to the European Union sanctions that is not a "designated person" or engaged in activities that do not involve exporting, selling, transferring or making certain controlled or restricted products available (either directly or indirectly) to, or for use in, a jurisdiction subject to sanctions measures.

2.3 **Sanctions under the United Nations**

There are 14 ongoing sanctions regimes adopted by the United Nations that focus on supporting political settlement of conflicts, nuclear non-proliferation, and counter-terrorism. The measures range from comprehensive economic and trade sanctions to more targeted measures such as arms embargoes, travel bans, and financial or commodity restrictions.

2.4 **Sanctions under Australia**

Australia has a dual sanctions regime consisting of sanctions measures imposed by the United Nations, together with Australian autonomous sanctions imposed by the Australian Government as a matter of its foreign policy. It is a criminal offence if an individual or a body corporate to which Australian sanctions measures apply, engages in conduct and the conduct contravenes a sanction law.

2.5 **Sanctions under Singapore**

Singapore maintains a dual sanctions regime, which means that Singapore implements sanctions measures imposed by the United Nations as well as its own autonomous sanctions measures. The United Nations sanction measures are implemented through the United Nations Act (Chapter 339) ("**UNA**") and all subsidiary legislation. Singapore's autonomous sanction measures are implemented through the Terrorism (Suppression of Financing) Act (Chapter 325) ("**TSFA**"). In addition, financial institutions regulated by the

Monetary Authority of Singapore ("**MAS**") are required to comply with the Monetary Authority of Singapore Act (Chapter 186) ("**MASA**") and its subsidiary regulations, which give effects to targeted financial sanctions under the UN Security Council Resolutions.

The TSFA establishes the prohibition against the provision, collection and dealing of property as well as provision of services for terrorist purposes. The TSFA also imposes disclosure obligations on individuals in Singapore or a Singaporean citizen outside Singapore who have information or are in possession, custody or control of any property belonging to any terrorist or terrorist entity. The First Schedule of the TSFA contains a list of persons and entities that are considered to be terrorists under the TSFA.

3. **AUDIT COMMITTEE**

3.1 Our Audit Committee will have the ultimate responsibility for assuring that the Group complies at all time with International Sanctions laws and regulations.

3.2 Our Company's Chief Executive Officer ("**CEO**") and COO will be responsible for, among other things, monitoring our exposure to sanctions risks and our implementation of the related internal control procedures, and will report to our Audit Committee in relation thereto. Our Audit Committee will hold at least two (2) meetings each year to monitor our exposure to sanctions risks. Our Company's CEO and/or COO should be familiar with International Sanctions and be able to identify issues, risks and prohibited activities in relation to International Sanctions.

3.3 The Audit Committee will:

(a) in consultation with the CEO, COO and External Sanctions Counsel, develop and implement a sanctions risk rating policy (the "**Sanctions Risk Rating Policy**") for the Group to assess entities with whom the Group will conduct any type of business (the "**Relevant Entities**"), taking into account the risk matrices and factors highlighted by the regulators implementing International Sanctions. The Sanctions Risk Rating Policy shall assign each Relevant Entity a rating of one of the following: (i) no risk, (ii) medium risk, or (iii) high risk; the Sanctions Risk Rating Policy shall be amended or revised from time to time as necessary following changes in International Sanctions rules and regulations or upon any identification of potential or actual sanctions risks and/or violations by the Group;

(b) in the event the neither our CEO nor COO is familiar with International Sanctions and is able to identify issues, risks and prohibited activities in relation to International Sanctions, appoint, remove, terminate and/or replace a delegate that will have authority to evaluate sanctions risks (the "**Sanctions Compliance Officer**"). The Sanctions Compliance Officer should have technical knowledge and expertise in International Sanctions and be able to identify issues, risks and prohibited activities in relation to International Sanctions;

(c) oversee the general business operations and procedures of the Group as a whole, and be able to directly access any and all documents produced by the Group, and contact all business units and senior management, insofar as the above is relevant to the Audit Committee's periodic assessment of sanctions risk and performance of its sanctions risk management functions;

(d) periodically liaise with and review the operations and procedures of the relevant business units of the Group to evaluate sanctions risk, ensure Group-wide compliance with this Policy, and ensure that mechanisms are available to allow all instances of sanctions violations or risks, whether potential or actual, to be escalated to the Audit Committee;

(e) prepare, in consultation with the CEO or COO, appropriate internal control supplemental and/or subsidiary policies and procedures with respect to sanctions matters (where applicable), and periodically review our internal control policies and procedures with respect to sanctions matters and develop supplementary guidelines for the implementation of this Policy; and

(f) periodically engage the External Sanctions Counsel (and other parties, if necessary) to carry out external audit/review of this Policy and its implementation.

3.4 As and when the Audit Committee considers necessary, we will retain the External Sanctions Counsel for recommendations and advice, including but not limited to (i) advising the management and Board in the event that there are any updates, changes or developments in relation to global sanctions issues; and (ii) reviewing on an annual basis on the sanctions risks of our Group's industry and businesses (including the Sanctions Risk Rating Policy). Further, the Audit Committee shall have the right to request the External Sanctions Counsel to provide training from time to time so that the Audit Committee is kept apprised of changes or developments in the sanctions laws and regulations applicable to the Group.

3.5 Our Audit Committee will hold at least one (1) meeting with our Board of Directors each year to appraise the effectiveness of this Policy (including the Sanctions Risk Rating Policy). In the event that any potential violations or sanctions risks are identified which may result in any potential adverse implications to our Group's business and operations, the Audit Committee shall directly report to the Board to bring the issue to the attention of the senior management.

3.6 Our Sanctions Compliance Officer and/or our Chief Executive Officer ("**CEO**") will report any material findings on sanctions risks relating to our Group immediately to our Board and Audit Committee. An immediate announcement will be made on the SGXNET should our Audit Committee determine that our Group has experienced a material change in its risk of being subject to sanctions.

4. PROCEDURES TO ENSURE EVALUATION OF THE SANCTIONS RISKS

4.1. Gatekeepers' awareness of sanctions risks and reporting

(a) This paragraph 4.1 applies to the following Group personnel and entities with whom the Group interacts (the "**Gatekeepers**"):

(i) any Group personnel responsible for opening new customer or client relationships;

(ii) any Group personnel responsible for performing or managing any and all sales of products and/or services;

(iii) any Group personnel responsible for handling payments (outgoing or incoming);

(iv) any external party responsible for sanctions compliance on behalf of the Group, including the External Sanctions Counsel; and

(v) any Group personnel or any third parties that has been designated by the Audit Committee as a Gatekeeper.

(b) All Gatekeepers shall be familiar with this Sanctions Compliance Policy. In particular, Gatekeepers must be aware of the countries and jurisdictions covered by International Sanctions, and be familiar with the concept of Restricted Parties. We will provide periodic training to new Gatekeepers to ensure that this Policy is followed at all times when initiating new client or customer relationships.

(c) Our Gatekeepers and all Group personnel shall refer any and all potential new business that may potentially involve a Sanctioned Country or a Sanctioned Subject to our COO or the Sanctions Compliance Officer. Our Gatekeepers shall also conduct an annual review on all customers and related parties involved in the Group's existing business relationships. If any sanctions risks are identified in any ongoing business relationships, our Gatekeepers shall immediately report such risk to our COO or the Sanctions Compliance Officer. In the event that a customer or a related party becomes a Sanctioned Subject, our COO shall conduct the Assessment Review (as defined below) and perform the procedures set out in 4.2(d) below.

4.2 **Know Your Client ("KYC") procedures**

(a) The following Relevant Entities with whom the Group transacts or proposes to transact shall be screened through the procedure described in this paragraph 4.2:

(i) customers and potential customers;

(ii) suppliers and potential suppliers;

(iii) intermediaries (including but not limited to banks, security providers, lessors, lessees, paying agents, and couriers);

(iv) (in proposed Major Corporate Transactions (as defined herein) where the Group acts as purchaser or investor) the vendor(s), the target(s) and any and all related entities;

(v) (in proposed Major Corporate Transactions (as defined herein) where the Group acts as the vendor) the purchaser(s) or investor(s); and

(vi) any other entities which the Audit Committee considers appropriate.

(b) The CEO, COO or the Sanctions Compliance Officer will carry out the following review procedures in respect of each Relevant Entity (the "**Initial Review**"):

(i) review the information (such as identity and nature of business as well as its ownership) relating to the Relevant Entity(ies) along with the draft business transaction documentation, whether provided by the Relevant Entity or as discovered by independent research;

(ii) check the Relevant Entity(ies) against the various lists of Restricted Parties and countries maintained by the United States, the European Union, United Nations or Australia, including, without limitation, any government, individual or entity that is the subject of any sanctions administered by OFAC, which lists are publicly available, and determine whether the Relevant Entity(ies) is, or is owned or controlled by, a person located in countries subject to International Sanctions or Sanctioned Subjects;

(c) After carrying out the Initial Review, the Audit Committee, in consultation with the CEO, COO or the Sanctions Compliance Officer, shall carry out the following procedures:

(i) assign a sanctions risk rating for the Relevant Entity(ies) based on the Sanctions Risk Rating Policy;

(ii) review and approve all relevant business transaction documentation with the Relevant Entity(ies) from countries subject to International Sanctions and with sanctioned groups of companies or Restricted Parties; and

(iii) if assessed as appropriate by the Audit Committee and in consultation with the relevant Gatekeepers and/or Group personnel involved, provide adequate information and instruction to the Relevant Entity(ies) to ensure that the Relevant Entity(ies) support the Group's International Sanctions compliance efforts.

(d) Where a Relevant Entity has been assigned with a sanctions risk rating of medium risk based on the Sanctions Risk Rating Policy, the CEO, COO or Sanctions Compliance Officer shall conduct a detailed review on whether (i) there are any potential adverse implications to our Group's business and operations in dealing with the External Party; and (ii) obtain a legal opinion ("**Legal Opinion**") from an External Sanctions Counsel to confirm if our Group's dealings with the Sanctioned Subject is in violation of applicable law or regulation (collectively, "**Assessment Review**"). Our Audit Committee will review the outcome of the Assessment Review (including the Legal Opinion) and shall make an announcement on the SGXNET (which should include disclosure of the Assessment Review conducted and Legal Opinion) on the transaction and/or business relationship with the Relevant Entity (regardless of the value of the transaction) prior to the commencement of any business relationship with such Relevant Entity. In the event that the Legal Opinion indicates a potential violation of any applicable law or regulation or may result in material sanctions risks to the Group, the Relevant Entity will be assigned with a sanctions risk rating of high risk. The CEO, COO and/or Sanctions Compliance Officer shall also carry out periodic reviews of the Group's relationship with that Relevant Entity;

Where a Relevant Entity has been assigned with a sanctions risk rating of high risk, no business of any kind shall be conducted with such Relevant Entity. Our Group will not enter into any future transaction and/or business relationship that would cause us, the SGX-ST and its related entities, our Sponsors, our Shareholders and our investors to violate or become a target of International Sanctions.

(e) Our Group will maintain a list of Relevant Entities and our COO (or External Sanctions Counsel) shall conduct a Sanctions Screening on all Relevant Entities on an annual basis or when there are any updates to the global sanction lists to ensure that the sanctions risk assigned to each Relevant Entities remain applicable. The list and outcome of the Sanctions Screening will be presented to our Audit Committee. In the event that the sanctions risk profile of any Relevant Entities has been raised, our COO shall conduct the Assessment Review (including obtaining a Legal Opinion) and present it to our Audit Committee to (i) determine whether our Group should continue the transaction and/or business relationship; and (ii) formulate any relevant risk management measures. An immediate announcement on the SGXNET (which should include disclosure of the Assessment Review conducted and Legal Opinion) will be made in the event that our Group decides to continue its transaction and/or business relationship with a Relevant Entity (regardless of the value of the transaction). If the sanctions risk of a Relevant Entity has been adjusted to high risk following such review, our Company will make an immediate announcement on the SGXNET, and our Group will, as soon as practicable discontinue all existing transactions and/or business relationship with the Relevant Entity.

4.3 **Diversifications, Mergers and Acquisitions, Joint Ventures, Strategic Alliances and Investments**

(a) In the case of diversifications, mergers and acquisitions, joint ventures and strategic alliances and any investments into any entities or businesses by our Group of any investment or transaction amount (collectively, "**Major Corporate Transactions**"), in addition to the KYC procedures described in paragraph 4.2 above, the Audit Committee should ensure that all sanctions issues are addressed, investigated and resolved prior to the commencement or completion of any transaction to the satisfaction of External Sanctions Counsel. Where required by applicable laws and/or Catalist Rules, Shareholders' approval and/or the approval of the SGX-ST will also be sought prior to embarking on such Major Corporate Transactions.

(b) Promptly after the completion of a Major Corporate Transaction, the Audit Committee shall:

(i) procure that the newly acquired target or business segments implement this Policy and the KYC procedures described in paragraph 4.2 above; and

(ii) liaise with the COO in the integration stage and keep alert to any additional sanctions related issues that were not discovered prior to the completion of the transaction.

4.4 **Procedures to undertake when potential violations are identified**

(a) Any business relationships involving the Group, past or present, which may potentially violate, or could possibly lead to the violation of, this Policy and/or laws and regulations described in this Policy, should be immediately reported to the COO. If the COO determines that the reported incidents raise concerns, it should escalate the matter to the Audit Committee, which will determine appropriate actions, including involving External Sanctions Counsel where necessary, reviewing the results of any Assessment Review conducted previously and/or conducting another Assessment Review based on the procedures described in paragraph 4.2 above and/or releasing an immediate announcement on the SGXNET.

(b) Upon identifying an apparent violation of International Sanctions, the Audit Committee shall:

(i) immediately undertake and execute appropriate actions (including but not limited to disciplinary actions or tailored feedback sessions) on the relevant employees and (where applicable), the relevant business unit;

(ii) immediately evaluate the business procedures and practices involved, and request senior management to implement all necessary systemic measures to address the root cause of such apparent violation and reduce the risk of such apparent violations in the future; and

(iii) provide training to or other corrective action with respect to the relevant Group personnel or Gatekeepers.

(c) Any Group personnel who report potential sanctions violations or raise a concern under this Policy shall not suffer any detrimental treatment. Detrimental treatment includes but is not limited to dismissal, disciplinary action, threats or other unfavourable treatment connected with raising such a concern.

4.5 Recordkeeping

All records relating to sanctions due diligence should be kept for no less than five (5) years from the date on which the record was first created.

5. LANGUAGE FOR INCLUSION IN ALL COMMERCIAL CONTRACTS

All our contractual arrangements relating to our business operations including but not limited to contracts, purchase orders, or other transactional documentation should include clauses that protect the Group from violations of sanctions laws by third parties. In particular, such clauses should specify that (i) the Group intends to comply with any and all applicable sanctions law and regulations; and (ii) the counterparties will comply with all sanctions laws and regulations and will not take any action that will expose the Group to any risk or liability of violations of sanctions laws and regulations. References to the "Company" in the sample clauses below should, where applicable, be replaced by reference to the relevant Group Company entering into the contractual arrangement.

5.1 Compliance with Applicable Sanctions – contractual language

(a) *[Company] and [insert contractual counterparty's name] shall each retain responsibility for its compliance with all applicable Sanctions. [Counterparty] hereby acknowledges that: (i) [Company] shall not be required by the terms of [this Agreement] to be directly or indirectly involved in any activities that may be prohibited by applicable Sanctions; (ii) [Company]'s intent is to comply with all United States, European Union, United Nations, Australia, Singapore and other Sanctions that might be applicable to [the Company or any of its subsidiaries or associated companies (the "**Group**")]; and (iii) [Company] may take any actions that it deems appropriate for it to confirm compliance with applicable Sanctions and (iv) [Counterparty] hereby confirms that it will not take any actions, including the sale, distribution or delivery of any products of the Group covered under this Agreement, that would cause the Group or [Counterparty] to violate any applicable Sanctions.*

(b) Definitions

*"**Sanctions**" means economic or financial sanctions, requirements or trade embargoes imposed, administered or enforced from time to time by U.S. government authorities (including, but not limited to, the Treasury Department's Office of Foreign Assets Control (OFAC), the U.S. Department of State and the U.S. Department of Commerce), the United Nations Security Council, the European Union, Australia or Singapore.*

5.2 **Compliance with Applicable Sanctions – annual certification**

For contractual relationships that are on-going, and where the Group is not able to include the language set out in paragraph 5.1 into the contract, the Group should seek an annual certification to be given by the counterparty to the Group:

(a) Sanctions Certification

*On behalf of [Counterparty], and in relation to [insert names of any applicable sales contracts, purchase orders or other applicable documents] (the "**Contracts**"), we hereby certify that with respect to all products of [the Company or any of its subsidiaries or associated companies (the "**Group**")] covered by the Contracts, we have not taken any actions, including the sale, distribution or delivery of any products of the Group, that would cause the Group or [Counterparty] to violate any applicable Sanctions.*

(b) Definitions

*"**Sanctions**" means economic or financial sanctions, requirements or trade embargoes imposed, administered or enforced from time to time by U.S. government authorities (including, but not limited to, the Treasury Department's Office of Foreign Assets Control (OFAC), the U.S. Department of State and the U.S. Department of Commerce), the United Nations Security Council, the European Union, Australia or Singapore.*

6. **OTHER SAFEGUARDS**

6.1 We have set up and maintain a separate bank account, which is designated for the sole purpose of the deposit and deployment of the proceeds from our initial public offering and any secondary fund-raising post-listing on the SGX-ST.

6.2 Our Directors will monitor the use of proceeds from our initial public offering, as well as any secondary fund-raising post-listing on the SGX-ST, to ensure that such funds will not be used to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, countries subject to International Sanctions or Sanctioned Subjects.

6.3 Our Group's human resource department will conduct a Sanctions Screening on all shortlisted candidates prior to interviewing them for a job opening, and interviews will not be granted to a shortlisted candidate if he/she is a Sanctioned Subject. All Group employees (including consultants and temporary employees) shall provide an annual declaration that he/she is not a Sanctioned Subject and our human resource department will also conduct an annual Sanctions Screening on all Group employees (including consultants and temporary employees). In the event that an employee is classified as a Sanctioned Subject, our human resource department will inform our Board and Nominating Committee and our Company shall procure the removal and/or termination of the employment of such individual.

7. **SANCTIONS TRAINING**

7.1 The Audit Committee shall ensure that periodic training (and if necessary, testing) are being conducted to the relevant business units to ensure that all Group personnel understand this Policy. Such training should be appropriate for the products and services that the relevant business units offer, the customers, clients and partner relationships the business units maintain, and the geographic regions in which the business units operate.

7.2 The Audit Committee shall ensure that further periodic training are carried out and testing are being conducted to specific employees and business units facing a higher risk of sanctions than others. Such training and testing should be appropriate for the work scope and level of exposure to international sanctions that the relevant employees and business units will be exposed to.

7.3 The Audit Committee shall engage the External Sanctions Counsel to conduct the aforementioned trainings and other relevant programs relating to the sanctions to our directors, our senior management and other relevant personnel to assist them in evaluating the potential sanctions risks in our daily operations.

8. POSSIBLE PENALTIES

Violations of this Policy may lead to disciplinary action for an employee, officer or director, up to and including termination. Violations of the laws and regulations described in this Policy may subject the individuals involved to civil and criminal penalties, including fines and imprisonment.

9. OTHER APPLICABLE SANCTIONS PROGRAMS

We will consult an External Sanctions Counsel if we encounter sanctions programs administered in other jurisdictions and organisations than the United States, the European Union, the United Nations, Ukraine, Australia and Singapore.

10. QUESTIONS AND GUIDANCE

If you have questions or require further guidance regarding this Policy or its subject matter, please contact the COO or CEO. The COO or CEO shall seek guidance or escalate such questions to the Audit Committee or External Sanctions Counsel where necessary.

11. APPROVAL

11.1 This Policy (including the Sanctions Risk Rating Policy) was reviewed and approved by Hogan Lovells, our current External Sanctions Counsel, and the Company's Board of Directors. This Policy should be disseminated throughout our domestic operations and overseas offices and branches.

11.2 The Policy (including the Sanctions Risk Rating Policy) shall be reviewed by our External Sanctions Counsel on an annual basis to ensure that they are adequate and effective, while our internal auditor will conduct an annual review to ensure that the Policy (including the Sanctions Risk Rating Policy) is being complied with by the Group. Our Board, with the concurrence of the Audit Committee, will provide a confirmation in its annual report that it has adequate and effective internal controls (including internal controls related to cash flows) and risk management systems to safeguard the interests of the Group and its shareholders, in particular with respect to sanctions risks.

Annex A – Useful Links

1. THE UNITED STATES

1.1 The Company's Policy is not to engage in transactions that relate, directly or indirectly, to Restricted Parties except to the extent a particular transaction may be authorised or otherwise permitted by the U.S. Government. In addition, the Company imposes prohibitions on dealings with Restricted Parties. If however dealings with Restricted Parties cannot be excluded under certain circumstances, no USD payments should be used if Restricted Parties are involved.

1.2 Restricted Party Lists Administered by the U.S. Treasury Department's Office of Foreign Assets Control:

(a) A searchable consolidated list of Specially Designated Nationals, Foreign Sanction Evaders, and Sectoral Sanctions Identification parties maintained by the U.S. Treasury Department's Office of Foreign Assets Control is available at: https://sdnsearch.ofac.treas.gov/.

1.3 Restricted Party Lists Administered by the U.S. Commerce Department's Bureau of Industry and Security: https://www.export.gov/article?id=Consolidated-Screening-List

2. THE EUROPEAN UNION

(a) The restrictions applied under a European Union sanctions regime (including where extended to apply in the United Kingdom Overseas Territories) depend on the jurisdiction targeted by the regime. However, there are broadly four (4) main offences:

(i) making any funds or economic resources directly or indirectly available to or for the benefit of a Designated Person;

(ii) dealing with any funds or economic resources that are owned, held or controlled by a Designated Person;

(iii) exporting, selling, transferring or making certain controlled or restricted products available (either directly or indirectly) to, or for use in, a jurisdiction subject to sanctions measures; and

(iv) participating knowingly and intentionally in activities the object or effect of which is to: (i) directly or indirectly circumvent the offences listed above; or, (ii) enable or facilitate the commission of the offences.

(b) The meaning of "economic resources" is defined widely to be "assets of every kind, whether tangible or intangible, movable or immovable, which are not funds, but may be used to obtain funds, goods or services".

(c) A searchable EU sanctions map is available at https://www.sanctionsmap.eu/#/main. Consolidated list of sanctions is available at https://eeas.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-sanctions_en.

3. THE UNITED NATIONS

3.1 Consolidated United Nations Security Council Sanctions List is available at https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list.

4. AUSTRALIA

4.1 The Department of Foreign Affairs and Trade ("**DFAT**") maintains the Consolidated List of all persons and entities designated for the purposes of sanctions regimes implemented under Australian sanction laws with dedicated sites for countries where a sanctions regime has been declared. The DFAT's website is accessible at http://dfat.gov.au/international-relations/security/sanctions/Pages/sanctions.aspx and the Consolidated List is available at http://dfat.gov.au/international-relations/security/sanctions/Pages/consolidated-list.aspx.

5. SINGAPORE

The Monetary Authority of Singapore ("**MAS**") maintains lists of all persons and entities designated under the Monetary Authority of Singapore Act (Chapter 186), the United Nations Act (Chapter 339), and the Terrorism (Suppression of Financing) Act (Chapter 325), for the purposes of sanctions regimes implemented under Singaporean sanction laws. The MAS' website is accessible at https://www.mas.gov.sg/and the consolidated list is available at https://www.mas.gov.sg/regulation/anti-money-laundering/targeted-financial-sanctions/lists-of-designated-individuals-and-entities.

This page has been intentionally left blank.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

You are invited to apply and subscribe for the Placement Shares at the Placement Price, subject to the following terms and conditions:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 100 PLACEMENT SHARES OR INTEGRAL MULTIPLES THEREOF SUBJECT TO A MINIMUM OF 1,000 PLACEMENT SHARES. YOUR APPLICATION FOR ANY OTHER NUMBER OF SHARES WILL BE REJECTED.**

2. Your application for Placement Shares may only be made by way of Placement Shares Application Forms or in which other manner or forms of application as the Sponsor, Issue Manager and Placement Agent may deem appropriate.

   YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE PLACEMENT SHARES.

3. **You are allowed to submit only one application in your own name for the Placement Shares.**

   If you, being other than an approved nominee company, have submitted an application for Placement Shares in your own name, you should not submit any other application for Placement Shares for any other person. Such separate applications shall be deemed to be multiple applications and will be liable to be rejected at the discretion of our Company.

   Joint applications shall be rejected. If you submit or procure submissions of multiple share applications for the Placement Shares, you may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the SFA, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications may be rejected at the discretion of our Company.

4. We will not accept applications from any person under the age of 21 years, undischarged bankrupts, sole proprietorships, partnerships, chops or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (as furnished in their Application Forms) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased name at the time of application.

   No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased name at the time of application.

5. We will not recognise the existence of a trust. Any application by a trustee or trustees must be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or companies after complying with paragraph 6 below.

6. **WE WILL NOT ACCEPT APPLICATIONS FROM NOMINEES EXCEPT THOSE MADE BY APPROVED NOMINEE COMPANIES ONLY.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies and licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies shall be rejected.

7. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected. If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form, your application is liable to be rejected. Subject to paragraph 8 below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality, permanent residence status and CDP Securities Account number provided in your Application Form differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one individual direct Securities Account with CDP, your application shall be rejected.

8. **If your address as stated in the Application Form is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and other correspondence from CDP will be sent to your address last registered with CDP.**

9. **Our Company reserves the right to reject any application which does not conform strictly to the instructions set out in the Application Forms and in this Offer Document or with the terms and conditions of this Offer Document or, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn remittance or improper form of remittance or remittances which are not honoured upon the first presentation.**

10. **Our Company further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Forms or the terms and conditions of this Offer Document, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.**

11. Our Company reserves the right to reject or to accept, in whole or in part, any application, without assigning any reason therefor, and no enquiry and/or correspondence on the decision of our Company will be entertained. In deciding the basis of allotment which shall be at the discretion of our Company, due consideration will be given to the desirability of allotting the Placement Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

12. Share certificates will be registered in the name of CDP and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, a statement of account stating that your Securities Account has been credited with the number of Placement Shares allotted to you, if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company. You irrevocably authorise CDP to complete and sign on your behalf, as transferee or renounce, any instrument of transfer and/or other documents required for the issue or transfer of the Placement Shares allotted to you.

13. In the event that we lodge a supplementary or replacement Offer Document ("**Relevant Document**") pursuant to the SFA or any applicable legislation in force from time to time prior to the close of the Placement, and the Placement Shares have not been issued, we will (as required by law), and subject to the SFA, at our sole and absolute discretion either

    (i) within 7 days of the lodgement of the Relevant Document give you a copy of the Relevant Document and provide you with an option to withdraw; or

    (ii) deem your application as withdrawn and cancelled and refund your application monies (without interest or any share of revenue or other benefit arising therefrom) to you within 7 days from the lodgement of the Relevant Document.

    Where you have notified us within 14 days from the date of lodgement of the Relevant Document of your wish to exercise your option under paragraph 13(i) and (ii) above to withdraw your application, we shall pay to you all monies paid by you on account of your application for the Placement Shares without interest or any share or revenue or other benefit arising therefrom and at your own risk, within 7 days from the receipt of such notification.

    In the event that at any time at the time of the lodgement of the Relevant Document, the Placement Shares have already been issued but trading has not commenced, we will (as required by law), and subject to the SFA, either:

    (iii) within 7 days from the lodgement of the Relevant Document give you a copy of the Relevant Document and provide you with an option to return the Placement Shares; or

    (iv) deem the issue as void and refund your payment for the Placement Shares (without interest or any share of revenue or other benefit arising therefrom) within 7 days from the lodgement of the Relevant Document.

    Any applicant who wishes to exercise his option under paragraph 13(iii) above to return the Placement Shares issued to him shall, within 14 days from the date of lodgement of the Relevant Document, notify us of this and return all documents, if any, purporting to be evidence of title of those Placement Shares, whereupon we shall, subject to the SFA, within 7 days from the receipt of such notification and documents, pay to him all monies paid by him for the Placement Shares without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the Placement Shares issued to him shall be void.

    Additional terms and instructions applicable upon the lodgement of the supplementary or replacement Offer Document, including instructions on how you can exercise the option to withdraw, may be found in such supplementary or replacement Offer Document.

14. In the event of an under-subscription for the Placement Shares as at the close of the Application List, that number of Placement Shares under-subscribed shall subscribed by the Placement Agent.

15. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Placement Shares allotted and/or allocated to you pursuant to your application, to us, the Sponsor and the Placement Agent and, any other parties so authorised by the foregoing persons.

16. Any reference to "you" or the "applicant" in this section shall include a person applying for the Placement Shares through the Placement Agent or its designated sub-placement agent.

17. By completing and delivering an Application Form in accordance with the provisions of this Offer Document, you:

    i. irrevocably offer, agree and undertake to subscribe for and/or purchase the number of Placement Shares specified in your application (or such smaller number for which the application is accepted) at the Placement Price and agree that you will accept such Placement Shares as may be allotted and/or allocated to you, in each case, subject to the conditions set out in this Offer Document and the Constitution of our Company;

    ii. agree that the aggregate Placement Price for the Placement Shares applied for is due and payable to our Company forthwith;

    iii. warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company in determining whether to accept your application and/or whether to allot any Placement Shares to you; and

    iv. agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Sponsor and/or the Placement Agent will infringe any such laws as a result of the acceptance of your application.

18. Our acceptance of applications will be conditional upon, *inter alia*, our Company being satisfied that:

    i. permission has been granted by the SGX-ST to deal in and for quotation of all our issued Shares (including the PPCF Shares), the Placement Shares and the Option Shares on the Catalist;

    ii. the Management Agreement and the Placement Agreement referred to in the section "General and Statutory Information – Management and Placement Arrangements" of this Offer Document have become unconditional and have not been terminated; and

    iii. the Authority has not served a stop order which directs that no or no further shares to which this Offer Document relates be allotted.

19. In the event that a stop order in respect of the Placement Shares is served by the Authority or other competent authority, and

    i. the Placement Shares have not been issued, we will (as required by law), and subject to the SFA, deem all applications withdrawn and cancelled and we shall refund the application monies (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days of the date of the stop order; or

    ii. If the Placement Shares have already been issued but trading has not commenced, the issue will (as required by law) be deemed void and

iii. if documents purporting to evidence title had been issued to you, our Company shall inform you to return such documents to us within 14 days from that date; and

iv. we will refund the application monies (without interest or any share of revenue or other benefit arising therefrom) to you within seven (7) days from the date of receipt of those documents (if applicable) or the date of the stop order, whichever is later.

This shall not apply where only an interim stop order has been served.

20. In the event that an interim stop order in respect of the Placement Shares is served by the Authority or other competent authority, no Placement Shares shall be issued to you until the Authority revokes the interim stop order.

21. The Authority or the SGX-ST (acting on behalf of the Authority) is not able to serve a stop order in respect of the Placement Shares if the Placement Shares have been issued and listed on a securities exchange and trading in them has commenced.

22. In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same through a SGXNET announcement to be posted on the Internet at the SGX-ST website http://www.sgx.com and through a paid advertisement in a generally circulating daily press.

23. We will not hold any application in reserve.

24. We will not allot and/or allocate shares on the basis of this Offer Document later than six months after the date of registration of this Offer Document.

25. Additional terms and conditions for applications by way of Application Forms are set out on pages G-5 to G-8 of this Offer Document.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORMS

Applications by way of an Application Form shall be made on, and subject to, the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below as well as those set out in the section entitled "Terms, Conditions And Procedures For Applications and Acceptance" of this Offer Document as well as the Constitution of our Company.

1. Your application for the Placement Shares must be made using the Application Forms for Placement Shares accompanying and forming part of this Offer Document or such other manner or forms of application as the Sponsor, Issue Manager and Placement Agent may deem appropriate. **ONLY ONE (1) APPLICATION** should be enclosed in each envelope.

   We draw your attention to the detailed instructions contained in the respective Application Forms and this Offer Document for the completion of the Application Forms which must be carefully followed. **Our Company, in consultation with the Sponsor, Issue Manager and Placement Agent, reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Offer Document or to the terms and conditions of this Offer Document or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittances or which are not honoured upon their first presentation.**

2. Your Application Forms must be completed in English. Please type or write clearly in ink using BLOCK LETTERS.

3. All spaces in the Application Forms, except those under the heading "FOR OFFICIAL USE ONLY", must be completed and the words "NOT APPLICABLE" or "N.A." should be written in any space that is not applicable.

4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full names as they appear in your identity cards (if you have such identification document) or in your passports and, in the case of corporation, in your full name as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Constitution or equivalent constitutive documents of the corporation. If you are a corporate applicant and your application is successful, a copy of your Constitution or equivalent constitutive documents must be lodged with our Company's Share Registrar and Share Transfer Office. Our Company reserves the right to require you to produce documentary proof of identification for verification purposes.

5. (a) You must complete Sections A and B and sign on page 1 of the Application Form.

   (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).

   (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.

6. You (whether you are an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore having an interest in the aggregate of more than 50% of the issued share capital of or interests in such corporations. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Placement Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporation.

7. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of Placement Shares applied for, in the form of a BANKER'S DRAFT or CASHIER'S ORDER drawn on a bank in Singapore, made out in favour of **"DON AGRO INTERNATIONAL LIMITED"** crossed **"A/C PAYEE ONLY",** with your name, CDP Securities Account Number and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by ANY OTHER FORM OF PAYMENT WILL NOT BE ACCEPTED. We will reject remittances bearing "NOT TRANSFERABLE" or "NON TRANSFERABLE" crossings. No acknowledgement or receipt will be issued by us or the Sponsor for applications and application monies received.

8. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days after the close of the Application List, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and application monies have been received in the designated share issue account. In the event that the Placement is cancelled by us following the termination of the Management Agreement and/or the Placement Agreement or the Placement does not proceed for any reason, the application monies received will be refunded (without interest or any share of revenue or any other benefit arising therefrom) to you by ordinary post or telegraphic transfer at your own risk within five (5) Market Days of the termination of the Placement. In the event that the Placement is cancelled by us following the issuance of a stop order by the Authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post or telegraphic transfer at your own risk within 14 Market Days from the date of the stop order.

9. Capitalised terms used in the Application Forms and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.

10. You irrevocably agree and acknowledge that your application is subject to risks of fires, acts of God and other events beyond the control of our Company, our Directors, the Sponsor, Issue Manager and Placement Agent and/or any other party involved in the Placement, and if, in any such event, our Company, the Sponsor, Issue Manager and Placement Agent does not receive your Application Form, you shall have no claim whatsoever against our Company, the Sponsor, Issue Manager and Placement Agent and/or any other party involved in the Placement for the Placement Shares applied for or for any compensation, loss or damage.

11. By completing and delivering the Application Form, you agree that:

    (a) in consideration of our Company having distributed the Application Form to you and agreeing to close the Application List at 12.00 noon on 12 February 2020 or such other time or date as our Directors may, in consultation with the Sponsor and Placement Agent, decide and by completing and delivering the Application Form, you agree that:

        i. your application is irrevocable; and

        ii. your remittance will be honoured on first presentation and that any application monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;

    (b) all applications, acceptances and contracts resulting therefrom under the Placement shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

    (c) in respect of the Placement Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;

(d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;

(e) in making your application, reliance is placed solely on the information contained in this Offer Document and that none of our Company, the Issue Manager and Sponsor and Placement Agent or any other person involved in the Placement shall have any liability for any information not so contained;

(f) you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, and share application amount to our Share Registrar, CDP, SCCS, SGX-ST, our Company, the Issue Manager and Sponsor and Placement Agent or other authorised operators; and

(g) you irrevocably agree and undertake to subscribe for the number of Placement Shares applied for as stated in the Application Form or any smaller number of such Placement Shares that may be allotted to you in respect of your application. In the event that our Company decides to allot any smaller number of Placement Shares or not to allot any Placement Shares to you, you agree to accept such decision as final.

Applications for Placement Shares

1. Your application for Placement Shares **MUST** be made using the Placement Shares Application Forms accompanying and forming part of this Offer Document or such other manner or forms of application as the Sponsor, Issue Manager and Placement Agent may deem appropriate. **ONLY ONE APPLICATION** should be enclosed in each envelope.

2. The completed **BLUE** Placement Shares Application Form and the correct remittance in full in respect of the number of Placement Shares applied for (in accordance with the terms and conditions of this Offer Document) with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate postage (if despatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND at your own risk** to **Don Agro International Limited c/o Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) 80 Robinson Road, #02-00, Singapore 068898,** to arrive by **12.00 noon on 12 February 2020 or such other time as our Company may, in consultation with the Sponsor and Placement Agent, decide. Local Urgent Mail or Registered Post must NOT be used. ONLY ONE APPLICATION** should be enclosed in each envelope**.** No acknowledgement of receipt will be issued for any application or remittance received.

3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

This page has been intentionally left blank.

This page has been intentionally left blank.

DonAgro International

Company Registration No. : 201835258H