

# DON AGRO INTERNATIONAL LIMITED

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

## RESPONSES TO QUERIES RECEIVED FROM THE SGX REGCO

The Board of Directors of Don Agro International Limited (the “**Company**”) wishes to announce its responses to the queries raised by the Singapore Exchange Regulation Pte Ltd (“**SGX Regco**”) to the Company on 2 March 2022 in relation to the Company’s announcement dated 2 March 2022 on updates of the Company’s business operations in light of current geopolitical situation.

SGX Queries	Company’s Responses
1. It is stated that the “Company’s subsidiaries are dealing with sanctioned entities listed in US Sanctions lists and EU Sanctions lists, such as entities of Gazprom Group, Rosneft Group, Sberbank Group and Lukoil Group but as of now all of the events of such deals are referred to transactions which are not in the lists of prohibited and / or restricted transactions of relevant sanctions and all these transactions with mentioned entities are in compliance with the Company’s Sanctions Compliance Policy”.	
a) What is the nature of dealings the Group has with the sanctioned entities?	<p>The nature of the Group’s dealings with mentioned sanctioned entities are as follows:</p> <p><u>Rosneft Group and Lukoil Group (all payments are made in Russian Rouble (“RUR”) only):</u></p> <ul style="list-style-type: none"><li>• supply fuels for transport and agricultural machinery to the Company’s subsidiaries, fuels are used for own purpose and not resale.</li></ul> <p><u>Gazprom Group (all payments are made in RUR only):</u></p> <ul style="list-style-type: none"><li>• supply gas for heating office and manufacturing premises of the Company’s subsidiaries;</li><li>• service for repair and maintenance gas equipment used by the Company’s subsidiaries for space heating;</li><li>• leasing land plots of the Group for the purpose of repair works regarding local gas pipeline</li></ul> <p><u>Sberbank Group (all payments are made in RUR only):</u></p> <ul style="list-style-type: none"><li>• providing of short-term and long-terms loans (credit) to the Company’s subsidiaries to finance their operations;</li><li>• payment of interests for loans;</li><li>• payment of fees relating to loans granting;</li><li>• payments of fees for Corporate Banking Services</li><li>• time depositing free cash in RUR</li><li>• financial lease granting</li><li>• payment for financial lease</li><li>• insurance</li></ul> <p><u>Rosselkhozbank (all payments are made in RUR only):</u></p> <ul style="list-style-type: none"><li>• payments of fees for Corporate Banking Services</li><li>• time depositing free cash in RUR</li></ul>
b) How significant are such dealings?	A breakdown of the transactions with each party mentioned in 1(a) above for the financial year ended 31 December 2021 (“FY2021”) is tabulated separately below.

	<p>The Group considers its dealings with Sberbank and Rosselkhozbank significant as Sberbank is the only finance institution providing loans to the Group currently whilst deposit placed with Rosselkhozbank made up 70.7% of the Group's total cash and cash equivalent as at 31 December 2021. Nevertheless, the Group will be able to replace and refinance its placed deposit and existing loans with other banks, if required.</p> <p>As announced by the Company on 1 March 2022, the current available cash and cash equivalents will be sufficient to fully redeem all existing loans, if required and the Group is able to continue to finance its operations without seeking new loans.</p>
<p>c) What are the transactions listed as prohibited and / or restricted transactions in the relevant sanctions?</p>	<p><u>US Sanctions:</u></p> <ul style="list-style-type: none"> <li>• transactions by U.S. persons or within the United States involving sanctioned entities in provision of financing for, and other dealings in debt or equity of sanctioned entities, their property, or their interests in property;</li> <li>• provision, exportation, or re-exportation, directly or indirectly, of goods, services (except for financial services), or technology in support of exploration or production for deepwater (more than 500 feet), Arctic offshore, or shale projects that have the potential to produce oil;</li> </ul> <p><u>EU Sanctions:</u></p> <ul style="list-style-type: none"> <li>• prohibitions with respect to: <ul style="list-style-type: none"> <li>(i) the sale, supply, export or transfer of dual-use goods and technology with a military end-use to Russia or for use in Russia, as well as to certain listed Russian persons;</li> <li>(ii) the sale, supply, export or transfer of certain listed goods suited for oil exploration and production;</li> <li>(iii) the purchase, sale, provision of investment services for or assistance in the issuance of, or otherwise dealing with transferable securities and money market instruments; and</li> <li>(iv) making or being part of any arrangement to make new loans or credit with a maturity exceeding 30 days to certain listed Russian banks and entities, including Sberbank</li> </ul> </li> </ul>
<p>2. Did the Company obtain legal opinion on its compliance with Sanctions laws? If so, please provide a summary of the review and opinion.</p>	<p>The Company's external sanctions counsel has reviewed and confirmed that the Group is in compliance with its sanction compliance policy in the 4<sup>th</sup> quarter period ended 31 December 2021.</p> <p>The Company is currently working closely with its external sanctions counsel, to procure a legal opinion with regard to the implications of the latest imposition of sanctions and current geopolitical situation (collectively the "Events Sanctions") and will provide an update announcement on SGXNet as soon as practicable once the external sanctions counsel's opinion has been obtained.</p> <p>Nevertheless, the Company had provided its confirmations with regards to sanctions compliance arising from the Events Sanctions in its press release dated 1 March 2022.</p>
<p>3. Board to confirm that the Group has in place adequate and effective internal controls to address and mitigate sanctions related risks.</p>	<p>The Board confirmed that the Group has in place adequate and effective internal controls to address and mitigate sanctions related risk.</p>

## **Breakdown of transactions with each sanctioned entity for FY2021**

<b>Name of sanctioned entity</b>	<b>Nature of transaction</b>	<b>RUR'000</b>	<b>SGD'000</b>
Rosneft Group	Supply of fuel <sup>1</sup>	47,051	855
Lukoil Group	Supply of fuel <sup>2</sup>	9,112	166
Gazprom Group	Supply of gas <sup>3</sup>	291	5
	Rental received from leased land plots <sup>4</sup>	77	1
Sberbank Group	Loans received <sup>5</sup>	365,892	6,653
	Interest accrued	15,172	276
	Deposit interests received	138	3
	Payment of fees for Corporate Banking Services	1,010	18
	Payment for financial lease and insurance	726	13
Rosselkhozbank	Deposits <sup>6</sup>	266,351	4,788
	Deposit interests received	9,584	174
	Payment of fees for Corporate Banking Services	3,180	58

### Notes:

<sup>1</sup> Cost of fuel purchased from Rosneft Group made up 2.9% of the Group's total cost of sales for FY2021.

<sup>2</sup> Cost of fuel purchased from Lukoil Group made up 0.6% of the Group's total cost of sales for FY2021.

<sup>3</sup> Cost of gas purchased from Gazprom Group made up 0.017% of the Group's total cost of sales for FY2021.

<sup>4</sup> Rental received from leasing land plots to Gazprom Group made up 0.0032% of the Group's total revenue for FY2021.

<sup>5</sup> Sberbank is the only finance institution providing loans to the Group as at 31 December 2021 and hence, made up 100% of the Group's total borrowing as at 31 December 2021.

<sup>6</sup> Deposit placed with Rosselkhozbank made up 70.7% of the Group's total cash and cash equivalent as at 31 December 2021.

BY ORDER OF THE BOARD

Marat Devlet-Kildeev  
Chief Executive Officer and Executive Director

4 March 2022

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

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