

**Don Agro International Limited
and its subsidiaries**

Unaudited condensed consolidated interim financial
statements

For the six-month period ended 30 June 2022

Don Agro International Limited and its subsidiaries
Unaudited condensed consolidated interim statements of financial position
As at 30 June 2022

	Note	Group		Company	
		30 June 2022 S\$'000	31 December 2021 S\$'000	30 June 2022 S\$'000	31 December 2021 S\$'000
Assets					
Property, plant and equipment	6	54,516	37,615	–	–
Biological assets	7	8,361	7,557	–	–
Right-of-use assets	20	7,829	5,993	–	–
Investment in subsidiaries		–	–	16,721	16,639
Goodwill		657	465	–	–
Other non-current assets		39	22	–	–
Non-current assets		71,402	51,652	16,721	16,639
Biological assets	7	41,723	9,757	–	–
Current tax assets	8	8	41	–	–
Inventories	8	9,422	17,549	–	–
Trade and other receivables	9	3,280	3,376	2,752	3,069
Cash and cash equivalents	10	3,174	6,769	2,142	1,544
Current assets		57,607	37,492	4,894	4,613
Total assets		129,009	89,144	21,615	21,252
Equity					
Share capital	11	40,667	40,667	40,911	40,911
Capital reserves		(10,450)	(10,450)	(21,270)	(21,270)
Revaluation reserves		16,975	16,975	–	–
Foreign currency translation reserve		19,001	(7,539)	–	–
Accumulated profits		31,780	27,948	1,249	833
Equity attributable to owners of the Company		97,973	67,601	20,890	20,474
Non-controlling interests		45	43	–	–
Total equity		98,018	67,644	20,890	20,474
Liabilities					
Loans and borrowings	12	636	452	–	–
Lease liabilities	20	8,195	5,396	–	–
Deferred tax liabilities		5,932	4,195	–	–
Deferred income		348	286	–	–
Non-current liabilities		15,111	10,329	–	–
Loans and borrowings	12	9,343	6,299	–	–
Lease liabilities	20	1,619	1,123	–	–
Current tax liabilities		105	156	–	–
Trade and other payables	13	3,733	2,887	725	778
Deferred income		134	78	–	–
Provisions	14	946	628	–	–
Current liabilities		15,880	11,171	725	778
Total liabilities		30,991	21,500	725	778
Total equity and liabilities		129,009	89,144	21,615	21,252

The accompany notes form an integral part of these unaudited condensed interim consolidated financial statements.

Don Agro International Limited and its subsidiaries
Unaudited condensed consolidated interim statement of profit or loss and other comprehensive income
For the six-months period ended 30 June 2022

		For the six-month period ended 30 June		
	Note	2022 S\$'000	2021 S\$'000	Change %
Revenue	15	18,059	9,427	91.6
Cost of sales	16	(17,091)	(8,087)	111.3
Gain from change in fair value of biological assets and agricultural produce	7	3,588	4,910	(26.9)
Gross profit		<u>4,556</u>	<u>6,250</u>	<u>(27.1)</u>
Administrative expenses		(1,715)	(1,405)	22.1
Other operating income/expense, net		(218)	272	(180.0)
Results from operating activities		<u>2,623</u>	<u>5,117</u>	<u>(48.7)</u>
Finance income		1,794	255	603.5
Finance costs		(556)	(446)	24.7
Net finance costs		<u>1,238</u>	<u>(191)</u>	<u>748.2</u>
Profit before tax		3,861	4,926	(21.6)
Tax expense	18	(27)	(159)	(83.1)
Profit for the period		<u>3,834</u>	<u>4,767</u>	<u>(19.6)</u>
Profit attributable to:				
Owners of the Company		3,832	4,761	(19.5)
Non-controlling interests		2	6	N.M.
Profit for the period		<u>3,834</u>	<u>4,767</u>	<u>(19.6)</u>
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		26,540	1,147	N.M
Other comprehensive income for the period, net of tax		<u>26,540</u>	<u>1,147</u>	<u>N.M.</u>
Total comprehensive income for the period		<u>30,374</u>	<u>5,914</u>	<u>N.M.</u>
Total comprehensive income attributable to:				
Owners of the Company		30,372	5,908	N.M.
Non-controlling interests		2	6	N.M.
Total comprehensive income for the period		<u>30,374</u>	<u>5,914</u>	<u>N.M.</u>
Earnings per share				
Basic and diluted earnings per share (cents)	19	2.55	3.17	-
N.M-Not meaningful				

Attributable to owners of the Company (Group)								
Note	Share capital S\$'000	Capital reserves S\$'000	Foreign currency translation reserve S\$'000	Revaluation reserve S\$'000	Accumulated profits S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 1 January 2022	40,667	(10,450)	(7,539)	16,975	27,948	67,601	43	67,644
Total comprehensive income for the period								
Profit for the period	–	–	–	–	3,832	3,832	2	3,834
Other comprehensive income								
Foreign currency translation differences	–	–	26,540	–	–	26,540	–	26,540
Total comprehensive income for the period	–	–	26,540	–	3,832	30,372	2	30,374
At 30 June 2022	40,667	(10,450)	19,001	16,975	31,780	97,973	45	98,018

The accompany notes form an integral part of these unaudited condensed interim consolidated financial statements.

Attributable to owners of the Company (Group)							
Note	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 2021	40,667	(10,450)	(7,496)	20,646	43,367	32	43,399
Total comprehensive income for the period							
Profit for the period	–	–	–	4,761	4,761	6	4,767
Other comprehensive income							
Foreign currency translation differences	–	–	1,147	–	1,147	–	1,147
Total comprehensive income for the period	–	–	1,147	4,761	5,908	6	5,914
Transactions with owners, recorded directly in equity							
Dividends	–	–	–	(1,739)	(1,739)	–	(1,739)
Total transactions with owners	–	–	–	(1,739)	(1,739)	–	(1,739)
At 30 June 2021	40,667	(10,450)	(6,349)	23,668	47,536	38	47,574

The accompany notes form an integral part of these unaudited condensed interim consolidated financial statements.

Don Agro International Limited and its subsidiaries
Unaudited condensed consolidated interim statements of changes in equity
For the six-month period ended 30 June 2022

Note	Attributable to owners of the Company (Company)			
	Share capital S\$'000	Capital reserves S\$'000	Accumulated profits S\$'000	Total equity S\$'000
At 1 January 2022	40,911	(21,270)	833	20,474
Total comprehensive income for the period				
Profit for the period	–	–	416	416
Total comprehensive income for the period	–	–	416	416
At 30 June 2022	40,911	(21,270)	1,249	20,890

The accompany notes form an integral part of these unaudited condensed interim consolidated financial statements.

Attributable to owners of the Company (Company)				
Note	Share capital S\$'000	Capital reserves S\$'000	Accumulated profits S\$'000	Total equity S\$'000
At 1 January 2021	40,911	(21,270)	1,718	21,359
Total comprehensive income for the period				
Profit for the period	–	–	1,306	1,306
Total comprehensive income for the period				
Transactions with owners, recorded directly in equity				
Dividends	–	–	(1,739)	(1,739)
Total transactions with owners	–	–	(1,739)	(1,739)
At 30 June 2021				
	40,911	(21,270)	1,285	20,926

The accompany notes form an integral part of these unaudited condensed interim consolidated financial statements.

Don Agro International Limited and its subsidiaries
Unaudited condensed consolidated interim statements of cash flows
For the six-month period ended 30 June 2022

	For the six-month period ended 30 June	
	2022	2021
	S\$'000	S\$'000
Cash flows from operating activities		
Profit for the period	3,834	4,767
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment and right-of-use assets	1,868	1,247
Loss/Gain on disposal of property, plant and equipment	2	(125)
Finance income	(1,794)	(255)
Finance costs	556	446
Tax expense	27	159
Gain from change in fair value of biological assets and agricultural produce	(3,588)	(4,910)
Revaluation of sold biological assets recognised in cost of sales	5,340	1,583
Allowance for foreseeable losses on inventories	80	306
	6,325	3,218
Changes in:		
Trade and other receivables	1,114	1,485
Inventories	6,067	2,397
Biological assets	(15,525)	(9,168)
Trade and other payables and provisions	(796)	(952)
Deferred income	(24)	(43)
	(2,839)	(3,063)
Cash used in operations	(2,839)	(3,063)
Taxes paid	(75)	(63)
Net cash used in operating activities	(2,914)	(3,126)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,329)	(1,697)
Proceeds from sale of property, plant and equipment	69	191
Deposits returned	–	4,252
Interest received	249	246
Acquisition of subsidiary, net of cash acquired	–	(981)
Net cash (used) in / from investing activities	(2,011)	2,011
Cash flows from financing activities		
Proceeds from borrowings	4,475	2,635
Repayment of borrowings	(4,139)	(3,595)
Other movement from borrowings	(5)	–
Interest paid	(180)	(154)
Dividends paid	–	(1,652)
Net cash from / (used) in financing activities	151	(2,766)

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Don Agro International Limited and its subsidiaries
Unaudited condensed consolidated interim statements of cash flows
For the six-month period ended 30 June 2022

	For the six-month period ended	
	30 June	
	2022	2021
	S\$'000	S\$'000
Net (decrease)/ increase in cash and cash equivalents	(4,774)	(3,881)
Cash and cash equivalents at 1 January	6,769	9,992
Effect of exchange rate fluctuations on cash held	1,179	143
Cash and cash equivalents at 30 June	<u>3,174</u>	<u>6,254</u>

The accompany notes form an integral part of these unaudited condensed interim consolidated financial statements.

Notes to the unaudited condensed consolidated interim financial statements

These notes form an integral part of the unaudited condensed consolidated interim financial statements.

1. Reporting entity

1.1 The Company

The Company was incorporated as Don Agro International Private Limited on 16 October 2018 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 \$100 comprising 100 shares of which 6% and 94% are held by Mr Marat Devlet-Kildeev and Mr Evgeny Tugolukov, respectively. On 4 February 2020, the Company was converted into a public company limited by shares and changed its name to Don Agro International Limited. The Company's registered address is 10 Collyer Quay, #10-01, Ocean Financial Centre, Singapore 049315.

The financial statements of the Group as at and for the six-month period ended 30 June 2022 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity accounted investees.

The Company was listed on the Catalist Board of Singapore Exchange Securities Trading Limited on 14 February 2020.

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.

2. Basis of preparation

These unaudited condensed interim consolidated 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 consolidated financial statements of the Group as at and for the years ended 31 December 2021. 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 consolidated financial statements.

These consolidated financial statements are presented in Singapore dollars ("S\$"). The functional currency of the Company is the Russian rouble ("RUB"). Assets and liabilities are translated from RUB 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 consolidated interim financial statements were authorised for issue by the Company's board of directors on 12 August 2022.

3. Use of judgements and estimates

In preparing the unaudited interim consolidated 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 consolidated financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

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 six-month period ended 30 June 2022 is included in note 7 – determining the fair value of biological assets and agricultural produce on the basis of significant unobservable inputs.

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

The accounting policies applied in these unaudited condensed interim consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2021.

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

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 in separate calendar years, while other crops 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 months period ended 30 June 2022 amounted to S\$14,039,000 (six months period ended 30 June 2021: S\$5,971,000). Fluctuations of results are minimized 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 2022, the Group acquired property, plant and equipment with a cost of S\$2,322,000 (the year ended 31 December 2021: S\$2,607,000).

Assets were disposed during the six-month period ended 30 June 2022 with carrying amount of S\$71,000 (the year ended 31 December 2021: carrying amount of S\$74,000), resulted loss of S\$2,000 (the year ended 31 December 2021: gain of S\$46,000).

Depreciation

During the six-month period ended 30 June 2022, the Group's depreciation charge amounted to S\$1,254,000 (six-month period ended 30 June 2021: S\$870,000).

7. Biological assets

	30 June 2022 S\$'000	31 December 2021 S\$'000
Livestock	7,446	7,176
Permanent grass	915	381
Non-current	8,361	7,557
Current – crops	41,723	9,757
	50,084	17,314

Biological assets – crops

During the six-month period ended 30 June 2022, the Group cultivated winter wheat, sunflower, corn and other crops.

The unharvested crops are represented by the following types.

	30 June 2022 S\$'000	31 December 2021 S\$'000
Winter wheat	28,702	9,734
Sunflower	9,773	–
Corn	3,248	23
	41,723	9,757

During the six-month period ended 30 June 2022, the cost incurred on growing crops was S\$14,753,000 (the year ended 31 December 2021: S\$19,659,000). The gain arising from changes in fair value less estimated cost to sell due to price changes was S\$6,303,000 (six-month period ended 30 June 2021: gain of S\$7,372,000).

Biological assets - permanent grass

During the six-month period ended 30 June 2022, the cost incurred on growing permanent grass was S\$905,000 (year ended 31 December 2021: S\$869,000).

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 2022, the cost incurred on breeding livestock was S\$6,676,000 (the year ended 31 December 2021: S\$10,261,000). The loss arising from changes in fair value less estimated cost to sell due to price changes was S\$2,715,000 (six-month period ended 30 June 2021: loss of S\$2,462,000).

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.

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	
	2022	2021
	S\$'000	S\$'000
Gain from change in fair value of biological assets and agricultural produce		
- Change in fair value (realised)	–	–
- Change in fair value (unrealised)	3,588	4,910
	<u>3,588</u>	<u>4,910</u>

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 2022: 2,163 (31 December 2021: 2,191) • Number of calves and heifers - 30 June 2022: 2,036 (31 December 2021: 2,242)	<i>Discounted cash flow:</i> 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.	<ul style="list-style-type: none"> • Length of lactation period (years) 30 June 2022: 2.34 (31 December 2021: 2.43) • Herd average daily milk yield (litres) 30 June 2022: 20.27 (31 December 2021: 20.03) • Market prices for milk in the same region (in RUB/litre excluding VAT) 30 June 2022: 38.38 (31 December 2021: 39.32) • Risk-adjusted discount rate 30 June 2022: 15.2% (31 December 2021: 15.2%) 	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none"> • 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
<p>Crops:</p> <p>Winter wheat</p> <ul style="list-style-type: none"> • Plant area (hectare) - 30 June 2022: 25,157 (31 December 2021: 24,032) <p>Sunflower</p> <ul style="list-style-type: none"> • Plant area (hectare) - 30 June 2022: 10,958 (31 December 2021: n/a) 	<p><i>Discounted cash flow:</i> 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.</p>	<ul style="list-style-type: none"> • Risk-adjusted discount rate 30 June 2022: 15.2% (31 December 2021: 15.2%) <p><u>Winter wheat</u></p> <ul style="list-style-type: none"> • Market prices for crop in the same region (in RUB/tonne excluding VAT) 30 June 2022: Don Agro LLC:14,300, LLC Volgo-Agro:8,545 (31 December 2021::LLC Don Agro – 14,958; LLC Volgo –Agro – 13,188) Expected yield (tonne/hectare) 30 June 2022: Don Agro LLC 3.75, Volgo Agro LLC 2.50 (31 December 2021: Don Agro LLC 3.65, Volgo Agro LLC 2.25) • Future cost to grow and sell (in RUB/hectare) 30 June 2022: Don Agro LLC 2,195, Volgo-Agro LLC 0,983 (31 December 2021: Don Agro LLC 15,630, Volgo-Agro LLC 6,415) <p><u>Sunflower</u></p> <ul style="list-style-type: none"> • Market prices for crop in the same region (in RUB/tonne excluding VAT) 30 June 2022: 27,273 (31 December 2021: n/a) • Expected yield (tonne/hectare) 30 June 2022: 1.91 (31 December 2021: n/a) • Future cost to grow and sell (in RUB/hectare) 30 June 2022: 9,508 (31 December 2021: n/a) 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> • 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 2022 S\$'000	31 December 2021 S\$'000
Raw materials and consumables	4,709	3,544
Work in progress	4,146	2,090
Finished goods – agricultural produce	718	12,102
	<u>9,573</u>	<u>17,736</u>
Less: Provision for foreseeable losses	(151)	(187)
	<u>9,422</u>	<u>17,549</u>

9. Trade and other receivables

	Group		Company	
	30 June 2022 S\$'000	31 December 2021 S\$'000	30 June 2022 S\$'000	31 December 2021 S\$'000
Trade receivables	199	55	–	–
Other receivables	101	32	186	88
Less: Impairment losses	(5)	(4)	–	–
	<u>295</u>	<u>83</u>	<u>186</u>	<u>88</u>
Dividends receivable	–	–	2,555	r2,973
Advances paid to suppliers	530	2,987	11	8
Value-added tax (“VAT”) receivables	2,455	306	–	–
	<u>3,280</u>	<u>3,376</u>	<u>2,752</u>	<u>3,069</u>

During the year, a wholly-owned subsidiary has not declared an interim dividend (2021: RUB1.45 (2.59 Singapore cents) per share, amounting to RUB91,108,380 (S\$1,715,000) and final dividends of RUB1.33 (2.40 Singapore cents) per share amounting to RUB 83,000,000 (S\$1,258,000)). The dividends have been partly paid to the shareholders.

10. Cash and cash equivalents

	Group		Company	
	30 June 2022 S\$'000	31 December 2021 S\$'000	30 June 2022 S\$'000	31 December 2021 S\$'000
Petty cash	5	3	–	–
Bank balances	2,407	1,978	2,142	1,544
Short-term bank deposits with maturities of three months or less	762	4,788	–	–
	<u>3,174</u>	<u>6,769</u>	<u>2,142</u>	<u>1,544</u>

11. Capital and reserves

Share capital

	Number of shares		Amount	
	For six-month period ended 30 June 2022	For year ended 31 December 2021	For six-month period ended 30 June 2022 S\$'000	For year ended 31 December 2021 S\$'000
Issued and fully paid ordinary shares, at par value:				
At 1 January	150,272,700	150,272,700	40,667	40,667
At end of the period	<u>150,272,700</u>	<u>150,272,700</u>	<u>40,667</u>	<u>40,667</u>

The Company did not have any outstanding options and convertibles, and there were no treasury shares or subsidiary holdings as at 30 June 2022 and 30 June 2021.

Net asset value

	Group		Company	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Net asset value per ordinary shares (cents)	65.20	44.99	13.90	13.62

Dividends

During the six months ended 30 June 2022, the Group declared dividends in amount of S\$ nil (S\$ nil per ordinary share) (six-months period ended 30 June 2021: S\$1,739,000 (S\$0.01157363 per ordinary share)). The dividends were paid partly, unpaid dividends are included as a dividends payable in 'trade and other payables' in the statement of financial position.

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.

12. Loans and borrowings

	30 June 2022 S\$'000	31 December 2021 S\$'000
Non-current		
Secured bank loans	636	450
Loans from third parties	–	2
	<u>636</u>	<u>452</u>
Current		
Secured bank loans	9,343	6,298
Loans from third parties	–	1
	<u>9,343</u>	<u>6,299</u>

				30 June 2022		31 December 2021	
	Currency	Nominal interest rate %	Year of maturity	Face value S\$'000	Carrying amount S\$'000	Face value S\$'000	Carrying amount S\$'000
Secured bank loans	RUB	2.88%-8.35%	2022 - 2024	9,979	9,979	6,748	6,748
Loans from third parties	RUB	3%	2024	–	–	3	3
				<u>9,979</u>	<u>9,979</u>	<u>6,751</u>	<u>6,751</u>

Details of any collateral

The Group's bank loans are secured by (i) charges over fixed deposits and accounts maintained with banks; (ii) corporate guarantees given by subsidiary Tetra Joint-Stock Company ("JSC"); (iii) pledge of property, plant and equipment; and (iv) personal guarantees from the Chief Executive Officer and Executive Director.

13. Trade and other payables

	Group		Company	
	30 June 2022 S\$'000	31 December 2021 S\$'000	30 June 2022 S\$'000	31 December 2021 S\$'000
Trade payables	1,995	412	–	–
Other payables	576	672	484	537
Payables to employees	313	138	–	–
Advances received from customers	115	1,105	–	–
Dividends payable	171	171	171	171
Amount due to subsidiary	–	–	70	70
Tax payables other than income tax	563	389	–	–
	<u>3,733</u>	<u>2,887</u>	<u>725</u>	<u>778</u>

14. Provisions

As at 30 June 2022, provisions were created for staff's unused vacation for amount of S\$946,000 (31 December 2021: S\$628,000). The unused vacation and tax provision are expected to be utilised within the next 12 months.

15. Revenue

	For the six-month period ended 30 June	
	2022	2021
	S\$'000	S\$'000
Revenues from contracts with customers		
Revenue from sale of crop production	11,805	4,342
Revenue from sale of livestock and milk	6,178	5,040
Revenue from services provided	76	45
	18,059	9,427

16. Cost of sales

	For the six-month period ended 30 June	
	2022	2021
	S\$'000	S\$'000
Biological assets sold	10,245	4,122
Wages and salaries	2,847	1,874
Depreciation of property, plant and equipment	1,639	767
Operating lease expenses	253	66
Growing and harvesting services	734	364
Energy utilities	218	168
Taxes	59	45
Allowance for foreseeable loss on inventories	80	306
Others	1,016	375
	17,091	8,087

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.

17. Employee benefits

The following items have been included in arriving at profit before tax:

	For the six-month period ended 30 June	
	2022	2021
	S\$'000	S\$'000
Employee benefits expenses		
Salaries and related expenses	2,792	2,405
Contributions to defined contribution plans	880	710
Provision made for unused vacation	289	261
	<u>3,961</u>	<u>3,376</u>

Employee benefits expenses for the periods are charged to the accounts stated as follows:

	For the six-month period ended 30 June	
	2022	2021
	S\$'000	S\$'000
Biological assets	2,061	1,875
Inventories	522	25
Cost of sales	408	550
Administrative expenses	970	926
	<u>3,961</u>	<u>3,376</u>

18. Tax expense

The income tax rate applicable to the majority of the Group's income is 0% for activities related to agricultural production; other activities are taxed at 20% respectively.

19. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 June 2022 and 30 June 2021 is based on the profit attributable to ordinary shareholders of S\$3,832,000 and S\$4,761,000 respectively and the weighted-average number of ordinary shares outstanding during the periods, as follows:

	For the six-month period ended 30 June	
	2022	2021
	No. of shares	No. of shares
Weighted average number of shares during the period	<u>150,272,700</u>	<u>150,272,700</u>

Diluted earnings per share

As at 30 June 2022 and 30 June 2021, there were no outstanding dilutive potential ordinary shares.

20. Lease liabilities

	30 June 2022 S\$'000	31 December 2021 S\$'000
Non-current		
Lease liabilities	<u>8,195</u>	<u>5,396</u>
Current		
Lease liabilities	<u>1,619</u>	<u>1,123</u>

The Group leases agricultural equipment and land plots. Lease liabilities are secured by the leased assets.

				30 June 2022		31 December 2021	
	Currency	Nominal interest rate %	Year of maturity	Face value S\$'000	Carrying amount S\$'000	Face value S\$'000	Carrying amount S\$'000
Lease liabilities	RUB	5% - 13%	2020 – 2040	<u>14,223</u>	<u>9,814</u>	<u>9,711</u>	<u>6,519</u>

Right-of-use assets

Right-of-use assets related to leased properties: Land plots and agricultural equipment:

	Land plots S\$'000	Agricultural equipment S\$'000	Total S\$'000
2022			
Balance at 1 January	5,881	112	5,993
Depreciation charge for the period	(575)	(39)	(614)
Modification of right-of-use assets	133	–	133
Effect on movements in exchange rates	2,280	37	2,317
Balance at 30 June	<u>7,719</u>	<u>110</u>	<u>7,829</u>
2021			
Balance at 1 January	4,775	45	4,820
Depreciation charge for the year	(907)	(17)	(924)
Additions to right-of-use assets	2	–	2
Remeasurement of right-of-use assets	1,121	–	1,121
Modification of right-of-use assets	534	–	534
Acquisition of subsidiary	335	85	420
Effect on movements in exchange rates	21	(1)	20
Balance at 31 December	<u>5,881</u>	<u>112</u>	<u>5,993</u>

Amounts recognised in profit or loss

	30 June 2022 S\$'000	31 December 2021 S\$'000
Interest on lease liabilities	(295)	(735)
Loss/Income from remeasurement and modification of lease liabilities presented in 'other income'	3	18
	<u>(292)</u>	<u>(717)</u>

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	
	2022 S\$'000	2021 S\$'000
Profit for the period	3,834	4,767
Adjusted for:		
Depreciation	1,648	778
Finance income	(1,794)	(255)
Finance costs	556	446
Tax expense	27	159
EBITDA	4,271	5,895

22. 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 the Group's property or relating to the Group's 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.

The tax authorities have the power to impose fines and penalties for tax arrears. A tax year is generally open for review by the tax authorities during three subsequent calendar years. Currently the tax authorities are taking a more assertive and substance-based approach to their interpretation and enforcement of tax legislation in the Russian Federation.

In addition, changes aimed at regulating tax consequences of transactions with foreign companies have been 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.

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

could differ and the effect on these consolidated financial statements, if the authorities are successful in enforcing their interpretations, could be significant.

23. 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	
	2022	2021
	S\$'000	S\$'000
Salaries and related expenses	449	710
Contributions to defined contribution plans	110	151
	559	861

Guarantees

As at 30 June 2022, 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\$9,979,000 (31 December 2021: S\$6,748,000).

24. 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 S\$'000	All other segments S\$'000
	Crops S\$'000	Livestock S\$'000		
For the six-month period ended				
30 June 2022				
External revenues	11,803	6,178	17,981	78
Inter-segment revenue	2,236	–	2,236	–
Segment revenue	14,039	6,178	20,217	78
Segment profit/(loss) before tax	5,809	(2,056)	3,753	108
30 June 2021				
External revenues	4,342	5,040	9,382	45
Inter-segment revenue	1,629	–	1,629	–
Segment revenue	5,971	5,040	11,011	45
Segment profit/(loss) before tax	6,627	(1,727)	4,900	26
	Reportable segments		Total reportable segments S\$'000	All other segments S\$'000
	Crops S\$'000	Livestock S\$'000		
As at 30 June 2022				
Segment assets	114,411	14,571	128,982	27
Capital expenditure	2,180	130	2,310	12
Segment liabilities	28,470	2,339	30,809	11
Unallocated liabilities: Dividends payable	–	–	–	171
As at 31 December 2021				
Segment assets	74,980	14,139	89,119	25
Capital expenditure	2,424	167	2,591	16
Segment liabilities	19,956	1,368	21,324	5
Unallocated liabilities: Dividends payable	–	–	–	171

Reconciliations of information on reportable segments to SFRS(I) measures

	For the six-month period ended 30 June	
	2022 S\$'000	2021 S\$'000
Revenue		
Total revenue for reportable segments	20,217	11,011
Revenue for other segments	78	45
Elimination of inter-segment revenue	(2,236)	(1,629)
Consolidated revenue	18,059	9,427
Profit before tax		
Total profit before tax for reportable segments	3,753	4,900
Profit before tax for other segments	108	26
Consolidated profit before tax	3,861	4,926
Assets		
Total assets for reportable segments	128,982	89,119
Assets for other segments	27	25
Consolidated total assets	129,209	89,144
Liabilities		
Total liabilities for reportable segments	30,809	21,324
Liabilities for other segments	11	5
Unallocated liabilities: Dividends payable	171	171
Consolidated total liabilities	30,991	21,500

Other material items

	Reportable segment totals S\$'000	Adjustments S\$'000	Consolidated Totals S\$'000
For the six-month period ended 30 June			
2022			
Finance income	1,786	8	1,794
Finance costs	(554)	(2)	(556)
Capital expenditure	(2,310)	(12)	(2,322)
Depreciation and amortisation	(1,535)	(113)	(1,648)
2021			
Finance income	184	71	255
Finance costs	(450)	4	(446)
Capital expenditure	(1,690)	–	(1,690)
Depreciation and amortisation	(700)	(78)	(778)

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	
	2022	2021
	S\$'000	S\$'000
LLC MEZ Yug Rusi	9,276	–
Molochniy Combinat Voronejskiy JSC	4,918	4,619
LLC Grain Field	2,113	–
LLC Zerno-Trade	–	2,755
LLC Grain Service	–	988
	<u>16,307</u>	<u>8,362</u>

25. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

Other information required by Catalist Rule Appendix 7C

25.1 Review

The condensed consolidated statement of financial position of Don Agro International Limited and its subsidiaries as at 30 June 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

The Group's latest financial statements for the year ended 31 December 2021 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

25.2 Review of performance of the Group

Consolidated Statement of Comprehensive Income

Revenue

The revenue for the six-month period ended 30 June 2022 ("HY2022") increased by approximately S\$8.7 million or 91.6%, from approximately S\$9.4 million in the six-month period ended 30 June 2021 ("HY2021") to approximately S\$18.1 million in HY2022. The increase is mainly attributable: i) to increase in the revenue from sale of crop production of approximately S\$7.5 million mainly due to higher volume in sale of winter wheat sold and sunflower in HY2022; ii) the increase in the revenue from sale of livestock and milk in HY2022 of approximately S\$1.1 million due to the increase in raw milk prices.

Cost of sales

The cost of sales increased by approximately S\$9.0 million or 111.3% from approximately S\$8.1 million in HY2021 to approximately S\$17.1 million in HY2022. The increase in the cost of sales is mainly attributable to (i) an increase in biological assets sold of approximately S\$6.0 million mainly due to an higher volume in sale of winter wheat and sunflower which had been harvested in FY2021 and sold in HY2022; (ii) an increase in wages and salaries of approximately S\$0.9 million due to the increase in volume of winter wheat and sunflower sold; (iii) an increase in depreciation from S\$0.8 million in HY2021 to S\$1.6 million in HY2022, due to additions of property, plant and equipment in HY2022; which was partly offset a decrease in foreseeable losses on inventories relating to agriculture produce by approximately S\$0.3 million mainly due to the decrease in write-down of the permanent grasses from harvest failure.

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

The gain from change in fair value of biological assets and agricultural produce decreased by approximately S\$1.3 million or 26.9% from a gain from change in fair value of approximately S\$4.9 million in HY2021 to a gain from change in fair value of approximately S\$3.6 million in HY2022. The decrease is mainly attributable to decrease in the gain from change in fair value of livestock in HY2022 of approximately S\$0.3 million mainly due to the increase in herd management expenses due to i) higher volume of feed consumption, in accordance with protein diet of the main herd; and ii) higher prices of agricultural produce used as feeds for the cows which was partly offset the appreciation of Russian Rouble. The decrease in the gain from change

in fair value of crops in HY2022 of approximately S\$1.0 million was due to decrease in prices of agricultural produce in line with increase in crop yield and the end of the Ukrainian grain crisis.

Gross profit and gross profit margin

	HY2022	HY2021	Change (%)
Gross profit (S\$'000)	4,556	6,250	(27.1)
Gross profit margin (%)	25.2	66.3	

The gross profit decreased by approximately S\$1.7 million from approximately S\$6.2 million in HY2021 to approximately S\$4.5 million in HY2022. The decrease is mainly attributable to an i) increase in cost of sales of approximately S\$0.9 million due to higher depreciation costs and ii) decrease in the gain from change in fair value of biological assets and agricultural produce of approximately S\$1.3 million due to decrease in fair value of livestock and agricultural produce.

Finance income

The finance income increased by approximately S\$1.5 million or 603.5% from approximately S\$0.3 million in HY2021 to approximately S\$1.8 million in HY2022. This increase in finance income is mainly attributable to the appreciation of Russian Ruble resulting the foreign exchange gains.

Tax expense

Tax expenses decrease by approximately S\$0.1 million or 83.1% from approximately S\$159,000 in HY2021 to approximately S\$27,000 in HY2022. Our effective income tax rate in HY2022 was approximately 0.7% and approximately 3.2% in HY2021. The decrease in income tax rate was due mainly to the absence of withholding tax on dividends of S\$85,000.

Consolidated Statement of Financial Position

Non-current assets

Property, plant and equipment

Property, plant and equipment increased in HY2022 due to i) the Group's acquisitions of agricultural equipment, motor vehicles, computers, construction of warehouses, and land plots from land owners, of approximately S\$2.3 million ii) gain on movements in exchange rate amounting to approximately S\$15.9 million, and offset by (i) depreciation of approximately S\$1.2 million; and (ii) disposal of property, plant and equipment amounting to approximately S\$0.1 million.

Biological assets

Non-current biological assets comprised mainly livestock and permanent grasses. Non-current biological assets increased by approximately S\$0.8 million as at 30 June 2022 mainly due to:

- i) Gain on movements in exchange rate amounting of approximately S\$2.5 million;
- ii) The growth in a cost incurred on non-current biological assets of approximately S\$1.0 million; offset by
- iii) Loss from change in fair value in biological assets of approximately S\$2.7 million.

Current assets

Biological assets

Current biological assets comprised mainly unharvested crops. Current biological assets increased by approximately S\$32.0 million in HY2022, mainly due to:

- i) Gain from change in fair value in biological assets of approximately S\$6.3 million;
- ii) Gain on movements in exchange rate amounting of approximately S\$11.1 million;
- iii) The growth in a cost incurred on non-current biological assets of approximately S\$14.6 million.

Inventories

The Group's inventories decreased by approximately S\$8.1 million or 46.3% from approximately S\$17.5 million as at 31 December 2021 to approximately S\$9.4 million as at 30 June 2022 as a result of the sale of most of the Group's agricultural produce.

Cash and cash equivalents

Cash and cash equivalents comprise petty cash, bank balances and short-term bank deposits. Cash and cash equivalents decreased by approximately S\$3.7 million or 54.4% from approximately S\$6.8 million as at 31 December 2021 to approximately S\$3.1 million as at 30 June 2022.

Please refer the section entitled "Consolidated Statement of Cash Flows" below for further information.

Non-current liabilities and Current liabilities

Loans and borrowings

The borrowings mainly relate to the amount borrowed by our Group from banks and loans from third parties.

The Group's borrowings increased by approximately S\$3.2 million or 47.8% from approximately S\$6.7 million as at 31 December 2021 to approximately S\$9.9 million as at 30 June 2022. This is mainly attributable to increase in income from foreign currency (Russian Ruble) exchange differences of approximately S\$3.0 million.

Lease liabilities

The lease liabilities mainly relate to the lease arrangements for agricultural equipment and land plots.

The Group's lease liabilities increased by approximately S\$3.3 million from approximately S\$6.5 million as at 31 December 2021 to approximately S\$9.8 million as at 30 June 2022. This is attributable to the increase in the income from foreign currency (Russian Ruble) exchange differences of approximately S\$2.9 million.

Trade and other payables

Trade and other payables comprised advances received from customers, taxes payables other than on income tax, accrued payables to employees and dividends payable.

The trade and other payables increased by approximately S\$0.8 million or 27.6% from approximately S\$2.9 million as at 31 December 2021 to approximately S\$3.7 million as at 30 June 2022. The increase is mainly attributable to increase in trade payable due to slower settlement with suppliers partly offset by the decrease in advances received due to settlement with the customers of agricultural produce.

Consolidated Statement of Cash Flows

Net cash flows used in operating activities

Cash flows used in operating activities of S\$2.9 million in HY2022 was mainly due to (i) adjustment for the revaluation of biological assets and agricultural produce in amount of S\$3.6 million; and (ii) the relatively higher value of biological assets as at 30 June 2022 compared to that as at 31 December 2021, as all crops had not been harvested as at 30 June 2022, and majority of the crops are expected to be harvested and sold in the second half of FY2022.

Net cash flows used in investing activities

Cash flows used in investing activities of S\$2.0 million was mainly due to (i) outflow from purchase of property, plant and equipment of S\$2.3 million, offset by (i) proceeds from interest received of S\$0.2 million; and (ii) proceeds from sale of property, plant and equipment of S\$0.1 million.

Net cash flows generated from financing activities

Net cash generated from financing activities amounted to approximately S\$0.2 million, which was mainly attributable to proceeds of borrowings of approximately S\$4.5 million by the banks, offset by (i) repayment of borrowings of approximately S\$4.1 million in relation to the bank loans; and (ii) interest paid of approximately S\$0.2 million.

As a result of the above, cash and cash equivalents decreased by approximately S\$3.6 million during HY2022. Cash and cash equivalents as at 30 June 2022 amounted to S\$3.2 million.

25.3 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

As stated in the Company's FY2021 results announcement, the Group expected an increase in the Group's margin as compared to previous financial years as the world prices of agricultural produce was expected to be significantly higher than previous year due to unclear weather conditions, as reported by USDA's report release in February 2022 and Food and Agriculture Organization of the United Nations (FAO).

However, the weather conditions in HY2022 turned out to be favorable, resulting in a higher harvest yield of winter wheat in the season 2021/2022 and a decrease in agricultural prices as

compared to previous years. As such, the Group's actual results for HY2022 saw a decrease in profit margin, as elaborated in Paragraph 27.2 above.

25.4 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Ongoing special military campaign in Ukraine has resulted in an introduced sanctions by the United States of America and, the European Union and some other countries have increased the level of economic uncertainty in the Russian business environment.

The grain conflict between Russia and Ukraine ended after agreements have been signed with Istanbul (Turkey), resulting in the resumption of Ukrainian grain export.

The entire production of winter wheat in 2022/2023 both in the world and Russian Federation is forecasted to increase in both the world and Russian Federation due to favorable weather conditions. However, world prices for agricultural produce are expected to decrease due to the above listed circumstances.

In this case, the Group expects an impact on the Group's margin and expect it to be slightly lower than previous financial years. The Group expects harvest yield for FY2022 to be higher than in previous financial years.

In the dairy segment, the Group does not expect a further increase in average milk prices and feed costs as a result of global recession. The Group expects a significant decrease in the margin in dairy segment in FY2022 due to the slowdown in the growth of inflation.

25.5 Dividend information

The directors did not recommend an interim dividend for the six-months period ended 30 June 2022 as the Group plans to conserve cash, improving working capital for potential further expansion. The Group is exploring several acquisition opportunities which may require significant investments.

The Directors recommended a tax exempt one-tier interim dividend of S\$0.008517848 per ordinary share (0.8517848 Singapore cents per ordinary share) in respect of six months ended 30 June 2021.

25.6 Interested person transactions

The Group has not obtained a general mandate from shareholders for recurrent interested person transactions.

As at 30 June 2022 and 30 June 2021, the Group received a number of guarantees from a related party-Chief Executive Officer and Executive Director in connection with certain bank loans obtained by the Group in the amount of S\$9.9 million and S\$ 6.4 million, respectively.

As no compensation, fees or other benefits have been paid or are payable by our Group to Marat Devlet-Kildeev 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. Please refer to pages 170 to 172 of the Company's Offer Document for further details.

25.7 Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Catalist Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Catalist Rule 720(1) of the Listing Manual of the SGX-ST.

25.8 Disclosure of acquisition (including incorporations) and sale of shares under Catalist Rule 706A

Not applicable, as the Company did not acquire or dispose of any shares in HY2022 which would require disclosure under Catalist Rule 706A.

25.9 Negative confirmation pursuant to Rule 705(5)

On behalf of the Board of Directors of the Company (the "Board"), we the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board which may render the unaudited financial statements for the six-month period ended 30 June 2022 to be false or misleading in any material aspect.

For and on behalf of the Board of **Don Agro International Limited**

Marat Devlet-Kildejev

Evgeny Tugolukov

Chief Executive Officer and Executive Director

Executive Chairman

BY ORDER OF THE BOARD

Marat Devlet-Kildejev

Chief Executive Officer and Executive Director

12 August 2022

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

The contact person for the Sponsor is Mr Joseph Au, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.