

DON AGRO INTERNATIONAL LIMITED

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

EMPHASIS OF MATTER BY INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

In compliance with Rule 704(4) of the Singapore Exchange Securities Trading Limited (the "SGXST") Listing Manual Section B: Rules of Catalist ("Catalist Rules"), the Board of Directors (the "Board" or "Directors") of Don Agro International Limited (the "Company", and together with its subsidiaries, the "Group") would like to announce that the Company's independent auditors, Foo Kon Tan LLP, have included an emphasis of matter, without modifying their audit opinion, with respect to the geopolitical uncertainties and economic impact on the Group arising from the ongoing armed conflict between Russia and Ukraine ("Ongoing Geopolitical Uncertainties") in their report (the "Independent Auditor's Report") on the audited financial statements of the Group for the financial year ended 31 December 2022 (the "Audited Financial Statements").

In the opinion of the Directors, the Ongoing Geopolitical Uncertainties have not caused any immediate concern to the Group's operations as outlined in Note 30 of the Independent Auditor's Report. An extract of the Independent Auditor's Report together with the extract of the relevant note to the Audited Financial Statements is annexed to this announcement.

The Independent Auditor's Report and a complete set of the Group's Audited Financial Statements form part of the Company's annual report for the financial year ended 31 December 2022, which is released on the SGXNet on 14 April 2023. Shareholders of the Company are advised to read this announcement in conjunction with the abovementioned annual report in their entirety.

BY ORDER OF THE BOARD

Marat Devlet-Kildeev
Chief Executive Officer and Executive Director

14 April 2023

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 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

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Appendix

Extract: Independent Auditor's Report

Emphasis of Matter

We draw attention to Note 30 of the financial statements, which describes the geopolitical uncertainties and economic impact on the Group arising from the ongoing armed conflict between Russia and Ukraine. Our opinion is not modified in respect of this matter.

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Appendix (continued)

Extract: Note 30 to the Audited Financial Statements

Ongoing geopolitical tensions with Ukraine have resulted in sanctions introduced on Russia by the United States of America, the European Union and some other countries. Sanctions and counter measures have increased the level of economic uncertainty in the Russian business environment. In 2022, Russia collected a record-breaking harvest of wheat. This, combined with logistic challenges due to the geopolitical tensions and stronger Russian rouble resulted in lower prices for agricultural products within Russia. Export volumes started to recover and grow only in the end of 2022. Accordingly, the export volume for 2023 is expected to be higher. Lower acreage of winter wheat sown, due to continuous rains in the autumn of 2022 in some regions of Russia, is expected to result in a decrease harvest in 2023. Management expects that these factors combined with a significantly lower acreage of winter wheat sown in Ukraine and gradual decrease of Russian rouble will support prices in 2023. Furthermore, an expected decrease in prices for natural gas will reduce the price of fertilisers which is expected to improve the Group's profit margins. The Group also expects a slight increase in average milk prices and feed costs as a result of possible increase in agricultural product prices. The Group expects a slight increase in the gross margin in dairy segment in 2023 due to the slowdown in the growth of inflation and renewal of logistic supply chains.