Don Agro International Limited
and its subsidiaries

Unaudited condensed consolidated interim financial statements
For the six-month period ended 30 June 2023

	Note	Group 30 June 2023 S$'000	Group 31 December 2022 S$'000	Company 30 June 2023 S$'000	Company 31 December 2022 S$'000
Assets					
Property, plant and equipment	6	1,620	47,280	–	–
Biological assets	7	–	10,723	–	–
Right-of-use assets	20	–	4,496	–	–
Investment in subsidiaries		–	–	16,484	16,616
Goodwill		51	471	–	–
Other non-current assets		–	15	–	–
Non-current assets		1,671	62,985	16,484	16,616
Biological assets	7	–	8,739	–	–
Inventories	8	93	20,336	–	–
Trade and other receivables	9	61	2,856	1,894	2,109
Cash and cash equivalents	10	3,465	3,164	1,170	1,524
Current assets		3,619	35,095	3,064	3,633
Assets of disposal group classified as held for sale	24	81,096	–	–	–
Total assets		86,386	98,080	19,548	20,249
Equity					
Share capital	11	40,667	40,667	40,911	40,911
Capital reserves		(10,450)	(10,450)	(21,270)	(21,270)
Revaluation reserves		24,020	24,020	–	–
Foreign currency translation reserve		(18,817)	(7,373)	–	–
Accumulated profits/ (losses)		24,617	25,964	(872)	(62)
Equity attributable to owners of the Company		60,037	72,828	18,769	19,579
Non-controlling interests		64	59	–	–
Total equity		60,101	72,887	18,769	19,579
Liabilities					
Loans and borrowings	12	–	1,131	–	–
Lease liabilities	20	–	4,283	–	–
Deferred tax liabilities		–	5,815	–	–
Trade and other payables	13	–	–	70	70
Deferred income		–	192	–	–
Non-current liabilities		–	11,421	70	70
Loans and borrowings	12	–	5,039	–	–
Lease liabilities	20	–	1,175	–	–
Current tax liabilities		80	196	–	–
Trade and other payables	13	3,032	6,587	709	600
Deferred income		–	97	–	–
Provisions	14	138	678	–	–
Current liabilities		3,250	13,772	709	600
Liabilities directly associated with disposal group classified as held-for-sale	24	23,035	–	–	–
Total liabilities		26,285	25,193	779	670
Total equity and liabilities		86,386	98,080	19,548	20,249

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

	Note	**For the six-months period ended 30 June**						
		2023 S$'000 Total	**2023 S$'000** Continuing operations	**2023 S$'000** Discontinued operations	**2022 S$'000** Total	**2022 S$'000** Continuing operations	**2022 S$'000** Discontinued operations	**Change %** Total
Revenue	15	17,331	29	17,302	18,059	–	18,059	(4.0)
Cost of sales	16	(17,194)	(59)	(17,135)	(17,091)	–	(17,091)	1.0
Gain from change in fair value of biological assets and agricultural produce	7	1,461	–	1,461	3,588	–	3,588	(60.0)
Gross profit/ (loss)		1,598	(30)	1,628	4,556	–	4,556	(65.0)
Administrative expenses		(1,586)	(992)	(594)	(1,715)	(990)	(725)	(8.0)
Other operating income/expense, net		(6)	(328)	322	(218)	(194)	(24)	(97.2)
Results from operating activities		6	(1,350)	1,356	2,623	(1,184)	3,807	(100.0)
Finance income		153	94	59	1,794	662	1,132	(92.0)
Finance costs		(1,432)	(274)	(1,158)	(556)	(21)	(535)	158.0
Net finance costs		(1,279)	(180)	(1,099)	1,238	641	597	(203.3)
(Loss) /profit before tax		(1,273)	(1,530)	257	3,861	(543)	4,404	(133.0)
Tax expense	18	(69)	–	(69)	(27)	–	(27)	(156.0)
(Loss) /profit for the period		(1,342)	(1,530)	188	3,834	(543)	4,377	(135.0)
(Loss) / profit for the period attributable to:								
Owners of the Company		(1,347)	(1,535)	188	3,832	(543)	4,375	(136)
Non-controlling interests		5	5	–	2	–	2	N.M.
		(1,342)	(1,530)	188	3,834	(543)	4,377	(135.0)
Other comprehensive (loss)/ income								
Items that are or may be reclassified subsequently to profit or loss:								
Foreign currency translation differences arising foreign operations, at nil tax	24	(11,444)	(151)	(11,293)	26,540	(329)	26,869	N.M
Other comprehensive (loss)/ income for the period, net of tax		(11,444)	(151)	(11,293)	26,540	(329)	26,869	N.M
Total comprehensive (loss)/ income for the period		(12,786)	(1,681)	(11,105)	30,374	(872)	31,246	N.M.

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

	Note	**For the six-months period ended 30 June**						
		2023 S$'000 Total	**2023 S$'000** Continuing operations	**2023 S$'000** Discontinued operations	**2022 S$'000** Total	**2022 S$'000** Continuing operations	**2022 S$'000** Discontinued operations	**Change %** Total
Total comprehensive (loss)/ income attributable to:								
Owners of the Company		(12,791)	(1,686)	(11,105)	30,372	(872)	31,244	N.M.
Non-controlling interests		5	5	–	2	–	2	N.M.
		12,786	(1,681)	(11,105)	30,374	(872)	31,246	N.M.
Earnings per share								
Basic and diluted earnings per share (cents)	19	(0.9)	(1.02)	0.12	2.55	(0.36)	2.91	N.M.

N.M-Not meaningful

	Attributable to owners of the Company (Group)							
	Share capital S$'000	**Capital reserves S$'000**	**Foreign currency translation reserve S$'000**	**Revaluation reserves $'000**	**Accumulated profits/ (losses) $'000**	**Total S$'000**	**Non-controlling interests S$'000**	**Total equity S$'000**
At 1 January 2023	40,667	(10,450)	(7,373)	24,020	25,964	72,828	59	72,887
Total comprehensive income for the period								
Loss for the period	–	–	–	–	(1,347)	(1,347)	5	(1,342)
Other comprehensive income								
Foreign currency translation differences	–	–	(11,444)	–	–	(11,444)	–	(11,444)
Total comprehensive income for the period	–	–	(11,444)	–	(1,347)	(12,791)	5	(12,786)
At 30 June 2023	40,667	(10,450)	(18,817)	24,020	24,617	60,037	64	60,101

	Attributable to owners of the Company (Group)							
	Share capital S$'000	**Capital reserves S$'000**	**Foreign currency translation reserve S$'000**	**Revaluation reserves**	**Accumulated profits S$'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 consolidated interim financial statements.

	Attributable to owners of the Company (Company)			
	Share capital S$'000	**Capital reserves S$'000**	**Accumulated losses S$'000**	**Total equity S$'000**
At 1 January 2023	40,911	(21,270)	(62)	19,579
Total comprehensive income for the period				
Loss for the period	–	–	(810)	(810)
Total comprehensive income for the period	–	–	(810)	(810)
At 30 June 2023	40,911	(21,270)	(872)	18,769

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

	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 consolidated interim financial statements.

	For the six-month period ended 30 June	
	2023	**2022**
	S$'000	**S$'000**
Cash flows from operating activities		
Loss for the period from continuing operations	(1,530)	(543)
Profit for the period from discontinued operations	188	4,377
(Loss)/ profit for the period from continuing and discontinued operations	(1,342)	3,834
Adjustments for:		
Depreciation of property, plant and equipment and right-of-use assets	1,707	1,868
(Gain)/ loss on disposal of property, plant and equipment	(34)	2
Finance income	(153)	(1,794)
Finance costs	1,432	556
Tax expense	69	27
Gain from change in fair value of biological assets and agricultural produce	(1,461)	(3,588)
Revaluation of sold biological assets recognised in cost of sales	(251)	5,340
Provision for inventory obsolescence (reversed)/ recognised, net	(170)	80
	(203)	6,325
Changes in:		
Trade and other receivables	(988)	1,114
Inventories	12,633	6,067
Biological assets	(12,964)	(15,525)
Trade and other payables and provisions	(3,601)	(796)
Deferred income	(49)	(24)
Cash used in operations	(5,172)	(2,839)
Taxes paid	(136)	(75)
Net cash used in operating activities	(5,308)	(2,914)
Cash flows from investing activities		
Security Payment received on proposed disposal of subsidiaries	2,267	-
Purchase of property, plant and equipment	(3,176)	(2,329)
Proceeds from sale of property, plant and equipment	34	69
Interest received	153	249
Acquisition of subsidiary, net of cash acquired	(3)	–
Net cash used in investing activities	(725)	(2,011)
Cash flows from financing activities		
Proceeds from borrowings	10,595	4,475
Repayment of borrowings	(3,388)	(4,139)
Other movement from borrowings	–	(5)
Interest paid	(581)	(180)
Net cash from financing activities	6,626	151
Net increase/ (decrease) in cash and cash equivalents	593	(4,774)
Cash and cash equivalents at 1 January	3,164	6,769
Effect of exchange rate fluctuations on cash held	(292)	1,179
Cash and cash equivalents at 30 June	3,465	3,174

The accompany notes form an integral part of these unaudited condensed consolidated interim 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-Kildeyev 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 2023 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)") 1-34 *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 year ended 31 December 2022. 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$"). The functional currency of the Company is the Singapore dollars ("S$"). 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 14 August 2023.

2.1. New standards and amendments

The Group has applied the relevant SFRS(I)s, amendments to and interpretations of SFRS(I) for the annual period beginning on 1 January 2023.

The application of these amendments to standards and interpretations does not have a material effect on the financial statements. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments and interpretations.

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 2023 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:

3. Use of judgements and estimates (Cont'd)

Measurement of fair values (Cont'd)

- *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 consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2022.

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 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 months period ended 30 June 2023 amounted to S$13,548,000 (six months period ended 30 June 2022: S$14,039,000). 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 2023, the Group acquired property, plant and equipment with a cost of S$3,176,000 (the year ended 31 December 2022: S$4,438,000).

Assets were disposed during the six-month period ended 30 June 2023 with carrying amount of S$nil (the year ended 31 December 2022: carrying amount of S$125,000), resulted gain of S$34,000 for property, plant and equipment (the year ended 31 December 2022: gain of S$30,000).

On 30 June 2023, property plant and equipment with carrying amount of S$39,287,000 were reclassified to assets of disposal group classified as held for sale. Please see note 24.

Depreciation

During the six-month period ended 30 June 2023, the Group's depreciation charge amounted to S$1,279,000 (six-month period ended 30 June 2022: S$1,254,000).

7. Biological assets

	30 June 2023 S$'000	31 December 2022 S$'000
Livestock	–	10,092
Permanent grass	–	631
Non-current	–	10,723
Current – crops	–	8,739
	–	19,462

Biological assets – crops

During the six-month period ended 30 June 2023, the Group cultivated winter wheat, sunflower, corn and other crops which these were part of the assets of disposal group classified as held for sale.

The unharvested crops are represented by the following types.

	30 June 2023 S$'000	31 December 2022 S$'000
Winter wheat	–	8,739
	–	8,739

7. Biological assets (Cont'd)

During the six-month period ended 30 June 2023, the cost incurred on growing crops was S$12,286,000 (the year ended 31 December 2022: S$29,644,000). The gain arising from changes in fair value less estimated cost to sell due to price changes was S$2,991,000 (six-month period ended 30 June 2022: gain of S$6,303,000).

As at 30 June 2023, the biological assets - crops with amounts of S$20,682,000 were reclassified to assets of disposal group classified as held for sale. Please see note 24.

Biological assets - permanent grass

During the six-month period ended 30 June 2023, the cost incurred on growing permanent grass was S$704,000 (year ended 31 December 2022: S$1,207,000).

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.

As at 30 June 2023, the biological assets - permanent grass with amount of S$585,000 were reclassified to assets of disposal group classified as held for sale. Please see note 24.

Biological assets - livestock

During the six-month period ended 30 June 2023, the cost incurred on breeding livestocks was S$5,451,000 (the year ended 31 December 2022: S$13,668,000). The loss arising from changes in fair value less estimated cost to sell due to price changes was S$1,530,000 (six-month period ended 30 June 2022: loss of S$2,715,000).

As at 30 June 2023, the biological assets - livestock with amount of S$7,679,000 were reclassified as the assets of disposal group classified as held for sale. Please see note 24.

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	
	2023	2022
	S$'000	S$'000
Gain from change in fair value of biological assets and agricultural produce		
- Change in fair value (unrealised)	1,461	3,588
	1,461	3,588

7. Biological assets (Cont'd)

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 2023: 2,206 (31 December 2022: 2,098) • Number of calves and heifers - 30 June 2023: 2,068 (31 December 2022: 2,218	*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 2023:3.45 (31 December 2022: 2.80) • Herd average daily milk yield (litres) 30 June 2023: 21.51 (31 December 2022: 19.78) • Market prices for milk in the same region (in RUB/litre excluding VAT) 30 June 2023: 35.09 (31 December 2022: 39.04) • Risk-adjusted discount rate 30 June 2023: 15.2% (31 December 2022: 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).

7. Biological assets (Cont'd)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Crops: Winter wheat • Plant area (hectare) - 30 June 2023: 18,573 (31 December 2022: 18,573) Sunflower • Plant area (hectare) - 30 June 2023: 12,738 (31 December 2022: 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 2023: 15.2% (31 December 2022: 15.2%) Winter wheat • Market prices for crop in the same region (in RUB/tonne excluding VAT) 30 June 2023: Don Agro LLC:10,909, LLC Volgo-Agro:11,311 (31 December 2022::LLC Don Agro – 13,445; LLC Volgo –Agro – 11,311) Expected yield (tonne/hectare) 30 June 2023: Don Agro LLC 4.5, Volgo Agro LLC 2.70 (31 December 2022: Don Agro LLC 4.0, Volgo Agro LLC 2.7) • Future cost to grow and sell (in RUB/hectare) 30 June 2023: Don Agro LLC 5,711, Volgo-Agro LLC 8,004 (31 December 2022: Don Agro LLC 9,456, Volgo-Agro LLC 6,962) Sunflower • Market prices for crop in the same region (in RUB/tonne excluding VAT) 30 June 2023: 29,998 (31 December 2022: n/a) • Expected yield (tonne/hectare) 30 June 2023: 2.0 (31 December 2022: n/a) • Future cost to grow and sell (in RUB/hectare) 30 June 2023: 5,936 (31 December 2022: 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 2023 S$'000	31 December 2022 S$'000
Raw materials and consumables	16	3,817
Work in progress	–	2,732
Finished goods – agricultural produce	77	14,101
	93	20,650
Less: Provision for inventory obsolescence	–	(314)
	93	20,336

9. Trade and other receivables

	Group		Company	
	30 June 2023 S$'000	31 December 2022 S$'000	30 June 2023 S$'000	31 December 2022 S$'000
Trade receivables	–	106	–	–
Other receivables	12	74	365	271
Less: Impairment losses	–	(7)	–	–
	12	173	365	271
Dividends receivable	–	–	1,520	1,833
Advances paid to suppliers	34	1,538	9	5
Current tax assets	4	5	–	–
Value-added tax ("VAT") receivables	11	1,140	–	–
	61	2,856	1,894	2,109

During the financial period, there was no interim dividend declared by subsidiaries of the Company.

10. Cash and cash equivalents

	Group		Company	
	30 June 2023 S$'000	31 December 2022 S$'000	30 June 2023 S$'000	31 December 2022 S$'000
Petty cash	–	4	–	–
Bank balances	1,198	1,702	1,170	1,524
Short-term bank deposits with maturities of three months or less	2,267	1,458	–	–
	3,465	3,164	1,170	1,524

11. Capital and reserves

Share capital

	Number of shares		Amount	
	30 June 2023	**31 December 2022**	**30 June 2023 S$'000**	**31 December 2022 S$'000**
Issued and fully paid ordinary shares, at par value:				
At the beginning and end of the period/ year	150,272,700	150,272,700	40,667	40,667

The Company did not have any outstanding options and convertibles, and there were no treasury shares or subsidiary holdings as at 30 June 2023 and 30 June 2022. There was no change in the Company's share capital from 31 December 2022 to 30 June 2023.

Net asset value

	Group		Company	
	30 June 2023	**31 December 2022**	**30 June 2023**	**31 December 2022**
Net asset value per ordinary share (cents)	39.95	48.46	12.49	13.03

Dividends

During the six months ended 30 June 2023, the Group had not declared any interim dividend (six months ended 30 June 2022: S$nil).

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 2023 S$'000	31 December 2022 S$'000
Non-current		
Secured bank loans	–	1,131
	–	1,131
Current		
Secured bank loans	–	5,039
	–	5,039

	Currency	Nominal interest rate %	Year of maturity	30 June 2023 Face value S$'000	30 June 2023 Carrying amount S$'000	31 December 2022 Face value S$'000	31 December 2022 Carrying amount S$'000
Secured bank loans	RUB	2.75%-10.75%	2022 - 2024	–	–	6,170	6,170
				–	–	6,170	6,170

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.

As at 30 June 2023, loans and borrowings with a carrying amount of S$11,518,000 were classified to disposal group classified as held-for-sale (see Note 24).

13. Trade and other payables

	Group		Company	
	30 June 2023 S$'000	31 December 2022 S$'000	30 June 2023 S$'000	31 December 2022 S$'000
Non-current				
Amount due to subsidiary	–	–	70	70
Current				
Trade payables	84	427	–	–
Other payables	463	337	538	429
Payables to employees	6	161	–	–
Advances received	2,280	5,051	–	–
Dividends payable	171	171	171	171
VAT payables	–	129	–	–
Unified Social Tax (UST) payables	28	213	–	–
Other taxes payables	–	98	–	–
	3,032	6,587	709	670

13. Trade and other payables (Cont'd)

As at 30 June 2023, trade and other payables with a carrying amount of S$1,475,000 were classified to disposal group classified as held-for-sale (see Note 24).

Included in advances received as at 30 June 2023 was the Security Payment amounting to S$2,267,000 (equivalent to RR150,000,000) received for the proposed disposal of the Group's subsidiaries as disclosed in Note 24.

14. Provisions

As at 30 June 2023, provisions were recognised for staff's unused vacation amounting to S$138,000 (31 December 2022: S$678,000). The unused vacation and tax provision are expected to be utilised within the next 12 months.

As at 30 June 2023, provisions with a carrying amount of S$414,000 were classified to disposal group classified as held-for-sale (see Note 24).

15. Revenue

	For the six-month period ended 30 June					
	2023	**2023**	**2023**	**2022**	**2022**	**2022**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations
Revenue from sale of crop production	11,617	–	11,617	11,805	–	11,805
Revenue from sale of livestock and milk	5,605	–	5,605	6,178	–	6,178
Revenue from services provided	80	–	80	76	–	76
Revenue from sale of flour production	29	29	–	76	–	76
	17,331	29	17,302	18,059	–	18,059

16. Cost of sales

	For the six-month period ended 30 June					
	2023 S$'000	**2023 S$'000**	**2023 S$'000**	**2022 S$'000**	**2022 S$'000**	**2022 S$'000**
	Total	Continuing operations	Discontinued operations	**Total**	Continuing operations	Discontinued operations
Cost of inventories sold	10,159	–	10,159	10,245	–	10,245
Wages and salaries	2,958	5	2,953	2,847	–	2,847
Depreciation of property, plant and equipment	1,489	28	1,461	1,639	–	1,639
Short-term lease expenses	328	2	326	253	–	253
Growing and harvesting services	1,380	–	1,380	734	–	734
Energy utilities	217	2	215	218	–	218
Other taxes	44	–	44	59	–	59
Inventories written down	99	–	99	80	–	80
Others	520	22	498	1,016	–	1,016
	17,194	59	17,135	17,091	–	17,091

Cost of inventories 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					
	2023 S$'000	**2023 S$'000**	**2023 S$'000**	**2022 S$'000**	**2022 S$'000**	**2022 S$'000**
Employee benefits expenses	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations
Salaries and related expenses	2,800	339	2,461	2,792	392	2,400
Contributions to defined contribution plans	894	83	811	880	88	792
Provision made for unused vacation	272	41	231	289	69	220
	3,966	463	3,503	3,961	549	3,412

17. Employee benefits (Cont'd)

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

	For the six-month period ended 30 June					
	2023	**2023**	**2023**	**2022**	**2022**	**2022**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinue d operations
Biological assets	–	–	–	2,061	–	2,061
Inventories	–	–	–	522	–	522
Assets of disposal group classified as held for sale	2,988	–	2,988	–	–	-
Cost of sales	140	19	121	408	–	408
Administrative expenses	838	444	394	970	549	421
	3,966	463	3,503	3,961	549	3,412

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. Loss/Earnings per share

Basic loss/ earnings per share

The calculation of basic loss /earnings per share at 30 June 2023 and 30 June 2022 is based on the loss and profit attributable to ordinary shareholders of S$1,347,000 and S$3,832,000 respectively and the weighted-average number of ordinary shares outstanding during the periods, as follows:

	For the six-month period ended 30 June	
	2023	**2022**
	No. of shares	**No. of shares**
Weighted average number of shares during the period	150,272,700	150,272,700

Diluted loss/ earnings per share
As at 30 June 2023 and 30 June 2022, there were no outstanding dilutive potential ordinary shares.

20. Leases

Lease liabilities

	30 June 2023 S$'000	31 December 2022 S$'000
Non-current		
Lease liabilities	–	4,283
Current		
Lease liabilities	–	1,175

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

				30 June 2023		31 December 2022	
	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%	2023 – 2040	–	–	8,051	5,458

As at 30 June 2023, lease liabilities with a carrying amount of S$4,596,000 were classified to disposal group classified as held-for-sale (see Note 24).

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
2023			
Balance at 1 January	4,443	53	4,496
Depreciation charge for the period	(397)	(30)	(427)
Modification of right-of-use assets	83	–	83
Effect on movements in exchange rates	(722)	(7)	(729)
Reclassification to the assets of disposal group classified as held for sale	(3,407)	(16)	(3,423)
Balance at 30 June	–	–	–
2022			
Balance at 1 January	5,881	112	5,993
Depreciation charge for the year	(1,141)	(69)	(1,210)
Additions to right-of-use assets	3	–	3
Remeasurement of right-of-use assets	(867)	–	(867
Modification of right-of-use assets	290	–	290
Effect on movements in exchange rates	277	10	287
Balance at 31 December	4,443	53	4,496

20. Leases (Cont'd)

Amounts recognised in profit or loss

	30 June 2023 S$'000	31 December 2022 S$'000
Interest on lease liabilities	(272)	(834)
(Loss)/ gain from remeasurement and modification of lease liabilities presented in 'other income'	(4)	77
	(276)	(757)

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					
	2023 S$'000 Total	2023 S$'000 Continuing operations	2023 S$'000 Discontinued operations	2022 S$'000 Total	2022 S$'000 Continuing operations	2022 S$'000 Discontinued operations
Loss/ (profit) for the period	(1,342)	(1,530)	188	3,834	(543)	4,377
Adjusted for:						
Depreciation	1,510	33	1,477	1,648	1	1,647
Finance income	(153)	(94)	(59)	(1,794)	(662)	(1,132)
Finance costs	1,432	274	1,158	556	21	535
Tax expense	69	–	69	27	–	27
EBITDA	1,516	(1,317)	2,833	4,271	(1,183)	5,454

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.

22. Contingencies and commitments (Cont'd)

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	
	2023	**2022**
	S$'000	**S$'000**
Salaries and related expenses	345	449
Contributions to defined contribution plans	92	110
	437	559

Guarantees

As at 30 June 2023, 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$11,518,000 (31 December 2022: S$6,170,000).

24. Disposal group classified as held-for-sale and discontinued operations

On 27 June 2023, the Group has publicly announced the decision of its Board of Directors to dispose of DON AGRO LLC, VOLGO-AGRO LLC, HAPPY COW, LLC AND JSC DON AGRO ("Target Group"), being subsidiaries in the business of crop and milk production (the "Proposed Disposal"). The Proposed Disposal, subject to shareholders' approval at the extraordinary general meeting to be convened on 18 August 2023, is expected to be completed by the long stop date of 29 August 2023, with an option of extension of period of up to 60 days.

As at 30 June 2023, Target Group is classified as a disposal group held-for-sale and discontinued operation in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*.

The business of Target Group represents the Crops, Animals and Other segments.

(a) The major classes of assets and liabilities comprising the disposal group classified as held-for-sale are as follows:

	30 June 2023 S$'000
Assets	
Property, plant and equipment	39,287
Right-of-use assets	3,423
Biological assets (livestock)	7,679
Biological assets (permanent grass)	585
Goodwill	391
Other assets	14
Inventories	5,942
Biological assets (crops)	20,682
Trade and other receivables	1,980
Cash and cash equivalents	1,113
	81,096
Liabilities	
Loans and borrowings	(11,518)
Lease liabilities	(4,596)
Current tax liabilities	(13)
Trade and other payables	(1,475)
Deferred tax liabilities	(4,823)
Provisions	(414)
Deferred income	(196)
	23,035
Net assets of disposal group	58,061

24. Disposal group classified as held-for-sale and discontinued operations (Cont'd)

(b) The cumulative loss recognised in other comprehensive income relating to disposal group classified as held for- sale are as follows

	30 June 2023 S$'000
Currency translation reserve	11,293

(c) The impact of the discontinued operations on the cash flows of the Group for thes six-months ended 30 June 2023 are as follows:

	For six-month period ended 30 June	
	2023 S$'000	2022 S$'000
Operating cash outflows	(4,062)	(12,875)
Investing cash outflows	(1,252)	(2,011)
Financing cash flows	6,626	157
	1,312	(14,729)

25. Acquisition of subsidiary

On 17 March 2023, LLC ZMK 161 was acquired by the Group through the acquisition of 90% equity shares owned by IE Varchich Alexey for an aggregate consideration S$3,000. This consideration was settled in cash.

	2023 $'000
Property, plant and equipment	21
Inventories	11
Trade and other receivables	13
Loans and borrowings	(77)
Current tax liabilities	(1)
Provision for liabilities	(3)
Trade and other payables	(21)
Net liabilities assumed	(57)
Total consideration transferred	3
Goodwill from acquisition of LLC ZMK 161	60

26. 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 in the Russian Federation
Flour milling	It includes production of flour milling products in the Russian Federation

The Group's chief executive officer reviews the internal management reports of each division at least quarterly.

"Others" segment includes investment holding and 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.

26. Operating segments (Cont'd)

	Discontinued operations				Continuing operations			
	Crops S$'000	**Livestock S$'000**	**Others S$'000**	**Total S$'000**	**Flour milling S$'000**	**Others S$'000**	**Elimination S$'000**	**Group S$'000**
30 June 2023								
External revenues	11,617	5,605	80	17,302	29	-	-	17,331
Inter-segment revenue	1,931	–	-	1,931	–	-	(1,931)	-
Segment revenue	13,548	5,605	80	19,233	29	-	(1,931)	17,331
Segment profit/(loss) before tax	2,673	(2,492)	76	257	(30)	(1,500)	-	(1,273)
Finance income	40	19	-	59	2	92	-	153
Finance costs	(888)	(265)	(5)	(1,158)	–	(274)	-	(1,432)
Depreciation and amortisation	(1,321)	(156)	-	(1,477)	(33)	-	-	(1,510)
Segment assets	71,654	11,752	-	83,406	1,770	1,210	-	86,386
Capital expenditure	1,250	70	24	1,344	1,832	-	-	3,176
Segment liabilities	23,358	2,233	1	25,592	1	692	-	26,285

26. Operating segments (Cont'd)

	Discontinued operations				Continuing operations			
	Crops S$'000	**Livestock S$'000**	**Others S$'000**	**Total S$'000**	**Flour milling S$'000**	**Others S$'000**	**Elimination S$'000**	**Group S$'000**
30 June 2022								
External revenues	11,803	6,178	78	18,059	-	-	-	18,059
Inter-segment revenue	2,236	-	-	2,236	-	-	(2,236)	-
Segment revenue	14,039	6,178	78	20,295	-	-	(2,236)	18,059
Segment profit/(loss) before tax	6,192	(1,899)	111	4,404	-	(543)	-	3,861
Finance income	740	387	5	1,132	-	662	-	1,794
Finance costs	(535)	-	-	(535)	-	(21)	-	(556)
Depreciation and amortisation	(1,375)	(160)	(112)	(1,647)	-	(1)	-	(1,648)
Segment assets	81,516	16,491	20	98,027	-	53	-	98,080
Capital expenditure	4,111	226	104	4,441	-	-	-	4,441
Segment liabilities	22,501	2,149	11	24,661	-	532	-	25,193

26. Operating segments (Cont'd)

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	
	2023	**2022**
	S$'000	**S$'000**
LLC MEZ Yug Rusi	–	9,276
LLC Gefest Agro	2,412	
Molochniy Combinat Voronejskiy JSC	4,891	4,918
LLC Grain Field	–	2,113
LLC TD Zerno Zavolzhia	4,370	–
LLC Grain Service	1,867	–
	13,540	16,307

27. Subsequent events

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

28. Other information required by Catalist Rule Appendix 7C

28.1 Review

The condensed consolidated interim statement of financial position of Don Agro International Limited and its subsidiaries as at 30 June 2023 and the related condensed consolidated interim profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim 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 2022 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

As announced by the Company on 27 June 2023, JSC Tetra, a wholly-owned subsidiary of the Company, had, on 5 June 2023, entered into a framework sale and purchase agreement, which is conditional, ("Agreement") with LLC Volgo-Don Agroinvest ("Purchaser") to set out the key terms on which Tetra and the Purchaser will enter, subject to the satisfaction of certain the conditions precedent, into sale and purchase agreements to be signed concurrently on the date of completion of for the disposal of the following shares (the "Sale Shares") held by Tetra: (i) 99.99% of the shares in Don Agro LLC ("Don Agro Shares"); (ii) 99.99% of the shares in Volgo-Agro LLC ("Volgo-Agro Shares"); (iii) 99% of the shares in HAPPY COW, LLC ("HAPPY COW Shares"); and (iv) 99.99% of the shares in JSC Don Agro ("Don Agro JSC Shares") (collectively, the "Target Group") (the "Proposed Disposal").

28. Other information required by Catalist Rule Appendix 7C (Cont'd)

28.1 Review (Cont'd)

Following the entry into the Agreement, the Group has reclassified the Target Group as a disposal group held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*. Accordingly, all income and expenses relating to Target Group have been reclassified as income and expenses from Discontinued Operations.

In the review of the performance of the Group for the purposes of correct data analysis of the current financial period reported on and its comparative period below, we have compared total income and expenses including both continuing and discontinued operations.

28.2 Review of performance of the Group

Consolidated Interim Statement of Comprehensive Income

Revenue

The revenue for the six-month period ended 30 June 2023 ("HY2023") decreased by approximately S$0.8 million or 4.0%, from approximately S$18.1 million in the six-month period ended 30 June 2022 ("HY2022") to approximately S$17.3 million in HY2023.The decrease is mainly attributable to depreciation of Russian Rouble which was partly offset by: i) increase in the revenue from sale of crop production mainly due to higher volume in sale of winter wheat sold and corn in HY2023; ii) the increase in the revenue from sale of livestock and milk in HY2023 of approximately S$1.1 million due to the increase in quantity of milk from the increase in lactation period of cows.

Cost of sales

The cost of sales increased by approximately S$0.1 million or 1.0% from approximately S$17.1 million in HY2022 to approximately S$17.2 million in HY2023. The increase in the cost of sales is mainly attributable to (i) an increase in biological assets sold mainly due to higher volume in sale of winter wheat and corn which had been harvested in FY2022 and sold in HY2023; (ii) an increase in wages and salaries due to the increase in volume of winter wheat and corn sold; which was partly offset by the decrease as result of depreciation of Russian Rouble.

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$2.1 million or 60.0% from approximately S$3.6 million in HY2022 to approximately S$1.5 million in HY2023. The decrease is mainly attributable to the gain from change in fair value of crops in HY2023 of approximately S$ 3.3 million. due to: i) a decrease in the prices of agricultural produce due to a peak harvest of FY2022 in Russian Federation and ii) a decrease in winter wheat's harvest area for next year's harvest due to unfavourable weather conditions, which was partly offset by the decrease in the loss from change in fair value of livestock in HY2023 of approximately $1.2 million, mainly due to, i) increase in a length of lactation period and iii) decrease in feed costs due to decrease in prices of agricultural produce which was partly offset decrease in milk price.

28. Other information required by Catalist Rule Appendix 7C (Cont'd)

28.2 Review of performance of the Group (Cont'd)

Consolidated Interim Statement of Comprehensive Income (Cont'd)

Gross profit and gross profit margin

	HY2023	HY2022	Change (%)
Gross profit (S$'000)	1,598	4,556	(65.0)
Gross profit margin (%)	9.2	25.2	

The gross profit decreased by approximately S$2.9 million from approximately S$4.5 million in HY2022 to approximately S$1.6 million in HY2023. The decrease is mainly attributable to a (i) decrease in revenue of approximately S$0.8 million mainly due to depreciation of Russian Ruble and (ii) decrease in the gain from change in fair value of biological assets and agricultural produce of approximately S$2.1 million due to decrease in fair value of livestock and agricultural produce.

Administrative expenses

The administrative expenses decreased by approximately S$0.1 million from approximately S$1.7 million in HY2022 to approximately S$1.6 million in HY2022 due to decrease in staff wages and absence of bonus for the acquisition of LLC Rav Agro–Rost paid in HY2022.

Net finance costs/income

Net finance costs increased by approximately S$2.4 million or 203.3% from approximately S$1.2 million finance income in HY2022 to approximately S$1.2 million expense in HY2023. This increase in finance costs is mainly attributable to the depreciation of Russian Ruble.

Consolidated Interim Statement of Financial Position

Following the framework sale and purchase agreement to dispose of the Target Group, the Group has reclassified Target Group as a disposal group held for sale in accordance with SFRS(I) 5. Accordingly, all assets and liabilities relating to Target Group have been reclassified to Disposal group assets classified as held for sale and Disposal group liabilities classified as held for sale, respectively, as at 30 June 2023. This reclassification has resulted in reductions in the Group's Property, plant and equipment, Right-of-use assets, Biological assets, Goodwill, Inventories, Cash and cash equivalents, Trade and other receivable, Loans and borrowings, Deferred tax liabilities, Deferred income, Trade payables, Other payables, Provisions. For further details please refer to Note 24.

28. Other information required by Catalist Rule Appendix 7C (Cont'd)

28.2 Review of performance of the Group (Cont'd)

Consolidated Interim Statement of Cash Flows

Net cash flows used in operating activities

Cash flows used in operating activities of S$5.3million in HY2023 was mainly due to (i) adjustment for the revaluation of biological assets and agricultural produce in amount of S$1.5 million; and (ii) the relatively higher value of biological assets as at 30 June 2023 compared to that as at 31 December 2022, as all crops had not been harvested as at 30 June 2023, and majority of the crops are expected to be harvested and sold in the second half of FY2023.

Net cash flows used in investing activities

Cash flows used in investing activities of S$0.7 million was mainly due to (i) outflow from purchase of property, plant and equipment of S$3.2 million, offset by (i) proceeds from interest received of S$0.1 million and Security Payment received on the proposed disposal of subsidiaries of S$2.3 million.

Net cash flows generated from financing activities

Net cash generated from financing activities amounted to approximately S$6.6 million, which was mainly attributable to proceeds of borrowings of approximately S$10.6 million by the banks, offset by (i) repayment of borrowings of approximately S$3.4 million in relation to the bank loans; and (ii) interest paid of approximately S$0.6 million.

As a result of the above, cash and cash equivalents decreased by approximately S$0.6 million during HY2023. Cash and cash equivalents as at 30 June 2023 amounted to S$3.5 million.

28.3 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 FY2022 results announcement, the Group expected an increase in the Group's margin in Dairy segment as compared to previous financial years due to increase in agricultural product prices, the slowdown in the growth of inflation and renewal of logistic chains.

However, the milk price decreased due to lower consumer demand. As such, the Group's actual results for HY2023 saw a decrease in profit margin, as elaborated in Paragraph 28.2 above.

The Group's actual wheat export and prices for HY2023 are in line with the forecast statements on wheat as stated in the Company's FY2022 results announcement.

28. Other information required by Catalist Rule Appendix 7C (Cont'd)

28.4 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.

At the date hereof, the Company has entered into a conditional framework sale and purchase agreement ("Agreement") with LLC Volgo-Don Agroinvest ("Purchaser") pursuant to which the Company has agreed to dispose the shares: (i) 99.99% of the shares in Don Agro LLC ("Don Agro Shares"); (ii) 99.99% of the shares in Volgo-Agro LLC ("Volgo-Agro Shares"); (iii) 99% of the shares in HAPPY COW, LLC ("HAPPY COW Shares"); and (iv) 99.99% of the shares in JSC Don Agro ("Don Agro JSC Shares") to the Purchaser ("Proposed Disposal").

The parties to the Agreement should make all reasonable efforts to ensure that the Conditions Precedent are fulfilled before 29 August 2023 ("Long Stop Date"). If the Condition Precedents are not fulfilled before the Long Stop Date, the Long Stop Date can be extended for a period of up to 60 days. For further details, please refer to the circular to shareholders dated 3 August 2023 ("Circular").

Upon completion of the Sale shares of the Target Group, the remaining revenue generating business that the Group will continue to run will be that of flour milling. The Company expects that this business segment can generate a progressively significant revenue and profits for the Group once its production utilisation level increases going forward. A significant increase in flour milling costs is not expected due to expecting lower grain prices as a result of higher harvest and high export duties for grain.

As disclosed in the Circular, the global wheat flour market size reached US$ 241.0 Billion in 2022. Looking forward, the market is expected to reach US$ 305.8 Billion by 2028, exhibiting a CAGR of 3.9% from 2023-2028.

28.5 Dividend information

The directors did not recommend an interim dividend for the six-months period ended 30 June 2023 as the Group plans to conserve cash while exploring suitable business opportunities in both the current operating business and/or new industries. The Company also plans to reinvest the proceeds upon the completion of the Proposed Disposal.

There was no interim dividend recommended in respect of six months ended 30 June 2022.

28. Other information required by Catalist Rule Appendix 7C (Cont'd)

28.6 Interested person transactions

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

As at 30 June 2023 and 30 June 2022, 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 amounts of S$11.5 million and S$ 9.9 million, respectively.

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. Please refer to pages 170 to 172 of the Company's Offer Document for further details.

28.7 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.

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

The Company acquired a subsidiary, LLC ZMK 161, from IE Varchich Alexey. The details are set out below.

S/N	Subsidiary	Date of acquisition	Country of incorporation	% acquired	Paid up capital (S$)	Principal activity
1.	LLC ZMK 161	17 March 2023	Russia	90.0%	136	Flour milling activity

Save as disclosed, the Company did not acquire or dispose of any shares in HY2023 which would require disclosure under Catalist Rule 706A.

28. Other information required by Catalist Rule Appendix 7C (Cont'd)

28.9 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 2023 to be false or misleading in any material aspect.

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

Marat Devlet-Kildeyev	Evgeny Tugolukov
Chief Executive Officer and Executive Director	Executive Chairman

BY ORDER OF THE BOARD

Marat Devlet-Kildeyev

Chief Executive Officer and Executive Director

14 August 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.