

**Don Agro International Limited
and its subsidiaries**

Unaudited condensed consolidated interim financial
statements

For the six-month period ended 30 June 2024

Statements of financial position

	Note	Group		Company	
		30 June 2024 S\$'000	31 December 2023 S\$'000	30 June 2024 S\$'000	31 December 2023 S\$'000
Assets					
Property, plant and equipment	6	8	40,883	–	–
Biological assets	7	–	8,976	–	–
Right-of-use assets	20	–	3,200	–	–
Investment in subsidiaries		–	–	16,488	16,422
Goodwill		–	436	–	–
Other non-current assets		1	14	–	–
Non-current assets		9	53,509	16,488	16,422
Biological assets	7	–	8,474	–	–
Inventories	8	–	13,582	–	–
Trade and other receivables	9	76	1,251	2,175	1,952
Cash and cash equivalents	10	27,638	2,349	111	581
Current assets		27,714	25,656	2,286	2,533
Assets of disposal group classified as held for sale	24	71,776	–	–	–
Total assets		99,499	79,165	18,774	18,955
Equity					
Share capital	11	40,667	40,667	40,911	40,911
Capital reserves		(10,450)	(10,450)	(21,270)	(21,270)
Revaluation reserves		25,451	25,451	–	–
Foreign currency translation reserve		(17,109)	(20,074)	–	–
Accumulated profits/ (losses)		7,845	21,690	(1,630)	(1,370)
Equity attributable to owners of the Company		46,404	57,284	18,011	18,271
Non-controlling interests		44	45	–	–
Total equity		46,448	57,329	18,011	18,271
Liabilities					
Loans and borrowings	12	–	1,991	–	–
Lease liabilities	20	–	3,043	–	–
Deferred tax liabilities		–	5,045	–	–
Trade and other payables	13	–	–	70	70
Deferred income		–	89	–	–
Non-current liabilities		–	10,168	70	70
Loans and borrowings	12	–	3,919	–	–
Lease liabilities	20	–	1,215	–	–
Current tax liabilities		84	216	–	–
Trade and other payables	13	28,647	5,631	693	614
Deferred income		–	68	–	–
Provisions	14	159	619	–	–
Current liabilities		28,890	11,668	693	614
Liabilities directly associated with disposal group classified as held-for-sale	24	24,161	–	–	–
Total liabilities		53,051	11,668	693	614
Total liabilities		53,051	21,836	763	684
Total equity and liabilities		99,499	79,165	18,774	18,955

The accompany notes form an integral part of these unaudited condensed consolidated interim 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 2024

Consolidated statement of profit or loss and other comprehensive income

	Note	For the six-months period ended 30 June						Change %
		2024	2024	2024	2023	2023	2023	
		SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	
	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total	
Revenue	15	12,797	–	12,797	17,331	–	17,331	(26.2)
Cost of sales	16	(12,075)	–	(12,075)	(17,194)	–	(17,194)	(29.8)
(Loss)/Gain from change in fair value of biological assets and agricultural produce	7	(12,105)	–	(12,105)	1,461	–	1,461	(928.5)
Gross loss/ (loss)		(11,383)	–	(11,383)	1,598	–	1,598	(812.3)
Administrative expenses		(2,461)	(2,001)	(460)	(1,586)	(935)	(651)	(55.2)
Other operating income/expense, net		118	(459)	577	(6)	(363)	357	(2006.7)
Results from operating activities		(13,726)	(2,460)	(11,266)	6	(1,298)	1,304	(228,866.7)
Finance income		757	709	48	153	94	59	394.8
Finance costs		(812)	–	(812)	(1,432)	(274)	(1,158)	(43.3)
Net finance costs		(55)	709	(764)	(1,279)	(180)	(1,099)	(95.7)
(Loss) /profit before tax		(13,781)	(1,751)	(12,030)	(1,273)	(1,478)	205	982.6
Tax expense	18	(65)	–	(65)	(69)	–	(69)	(5.8)
(Loss) /profit for the period		(13,846)	(1,751)	(12,095)	(1,342)	(1,478)	136	931.7
(Loss) / profit for the period attributable to:								
Owners of the Company		(13,845)	(1,751)	(12,094)	(1,347)	(1,483)	136	927.8
Non-controlling interests		(1)	–	(1)	5	5	–	N.M.
		(13,846)	(1,751)	(12,095)	(1,342)	(1,478)	136	931.7
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	2,965	(46)	3,011	(11,444)	(151)	(11,293)	N.M.
Other comprehensive income/ (loss)/ for the period, net of tax		2,965	(46)	3,011	(11,444)	(151)	(11,293)	N.M.
Total comprehensive loss for the period		(10,881)	(1,797)	(9,084)	(12,786)	(1,629)	(11,157)	N.M.
Total comprehensive (loss) attributable to:								
Owners of the Company		(10,880)	(1,797)	(9,083)	(12,791)	(1,634)	(11,157)	N.M.
Non-controlling interests		(1)	–	(1)	5	5	–	N.M.
		(10,881)	(1,797)	(9,084)	(12,786)	(1,629)	(11,157)	N.M.
Earnings per share								
Basic and diluted earnings per share (cents)	19	(9.2)	(1.2)	(8.0)	(0.9)	(1.00)	0.92	N.M.

N.M-Not meaningful

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

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Consolidated statement of changes in equity

	Attributable to owners of the Company							Non- controlling interests SS'000	Total equity SS'000
	Share capital SS'000	Capital reserves SS'000	Foreign currency translation reserve SS'000	Revaluation reserves S'000	Accumulated profits/ (losses) S'000	Total SS'000			
At 1 January 2024	40,667	(10,450)	(20,074)	25,451	21,690	57,284	45	57,329	
Total comprehensive loss for the period									
Loss for the period	–	–	–	–	(13,845)	(13,845)	(1)	(13,846)	
Other comprehensive income									
Foreign currency translation differences	–	–	2,965	–	–	2,965	–	2,965	
Total comprehensive loss for the period	–	–	2,965	–	(13,845)	(10,880)	(1)	(10,881)	
At 30 June 2024	40,667	(10,450)	(17,109)	25,451	7,845	46,404	44	46,448	

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

Consolidated statement of changes in equity (Cont'd)

	Attributable to owners of the Company							
	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	
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

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

Statement of changes in equity

	Attributable to owners of the Company			Total equity S\$'000
	Share capital S\$'000	Capital reserves S\$'000	Accumulated losses S\$'000	
At 1 January 2024	40,911	(21,270)	(1,370)	18,271
Total comprehensive income for the period				
Loss for the period	–	–	(260)	(260)
Total comprehensive income for the period	–	–	(260)	(260)
At 30 June 2024	40,911	(21,270)	(1,630)	18,011
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.

Consolidated statement of cash flows

	For the six-month period ended	
	30 June	
	2024	2023
	S\$'000	S\$'000
Cash flows from operating activities		
Loss for the period from continuing operations	(1,751)	(1,530)
(Loss)/profit for the period from discontinued operations	(12,095)	188
Loss for the period from continuing and discontinued operations	(13,846)	(1,342)
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment and right-of-use assets	1,539	1,707
Gain on disposal of property, plant and equipment	(92)	(34)
Finance income	(757)	(153)
Finance costs	812	1,432
Tax expense	65	69
Loss/(gain) from change in fair value of biological assets and agricultural produce	12,105	(1,461)
Revaluation of sold biological assets recognised in cost of sales	(594)	(251)
Provision for inventory obsolescence reversed	(263)	(170)
	(1,031)	(203)
Changes in:		
Trade and other receivables	(36)	(988)
Inventories	8,681	12,633
Biological assets	(10,928)	(12,964)
Trade and other payables and provisions	(2,744)	(3,601)
Deferred income	(34)	(49)
Cash used in operations	(6,092)	(5,172)
Taxes paid	(189)	(136)
Net cash used in operating activities	(6,281)	(5,308)
Cash flows from investing activities		
Security payment received on proposed disposal of subsidiaries	25,694	2,267
Purchase of property, plant and equipment and right-of-use assets	(563)	(3,176)
Proceeds from sale of property, plant and equipment	174	34
Interest received	757	153
Acquisition of subsidiary, net of cash acquired	–	(3)
Net cash from/(used in) investing activities	26,062	(725)
Cash flows from financing activities		
Proceeds from borrowings	7,719	10,595
Repayment of borrowings	(2,561)	(3,388)
Interest paid	(812)	(581)
Net cash from financing activities	4,346	6,626
Net increase in cash and cash equivalents	24,127	593
Cash and cash equivalents at 1 January	2,349	3,164
Effect of exchange rate fluctuations on cash held	1,162	(292)
Cash and cash equivalents at 30 June	27,638	3,465

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-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 2024 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 2023. 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.

2. Basis of preparation (Cont'd)

On 29 April 2024, the Group announced the proposed disposal of DON AGRO LLC, VOLGO-AGRO LLC, DON MUCHNOV LLC, AND DON AGRARIAN GROUP JSC (“Announcement”), being subsidiaries in the business of crop, milk and flour production (the “Proposed Disposal”). The Proposed Disposal was approved by its shareholders at the extraordinary general meeting convened on 21 June 2024. Unless otherwise defined, all capitalised terms have the same meanings ascribed to them in the Announcement.

The Don Agro Shares and Don Muchnov Shares have been transferred to Agroholding Prostory on 6 July 2024, and Volgo Agro Shares have been transferred to DonTK on 12 July 2024 in accordance with Russian Law.

Following the registration in the share register made on 11 July 2024, DAG Shares have been transferred to Agroholding Prostory.

As at 30 June 2024, DON AGRO LLC, VOLGO-AGRO LLC, DON MUCHNOV LLC, AND DON AGRARIAN GROUP JSC are 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*.

These unaudited condensed consolidated interim financial statements were authorised for issue by the Company’s board of directors on 14 August 2024.

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 2024.

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.

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

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 2024 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 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 2023.

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 2024 amounted to S\$8,439,000 (six months period ended 30 June 2023: S\$13,458,000). Fluctuations of results are minimised by measuring the biological assets as at 30 June at fair value less estimated point-of-sale costs at the time of harvesting.

6. Property, plant and equipment

Acquisitions and disposals

During the six-month period ended 30 June 2024, the Group acquired property, plant and equipment with a cost of S\$451,000 (the year ended 31 December 2023: S\$1,732,000).

Assets were disposed during the six-month period ended 30 June 2024 with carrying amount of S\$nil (the year ended 31 December 2023: carrying amount of S\$50,000), resulted gain of S\$nil for property, plant and equipment (the year ended 31 December 2023: gain of S\$22,000).

On 30 June 2024, property plant and equipment with carrying amount of S\$42,969,000 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 2024, the Group's depreciation charge amounted to S\$1,139,000 (six-month period ended 30 June 2023: S\$1,279,000).

7. Biological assets

	30 June 2024 S\$'000	31 December 2023 S\$'000
Livestock	–	8,375
Permanent grass	–	601
Non-current	–	8,976
Current – crops	–	8,474
	–	<u>17,450</u>

Biological assets – crops

During the six-month period ended 30 June 2024, 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 2024 S\$'000	31 December 2023 S\$'000
Winter wheat	–	8,431
Corn	–	43
	–	<u>8,474</u>

During the six-month period ended 30 June 2024, the cost incurred on growing crops was S\$10,495,000 (the year ended 31 December 2023: S\$23,365,000). The loss arising from changes in fair value less estimated cost to sell due to price changes was S\$9,666,000 (six-month period ended 30 June 2023: gain of S\$2,991,000).

As at 30 June 2024, the biological assets - crops with amounts of S\$9,902,000 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 2024, the cost incurred on growing permanent grass was S\$568,000 (year ended 31 December 2023: S\$893,000).

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 2024, the biological assets - permanent grass with amount of S\$983,000 were reclassified to assets of disposal group classified as held for sale. Please see note 24.

7. Biological assets (Cont'd)

Biological assets - livestock

During the six-month period ended 30 June 2024, the cost incurred on breeding livestock was S\$3,833,000 (the year ended 31 December 2023: S\$9,678,000). The loss arising from changes in fair value less estimated cost to sell due to price changes was S\$2,439,000 (six-month period ended 30 June 2023: loss of S\$1,530,000).

As at 30 June 2024, the biological assets - livestock with amount of S\$6,556,000 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	
	2024	2023
	S\$'000	S\$'000
Gain from change in fair value of biological assets and agricultural produce		
- Change in fair value (unrealised)	(12,105)	1,461
	(12,105)	1,461
	(12,105)	1,461

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:

<u>Type</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between key unobservable inputs and fair value measurements</u>
Bearer livestock : milk cow • Number of dairy cows - 30 June 2024: 1,742 (31 December 2023: 1,974) • Number of calves and heifers - 30 June 2024: 1,725 (31 December 2023: 2,014)	<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 2024: 2.77 (31 December 2023: 2.80) • Herd average daily milk yield (litres) 30 June 2024: 23.41 (31 December 2023: 20.98) • Market prices for milk in the same region (in RUB/litre excluding VAT) 30 June 2024: 36.67 (31 December 2023: 36.26) • Risk-adjusted discount rate 30 June 2024: 20.0% (31 December 2023: 20.0%) 	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).

7. Biological assets (Cont'd)

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 2024: 24,729 (31 December 2023: 24,729) <p>Sunflower</p> <ul style="list-style-type: none"> • Plant area (hectare) - 30 June 2024: 9,558 (31 December 2023: 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 2024: 20.0% (31 December 2022: 20.0%) <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 2024: Don Agro LLC:12,121, LLC Volgo-Agro:12,273 (31 December 2023::LLC Don Agro – 12,244; LLC Volgo –Agro – 11,459) Expected yield (tonne/hectare) 30 June 2024: Don Agro LLC 1.44, Volgo Agro LLC 1.38 (31 December 2023: Don Agro LLC 4.51, Volgo Agro LLC 2.7) • Future cost to grow and sell (in RUB/hectare) 30 June 2024: Don Agro LLC 14,715, Volgo-Agro LLC 6,313 (31 December 2023: Don Agro LLC 14,496, Volgo-Agro LLC 10,653) <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 2024: 29,078 (31 December 2023: n/a) • Expected yield (tonne/hectare) 30 June 2024: 1.2 (31 December 2023: n/a) • Future cost to grow and sell (in RUB/hectare) 30 June 2024: 1,151(31 December 2023: 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 2024 S\$'000	31 December 2023 S\$'000
Raw materials and consumables	–	3,757
Work in progress	–	1,770
Finished goods – agricultural produce	–	8,342
	<hr/>	<hr/>
	–	13,869
Less: Provision for inventory obsolescence	–	(287)
	<hr/>	<hr/>
	–	13,582

9. Trade and other receivables

	Group		Company	
	30 June 2024 S\$'000	31 December 2023 S\$'000	30 June 2024 S\$'000	31 December 2023 S\$'000
Trade receivables	–	147	–	–
Other receivables	12	32	10	10
Dividends receivable from subsidiary	–	–	1,590	1,485
Interest receivables from subsidiary	–	–	539	441
Less: Impairment losses	–	(19)	–	–
Financial assets at amortised cost	<hr/>	<hr/>	<hr/>	<hr/>
	12	160	2,139	1,936
Advances paid to suppliers	61	636	36	16
Current tax assets	–	8	–	–
Value-added tax (“VAT”) receivables	3	447	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
	76	1,251	2,175	1,952

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

10. Cash and cash equivalents

	Group		Company	
	30 June 2024 S\$'000	31 December 2023 S\$'000	30 June 2024 S\$'000	31 December 2023 S\$'000
Petty cash	–	3	–	–
Bank balances	1,234	1,160	111	581
Short-term bank deposits with maturities of three months or less	26,404	1,186	–	–
	<u>27,638</u>	<u>2,349</u>	<u>111</u>	<u>581</u>

11. Capital and reserves

Share capital

	Number of shares		Amount	
	30 June 2024	31 December 2023	30 June 2024 S\$'000	31 December 2023 S\$'000
Issued and fully paid ordinary shares, at par value:				
At the beginning and end of the period/ year	<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 2024 and 30 June 2023. There was no change in the Company's share capital from 31 December 2023 to 30 June 2024.

Net asset value

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Net asset value per ordinary share (cents)	<u>30.88</u>	<u>38.12</u>	<u>11.99</u>	<u>12.16</u>

Dividends

During the six months ended 30 June 2024, the Group had not declared any interim dividend (six months ended 30 June 2023: 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 2024 S\$'000	31 December 2023 S\$'000
Non-current		
Secured bank loans	—	1,991
	—	1,991
Current		
Secured bank loans	—	3,919
	—	5,910

Terms and debt repayment schedule

				30 June 2024		31 December 2023	
	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	2.75%-18.29%	2024 - 2026	—	—	5,910	5,910
				—	—	5,910	5,910

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.

As at 30 June 2024, loans and borrowings with a carrying amount of S\$11,799,000 were classified to disposal group classified as held-for-sale (see Note 24).

13. Trade and other payables

	Group		Company	
	30 June 2024 S\$'000	31 December 2023 S\$'000	30 June 2024 S\$'000	31 December 2023 S\$'000
Non-current				
Amount due to subsidiary	–	–	70	70
Current				
Trade payables	615	934	–	–
Other payables	472	485	501	425
Interest payables to subsidiary	–	–	21	18
Payables to employees	3	136	–	–
Dividends payable	171	171	171	171
Financial liabilities at amortised cost	1,261	1,726	–	614
Advances received	27,195	3,461	–	–
VAT payables	–	197	–	–
Unified Social Tax (UST) payables	191	149	–	–
Other taxes payables	–	98	–	–
	<u>28,647</u>	<u>5,631</u>	<u>693</u>	<u>614</u>
Total	<u>28,647</u>	<u>5,631</u>	<u>763</u>	<u>684</u>
Represented by:				
Financial liabilities at amortised cost	1,261	1,726	763	684
Non-financial liabilities	27,386	3,905	–	–
	<u>28,647</u>	<u>5,631</u>	<u>763</u>	<u>684</u>

As at 30 June 2024, trade and other payables with a carrying amount of S\$1,815,000 were classified to disposal group classified as held-for-sale (see Note 24).

Included in advances received as at 30 June 2024 was the Security Payment amounting to S\$27,195,000 (equivalent to RR1,720,000,000) received for the proposed disposal of the Group's subsidiaries as disclosed in Note 24.

14. Provisions

As at 30 June 2024, provisions were recognised for staff's unused vacation amounting to S\$159,000 (31 December 2023: S\$619,000). The unused vacation and tax provision are expected to be utilised within the next 12 months.

As at 30 June 2024, provisions with a carrying amount of S\$542,000 were classified to disposal group classified as held-for-sale (see Note 24).

15. Revenue

	For the six-month period ended 30 June					
	2024	2024		2023	2023	
	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	7,330	–	7,330	11,617	–	11,617
Revenue from sale of livestock and milk	4,798	–	4,798	5,605	–	5,605
Revenue from services provided	74	–	74	80	–	80
Revenue from sale of flour production	595	–	595	29	–	29
	12,797	–	12,797	17,331	–	17,302

16. Cost of sales

	For the six-month period ended 30 June					
	2024	2024		2023	2023	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations
Cost of inventories sold	6,678	–	6,678	10,159	–	10,159
Wages and salaries	2,325	–	2,325	2,958	–	2,958
Depreciation of property, plant and equipment and right-of-use assets	1,112	–	1,112	1,489	–	1,489
Short-term lease expenses	267	–	267	328	–	328
Growing and harvesting services	1,045	–	1,045	1,380	–	1,380
Energy utilities	171	–	171	217	–	217
Other taxes	49	–	49	44	–	44
Inventories written down	23	–	23	99	–	99
Others	405	–	405	520	–	520
	12,075	–	12,075	17,194	–	17,194

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 (loss)/profit before tax:

	For the six-month period ended 30 June					
	2024	2024	2024	2023	2023	2023
	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000
	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations
Salaries and related expenses	2,495	230	2,265	2,800	339	2,461
Contributions to defined contribution plans	806	58	748	894	83	811
Provision made for unused vacation	220	26	194	272	41	231
	<u>3,521</u>	<u>314</u>	<u>3,207</u>	<u>3,966</u>	<u>463</u>	<u>3,503</u>

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

	For the six-month period ended 30 June					
	2024	2024	2024	2023	2023	2023
	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000
	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations
Assets of disposal group classified as held for sale	2,912	–	2,912	2,988	–	2,988
Cost of sales	(16)	–	(16)	140	19	121
Administrative expenses	625	314	311	838	444	394
	<u>3,521</u>	<u>314</u>	<u>3,207</u>	<u>3,966</u>	<u>463</u>	<u>3,503</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. Loss/Earnings per share

Basic loss/ earnings per share

The calculation of basic loss /earnings per share at 30 June 2024 and 30 June 2023 is based on the loss and profit attributable to ordinary shareholders of S\$13,845,000 and S\$1,347,000 respectively and the weighted-average number of ordinary shares outstanding during the periods, as follows:

	For the six-month period ended 30	
	June	
	2024	2023
	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 2024 and 30 June 2023, there were no outstanding dilutive potential ordinary shares.

20. Leases

Lease liabilities

	30 June 2024 S\$'000	31 December 2023 S\$'000
Non-current		
Lease liabilities	–	3,043
Current		
Lease liabilities	–	1,215

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

				30 June 2024		31 December 2023	
				Face value S\$'000	Carrying amount S\$'000	Face value S\$'000	Carrying amount S\$'000
Currency	Nominal interest rate %	Year of maturity					
Lease liabilities	RUB	5% - 13%	2024 – 2040	–	–	6,111	4,258

As at 30 June 2024, lease liabilities with a carrying amount of S\$4,463,000 were classified to disposal group classified as held-for-sale (see Note 24).

20. Leases (Cont'd)

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
2024			
Balance at 1 January	3,190	10	3,200
Depreciation charge for the period	(386)	(14)	(400)
Additions of right-of-use assets	–	112	112
Modification of right-of-use assets	22	–	22
Effect on movements in exchange rates	207	5	212
Reclassification to the assets of disposal group classified as held for sale	(3,033)	(113)	(3,146)
Balance at 30 June	–	–	–
2023			
Balance at 1 January	4,443	53	4,496
Depreciation charge for the year	(748)	(36)	(784)
Remeasurement of right-of-use assets	69	–	69
Modification of right-of-use assets	242	–	242
Effect on movements in exchange rates	(816)	(7)	(823)
Balance at 31 December	3,190	10	3,200

Amounts recognised in profit or loss

	30 June 2024 S\$'000	31 December 2023 S\$'000
Interest on lease liabilities	(218)	(534)
Gain from remeasurement and modification of lease liabilities presented in 'other income'	3	6
	(215)	(528)

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					
	2024	2024		2023	2023	
	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000
	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations
Loss/ (profit) for the period	(13,846)	(1,751)	(12,095)	(1,342)	(1,530)	188
Adjusted for:						
Depreciation	1,155	32	1,123	1,510	33	1,477
Finance income	(757)	(709)	(48)	(153)	(94)	(59)
Finance costs	812	–	812	1,432	274	1,158
Tax expense	65	–	65	69	–	69
EBITDA	(12,571)	(2,428)	(10,143)	1,516	(1,317)	2,833

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.

22. Contingencies and commitments (Cont'd)

Taxation (Cont'd)

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	
	2024	2023
	S\$'000	S\$'000
Salaries and related expenses	263	345
Contributions to defined contribution plans	74	92
	337	437

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

On 29 April 2024, the Group announced the proposed disposal of DON AGRO LLC, VOLGO-AGRO LLC, DON MUCHNOV LLC, AND DON AGRARIAN GROUP JSC ("Announcement"), being subsidiaries in the business of crop, milk and flour production (the "Proposed Disposal"). The Proposed Disposal was approved by its shareholders at the extraordinary general meeting convened on 21 June 2024. Unless otherwise defined, all capitalised terms have the same meanings ascribed to them in the Announcement.

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

The Don Agro Shares and Don Muchnov Shares have been transferred to Agroholding Prostory on 6 July 2024, and Volgo Agro Shares have been transferred to DonTK on 12 July 2024 in accordance with Russian Law.

Following the registration in the share register made on 11 July 2024, DAG Shares have been transferred to Agroholding Prostory.

As at 30 June 2024, Target Group and Volgo Agro LLC are 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 and Volgo Agro LLC represent 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 2024 S\$'000
<u>Assets</u>	
Property, plant and equipment	42,969
Right-of-use assets	3,146
Biological assets (livestock)	6,556
Biological assets (permanent grass)	983
Goodwill	467
Other assets	10
Inventories	6,263
Biological assets (crops)	9,902
Trade and other receivables	1,310
Cash and cash equivalents	170
	71,776
<u>Liabilities</u>	
Loans and borrowings	(11,799)
Lease liabilities	(4,463)
Current tax liabilities	(8)
Trade and other payables	(1,815)
Deferred tax liabilities	(5,404)
Provisions	(542)
Deferred income	(130)
	(24,161)
Net assets of disposal group	47,615

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 2024 S\$'000
Currency translation reserve	(16,938)
Revaluation reserves	25,451
	8,513

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

	For six-month period ended 30 June	
	2024 S\$'000	2023 S\$'000
Operating cash inflows/(outflows)	7,692	(4,062)
Investing cash outflows	(333)	(1,252)
Financing cash inflows	4,346	6,626
	11,705	1,312

25. Operating segments

Basis of segmentation

The Group has the following two strategic divisions, which are its reportable segments. These divisions offer different products and are managed separately because that requires different technology and marketing strategies.

The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Crops	It includes production and sale of agriculture produce in the Russian Federation, mainly winter wheat, sunflower and corn
Livestock	It includes the breeding of dairy cows for milk production and sale of livestock 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.

25. Operating segments (Cont'd)

	Crops S\$'000	Discontinued operations		Total S\$'000	Continuing operations		Group S\$'000
		Livestock S\$'000	Others S\$'000		Others S\$'000	Elimination S\$'000	
30 June 2024							
External revenues	7,330	4,798	669	12,797	–	–	12,797
Inter-segment revenue	1,109	–	–	1,109	–	(1,109)	–
Segment revenue	8,439	4,798	669	13,906	–	(1,109)	12,797
Segment profit/(loss) before tax	(9,556)	(2,546)	72	(12,030)	(1,751)	–	(13,781)
Finance income	28	18	2	48	709	–	757
Finance costs	(578)	(206)	(28)	(812)	–	–	(812)
Depreciation and amortisation	(1,016)	(107)	–	(1,123)	(32)	–	(1,155)
Segment assets	60,084	9,814	1,878	71,776	27,723	–	99,499
Capital expenditure	392	51	–	443	8	–	451
Segment liabilities	18,670	4,914	577	24,161	28,890	–	53,051

25. Operating segments (Cont'd)

	Crops S\$'000	Discontinued operations		Total S\$'000	Continuing operations		Group S\$'000
		Livestock S\$'000	Others S\$'000		Others S\$'000	Elimination S\$'000	
30 June 2023							
External revenues	11,617	5,605	—109	17,331	—	—	17,331
Inter-segment revenue	1,931	—	—	1,931	—	(1,931)	—
Segment revenue	13,548	5,605	109	19,262	—	(1,931)	17,331
Segment profit/(loss) before tax	2,656	(2,501)	50	205	(1,478)	—	(1,273)
Finance income	40	19	—	59	94	—	153
Finance costs	(888)	(265)	(5)	(1,158)	(274)	—	(1,432)
Depreciation and amortisation	(1,321)	(156)	(33)	(1,510)	—	—	(1,510)
Segment assets	71,654	11,752	1,809	83,406	1,171	—	86,386
Capital expenditure	1,250	70	1,856	3,176	—	—	3,176
Segment liabilities	23,358	2,233	522	26,113	172	—	26,285

25. 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	
	2024	2023
	S\$'000	S\$'000
LLC Rubikon	3,598	–
LLC Gefest Agro	–	2,412
Molochniy Combinat Voronejskiy JSC	3,978	4,891
LLC Aston	1,975	–
LLC TD Zerno Zavolzhia	–	4,370
LLC Grain Service	1,336	1,867
	<u>10,887</u>	<u>13,540</u>

26. Subsequent events

The Main Target Group Agreements and the Main VolgoAgro Agreement were signed on 5 July 2024 and the Target Group Closing and the Volgo-Agro Closing have been completed. According to the Main Target Group Agreements and the Main Volgo-Agro Agreement, the Target Group Sale Shares shall be transferred to Agroholding Prostory and the Volgo-Agro Shares shall be transferred to DonTK respectively. Pursuant to Russian law, transfer of the Don Agro Shares, Don Muchnov Shares and Volgo-Agro Shares shall be registered in the USRLE and the transfer of the DAG. Shares shall be registered in the share register of Don Agrarian Group JSC, The Don Agro Shares and Don Muchnov Shares have been transferred to Agroholding Prostory on 6 July 2024, and Volgo Agro :LLC shares have been transferred to DonTK on 12 July 2024 in accordance with the registration in the USRLE.

Following the registration in the share register made on 11 July 2024 shares of Don Agrarian Group JSC have been transferred to Agroholding Prostory.

Don Agro LLC, Don Muchnov LLC, Volgo Agro LLC and Don Agrarian Group JSC have ceased to be subsidiaries of the Company.

27. Other information required by Catalist Rule Appendix 7C

27.1 Review

The condensed consolidated interim statement of financial position of Don Agro International Limited and its subsidiaries as at 30 June 2024 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 2023 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

As announced by the Company on 29 April 2024, JSC Tetra, a wholly-owned subsidiary of the Company, had, on 26 April 2024, entered into preliminary sale and purchase agreements ("Agroholding Prostory Agreements") with Agroholding "Prostory" JSC ("Agroholding Prostory") to set out the key terms on which Tetra and Agroholding Prostory will enter, subject to the satisfaction of the Target Group Conditions Precedent (as defined below), into main sale and purchase agreements with Agroholding Prostory to be signed concurrently on the Target Group Closing Date (as defined below) for the disposal of the following shares (the "Target Group 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 Don Agrarian Group JSC (also known as Don Agro, JSC) ("DAG Shares"); and (iii) 90% of the shares in Don Muchnov LLC (formerly known as LLC ZMK 161) ("Don Muchnov Shares") (collectively, the "Target Group") (the "Proposed Target Group Disposal").

Tetra had on 26 April 2024, entered into a preliminary sale and purchase agreement ("DonTK Agreement") with Donskaya trastovaya kompaniya LLC, as Trustee of the Closed Unit Investment Fund Combined "Aldan" ("DonTK") to set out the key terms on which Tetra and DonTK will enter, subject to the satisfaction of the Volgo-Agro Conditions Precedent (as defined below), into a main sale and purchase agreement with DonTK to be signed concurrently on the Volgo-Agro Closing Date (as defined below) for the disposal of 99.99% of the shares in Volgo-Agro LLC held by Tetra ("Volgo-Agro Shares") (the "Proposed Volgo-Agro Disposal").

Following the entry into the Agreement, the Group has reclassified the Target Group and Volgo Agro LLC 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 and Volgo Agro 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.

27. Other information required by Catalyst Rule Appendix 7C (Cont'd)

27.2 Review of performance of the Group

Consolidated Interim Statement of Comprehensive Income

Revenue

The revenue for the six-month period ended 30 June 2024 (“HY2024”) decreased by approximately S\$4.5 million or 26.2%, from approximately S\$17.3 million in the six-month period ended 30 June 2023 (“HY2023”) to approximately S\$12.8 million in HY2024. The decrease is mainly attributable to i) depreciation of Russian Rouble; and ii) decrease in the revenue from sale of crop production mainly due to i) lower volume of winter wheat in HY 2024 as a result of record harvest in FY 2022 and sold in HY 2023; and ii) higher volume in sale of corn sold in HY2023 compared to absence of sale of corn in HY2024. This was partly offset by the increase in the revenue from sale of flour production due uninterrupted operation of flour milling plant in HY2024.

Cost of sales

The cost of sales decreased by approximately S\$5.2 million or 29.8% from approximately S\$17.2 million in HY2023 to approximately S\$12.0 million in HY2024. The decrease in the cost of sales is mainly attributable to (i) depreciation of Russian Rouble; ii) an decrease in biological assets sold mainly due to lower volume in sale of winter wheat and corn which had been harvested in FY2023 and sold in HY2024; (iii) an decrease in wages and salaries and growing and harvesting services due to the decrease in volume of winter wheat and corn sold; and iv) decrease in depreciation of property, plant and equipment due to decrease in an additions of property, plant and equipment and right-of-use assets in HY 2024.

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\$13.6 million or 928.5% from gain of approximately S\$1.5 million in HY2023 to loss of approximately S\$12.1 million in HY2024. The decrease is mainly attributable to the loss from change in fair value of crops in HY2024 of approximately S\$9.7 million. This is due to a significant decrease in the harvest yields of agricultural produce and harvest areas of sunflower due to unfavourable weather conditions in HY2024 and the loss from change in fair value of livestock in HY2024 of approximately \$2.4 million, mainly due to increase in herd management expenses due to growth in inflation in Russian Federation.

Gross profit and gross profit margin

	HY2024	HY2023	Change (%)
Gross (loss)/ profit (S\$'000)	(11,383)	1,598	(812.3)
Gross (loss)/profit margin (%)	(89.0)	9.2	

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

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

Consolidated Interim Statement of Comprehensive Income (Cont'd)

Gross profit and gross profit margin (Cont'd)

The gross profit decreased by approximately S\$13.0 million from profit of approximately S\$1.6 million in HY2023 to a loss approximately S\$11.4 million in HY2024. The decrease is mainly attributable to a (i) decrease in revenue of approximately S\$4.5 million mainly due to a decrease in quantity of agricultural produce; ii) decrease in cost of sales of approximately \$5.2 million lower volume in sale of winter wheat in HY2024; and (iii) decrease in the gain from change in fair value of biological assets and agricultural produce of approximately S\$13.6 million due to decrease in fair value of livestock and agricultural produce.

Administrative expenses

The administrative expenses increased by approximately S\$0.9 million or 55.2% from approximately S\$1.6 million in HY2023 to approximately S\$2.5 million in HY2024 due to increase in transactional services related to sale of shares Target Group and Volgo Agro LLC.

Net finance costs/income

Net finance costs decreased by approximately S\$1.1 million or 95.7% from approximately S\$1.2 million finance expense in HY2023 to approximately S\$0.1 million expense in HY2024. This decrease in finance cost is mainly attributable to the increase in income from bank deposits which was partly offset increase in interest expenses.

Consolidated Interim Statement of Financial Position

Following the framework sale and purchase agreement to dispose of the Target Group and Volgo Agro LLC, the Group has reclassified Target Group and Volgo Agro LLC as a disposal group held for sale in accordance with SFRS(I) 5. Accordingly, all assets and liabilities relating to Target Group and Volgo Agro 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 2024. 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.

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

27.2 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\$6.3million in HY2024 was mainly due to (i) adjustment for the revaluation of biological assets and agricultural produce in amount of S\$12.1 million; and (ii) the relatively higher value of biological assets as at 30 June 2024 compared to that as at 31 December 2023, as all crops had not been harvested as at 30 June 2024, and majority of the crops are expected to be harvested and sold in the second half of FY2024.

Net cash flows used in investing activities

Cash flows used in investing activities of S\$26.0 million was mainly due to (i) outflow from purchase of property, plant and equipment of S\$0.6 million, offset by (i) proceeds from interest received of S\$0.8 million and (ii) Security Payment received on the proposed disposal of subsidiaries of S\$25.6 million.

Net cash flows generated from financing activities

Net cash generated from financing activities amounted to approximately S\$4.3 million, which was mainly attributable to proceeds of borrowings of approximately S\$7.7 million by the banks, which was partly offset by (i) repayment of borrowings of approximately S\$2.6 million in relation to the bank loans; and (ii) interest paid of approximately S\$0.8 million.

As a result of the above, cash and cash equivalents increased by approximately S\$25.3 million during HY2024. Cash and cash equivalents as at 30 June 2024 amounted to S\$27.6 million.

27.3 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 FY2023 results announcement, the Group expected slight improvement in the Group's margin in crop segment as compared to previous financial years due to increase in agricultural product prices, the slowdown in the growth of inflation and decrease in material expenses due to sowing of seeds of Russian selection.

But unfavorable weather conditions led to decrease in harvest yields and as a result to significant operational loss.

Also the Group expects a slight increase in the margin in the dairy segment in FY2024 due to the slowdown in the growth of inflation and the renewal of logistic chains.

However, the Group has a loss in dairy segment as a result of growth in inflation of Russian Federation. As such, the Group's actual results for HY2024 saw a loss, as elaborated in Paragraph 27.2 above.

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

27.4 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.

The Company has entered into preliminary sale and purchase agreements (“Agreement”) with Agroholding Prostory (“Purchaser”) for the disposal of the following shares (the “Target Group 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 Don Agrarian Group JSC (also known as Don Agro, JSC) (“DAG Shares”); and (iii) 90% of the shares in Don Muchnov LLC (formerly known as LLC ZMK 161) (“Don Muchnov Shares”) (collectively, the “Target Group”) (the “Proposed Target Group Disposal”). Total consideration was RR 4,450,000,000 (equivalent to approximately S\$65,702,537).

Tetra had on 26 April 2024, entered into a preliminary sale and purchase agreement (“DonTK Agreement”) with Donskaya trastovaya kompaniya LLC, as Trustee of the Closed Unit Investment Fund Combined “Aldan” (“DonTK”) to set out the key terms on which Tetra and DonTK will enter, subject to the satisfaction of the Volgo-Agro Conditions Precedent (as defined below), into a main sale and purchase agreement with DonTK to be signed concurrently on the Volgo-Agro Closing Date (as defined below) for the disposal of 99.99% of the shares in Volgo-Agro LLC held by Tetra (“Volgo-Agro Shares”) (the “Proposed Volgo-Agro Disposal”).

The Main Target Group Agreements and the Main VolgoAgro Agreement were signed on 5 July 2024 and the Target Group Closing and the Volgo-Agro Closing have been completed.

The consideration payable by DonTK to Tetra for the Proposed Volgo-Agro Disposal was RR 50,000,000 (equivalent to approximately S\$738,231).

The Don Agro Shares and Don Muchnov Shares have been transferred to Agroholding Prostory on 6 July 2024, and Volgo Agro :LLC shares have been transferred to DonTK on 12 July 2024 in accordance with Russian Law.

On 11 July 2024, DAG shares have been transferred to Agroholding Prostory.

The balance proceeds is expected to be received in accordance with payment schedule. For details please refer to the note 2.3 in Company’s announcement to Shareholders dated 29 April 2024.

As a consequence of the Proposed Disposals, Happy Cow, LLC will be the remaining subsidiary of Tetra. As Happy Cow, LLC is not an operating subsidiary, the Company will not have any operating businesses following the completion of the Proposed Disposals and has become a cash company as defined under Rule 1017 of the Catalist Rules. Please refer to the Company’s announcement dated 8 July 2024 for further details.

Meanwhile, the Company is exploring new suitable business opportunities in both the current and/or new industries (healthcare, technologies, and related businesses) of the Group which can satisfy the SGX-ST’s listing requirements as well as provide sustainable long term growth for the Company and generate value for the Shareholders. The Company will update Shareholders via SGXNet in due course after a definitive decision has been reached.

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

27.5 Dividend information

The directors did not recommend an interim dividend for the six-months period ended 30 June 2024 as the Group plans to conserve cash while exploring suitable business opportunities in a 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 2023.

27.6 Interested person transactions

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

In HY2024 there were no interested person transactions.

27.7 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.

27.8 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 HY2024 which would require disclosure under Catalist Rule 706A.

However, On 29 April 2024, the Group announced the proposed disposal of DON AGRO LLC, VOLGO-AGRO LLC, DON MUCHNOV LLC, AND DON AGRARIAN GROUP JSC (“Announcement”), being subsidiaries in the business of crop, milk and flour production (the “Proposed Disposal”). The Proposed Disposal was approved by its shareholders at the extraordinary general meeting convened on 21 June 2024 and has been fully completed on 12 July 2024.

Accordingly, Don Agro LLC, Don Muchnov LLC, Volgo Agro LLC and Don Agrarian Group JSC have ceased to be subsidiaries of the Company in July 2024.

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

27.9 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 2024 to be false or misleading in any material aspect.

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

Marat Devlet-Kildeev

Evgeny Tugolukov

Chief Executive Officer and Executive Director

Executive Chairman

BY ORDER OF THE BOARD

Marat Devlet-Kildeev

Chief Executive Officer and Executive Director

14 August 2024

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 Shervyn Essex, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.