DonAgro

ANNUAL REPORT
2020

SOWING SEEDS FOR FUTURE GROWTH

Don Agro International Limited (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**Exchange**") on 14 February 2020. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**").

This annual report has been reviewed by the Company's Sponsor. It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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

DON AGRO INTERNATIONAL LIMITED

2020 ANNUAL REPORT

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CHAIRMAN'S MESSAGE

Dear Shareholders,

On behalf of the Board of Directors (the "**Board**") of Don Agro International Limited (the "**Company**" or "**Don Agro**") and its subsidiaries (collectively the "Group"), it is my pleasure to present to you our annual report for the financial year ended 31 December 2020 ("**FY2020**"). 2020 was an unprecedented year, with the Coronavirus Disease 2019 ("**COVID-19**") disrupting the livelihoods of many and impacting businesses all around the world. Notwithstanding the uncertain macroeconomic outlook and challenging market conditions that we operated under, we were able to deliver exceptional results, concluding FY2020 with an all-time high net profit attributable to shareholders of S$8.7 million. This came in only our first year of listing on the Catalist Board of the Singapore Exchange Securities Trading Limited following our successful initial public offering ("**IPO**") on 14 February 2020.

Apart from our robust financial performance, we had also executed several of our strategic plans which we believe will drive sustainable long-term growth and strengthen our position as one of the leading agricultural companies in the Rostov Region of Russia. With that said, I would now like to share some of these corporate and business initiatives below.

Investing in New Equipment and Machinery to Fuel Growth

As we explore new markets in the region to sell our products, we continue to invest in new equipment and machinery to fuel these growth initiatives.

In the second half of 2020, we invested S$1.9 million to expand our storage capacities by 47.6% from 63,000 tonnes to 93,000 tonnes. Through this strategic investment, we have been able to store larger amounts of wheat and sunflower seeds for longer periods with the intent to sell more during peak pricing periods, thereby resulting in the potential for greater profitability margins. Furthermore, the additional storage capacity has allowed us to harvest sunflowers more quickly and sow winter wheat within the most optimal time frame, translating to the potential for greater yields and overall profitability.

In addition, we acquired the latest John Deere R4023 Self-Propelled Sprayer for US$0.4 million during the year alongside two seeding tools, namely the John Deere 1890 No-Till Air Drill and Monosem NG Plus 4 planters. Apart from reducing our reliance on labour and manpower costs, our newly acquired machinery and equipment has allowed us to enhance our efficiency as well as boost productivity.

Expanding our Arable Land Bank and Penetrating New Markets

In line with our IPO plans to expand our arable land bank, we had in the fourth quarter of 2020 entered into a sale and purchase agreement to acquire a 99.99% stake in Volgo-Agro LLC ("**Volgo-Agro**") to establish our second operating division in the Volgograd region of Russia. Volgo-Agro is an agricultural company operating a land bank of approximately 10,040 hectares in an area which provides favourable levels of precipitation and quality of soil that is highly suited for winter wheat production. Furthermore, Volgo-Agro owns important assets including a grain cleaning machine and grain storage facilities of 10,000 tonnes.

Following the completion of the acquisition of Volgo-Agro, we raised our combined landbank by approximately 18.9% to 63,240 hectares in total. This significant increase will enable us to accelerate our winter wheat production and capture the strong and growing global demand for wheat. Due to the increased scale of operations, we expect to enjoy synergies relating to procurement due to economies of scale, while being able to adopt new sales strategies to negotiate better prices for our crops as they will be sold in larger quantities.

More importantly, Volgo-Agro's land bank is situated north of the Caspian region and in basin of the Volga River which is in close proximity to important trading routes. The region also borders on Kazakhstan, a key gateway to Central Asia. As a result, we have through this acquisition positioned ourselves favourably to ship crops to these untapped markets, offering attractive and lucrative opportunities for us to sell our agricultural produce. Overall, this acquisition supports our strategic direction to reach new markets and customers, so as to drive long-term sustainable growth for Don Agro.

Diversifying our Product Offering

Our growth has also been aligned with our commitment towards the sustainability of our business and operations as well as the ever-evolving consumer trends in the marketplace. More recently in April 2021, we launched a pilot project to enter the global market for organic food, expanding our range of products to include organically cultivated wheat to capture growing consumer demand for organic alternatives which has increasingly been shown to harness both health and environmental benefits. Supported by our large land bank in the Rostov region of Russia, we have allocated an initial 11.0 hectare plot to support this new venture.

Apart from the health and environmental benefits of consuming and producing organic products, the future sales of the expected higher margin organic produce, coupled with the reduction of fertilisers and pesticides required is expected to improve the earnings resiliency and profitability of Don Agro over the longer term. Looking ahead, our objective is to establish ourselves

as one of Russia's leading producers of organic crops where we see vast opportunities for growth.
While our initial harvests from these plots have been earmarked for sale to local organic food producers due to the burgeoning demand in Russia, we intend to increase our organic land bank in due course to capture growth in the region through export sales.

Strategies for Growth
To drive future growth, we will continue to build on our achievements by making the necessary capital investments to strengthen our internal capabilities. Furthermore, we intend to expand our arable land bank with the acquisition of plots that are located near to our current operations and/or nearer to the ports in the Rostov region.

Finally, we are actively exploring opportunities in mergers and acquisitions, joint ventures and strategic alliances with both domestic and foreign companies to expand our network and enable knowledge-sharing with our business partners. Within Russia, we are looking to seek suitable opportunities to expand into other high growth regional and international markets by leveraging on our expertise and established track record.

Outlook
World prices for agricultural produce, especially for sunflower and wheat, have shown steady growth in 2020. In view of this increasing trend, the Russian government had recently introduced higher export duties in the beginning of 2021 with the objective of ensuring food security and self-sufficiency. However, as the State has announced that the proceeds from export duties will be allocated to support agricultural producers in the country, we do not expect any significant impact on our business and profitability margins are expected to remain in line with previous years.

For our crop segment, harvest yields for FY2021 are expected to be in line with the average yields of previous years in view of the projected weather conditions and levels of precipitation. For our dairy segment, we expect further increases in milk yield and total production volume due to the constant improvements we have undertaken to improve our production processes and the genetics of our dairy herd. While initial projections indicate a slight increase in average milk prices due to rising demand in Russia, this is expected to be offset by higher feed prices overall.

Rewarding our Shareholders
As a mark of confidence in the Group's future outlook, the Board is pleased to declare a final dividend 1.157 Singapore cents per share to reward shareholders, representing a dividend payout ratio of 20.0%. While the Group does not currently have a fixed dividend policy, it is the Board's intention to distribute dividends of up to 20.0% of net profit after tax attributable to shareholders each year to reward shareholders for participating in Don Agro's growth journey.

Appreciation
On behalf of the Board, I would like to take this opportunity to thank our loyal and valued shareholders for their confidence and belief in our management team. I would also like to thank our various stakeholders including our customers, suppliers and business associates for their continued support. Lastly, I would like to appreciate our management team and employees for your dedication and commitment to operational excellence. Without your support, we would not have been able to achieve the success we had in FY2020.

Evgeny Tugolukov
Executive Chairman
14 April 2021

BOARD OF DIRECTORS

EVGENY TUGOLUKOV
Executive Chairman

Evgeny Tugolukov is our Executive Chairman. He was appointed to our Board on 28 November 2018 and is responsible for setting and executing the strategic directions and expansion plans for the growth and development of our Group.

He has over 20 years of experience holding top management positions in various financial and industrial groups. Evgeny Tugolukov began his career in 1993 when he joined MDM Bank, one of the largest private banks in Russia, before going on to build up and manage several sizable holdings. In 2005, he formed EMAlliance Public JSC ("EMAlliance") where he served as chairman of the board of directors until 2007, developing it into one of Russia's largest power machine-building companies. In 2008, he founded Strongbow Investments Pte Ltd ("Strongbow"), a Singapore-incorporated international holding company with a diverse range of investments in the areas of high-tech start-ups, entertainment, healthcare, real estate development and agriculture, and a strong geographical focus on Southeast Asia, Russia and Eastern Europe. He has been the managing director of Strongbow since 2012. From 2007 to 2011, Evgeny Tugolukov was a Member of Parliament of the State Duma of the Russian Federation, as well as the Chairman of the State Duma Committee on Natural Resources. He was also an honorary business representative with Enterprise Singapore, promoting bilateral trade and business relations between Singapore and Russia from 2014 to 2018. Evgeny Tugolukov graduated with a Diploma in Economics and Management from the Ural Federal University in 2000.

MARAT DEVLET-KILDEYEV
Chief Executive Officer

Marat Devlet-Kildeyev is our Chief Executive Officer and has been with our Group since 2012, when he was the chairman of the board of Don Agro JSC and Don Agro LLC. He became the general director of Don Agro LLC in 2014 and chief executive officer of Happy Cow in 2015. In 2017, he became the President of Don Agro LLC, in which capacity he was responsible for developing relationships with potential investors and foreign partners as well as evaluating foreign capital markets. He took on the same role in Tetra JSC in 2018 and was appointed to our Board on 28 November 2018. As Chief Executive Officer, he is responsible for directing and controlling the operations of the Group and its key operational subsidiaries. Marat Devlet-Kildeyev joined Barclays Bank of Canada in 1993 (which was subsequently acquired by Hong Kong Bank of Canada in 1995) where he was deputy treasury manager and head of leasing. He then joined Renaissance Capital Limited in 1998 as head of risk management and then chief financial officer for the company, before becoming the first deputy general director of the Renaissance Insurance Group LLC in 1999. He then joined a media company, Afisha Industries CJSC, as general director in 2001 before joining an investment holding company Rinaco JSC, as managing director in 2003. He subsequently joined a Rinaco JSC-managed engineering company, TKZ-Management LLC, as general director in 2005, and EMAlliance as first deputy general director in 2005. In 2006, he became the chief operating officer of power and energy-focused, ESN JSC. He then joined an Aegis Media Russia-related media company, O.K Solutions LLC, as general director from 2007 to 2008, before joining the Moscow representative office of CTC-Media. Inc. as deputy general director and head of international broadcasting in 2009 until 2012. In 2013, he joined ProdAlliance Limited, which was managing the business of our Group, as head of representative office until 2018. Marat Devlet-Kildeyev graduated with a Diploma in Russian Linguistics and Teaching Russian for Foreigners from the Leningrad State University in 1987 and received his Master of Business Administration degree from the University of Toronto Faculty of Management in 1993.

RAVI CHIDAMBARAM
Lead Independent Director

Ravi Chidambaram is our Lead Independent Director and was appointed to our Board on 28 June 2019.

He is currently the president of investment banking firm, TC Capital Pte. Ltd. Ravi Chidambaram started his career as a financial analyst in the investment banking division of Kidder, Peabody & Co. in 1986. In 1989, he left to join Commerzbank AG as a credit officer in the international division, sovereign risk unit until 1991. In 1993, Ravi Chidambaram was an associate in the corporate finance department of Goldman Sachs until 1996 when he joined Deutsche Bank as a director in the investment banking group. In 1998, he joined Credit Suisse Securities (Europe) Limited as a director in the European telecommunications investment banking group until 1999 when he became a managing director of Bear Stearns and was head of the European technology investment banking group. Ravi Chidambaram left Bear Stearns in 2001 and became the president of TC Capital Pte. Ltd. in 2002. Ravi Chidambaram graduated with a Bachelor of Arts in Political Economy from Duke University in 1985 and was a Fulbright Scholar in Political Science at Kiel University from 1985 to 1986. He obtained his Master of Business Administration and Master of Arts degrees at the Wharton School and the Lauder Institute of the University of Pennsylvania in 1993.

TAN HAN BENG
Independent Director

Tan Han Beng is our Independent Director and was appointed to our Board on 28 June 2019 (re-elected on 24 June 2020).

He is a Chartered Accountant (Singapore) with more than 20 years of professional financial experience. He is currently a Senior Vice President, Corporate Finance at UOB Kay Hian Pte Ltd. He is a Registered Professional licensed by the Singapore Exchange and also holds a Capital Markets Financial Advisory Services license issued by the Monetary Authority of Singapore. Han Beng was also with a Big Four accounting firm where he performed and led numerous financial, internal and special audit engagements.

EDWIN THAM SOONG MENG
Independent Director

Edwin Tham Soong Meng is our Independent Director and was appointed to our Board on 28 June 2019 (re-elected on 24 June 2020).

He is currently a consultant on English law and honorary partner at Danilov & Partners, as well as a general director of Kerensk Farm LLC, a property holding company. Edwin Tham Soong Meng joined Allen & Overy in 1997 as an associate where he was promoted to become the managing partner of the Moscow office and head of the global Russia practice group in 2011. He left Allen & Overy in 2015 before joining Danilov & Partners in the same year. Edwin Tham Soong Meng graduated with a Bachelor of Laws with Honours from the University of Nottingham in 1988 and is qualified as an English barrister-at-law and solicitor, Singapore advocate and solicitor and New York attorney.

KEY MANAGEMENT PERSONNEL

ARTUR NAZARYAN
Chief Financial Officer

Artur Nazaryan is our Chief Financial Officer and is responsible for the finance, accounting and taxation matters of our Group and has also been the Financial Advisor to Don Agro LLC since 2014.

Artur Nazaryan began his career in 2004 as an accountant in the receivables department of Zaslon LLC, where his responsibilities included controlling accounts receivables ledgers and preparing presentations for potential customers. He moved to CJSC KPMG's audit department in 2007 as auditor and audit supervisor, where he supervised audit and financial consulting engagements and prepared financial models and financial statements. In 2013, he joined Guardian Glass Rostov LLC, a float glass production company, as head of finance and was in charge of all manner of finance, including taxation, reporting, cash flow and working capital management and the development of management accounting systems. In 2014, he became the chief financial officer of ProdAlliance Limited until 2018. Artur Nazaryan graduated with Specialist Diploma in Organisation Management from the Southern Federal University in 2008. He has also been a member of the Association of Chartered Certified Accountants (ACCA) since 2015.

VADIM NOVIKOV
Chief Operating Officer

Vadim Novikov is our Chief Operating Officer and is responsible for overseeing the entire operations of our Group and has been the General Director of Tetra JSC and Don Agro JSC since 2012 and 2014, respectively. Vadim Novikov started his career in 2001 as a legal counsel at Law Firm JSC JurCon, a local Russian law firm specialising in advising corporate clients in the power and energy sectors. He moved to an investment company, JSC Rinaco, as a legal counsel in 2003, and provided legal support in corporate and share capital transactions. In 2005, he joined EMAlliance where he was legal counsel, head of corporate and deputy head of tax and legal. Thereafter, Vadim Novikov joined ProdAlliance Limited in 2013 as legal counsel providing legal support for its investment activities until 2018. Vadim Novikov obtained his Diploma with Honours in Law from the Ural State Law University (formerly known as Ural State Law Academy) in 2001.

FINANCIAL REVIEW

FINANCIAL PERFORMANCE REVIEW

REVENUE

The revenue for FY2020 decreased by approximately S$4.4 million or 12.5%, from approximately S$35.4 million in FY2019 to approximately S$31.0 million in FY2020. The decrease is mainly attributable to a decrease in the revenue of approximately S$14.0 million from the sale of crops, specifically the sunflower segment. A significant portion of sunflower harvested in FY2018 was sold in FY2019, resulting in lower sales of sunflower in FY2020. The decrease in revenue was also due to a decrease in production output of our crops, of approximately S$10.0 million, as a result of lower yield per hectare of land, which was due to worsening weather conditions. The decrease in revenue was partly offset by an increase in agricultural produce prices of approximately S$19.4 million, which was in line with the world economic trend.

The decrease in revenue is partially offset by an increase in the revenue from sale of livestock and milk of approximately S$0.2 million due to an increase in the milk yield per cow per day from 19.5 litres to 20.1 litres.

COST OF SALES

The cost of sales decreased by approximately S$7.8 million or 23.3% from approximately S$33.3 million in FY2019 to approximately S$25.5 million in FY2020. The decrease in the cost of sales is mainly attributable to (i) a decrease in biological assets sold of approximately S$5.0 million mainly due to a higher volume in sale of sunflower which were harvested in FY2018 and sold in FY2019 and decrease in sales of other agricultural produce harvested in FY2020 such as winter wheat, sunflower and corn due to decrease in a crop yield; (ii) a decrease in wages and salaries of approximately S$1.2 million mainly due to lesser manpower required due to lower yield of our crops; and the absence of bonus for crop's segment employees in FY2020 as a result of non-achievement of necessary crop yield; (iii) decrease in growing and harvesting services of approximately S$0.3 million mainly due to decrease in agriculture produce sold; iv) a decrease in operating lease expenses of approximately S$0.5 million mainly due to the application of SFRS(I) 16 Leases from 1 January 2019, which resulted in operating expenses being capitalised in inventory and recognised in cost of sales in FY2019.

GAIN/(LOSS) FROM CHANGE IN FAIR VALUE OF BIOLOGICAL ASSETS AND AGRICULTURAL PRODUCE

The gain from change in fair value of biological assets and agricultural produce increased by approximately S$2.7 million or 41.5% from approximately S$6.5 million in FY2019 to approximately S$9.2 million in FY2020. The increase is mainly attributable to a gain from change in fair value of crops of approximately S$10.9 million due to increase in the agricultural produce's prices in line with world economic trend. The increase was partly offset by a decrease in the fair value of livestock in FY2020 of approximately S$1.7 million mainly due to the increase in herd management expenses due to i) higher volume of feed consumption, in accordance with protein diet of the main herd; and ii) higher prices of agricultural produce used as feeds for the cows.

GROSS PROFIT AND GROSS PROFIT MARGIN

The gross profit increased by approximately S$6.1 million from approximately S$8.5 million in FY2019 to approximately S$14.6 million in FY2020. The increase is mainly attributable to i) a decrease in the cost of sales of approximately S$7.8 million due to decrease in agricultural produce offset by the decrease in revenue of approximately S$4.4 million as result of a decrease in production output of crops and (ii) an increase in the gain from change in fair value of biological assets and agricultural produce of approximately S$2.7 million due to increase in prices of agricultural produce.

ADMINISTRATIVE EXPENSES

Total administrative expenses increased by approximately S$1.0 million or 46.9% from approximately S$2.1 million in FY2019 to approximately S$3.1 million in FY2020. The increase is mainly attributable to an increase in costs related to information, consulting and other professional services.

OTHER OPERATING INCOME/(EXPENSES), NET

The other operating expenses, net increased by approximately S$1.5 million or 540.8% from approximately S$0.3 million in FY2019 to approximately S$1.8 million in FY2020. This increase is mainly attributable to (i) absence of the gain in the disposal of a land plot and compensation by the Russian Railways in accordance with Court decision of approximately S$0.6 million recognised in FY2019 (please refer to page 220 to 221 of the Company's Offer Document for further details); (ii) the accrual of directors' remuneration and withholding tax from the remuneration of approximately S$0.5 million in FY2020; iii) the absence of the reversal of withholding tax provision on interest payments in relation to promissory notes payable to Vallerd Investments Limited. of approximately S$0.3 million recognised in FY2019; and iv) the recognition of tax reserve in FY2020 after onsite audit in Don Agro LLC for assessment period 2016-2017 of approximately S$0.1 million.

FINANCE INCOME

Finance income decreased by approximately S$0.1 million or 63.9% from approximately S$0.2 million in FY2019 to approximately S$0.1 million in FY2020 due to change in lease liabilities as result of increase in prices of agricultural produce given to the landlords as a rent-in –kind.

FINANCIAL REVIEW

FINANCE COSTS

Finance costs decreased by approximately S$0.1 million or 14.0% from S$0.9 million in FY2019 to S$0.8 million in FY2020. The decrease is a result of a decrease in the finance lease expenses of approximately S$0.1 million due to the acquisition of a previously rented land plots from the landlords by Don Agro LLC, resulting in lesser finance lease expenses incurred.

TAX EXPENSE

Tax expense remained constant at approximately S$0.3 million for FY2019 and FY2020.

BALANCE SHEET REVIEW

NON-CURRENT ASSETS

PROPERTY, PLANT AND EQUIPMENT

The Group's property, plant and equipment increased by approximately S$0.9 million or 7.6% from approximately S$11.9 million as at 31 December 2019 to approximately S$12.8 million as at 31 December 2020. This is attributable to the purchase of new machineries, buildings and land plots of approximately S$2.3 million and the acquisition of 99.99% stake in Volgo-Agro LLC ("Volgo-Agro") on 27 October 2020 of approximately S$0.9 million. This was partially offset by i) the loss on movements in exchange rate of approximately S$2.2 million; and ii) the write –off construction in progress of approximately S$0.1 million.

RIGHT-OF-USE ASSETS

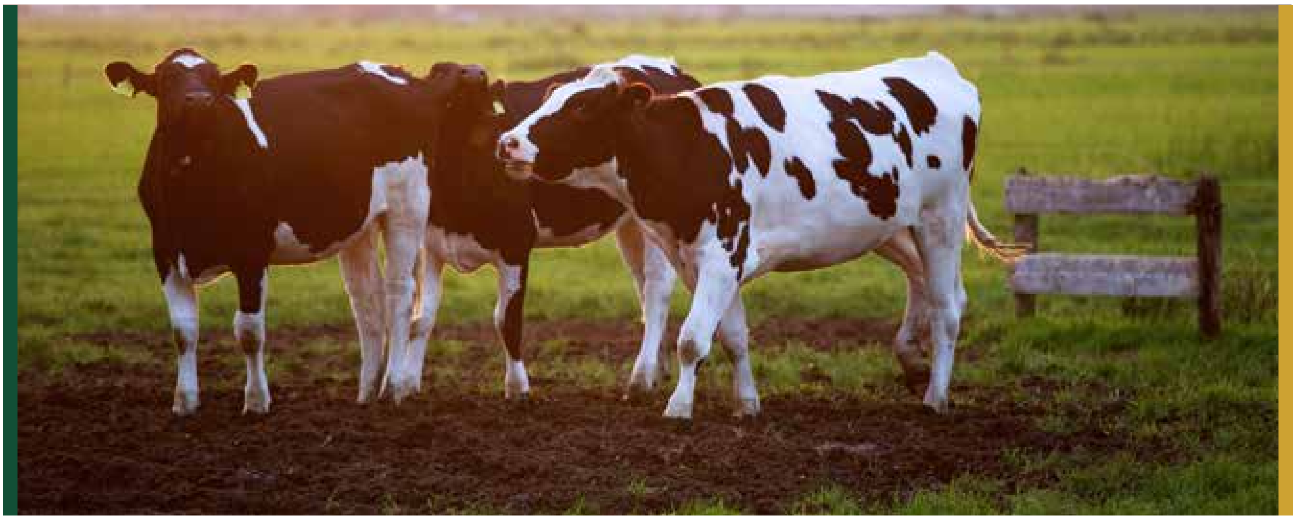
Right-of-use assets increased by approximately S$0.2 million or 4.3% from approximately S$4.6 million as at 31 December 2019 to approximately S$4.8 million as at 31 December 2020. The increase is mainly due to increase in agricultural produce prices which was partly offset to the depreciation of right-of-use assets.

BIOLOGICAL ASSETS

Non-current biological assets comprised mainly livestock and permanent grasses. Non-current biological assets decreased by approximately S$2.2 million as at 31 December 2020 mainly due to the decrease in fair value of livestock due to an increase in management herd cost.

GOODWILL

Goodwill amounting to S$0.5 million is a result of the acquisition of Volgo-Agro.



CURRENT ASSETS

BIOLOGICAL ASSETS

Current biological assets comprised mainly unharvested crops. Current biological assets increased by approximately S$0.7 million in FY2020, mainly due to an increase in fair value of our crops due to an increase in agricultural produce's prices in line with world economic trend.

INVENTORIES

Inventories increased by approximately S$3.4 million or 52.3% in FY2020 as a result of an increase in finished goods due to increase in crop prices.

INVESTMENTS

Short term investments represent bank deposits placed with tenures not exceeding 3 months. Investments increased by approximately S$1.0 million or 31.2% in FY2020, compared to the balance outstanding as at 31 December 2019 due to the Group depositing some of its cash into short-term bank deposits.

TRADE AND OTHER RECEIVABLES

Trade and other receivables comprised mainly trade receivables from external parties, advances paid to suppliers, tax receivable and prepaid listing expenses. Trade and other receivables decreased by approximately S$0.6 million or 15.2% as at 31 December 2020. This was mainly due to (i) decrease in trade receivable from LLC AMILCO and LLC Grain Service which were paid in FY2020; (ii) decrease in prepaid listing expenses as such expenses had been capitalised against share capital in accordance with SFRS(I) 32 in FY2020. This was partly offset by an increase in advances for suppliers, EvroHim Trading Rus LLC, for the purchase of the fertilisers for spring sowing; and Avers Torgovii dom LLC for seeds purchase.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise petty cash, bank balances and short-term bank deposits. Cash and cash equivalents increased by approximately S$5.3 million or 115.2% as at 31 December 2020. Please refer the section entitled "Consolidated Statement of Cash Flow" below for further information.

NON-CURRENT LIABILITIES AND CURRENT LIABILITIES

LOANS AND BORROWINGS

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

S$'000	As at 31 December 2020	As at 31 December 2019	Change (%)
Non-Current	1,061	988	7.4
Current	6,085	4,679	30.0
Total	7,146	5,667	26.1

The Group's borrowings increased by approximately S$1.5 million or 26.1% as at 31 December 2020. This is mainly attributable to proceeds from new borrowings of approximately S$8.8 million by the Group for the purchase of seeds, gas and fertilisers, which was partly offset by i) the repayment of bank borrowings of approximately S$6.3 million; and ii) the loss on movements in exchange rate of approximately S$1.0 million.

LEASE LIABILITIES

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

S$'000	As at 31 December 2020	As at 31 December 2019	Change (%)
Non-Current	652	549	18.8
Current	4,530	4,425	2.4
Total	5,182	4,974	4.2

The group's lease liabilities increased by approximately S$0.3 million from approximately S$4.9 million as at 31 December 2019 to approximately S$5.2 million as at 31 December 2020. This is attributable to the increase in agricultural produce prices.

TRADE AND OTHER PAYABLES

Trade and other payables comprised advances received from customers, taxes payables other than on income tax, accrued listing expenses and payables to employees. The trade and other payables increased by approximately S$1.8 million or 103.7% as at 31 December 2020. The increase is mainly attributable to increase in other payable due to the Volgo Agro's debt from New Invest Group. The outstanding debt will be paid in the financial year ending 31 December 2021 ("FY2021").

PROVISIONS

The provisions decreased by S$0.2 million from S$0.9 million as at 31 December 2019 to S$0.7 million as at 31 December 2020. This decrease is due to the absence of bonus for crop's segment employees as a result of non-achievement of necessary crop yield in FY2020

SHAREHOLDER'S EQUITY

The Group's equity increased by approximately S$5.9 million or 15.7% from approximately S$37.5 million as at 31 December 2019 to approximately S$43.4 million as at 31 December 2020. This is mainly attributable to (i) an increase in share capital of approximately S$4.9 million due to proceeds from issuance of placement shares and PPCF shares of approximately S$5.1 million and S$0.5 million respectively, which were partly offset by the prepaid listing expenses of approximately S$0.7 million; and (ii) increase in accumulated profits of approximately S$8.7 million due to profit for FY2020. This was partially offset by (i) a decrease in foreign currency translation reserve of approximately S$6.7 million due to loss on movements in exchange rates; and (ii) accrual of dividends for FY2019 amounting to $1.04 million.

CASHFLOW ACTIVITIES

NET CASH FLOWS FROM OPERATING ACTIVITIES

Cash flows generated from operating activities of S$6.1 million in FY2020 was mainly due to changes in biological assets as result of the adjustment from the revaluation of winter wheat which will be harvested in FY2021 amounting to S$8.3 million as result of higher agricultural prices.

NET CASH FLOWS USED IN INVESTING ACTIVITIES

Cash flows used in investing activities of S$6.0 million was mainly due to i) the purchase of property, plant and equipment of S$ 4.0 million; ii) change in the deposit placed/returned in the banks of S$1.7 million; and iii) acquisition of Volgo-Agro of S$0.7 million.

NET CASH FLOWS FROM FINANCING ACTIVITIES

Net cash generated from financing activities amounted to approximately S$6.2 million, which was mainly attributable to (i) repayment of borrowings of approximately S$6.3 million in relation to the bank loans; (ii) interest paid of approximately S$0.3 million; (iii) dividends paid of approximately S$1.0 million; and (iv) repayment of lease liabilities of approximately S$0.1 million. This was offset by proceeds from borrowings of approximately S$8.8 million from the banks and proceeds from placement shares issued of S$5.1 million.

As a result of the above, cash and cash equivalents increased by approximately S$5.3 million during FY2020. Cash and cash equivalents amounted to S$10.0 million as at 31 December 2020.

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Evgeny Tugolukov (Executive Chairman) Marat Devlet-Kildeyev (Chief Executive Officer and Executive Director) Ravi Chidambaram (Lead Independent Director) Tan Han Beng (Independent Director) Edwin Tham Soong Meng (Independent Director)
COMPANY SECRETARY	:	Raymond Lam Kuo Wei (LL.B. (Hons) and Fellow, Chartered Secretaries Institute of Singapore)
REGISTERED OFFICE	:	10 Collyer Quay #10-01 Ocean Financial Centre Singapore 049315 Tel: (65) 6531 2266 Fax: (65) 6533 1542
PRINCIPAL PLACE OF BUSINESS	:	12 Sedova St. City of Millerovo, Millerovskiy District Rostov Region, 346130, Russia
SHARE REGISTRAR AND SHARE TRANSFER AGENT	:	**Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.)** 80 Robinson Road #02-00 Singapore 068898
SPONSOR	:	**PrimePartners Corporate Finance Pte. Ltd.** 16 Collyer Quay #10-00 Income at Raffles Singapore 049318
AUDITORS	:	**KPMG LLP** Public Accountants and Chartered Accountants 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581 Partner-in-charge: Lim Pang Yew, Victor (a member of the Institute of Singapore Chartered Accountants) Appointed in the financial year ended 31 December 2019.
PRINCIPAL BANKERS	:	**Rosselkhozbank JSC** Mikhaila Nagibina Street, 14A, Rostov-on-Don 344038, Russia **Sberbank of Russia PJSC** 41, Bratskiy Pereulok, Rostov-on-Don 344082, Russia **Alfa Bank JSC** 206, Krasnoarmeyskaya Street, 206, Rostov-on-Don, 344000, Russia

The board of directors (the "**Board**") of Don Agro International Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to maintaining high standards of corporate governance and transparency within the Company and the Group by complying with the principles and guidelines as set out in the Code of Corporate Governance 2018 (the "**Code**") and guidelines from Code of Corporate Governance 2012 ("**Code 2012**") which are still in effect.

This report outlines the Company's corporate governance practices that were in place during the financial year ended 31 December 2020 ("**FY2020**"), with specific reference made to the principles of the Code.

For FY2020, the Company has complied with the principles of the Code and provisions as set out in the Code and the practice guidance issued by the Monetary Authority of Singapore on 6 August 2018 (the "**Guide**"), where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the provisions of the Code and the Guide.

The Company did not adopt any alternative corporate governance practices in FY2020.

BOARD MATTERS

BOARD'S CONDUCT OF ITS AFFAIRS

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board of Directors is entrusted with the responsibility for the overall management of the Group. The Board works with management to achieve this objective and management remains accountable to the Board. The Directors recognise the importance of corporate governance and the offering of high standards of accountability to the shareholders, and use best efforts to implement the good practices recommended in the Code.

Every Director is required to declare any conflict of interest in any discussions, transactions or proposed transactions with the Company after all relevant facts have come to his knowledge. Directors facing conflicts of interest recuse themselves from discussions involving the issues of conflict. Annually, each Director is required to submit details of his associates for the purpose of monitoring interested person transactions.

The principal functions of the Board are:

- Set strategic objectives and business plans of the Group;
- Approval of investment and divestment proposals, mergers and acquisitions and disposals of assets;
- Review and approve the appointment/re-appointments of Directors proposed by the Nominating Committee;
- Appointment or removal of the Company Secretary;
- Appointment and re-appointment of internal and external auditors and key management personnel;
- Assume the responsibility for corporate governance of the Group;
- Review and monitor the performance of the Management;
- Announcement of half-year and full-year results, annual reports;
- Declaration of interim dividends and proposal of final dividends for shareholders' approval; and
- Monitoring Company's risk of becoming subject to sanctions; and
- Ensuring timely and accurate disclosures to SGX-ST and the relevant authorities should any enquiries be made regarding Group's dealings with Sanctioned Subject.

Every Director is expected, in the course of carrying out his duties, to act in good faith to provide insights and objectively take decisions in the interest of the Company. Any Director facing a conflict of interests will recuse himself from discussions involving the issue of conflict.

The approval of the Board is required for matters such as corporate restructuring, mergers and acquisitions, major investments and divestments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, major corporate actions such as share issuance, the release of the Group's half-year and full-year results, annual reports, audited financial statements, declaration of dividends and interested persons transactions.

The Board also monitors and evaluates the Group's operations and financial performance, sets targets and goals, works with and monitors the Management in achieving such targets and goals.

The Board of Directors has formed three (3) committees, namely the Audit Committee (the "**AC**"), the Remuneration Committee (the "**RC**") and the Nominating Committee (the "**NC**"). The Audit Committee was established by the Board on 20 March 2020 and was renamed as "Audit and Risk Committee" (the "**ARC**") with effect from 31 March 2021. Please refer to the Company's announcement dated 31 March 2021 for more information.

The terms of reference of the respective Board Committees, which are reviewed by the Board on a regular basis, as well as other relevant information on the Board Committees can be found in the subsequent sections of this report.

The Board accepts that while the Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and recommendations, the ultimate responsibility for the final decision on all matters lies with the entire Board.

The Board meets regularly and ad-hoc meetings are convened as warranted by particular circumstances as deemed appropriate by the Board members.

The Company's Constitution provides for meetings of Directors to be held by means of telephone conference or similar communications equipment.

The Board holds at least two (2) meetings each year to approve the half and full year results announcement and to oversee the business affairs of the Group.

The table below sets out the number of Board and Board Committees meetings held during FY2020 and the attendance of each Directors at these meetings:

No. of meetings held	Board		Board Committees					
			Audit		Nominating		Remuneration	
	2		2		1		1	
Name of Directors	A	B	A	B	A	B	A	B
Evgeny Tugolukov	2	2	2*	2	1*	1	1*	1
Marat Devlet-Kildeyev	2	2	2*	2	1*	1	1*	1
Ravi Chidambaram	2	2	2	2	1	1	1	1
Tan Han Beng	2	2	2	2	1	1	1	1
Edwin Tham Soong Meng	2	2	2	2	1	1	1	1

Notes:
A – represents number of meetings held
B – represents number of attendances
* - By invitation

In FY2020, the Group held two AC meetings (on 20 March 2020 and 11 August 2020), one NC meeting (on 20 March 2020) and one RC meeting (on 20 March 2020).

All Directors are expected, in the course of carrying out their duties, to act in good faith to provide insights and objectively take decisions in the interest of the Group.

Management provides the Board with information for its meetings and decision making, including board papers and supporting information, in a timely manner for the Board to make informed decisions and discharge their duties and responsibilities. In respect of budgets, any material variance between the projections and actual results should also be disclosed and explained. Management recognises the importance of circulating information on a timely basis to ensure that the Board has adequate time to review the materials to facilitate a constructive and effective discussion during the scheduled meetings. As such, Management endeavours to circulate information at least one week prior to the meetings to allow sufficient time for review by the Directors.

Newly appointed Directors will be given briefings by the management on the business activities and strategic direction of the Group. There are also induction or orientation programmes to familiarize them with the Group's operations. They will also be provided with a formal letter setting out their duties and obligations. Where appropriate and for first time directors with no prior experience as a director of a listed company in Singapore, the Company will also arrange for them to attend training courses organised by the Singapore Institute of Directors (the "**SID**") or other professional training institutions as appropriate so as to equip them to discharge their duties effectively.

In compliance with Practice Note 4D of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**"), Mr Evgeny Tugolukov, Mr Marat Devlet-Kildeyev, Mr Ravi Chidambaram and Mr Edwin Tham Soong Meng should, by the end of the first year of Company's listing on Catalist or by 13 February 2021, attend the relevant prescribed mandatory training ("**MT**") at the SID to familiarise themselves with the roles and responsibilities of a director of a public listed company in Singapore.

As at 13 February 2021, the Company's Executive Chairman, Mr Evgeny Tugolukov, had completed his MT (LED1 to LED4) with SID in October 2020 whilst Mr Edwin Tham Soong Meng, the Independent Director of the Company, had completed six out of a total of eight modules (LED1 to LED5 and LED8) with SID as at October 2019. Please refer to the Company's announcement dated 29 January 2021 in relation to an update on the MT for the Company's first time Directors, setting out the remaining Directors' commitment to complete their MT by 17 March 2021.

As at 17 March 2021, Mr Marat Devlet-Kildeyev and Mr Edwin Tham Soong Meng had attended and completed their MT at the SID while Mr Ravi Chidambaram, the Independent Director of the Company, had completed seven out of a total of eight modules with SID (LED1 to LED5, LED7 and LED8). Mr Ravi Chidambaram was not able to complete his MT by 17 March 2021 due to a conflict between his LED6 course date previously scheduled on 12 March 2021 and his work commitments. Mr Ravi Chidambaram has confirmed his commitment to attend and complete the last remaining module of his MT on the earliest available date set out on the SID website by 22 July 2021. Please refer to the Company's announcement dated 31 March 2021 for more information.

As part of training for the Board, Directors are briefed either during Board and Board Committee meetings or at specially convened sessions on changes to regulations and accounting standards, as well as industry related matters. All Directors are encouraged to keep themselves updated on changes to the financial, legal and regulatory requirements or framework and the business environment.

The Directors are also encouraged to keep themselves abreast of the latest developments relevant to the Group and attendance of appropriate courses and seminars will be arranged and funded by the Company.

Mr Tan Han Beng, Mr Edwin Tham Soong Meng, Mr Ravi Chidambaram were appointed as Independent Directors by the Board of Directors on 28 June 2019. On 24 June 2020, Mr Tan Han Beng and Mr Edwin Tham Soong Meng were re-elected as Directors, retiring by rotation under regulation 94 of the Company's Constitution. Mr Tan Han Beng has prior experience as a director of a public listed company in Singapore and is therefore familiar with the roles and responsibilities of a director of a public listed company in Singapore. As such, the NC is of the view that training as prescribed by the Exchange is not required for Mr Tan Han Beng.

Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the Company's expense.

The role of the Company Secretary is clearly defined and includes the responsibility for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary or her nominee attends all Board meetings and AC, NC, RC meetings. Under the direction of the Chairman, the Company Secretary's responsibilities include ensuring good information flows within the Board and the respective Board Committees and between management and Non-Executive Directors, as well as facilitating orientation and assisting with professional development as required. The appointment or the removal of the Company Secretary is subject to the Board's approval.

Save for the interested person transactions as disclosed in page 170 to 172 in the Offer Document, none of our Directors, Controlling Shareholders or any of their Associates has an interest, direct or indirect:

(a) in any transaction to which our Group was or is to be a party;

(b) in any entity carrying on the same business or dealing in similar services which competes materially and directly with the existing business of our Group; and

(c) in any enterprise or company that is our Group's customer or supplier of goods and services.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

As at the date of this report, the Board comprises five (5) Directors, three (3) of whom are Independent Non-Executive Directors:

Name	Position
Evgeny Tugolukov	Executive Chairman
Marat Devlet-Kildeyev	Chief Executive Officer (the "**CEO**") and Executive Director
Ravi Chidambaram	Lead Independent Director, Chairman of NC
Tan Han Beng	Independent Director, Chairman of AC
Edwin Tham Soong Meng	Independent Director, Chairman of RC

As the Chairman of the Board and the CEO of the Group are part of the management, majority of the Board is made up of Independent Non-Executive Directors.

There is presently a strong and independent element on the Board with Independent Directors constituting majority of the Board. The Board considers an Independent Director as one who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment of the Group's affairs.

None of the Independent Directors have been employed by the Company or any of its related corporations for the current or any of the past three financial years, and none of the Independent Directors have an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past three financial years, and whose remuneration is determined by the RC.

None of the Directors are related to each other, our Executive Officers or our Substantial Shareholders.

The Independent Directors do not have any existing business or professional relationship of a material nature with the Group, the other Directors or the Company's Substantial Shareholders. None of the Independent Directors sit on the board of our subsidiaries.

The Independent Directors are respected individuals from different backgrounds whose core competencies, qualifications, skills and experience are extensive and complementary. The Board comprises individuals who have experience in accounting, finance, business, management, industry knowledge and strategic planning experience. The NC is of the view that the current Board comprises persons who as a group provide capabilities required for the Board to be effective. Where appropriate, the Independent Directors meets periodically with each other without the presence of the Executive Directors to discuss concerns or matters touching on the management and finances of the Company and provides feedback to the Board and/or Chairman of the Board, as appropriate, after such meetings. Independent Directors fulfil a pivotal role in corporate accountability. Their presence is particularly important as they provide unbiased and independent views, advice and judgement to take care of the interests, not only of the Company but also of the shareholders, employees, customers, suppliers and the many communities with which the Company conducts business with.

The Board has adopted the following steps to maintain or enhance its balance and diversity:

(a) Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary to enhance the efficacy of the Board; and (b) Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board. The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent Directors. Taking into account the nature and scope of the Group's business, in concurrence with the NC, the Board believes that the current size of the Board and Board Committees is appropriate, and that the composition of the Board and Board Committees provide sufficient diversity without interfering with efficient decision making. The Board's policy in identifying Directors' nominees is primarily to have an appropriate mix of members with core competencies such as accounting and finance, business acumen, management experience, industry knowledge, strategic planning experience, customer-based knowledge, familiarity with regulatory requirements and knowledge of risk management.

The Independent Non-Executive Directors had several informal discussions via teleconference without the presence of the Management in FY2020.

As required by Code 2012, the independence of any director who served beyond nine years from the date of his first appointment should be subjected to particularly rigorous review. There are no Independent Directors who has served beyond nine years since the date of his first appointment.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Mr Evgeny Tugolukov is an Executive Chairman. He was appointed to our Board on 28 November 2018 and is responsible for setting and executing the strategic directions and expansion plans for the growth and development of our Group.

Mr Marat Devlet-Kildeyev is the CEO. He was appointed to our Board on 28 November 2018. As CEO, he is responsible for directing and controlling the operations of the Group and its key operational subsidiaries.

The roles of the Chairman and the CEO are separated to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman is not related to the CEO.

The clear separation of roles of the CEO and Chairman provides a healthy professional relationship between the Board and Management with clarity of roles and robust deliberations on the business activities of the Group.

As the Executive Chairman is part of the Management and therefore not independent, Mr Ravi Chidambaram has been appointed as the Lead Independent Director, as recommended by the Code, as the principal liaison on Board issues between the Independent Directors and the Chairman and CEO. The responsibilities of the Lead Independent Director include:

- Acting as the principal liaison to address shareholders' and other stakeholders' concerns for which contact through the normal channels of communication with the Executive Chairman or Executive Officer are inappropriate or failed to resolve the concerns in question;

- Chairing Board meetings in the absence of the Executive Chairman;

- Working with the Executive Chairman in leading the Board; and

- Providing a channel to Independent Directors for confidential discussions on any concerns they may have and to resolve conflicts of interest, as and when necessary.

Mr. Ravi can be contacted via the following electronic mail address: ravi@tccapital.com.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Nominating Committee

The NC comprises three (3) Independent Directors (including the Lead Independent Director), namely Mr Ravi Chidambaram (Chairman), Mr Tan Han Beng and Mr Edwin Tham Soong Meng.

The NC is responsible for:

(a) reviewing and recommending the nomination or re-nomination of our Directors having regard to each Director's contribution and performance;

(b) reviewing succession plans for our Directors, in particular the appointment and/or replacement of the Chairman of our Board, our Chief Executive Officer and key management personnel;

(c) determining on an annual basis whether or not a Director is independent;

(d) deciding whether or not a Director is able to and has been adequately carrying out his duties as a director;

(e) reviewing training and professional development programmes for our Board and our Directors;

(f) reviewing and approving any new employment of related persons and the proposed terms of their employment; and

(g) undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.

The NC also decides how the performance of the Board, the Board Committees and the individual Directors is to be evaluated and propose objective performance criteria, subject to the approval of our Board, which address how the Board has enhanced long-term shareholders' value and how individual Directors have contributed to the effectiveness of the Board. The Board has also implemented a process to be carried out by the NC for assessing the effectiveness of our Board as a whole, and for each Board Committee separately, and for assessing the contribution of each individual Director to the effectiveness of our Board. Please refer to the Board Performance section of this Corporate Governance Report for more details.

Each member of our NC does not take part in determining his own renomination or independence and shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as a Director. In the event that any member of the NC has an interest in a matter being deliberated upon by the NC, he abstains from participating in the review and approval process relating to that matter.

In the event that a vacancy on the Board arises, the NC may identify suitable candidates for appointment as new director through the business networks of the Board. The NC may consider using third party search firms to identify a broader range of suitable candidates when vacancies in the Board arise in the future.

The NC will assess suitable candidates for appointment to the Board based on the requisite qualification, expertise and experience, will determine of the candidate's independence; and recommend the most suitable candidate to the Board for appointment as director.

The considerations in assessing the capacity of Directors include the following:

- Expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity;
- Geographical location of Directors;
- Size and composition of the Board;
- Nature and scope of the Group's operations and size; and
- Capacity, complexity and expectations of the other listed directorships and principle commitments held.

In FY2020, there were no appointment of any new Directors.

The Company's Constitution states that at each AGM, one-third (or if their number is not three or a multiple of three, the number nearest to but not less than one-third) of the Directors for the time being, shall retire from office and that all Directors shall retire from office at least once in every three (3) years and such retiring Directors shall be eligible for re-election. Each member of the NC has abstained from voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

The NC assesses and recommends to the Board whether retiring directors are suitable for re-election.

The NC, in considering the re-appointment of a director, evaluates such director's contributions in terms of experience, business perspective and attendance at meetings of the Board and/or Board Committees and pro-activeness of participation in meetings.

The NC recommended that Directors, Mr Evgeny Tugolukov and Mr Ravi Chidambaram be put forward for re-election at the forthcoming Annual General Meeting ("**AGM**"). The Board accepted the recommendation and being eligible, both Mr Tugolukov and Mr Chidambaram, will be offering themselves for re-election at the forthcoming AGM. Information on Mr Evgeny Tugolukov and Mr Ravi Chidambaram as required in Appendix 7F of the Catalist Rules under Rule 720(5) of the Catalist Rules are set out in the "Additional Information on Directors Seeking Re-election" section of this Annual Report.

Mr Evgeny Tugolukov will, upon re-election as a Director, remain as an Executive Chairman.

Mr Ravi Chidambaram will, upon re-election as a Director, remain as the Lead Independent Director, Chairman of the NC and a member of the AC and RC pursuant to Rule 704(7) of the Catalist Rules.

The Board, with the concurrence of the NC, has also considered Mr Ravi Chidambaram, Mr Tan Han Beng and Mr Edwin Tham Soong Meng to be independent for the purposes of Rule 704(7) of the Catalist Rules.

The academic and professional qualifications and the information on shareholdings in the Company held by each Director are set out in the "Board of Directors" and "Directors' Statement" sections of this Annual Report respectively.

The NC conducts an annual review of each Director's independence and takes into consideration the Provision 2.1 of the Code as well as the relevant Catalist Rules. The NC has ascertained that all Independent and Non-Executive Directors are considered independent. They signed the independent confirmation for FY2020.

CORPORATE GOVERNANCE REPORT

The NC had reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and principal commitments of each of the Directors (if any), as set out below, and is satisfied that all Directors were able to diligently discharge their duties and sufficient time and attention has been given to the Group by the Directors in FY2020.

Key information regarding the Directors is set out below:

Name of the director	Date of first appointment	Date of last re-election	Date of next re-election	Directorship or Chairmanship both present and held over the preceding three (3) years in other listed companies		Other Principal Commitments
				Present	Past Three Years	
Tan Han Beng	28.06.2019	24.06.2020	NA	1) Challenger Technologies Limited (Director) 2) Old Chang Kee Ltd (Director)	Kitchen Culture Holdings Ltd (Director)	UOB Kay Hian Pte Ltd – Senior Vice President, Corporate Finance
Edwin Tham Soong Meng	28.06.2019	24.06.2020	NA	None	None	1) LLC Kerensk Farm-Director and minority participant (holding a 49% interest in the the charter capital) 2) Danilov&Partners-Partner
Evgeny Tugolukov	28.11.2018	29.08.2019	At the forthcoming AGM of the Company	None	None	1) Executive Director in Strongbow Investments Pte Ltd; 2) Non-Executive Director in DDD-Diagnostic, A/S; 3) Non-Executive Director in Dubultu Krasts, SIA; 4) Non-Executive Director in MedScan, Limited Liability Company; 5) Non-Executive Director in Asian American Medical Group Limited; 6) Non-Executive Director in Clinical Hospital on Yauza, Limited Liability Company 7) Non-Executive Director in MedSacn, Limited Liability Company
Marat Devlet-Kildeyev	28.11.2018	29.08.2019	NA	None	None	1) Non-Executive Director in Dubultu Krasts, SIA; 2) Executive Director in Nukleārās medicīnas centrs, SIA; 3) Executive Director in Rīgas Nukleārās Medicīnas Laboratorija, SIA
Ravi Chidambaram	28.06.2019	29.08.2019	At the forthcoming AGM of the Company	None	None	TC Capital Pte. Ltd. – President RIMM Sustainability, Director Watershed Holding

The Company does not have any alternate directors on the Board currently.

BOARD PERFOMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC decides how the Board's performance is to be evaluated and proposes objective performance criteria, subject to the Board's approval, which address how the Directors have enhanced long-term shareholders' value.

The assessment of the Board, Board Committees and the Directors are to be carried out once every financial year. Each member of the NC is required to abstain from voting on any resolution in respect of the assessment of his or her performance or re-nomination as a Director. The evaluation of Board's and Board Committees' performance shall consider matters on Board composition, information to the Board, Board procedures and Board accountability. The evaluation of individual Director shall consider matters on attendance at meetings, Directors' duties and know-how and interaction with fellow Directors.

The NC had adopted the following annual assessment forms which required the completion by each Director and respective Board Committees' member:

- Board and Board Committee Performance Evaluation Form; and
- Individual Director Evaluation Form.

The Directors complete the board assessment questionnaire and the results are collated by the Company Secretary and the summary of the assessment are presented to the Chairman of the Board and the NC for review and collective discussion with other Board members to address or recommend any areas for improvement and follow up actions. The appraisal process focuses on a set of performance criteria for the Board, Board Committees and individual Directors' assessment which includes the evaluation of the size and composition of the Board, the Board's access to information, the Board processes and accountability, Board performance in relation to discharging its principal responsibilities, communication with Key Management Personnel and the Directors' standards of conduct.

NC then makes recommendations to the Board aimed at helping the Board to discharge its duties effectively. The Chairman of the Board act on the results of the performance evaluation and the recommendation of the NC, and where appropriate, in consultation with the NC, new members may be appointed or resignation of directors may be sought.

The NC, having reviewed the overall performance of the Board and the Board Committees, as well as the assessment of the individual Director, in terms of its role and responsibilities and the conduct of its affairs as a whole for FY2020, is of the view that the performance of the Board as a whole, Board Committees and contribution by each Director have been satisfactory and that the Board has met its performance objective for FY2020.

The NC did not propose any changes to the performance criteria for FY2020 as compared to the previous financial year as the economic climate, Board composition and the Group's principal business activities remained the same.

No external facilitator was engaged by the Board for the evaluation process in FY2020. The NC has full authority to engage external facilitators to assist the NC to carry out the evaluation process, if the need arises.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The RC comprises three (3) Independent Directors (including the Lead Independent Director), namely Mr Edwin Tham Soong Meng (Chairman), Mr Ravi Chidambaram and Mr Tan Han Beng. The RC was formed to recommend to the Board a framework of remuneration for our Directors and key management personnel, and determine specific remuneration packages for each Director and key management personnel. The recommendations of RC should be submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, the options to be issued under the Don Agro Employee Share Option Scheme and other benefits in-kind shall be covered by our RC. RC reviews the remuneration packages of Directors and key management personnel to ensure that said packages, including termination terms, are fair.

In addition, our RC performs an annual review of the remuneration of employees related to Directors and/or substantial shareholders of the Company to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. They will also review and approve any bonuses, pay increases and/or promotions for these employees. Each member of our RC abstains from voting on any resolutions in respect of his remuneration package or that of employees related to him.

No remuneration consultants were engaged by the Company in FY2020.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The Company has entered into respective Service Agreements with our Executive Chairman, Mr Evgeny Tugolukov, and our CEO, Mr Marat Develet-Kildeyev, Chief Financial Officer ("**CFO**"), Mr Artur Nazaryan and our Chief Operating Officer ("**COO**"), Mr Vadim Novikov (each an "**Appointee**").

The Service Agreements are valid for an initial period of three (3) years with effect from the date of admission of the Company to Catalist ("**Initial Term**"), being 14 February 2020. Upon the expiry of the Initial Term, the employment of the Appointees shall be automatically renewed on a year-on-year basis on such terms and conditions as the parties may agree unless terminated in accordance with the respective Service Agreements.

Each Appointee's remuneration and annual fixed bonus is a subject to annual review by the RC after the accounts of our Group for the immediate preceding financial year have been audited, in light of their performance and prevailing economic conditions. The Service Agreements provided for, *inter alia*, the salary payable to the Appointees, annual leave, medical benefits, grounds of termination and certain restrictive covenants (including non-compete obligations).

The Executive Chairman, CEO and CFO may terminate their respective Service Agreements at any time by giving to our Company not less than six (6) months' notice in writing, or in lieu of notice, payment of an amount equivalent to six (6) months' salary based on their respective last drawn monthly salary; while the COO may terminate his Service Agreement at any time by giving to our Company not less than three (3) months' notice in writing, or in lieu of notice, payment of an amount equivalent to three (3) months' salary based on his last drawn monthly salary. The parties may by mutual agreement waive or vary the notice requirement.

Pursuant to the respective Service Agreements, the remuneration received by each Appointee in FY2020 is made up of only fixed compensation consisting annual base salary. The Company will consider modifying the remuneration structure to include variable compensations to link rewards to corporate and individual performance.

To enhance its remuneration so as to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel, the Company has adopted a share option scheme, the Don Agro Employee Share Option Scheme, (the "**ESOS**") which was approved at an Extraordinary General Meeting of our Shareholders held on 4 February 2020. The ESOS serves as a long-term incentive scheme for the Directors and employees of the Company. The ESOS serves to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to improve their performance and to align the interests of Directors with the interests of Shareholders. For details about the ESOS, please refer to the Directors' Statement section of this Annual Report.

The Non-Executive Directors do not have service agreements with the Company. They are paid fixed directors' fees, which are determined by the Board appropriate to the level of their contributions, taking into account factors such as the effort and time spent and the responsibilities of each Non-Executive Director.

The Independent Non-Executive Directors' fees are proposed by the RC and recommended by the Board for shareholders' approval at a general meeting of the Company. Non-Executive Directors' fees of S$180,000 for FY2020 had been approved at the AGM held on 24 June 2020. The RC has reviewed and assessed that the remuneration of the Non-Executive Directors for FY2020 is appropriate, considering the effort, time spent and responsibilities.

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The remuneration (including salary and directors' fees) paid during FY2020 are set out in the following remuneration bands[1]

	FY2020
Directors	
Evgeny Tugolukov	Band A
Marat Devlet-Kildeyev	Band B
Ravi Chidambaram	Band A
Tan Han Beng	Band A
Edwin Tham Soong Meng	Band A
Key management personnel	
Artur Nazaryan	Band A
Vadim Novikov	Band A

[1] Remuneration bands:
Band A" refers to remuneration of up to S$250,000
Band B" refers to remuneration between S$250,001 and S$500,000

The breakdown for the remuneration of the Directors in FY2020 was as follows:

Director's Remuneration

Name	Salary (%)	Bonus (%)	Directors' Fees (%)	Benefits-in-kind (%)	Total (%)
Between S$250,001 to S$500,000					
Marat Devlet-Kildeyev	100	-	-	-	-
Below S$250,000					
Evgeny Tugolukov	100	-	-	-	-
Ravi Chidambaram	-	-	100	-	-
Tan Han Beng	-	-	100	-	-
Edwin Tham Soong Meng	-	-	100	-	-

The Company believes that it should not disclose the remuneration paid to each of the Independent Directors, Executive Directors and key management personnel in absolute amount due to the highly competitive market and in the interest of maintaining good morale and building team work within the Group.

There were no termination, retirement and post-employment benefits granted to Directors and key management personnel in FY2020.

The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the CEO) in FY2020 was as follows:

Name	Salary (%)	Bonus (%)	Directors' Fees (%)	Benefits-in-kind (%)	Total (%)
Below S$250,000					
Artur Nazaryan	100	-	-	-	-
Vadim Novikov	100	-	-	-	-

The total remuneration paid to the key management personnel in FY2020 was S$132,897.

Remuneration to be paid for FY2020 does not take into account any discretionary bonus due to Executive Directors and our key management personnel. As discussed under Principle 7 of this Corporate Governance Report, the terms of employment as set out in the Service Agreements with the Executive Directors and key management personnel shall commence with effect from the date on which the Company is admitted to the Catalist (the "**Commencement Date**") and shall continue for a period of three (3) years thereafter (the "**Initial Term**"). In FY2020 a discretionary bonus was not paid.

There were no employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder.

Further details on the Don Agro Employee Option Scheme can be found in the "Director's statement" section of this Annual Report.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board believes in the importance of maintaining a system of risk management and internal controls to safeguard the interests of the shareholders and the Group's assets.

As mentioned under the Board's Conduct of Affairs section of this Corporate Governance Report, the AC was renamed as the ARC with effect from 31 March 2021. Please refer to the Company's announcement dated 31 March 2021.

The Board, with assistance of the ARC, is responsible for the overall risk management and internal control framework. In addition, the Executive Directors and the management regularly review the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The management reviews significant control policies and procedures, and highlights the significant matters to the Board and the ARC.

The Company is committed to conducting business in full compliance with all applicable laws and regulations related to economic sanctions, export controls, trade embargoes and wider prohibitions and restrictions on international trade and investment related activities, including but not limited to those adopted, administered and enforced by the Government of the United States, the European Union and its member states, the United Nations Security Council, the Government of Australia and the Government of Singapore ("**International Sanctions**"), to the extent they apply to the activities of the Group.

In order to protect the interests of our Group and to reduce the risk of our Group infringing any International Sanctions Laws, our Group has adopted a sanctions compliance policy ("**Sanctions Compliance Policy**" and the "**Policy**") which sets out enhanced internal control and risk management measures to help our Group monitor and evaluate our business and take measures to protect the interests of our Group from any material risk relating to International Sanctions Laws.

This Policy (including the Sanctions Risk Rating Policy) was reviewed by Hogan Lovells, (the "**External Sanctions Counsel**"), and the Board. This Policy should be disseminated throughout our domestic operations and overseas offices and branches.

The Policy (including the Sanctions Risk Rating Policy) shall be reviewed by the External Sanctions Counsel on an annual basis to ensure that they are adequate and effective, while our internal auditor will conduct an annual review to ensure that the Policy (including the Sanctions Risk Rating Policy) is being complied with by the Group.

The Group has appointed BDO LLP ("**BDO**") as its internal auditor for FY2020. BDO conducts the following internal audit procedures in relation to the Group's compliance with the Policy:

- Know –Your-Client and Screening Resolution;
- Enhanced Due Diligence; and
- World-check.

The ARC has the ultimate responsibility for assuring that the Group complies at all time with International Sanctions laws and regulations.

The Company's CEO and COO are responsible for, among other things, monitoring our exposure to sanctions risks and our implementation of the related internal control procedures, and report to our ARC in relation there to.

The Group uses the Dow Jones database for sanction's screening of the new counterparties, including suppliers and customers. There were no new sanctioned companies found as a result of this screening.

The ARC holds at least two (2) meetings each year to monitor our exposure to sanctions risks. Our Company's CEO and/or COO should be familiar with International Sanctions and be able to identify issues, risks and prohibited activities in relation to International Sanctions.

The External Sanctions Counsel has made the following conclusions in the Memorandum of Advice to the Company dated 12 April 2021:

(a) the Group's activities during the Period Under Review do not appear to violate or implicate any breaches of the restrictions under International Sanctions;

(b) the Group's activities do not constitute "Sanctioned Activities" as that term is defined in the SGX Conditions; and

(c) the Group's dealings with any of the parties that may be deemed to be Sanctioned Subjects within the meaning of the SGX Conditions do not violate any International Sanctions laws and regulations.

In making the conclusion of the External Sanctions Counsel and to ensure the Sanctions Compliance Policy is adequate and effective, our External Sanction Counsel carried out the following measures to review the Company's compliance with the Sanctions Compliance Policy. The External Sanctions Counsel reviewed the Group's responses to the "International Sanctions Due Diligence Checklist" dated 5 August 2019 (the "Sanctions DD Checklist"), prepared by Hogan Lovells, and updated responses by e-mail correspondence on and around 25 March 2021. The Group's responses to the Sanctions DD Checklist included disclosure of all counterparties with whom the Group transacted during FY2020, the Group's transactions with the counterparties from the countries, where international sanctions are applicable, with the parties which are included in various list of restricted parties, such as the List of Specially Designated Nationals and Blocked Persons, the Sectoral Sanctions Identification List, maintained by the U.S. Department of the Treasury's Office of Foreign Asset Control and other lists of restricted or sanctioned subjects, entities and organizations maintained by the United States, European Union, the United Nations or other jurisdictions or controlled by persons or entities from such lists. The Group's responses to the Sanctions DD Checklist have included documents and information that relate to the subject matter of the Sanctions DD Checklist. Based on reviewing the Company's responses, the External Sanction Counsel assessed compliance with the Sanctions Compliance Policy and the Company's carrying out of compliance measures as part of the adequacy and effectiveness of the Sanctions Compliance Policy. There was no update to the Sanctions Compliance Policy in FY2020.

The Board, with the concurrence of the ARC, are of the opinion that the Group has adequate and effective internal controls (including financial, operational, compliance and information technology controls), risk management systems and sanctions risks management to safeguard the interests of the Group and its shareholders in FY2020.

The Board has received assurance from the CEO and CFO in respect of FY2020 that:

a. the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and

b. the Company's risk management and internal controls system are adequate and effective.

The Board has also relied on the independent auditors' report as set out in this Annual Report as assurance that the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances.

AUDIT COMMITTEE

*Principle 10: The Board has an Audit Committee ("**AC**") which discharges its duties objectively.*

The AC was renamed as the Audit and Risk Committee effective 31 March 2021 to better reflect the scope and responsibilities of the committee.

The ARC comprises three (3) Independent Directors (including the Lead Independent Director), namely Mr Tan Han Beng (Chairman), Mr Ravi Chidambaram and Mr Edwin Tham Soong Meng.

The members of the ARC are appropriately qualified to discharge their responsibilities and have relevant accounting and related financial management experience and expertise. None of the ARC members were previous partners or directors of the Company's external auditor, KPMG LLP (the "**External Auditors**"), within the last two years or hold any financial interest in the external auditor.

ARC performs the following functions:

(a) review the relevance and consistency of the accounting standards, the significant financial reporting issues, recommendations and judgements made by the external auditors so as to ensure the integrity of the financial statements of our Group and any announcements relating to our Group's financial performance;

(b) review and report to the Board, at least annually, the adequacy and effectiveness of our Group's internal controls, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties), and risk management systems;

(c) review the assurance from the CEO and the CFO on the financial records and financial statements;

(d) review the adequacy, effectiveness, independence, scope and results of the external audit and our Group's internal audit function;

(e) make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and on the remuneration and terms of engagement of the external auditors;

(f) review the system of internal controls and management of financial risks with our internal and external auditors;

(g) review the co-operation given by our management to external auditors and internal auditors, where applicable;

(h) review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual, including such amendments made thereto from time to time;

(i) review and approve interested person transactions and review procedures thereof;

(j) review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;

(k) review risk management framework, with a view to providing an independent oversight on Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, where the findings are material, announced immediately via SGXNET;

(l) investigate any matters within its terms of reference;

(m) review the policy and arrangements concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;

(n) review the adequacy of and approve procedures put in place related to our Group's policy for entering into any future hedging transactions;

(o) review the sanctions-related risks of our Group including transactions and business dealings with our customers, suppliers and bankers and assess whether there is a need to obtain independent legal advice and/or appoint a compliance adviser with respect to the applicable sanctions risks faced by our Group;

(p) monitor the Group's measures and procedures to manage sanctions-related risks and review the Sanctions Compliance Policy and the adequacy of safeguards in relation to potential sanctions-related risks to the Group;

(q) review the utilisation of funds (including any material deviation from such utilisation) raised from the Placement and any secondary fund-raising post-Listing to ensure that they are solely for the purposes disclosed in the listing document and to the SGX, and not to benefit any Sanctioned Subject;

(r) provide their views (which will be stated in our annual report) on whether they concur with our Board's comment on whether the Company has adequate and effective internal controls (including internal controls related to cash flows) and risk management systems to safeguard the interests of the Group and the shareholders, in particular with respect to sanctions risks;

(s) continuously monitor the written undertakings which our Group has provided to SGX-ST and ensure timely and accurate disclosures to SGX-ST and the relevant authorities should any enquiries be made regarding our Group's dealings with Sanctioned Subjects; and

(t) undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.

Apart from the duties listed above, the ARC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or suspected infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on Group's operating results and/or financial position. In the event that a member of our ARC is interested in any matter being considered by ARC, he will abstain from reviewing and deliberating on that particular transaction or voting on that particular resolution.

The ARC reviews the independence of the External Auditors annually. The ARC received an audit report from the External Auditors setting out the audit fees charged for FY2020.

KPMG LLP is registered with the Accounting and Corporate Regulatory Authority of Singapore. During FY2020, the aggregate amount of fees paid or payable to the External Auditors for the audit and non-audit services amounted to S$493,894 and S$ nil respectively.

KPMG LLP is suitable for re-appointment and accordingly, the ARC has recommended to the Board that KPMG LLP be nominated for re-appointment as external auditors of the Company at the forthcoming AGM.

For FY2020, the Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of audit firms for the Group. In FY2020, the auditor of Don Agro LLC, Don Agro JSC, Rassvet JSC and Selkhoztekhnika JSC was LLC audit firm "Audit-Vela". Individual Entrepreneur Morozova N.A. was appointed as auditor of Tetra JSC in FY2020.

No former partner or director of the Company's existing auditing firm has acted as a member of the ARC.

The ARC, in consultation with the management, approves the hiring, removal, evaluation and compensation of the internal auditors.

As disclosed in the Offer Document, based on the internal controls established and maintained by our Group, work performed by the internal and external auditors, and reviews performed by the management and the Board, the Board, with the concurrence of ARC, is of the view that the internal control and risk management systems are adequate and effective to address financial, operational, compliance and information technology controls risks.

For FY2020, the Company outsourced its internal audit function to BDO ("**Internal Auditors**"). The Internal Auditors is a member of the Institute of Internal Auditors Singapore ("**IIA**"). The internal audit work carried out was guided by the International Standards for Professional Practice of Internal Auditing (IIA Standards) laid down in the International Professional Practices Framework issued by the IIA.

The internal audit plan was approved in the agreement by the Management and reviewed by the ARC.

In FY2020, the Internal Auditors performed:

- Sanction compliance review;
- Review of the inventory management;
- Evaluation of the general controls and financial reporting; and

- Audit procedures in relation to cash and bank management.

The ARC reviews annually the independence, adequacy and effectiveness of the internal audit function and internal audit report.

The ARC has met with the External and Internal Auditors at least once in the absence of Management in FY2020 and FY2021 respectively.

The ARC is satisfied that the internal audit function is adequately resourced to perform its function effectively.

Whistle-blowing

The ARC has reviewed the Whistleblowing Policy that the Group has established. The Policy provides mechanisms which ensure a secure and confidential channel that allows employees and external parties to report possible improprieties and disclose any wrongdoings such as fraud, misconduct, breach of any laws or any other illegal acts directly to the ARC Chairman. Reports can be lodged via email to lancetan75@gmail.com. In addition, there are policies and reporting mechanisms for employees and customers to raise concerns to the management, who will escalate significant issues to the Board as required. Employees making the report in good faith and without malice are protected from reprisals or victimization. The ARC is satisfied that arrangements are in place to ensure independent investigation of such matters and for appropriate follow-up actions to be taken. There was no whistle blowing report received via the whistle-blowing channels in FY2020.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and conduct of general meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Group's corporate governance practices promote fair and equitable treatment of all shareholders. All shareholders should equally and on a timely basis be informed of all major developments that impact the Group via SGXNet. The Group recognises that the release of timely and relevant information is central to good corporate governance and enables shareholders to make informed decisions in respect of their investments in the Company.

Shareholders are informed of general meetings through announcements released on the SGXNet and notices contained in the annual reports or circulars sent to all shareholders. The rules, including the voting procedures, will be clearly explained by the scrutineers at such general meetings. All shareholders are entitled to attend the general meetings and are provided the opportunity to participate in the general meetings. In view of the COVID-19 situation, the Company will be putting in place alternative measures and arrangements for its forthcoming AGM. Shareholders are advised to refer to the Company's announcement on SGXNet on the notice of AGM which will be released in due course.

The Company takes note that there should be separate resolutions at general meetings on each substantially separate issue and to avoid bundling resolutions.

The Chairman of the Board, as well as the respective Chairman of each Board Committee is required to be present to address questions at the general meetings.

The Company Secretary, and the External Auditors are also present to assist the Board to address shareholders' queries, if necessary.

Voting in absentia and by electronic mail may only be possible following careful study to ensure integrity of the information and authentication of the identity of shareholder through the web is not compromised and is also subject to legislative amendment to recognise electronic voting.

The Company Secretary prepares minutes of the general meetings, which capture the essence of the comments or queries from shareholders and responses from the Board and the management. Minutes of general meetings recording the substantial and relevant comments and queries relating to the agendas of the general meetings raised by shareholders, together with responses from the Board and management, are prepared by the Company Secretary. The minutes will be made available one (1) month from the date of the general meetings.

The Company currently does not have a fixed dividend policy. However, subject to certain factors, our Directors intend to recommend and distribute dividends of up to 20.0% of net profit after tax attributable to shareholders for each of FY2019, FY2020 and FY2021 to reward shareholders for participating in our growth.

The Directors are pleased to recommend a tax exempt one-tier final dividend of S$0.01157363 per ordinary share in respect of FY2020, subject to approval by the Shareholders at the forthcoming AGM to be convened. Total amount of dividends to be recommended for approval is S$1.74 million, which is 20% from the Group's net profit for FY2020 of S$8.7 million. This is in line with the intention of the Directors to recommend and distribute dividends of up to 20% of the Group's profit after tax attributable to Shareholders for FY2020 subject to, *inter-alia*, the Group's earnings, financial performance, capital expenditure, working capital requirements and other factors deemed relevant by our Directors as disclosed in the Offer Document. Any dividend payments will be clearly communicated to shareholders via announcements on SGXNET.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Company is committed to disclose to its Shareholders the information in a timely and fair manner via announcements on SGXNET.

The Company does not practice selective disclosure. Results and annual reports are announced or issued within the mandatory period.

The information is provided to shareholders via:

- annual reports that are prepared and sent to all shareholders;
- half yearly and full yearly announcements containing a summary of the financial information;
- notices of AGM and Extraordinary General Meetings ("**EGM**") which are also advertised in a national newspaper.

The Company does not have a dedicated investor relations policy. The Shareholders can access the information on the Group and address their concerns through the Company's website www.donagroint.com.

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include employees, contractors and suppliers, government and regulators, community, and shareholders and investors.

The Company engages its stakeholders through various channels (announcements via the SGX-NET, general meetings and presentations to engage with these material stakeholders, company's website) to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders.

All shareholders receive the Company's annual report and notice of general meetings. The Board welcomes questions from Shareholders who wish to raise issues, either informally or formally before or during the general meetings.

To ensure that all shareholders have the opportunity to participate effectively in and vote at general meetings, voting at general meetings of the Company is conducted by poll where shareholders are accorded voting rights proportionate to their shareholding and all votes are counted and announced immediately at the meeting. The Company puts all resolutions to vote by poll at general meetings and the detailed results of the total number and percentage of votes cast for and against each resolution will be announced via SGXNet after the conclusion of the general meeting on the same day.

DEALING IN SECURITIES

In accordance with the requirements of Rule 1204(19) of the Catalist Rules the Company and its officers should not deal in the Company's securities during the period commencing one month before the announcement of the Company's half year and full year financial results, and ending on the date of announcement of the relevant results. The restriction extends to the issue of shares or other convertible securities by the Company, and the sale or purchase of shares or other convertible securities by its officers. Under the Securities and Futures Act ("**SFA**"), officers should note that it is an offence to deal in the Company's securities (as well as securities of other listed companies) while in possession of unpublished material price-sensitive information. They are also discouraged from dealing in the Company's securities on short-term considerations.

INTERESTED PERSON TRANSACTIONS

The Group has not obtained a general mandate from shareholders for recurrent interested person transactions. As at 31 December 2020 and 2019, the Group received a number of guarantees from a related party-CEO and Executive Director in connection with certain bank loans obtained by the Group in the amount of S$7.1 million and S$5.7 million, respectively. As no compensation, fees or other benefits have been paid or are payable by our Group to Mr 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.

NON-SPONSOR FEES

No non-sponsor fees were paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd., for FY2020.

MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving the interest of any Director or controlling shareholder of the Company, either subsisting at the end of the financial year, or if not then subsisting, entered into since the end of the previous financial year.

USE OF IPO PROCEEDS

Pursuant to the IPO on 14 February 2020, the Company received net proceeds of S$1.3 million (after deducting listing and processing fees, professional fees and placement commission and other expenses) from the placement of new shares.

As at the date of this Annual Report, there was no utilisation of the IPO proceeds.

The proposed use of IPO proceeds, as set out in the Company's Offer Document, is as below:

Use of IPO proceeds	**Amount allocated**
	S$'000
Expansion of arable land bank	400
Acquisition of new equipment and machinery	400
To explore opportunities in mergers and acquisitions, joint ventures and strategic alliances	400
General working capital	110
Total	**1,310**

Pending the deployment of the unutilised IPO proceeds as set out above, the IPO proceeds have been placed in current account in DBS bank in Singapore. At the appropriate juncture, our Group will deploy the IPO Proceeds towards the uses stated above. The Company will make periodic announcements on the utilisation of the IPO Proceeds as and when the proceeds are materially disbursed and provide a status report on such use in its annual report and its half year and full year financial statements.

The Directors are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2020.

In our opinion:

(a) the financial statements set out on pages 41 to 95 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date, in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Evgeny Tugolukov

Marat Devlet-Kildeyev

Ravi Chidambaram

Tan Han Beng

Edwin Tham Soong Meng

Directors' interests

The following Directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries), as stated below:

	Shareholdings in which Directors have a direct interest			**Shareholdings in which Directors are Deemed to have an interest**		
	As at beginning of the year	**As at end of the year**	**As at 21 January 2021**	**As at beginning of the year**	**As at end of the year**	**As at 21 January 2021**
Company			Fully Paid Ordinary Shares			
Evgeny Tugolukov	9,400,000	117,500,000	117,500,000	-	-	-
Marat Devlet-Kildeyev	600,000	7,500,000	7,500,000	-	-	-

Except as disclosed in this statement, no Director who held office at the end of the financial year had interests in shares and debentures of the Company, or of related corporations, either at the beginning or at the end of the financial year, nor as at 21 January 2021.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

Share options

In conjunction with our listing on Catalist we have adopted a share option scheme known as the "Don Agro Employee Share Option Scheme" ("**ESOS**") which was approved at an Extraordinary General Meeting of our Shareholders held on 4 February 2020. The ESOS shall continue in operation for a maximum duration of 10 years commencing on the date on which the ESOS is adopted by our Company in general meeting and may be continued for any further period thereafter with the approval of our Shareholders. No options were issued under the ESOS.

Summary of the ESOS

The following is a summary of the rules of the ESOS which should be read in conjunction with the Rules of the Don Agro Employee Share Option Scheme.

(1) Participants

Confirmed Group Employees (including Executive Directors) and Non-Executive Directors (including Independent Directors) who have attained the age of twenty-one (21) years on or prior to the relevant Offer Date and are not undischarged bankrupts and have not entered into a composition with their respective creditors, shall be eligible to participate in the ESOS at the absolute discretion of the Committee.

Confirmed Group Employees (including Executive Directors) and Non-Executive Directors (including Independent Directors) who are also Controlling Shareholders or Associates of a Controlling Shareholder are also eligible to participate in the ESOS provided that (a) the participation of, and (b) the terms of any Options to be granted and the actual number of Shares to be granted under the ESOS, to a Participant who is a Controlling Shareholder or an Associate of a Controlling Shareholder shall be approved by the independent Shareholders in separate resolutions for each such person.

2) Administration

The ESOS shall be administered by the Committee with powers to determine, inter alia, the following:

(a) persons to be granted Options;

(b) number of Options to be granted; and

(c) recommendations for modifications to the ESOS

The Committee will consist of Directors who are in the Remuneration Committee (including Directors or persons who may be participants of the ESOS). A member of the Committee who is also a participant of the ESOS must not be involved in any deliberation or decision in respect of Options granted or to be granted to him.

(3) Size of the ESOS

The total number of Shares over which the Committee may grant Options on any date, when added to the number of Shares issued and issuable in respect of (a) all Options granted under the ESOS; and (b) all outstanding options or awards granted under such other share-based incentive schemes of the Company, shall not exceed 15.0% of the number of issued Shares (including treasury shares, as defined in the Companies Act) on the day immediately preceding the Offer Date of the Option. Our Directors believe that this limit gives us sufficient flexibility to decide upon the number of Option Shares to offer to our existing and new employees. The number of eligible participants is expected to grow over the years. Our Company, in line with its goal of ensuring sustainable growth, is constantly reviewing its position and considering the expansion of its talent pool which may involve employing new employees. The employee base, and thus the number of eligible participants will increase as a result. If the number of Options available under the ESOS is limited, our Company may only be able to grant a small number of Options to each eligible participant which may not be a sufficiently attractive incentive. Our Company is of the opinion that it should have sufficient number of Options to offer to new employees as well as to existing ones. The number of Options offered must also be significant to serve as a meaningful reward for contributions to our Group. However, it does not necessarily mean that the Committee will definitely issue Option Shares up to the prescribed limit. The Committee shall exercise its discretion in deciding the number of Option Shares to be granted to each employee which will depend on the performance and value of the employee to our Group.

(4) Maximum entitlements

The aggregate number of Shares comprised in any Option to be offered to a participant under the ESOS shall be determined at the absolute discretion of the Committee, which shall take into account (where applicable) criteria such as rank, past performance, years of service, potential for future development of that participant. The aggregate number of Shares in respect of which Options may be granted to the Controlling Shareholders or Associates of the Controlling Shareholders under the ESOS shall not exceed 25.0% of the total number of Shares available under the ESOS. The aggregate number of Shares in respect of which Options may be granted to any individual Controlling Shareholders or Associate of a Controlling Shareholder under the ESOS shall not exceed 10.0% of the total number of Shares available under the ESOS.

(5) Options, exercise period and exercise price

The Options that are granted under the ESOS may have exercise prices that are, at the Committee's discretion, set at a price (the "**Market Price**") equal to the average of the last dealt prices for the Shares on the Official List of Catalist for the five (5) consecutive Market Days immediately preceding the relevant date of grant of the relevant Option; or at a discount to the Market Price (subject to a maximum discount of 20.0%). Options which are fixed at the Market Price ("**Market Price Option**") may be exercised after the first anniversary of the date of grant of that Option while Options exercisable at a discount to the Market Price ("**Discounted Option**") may only be exercised after the second anniversary from the date of grant of the Option. Options granted under the ESOS will expire upon the tenth anniversary of the date of grant of that Option (or, in the case of Options granted to a Non-Executive Director, upon the fifth anniversary of the date of grant of that Option).

During the financial period, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of options to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

Signed by the Board of Directors

Evgeny Tugolukov
Director

Marat Devlet-Kildeyev
Director

14 April 2021

INDEPENDENT AUDITORS' REPORT

Members of the Company Don Agro International Limited

Report on the audit of the financial statements

Opinion

We have audited the consolidated financial statements of Don Agro International Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 41 to 95.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and the Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and Company as at 31 December 2020, and of the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of biological assets

The Group operates various farms and plantations for which the dairy cows and agricultural crops are subject to fair valuation. These significant biological assets are fair valued by management using industry/market accepted valuation methodology and approaches.

As the measurement of fair value involves judgement on the assumptions and estimates used, we have considered this to be a key audit matter.

Our responses

We had obtained the valuations of biological assets prepared by management. The valuations are reviewed by us., We have reviewed the appropriateness of the fair value methodology used and reasonableness of the key assumptions used, which includes the forecast cash flows, discount rates and market prices for the crops as well as yield rates for the dairy cows and market prices of the livestock.

We have also reviewed the adequacy of the Group's disclosures in relation to biological assets as disclosed in Note 7.

Our findings

We have assessed the valuation of the biological assets, and find that the methodology used is comparable to industry practice, and that the key assumptions used are balanced.

Other Information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair consolidated financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lim Pang Yew, Victor.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
14 April 2021

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2020

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Assets					
Property, plant and equipment	6	12,770	11,890	–	–
Biological assets	7	7,807	9,989	–	–
Right-of-use assets	14	4,820	4,584	–	–
Investments in subsidiaries	29	–	–	14,009	14,009
Goodwill	29	462	–	–	–
Other non-current assets		24	26	–	–
Non-current assets		25,883	26,489	14,009	14,009
Biological assets	7	7,444	6,747	–	–
Current tax assets		13	24	–	–
Inventories	8	9,879	6,555	–	–
Investments	9	4,246	3,162	–	–
Trade and other receivables	10	3,173	3,744	4,326	2,085
Cash and cash equivalents	11	9,992	4,646	3,713	3
Current assets		34,747	24,878	8,039	2,088
Total assets		60,630	51,367	22,048	16,097
Equity					
Share capital	12	40,667	35,741	40,911	35,741
Capital reserves	12	(10,450)	(10,450)	(21,270)	(21,270)
Foreign currency translation reserve		(7,496)	(826)	–	–
Accumulated profits		20,646	12,992	1,718	962
Equity attributable to the owners of the Company		43,367	37,457	21,359	15,433
Non-controlling interests		32	32	–	–
Total equity		43,399	37,489	21,359	15,433
Liabilities					
Loans and borrowings	13	1,061	988	–	–
Lease liabilities	14	4,530	4,425	–	–
Trade and other payables	15	–	–	70	70
Deferred income		336	358	–	–
Non-current liabilities		5,927	5,771	70	70
Loans and borrowings	13	6,085	4,679	–	–
Lease liabilities	14	652	549	–	–
Current tax liabilities		238	109	–	–
Trade and other payables	15	3,520	1,728	619	594
Deferred income		109	106	–	–
Provisions	16	700	936	–	–
Current liabilities		11,304	8,107	619	594
Total liabilities		17,231	13,878	689	664
Total equity and liabilities		60,630	51,367	22,048	16,097

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Note	2020	2019
		$'000	**$'000**
Revenue	17	30,996	35,431
Cost of sales	18	(25,587)	(33,354)
Gain from change in fair value of biological assets and agricultural produce	7	9,217	6,512
Gross profit		14,626	8,589
Administrative expenses	19	(3,117)	(2,122)
Other operating expenses, net	19	(1,807)	(282)
Results from operating activities		9,702	6,185
Finance income		90	249
Finance costs		(781)	(908)
Net finance costs	21	(691)	(659)
Profit before tax		9,011	5,526
Tax expense	22	(315)	(303)
Profit for the year		8,696	5,223
Profit attributable to:			
Owners of the Company		8,696	5,209
Non-controlling interests		–	14
Profit for the year		8,696	5,223
Other comprehensive (loss)/income			
Items that will not be reclassified subsequently to profit or loss			
Foreign currency translation differences arising from functional and presentation currency		(6,670)	3,163
Other comprehensive (loss)/income for the year, net of tax		(6,670)	3,163
Total comprehensive income for the year		2,026	8,386
Total comprehensive income attributable to:			
Owners of the Company		2,026	8,372
Non-controlling interests		–	14
Total comprehensive income for the year		2,026	8,386
Earnings per share			
Basic and diluted earnings per share (cents)	27	5.79	4.17

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

		Attributable to owners of the Company						
	Note	**Share capital $'000**	**Capital reserves $'000**	**Foreign currency translation reserve $'000**	**Accumulated profits $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
At 1 January 2020		35,741	(10,450)	(826)	12,992	37,457	32	37,489
Total comprehensive income for the year								
Profit for the year		–	–	–	8,696	8,696	–	8,696
Other comprehensive income								
Foreign currency translation differences		–	–	(6,670)	–	(6,670)	–	(6,670)
Total comprehensive income for the year		–	–	(6,670)	8,696	2,026	–	2,026
Transactions with owners, recognised directly in equity								
Dividends	12	–	–	–	(1,042)	(1,042)	–	(1,042)
Placement shares issued	12	5,060	–	–	–	5,060	–	5,060
Share based payment	12	500	–	–	–	500	–	500
Capitalisation of listing expenses	12	(634)	–	–		(634)	–	(634)
Total transactions with owners		4,926	–	–	(1,042)	3,884	–	3,884
At 31 December 2020		40,667	(10,450)	(7,496)	20,646	43,367	32	43,399

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

For the year ended 31 December 2020

		Attributable to owners of the Company						
	Note	Share capital $'000	Capital reserves $'000	Foreign currency translation reserve $'000	Accumulated profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2019		14,007	11,024	(3,989)	8,384	29,426	18	29,444
Total comprehensive income for the year								
Profit for the year		–	–	–	5,209	5,209	14	5,223
Other comprehensive income								
Foreign currency translation differences		–	–	3,163	–	3,163	–	3,163
Total comprehensive income for the year		–	–	3,163	5,209	8,372	14	8,386
Transactions with owners, recognised directly in equity								
Dividends	12	–	–	–	(601)	(601)	–	(601)
Merger reserve	12	21,734	(21,734)	–	–	–	–	–
Transactions with owners	12	–	260	–	–	260	–	260
Total transactions with owners		21,734	(21,474)	–	(601)	(341)	–	(341)
At 31 December 2019		35,741	(10,450)	(826)	12,992	37,457	32	37,489

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	Note	2020	2019
		$'000	$'000
Cash flows from operating activities			
Profit for the year		8,696	5,223
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use assets		2,139	2,283
Loss/(gain) on disposal of property, plant and equipment		60	(722)
Finance costs		780	908
Finance income		(90)	(249)
Tax expense		315	303
Reversal of withholding tax expense		-	(311)
Gain from change in fair value of biological assets and agricultural produce		(9,217)	(6,512)
Revaluation of sold biological assets recognised in		8,789	1,646
cost of sales		7,847	8,789
Reversal of impairment loss on trade and other receivables and short-term investments		(219)	(4)
Impairment loss on inventories relating to agricultural produce		83	216
(Reversal)/Impairment loss on other inventories made		(54)	40
		10,340	9,964
Changes in:			
Trade and other receivables		(405)	(2,901)
Inventories		(13,647)	(2,911)
Biological assets		8,304	4,874
Trade and other payables and provisions		1,596	1,025
Deferred income		66	215
Cash from operations		6,254	10,266
Tax paid		(144)	(200)
Net cash from operating activities		6,110	10,066

CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

For the year ended 31 December 2020

	Note	2020 $'000	2019 $'000
Cash flows from investing activities			
Purchase of property, plant and equipment		(4,072)	(1,742)
Proceeds from sale and disposal of property, plant and equipment		287	760
Deposits returned		2,751	–
Deposits placed with financial institutions		(4,481)	(3,077)
Interest received		223	204
Acquisition of subsidiary, net of cash acquired	29	(747)	–
Net cash used in investing activities		(6,039)	(3,855)
Cash flows from financing activities			
Proceeds from borrowings		8,848	5,755
Repayment of borrowings		(6,293)	(7,620)
Repayment of lease liabilities		(86)	(150)
Proceeds from placement shares issued		5,060	–
Interest paid		(313)	(429)
Dividends paid		(990)	(601)
Net cash from/(used in) financing activities		6,226	(3,045)
Net increase in cash and cash equivalents		6,297	3,166
Cash and cash equivalents at 1 January		4,646	1,263
Effect of exchange rate fluctuations on cash held		(951)	217
Cash and cash equivalents at 31 December	11	9,992	4,646

Significant non-cash transactions

Significant non-cash transactions are disclosed in Note 12 – Capital and reserves

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

The financial statements were authorised for issue by the Board of Directors on 14 April 2021.

1. Business and organisation

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 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.

1.2 The restructuring exercise ("Restructuring Exercise")

Pursuant to a share swap agreement dated 21 November 2019 entered into between the Company and Vallerd Investments Limited, the Company acquired, from Vallerd Investments Limited, the entire issued and paid-up share capital of JSC Tetra held by it, comprising an aggregate of 62,403,000 ordinary shares for a total consideration of $35,741,000 based on the unaudited Net Tangible Assets ("NTA") of Tetra JSC and its subsidiaries as at 30 June 2019. The purchase consideration was satisfied by the issue and allotment of an aggregate of 9,999,900 shares in the capital of the Company ("Consideration Shares") credited as fully paid-up and was arrived at on a willing buyer willing seller basis.

The Restructuring Exercise was accounted for as a combination of businesses under common control by Mr Evgeny Tugolukov and Mr Marat Devlet-Kildeyev, as they control the entity within the Group before and after the Restructuring Exercise. The presentation reflects the economic substance of the combining entities, which were under common control throughout the relevant periods, as a single economic enterprise, notwithstanding that the Restructuring Exercise was completed during 2020.

1.3 Transfer of entities under common control

The Restructuring Exercise is considered to be an acquisition of equity interests by entities under common control and therefore the entities acquired by the Group pursuant to the restructuring have been accounted for in a manner similar to the pooling-of-interest method. Accordingly, the assets and liabilities of these entities have been included in the consolidated financial statements at their historical carrying amounts. Although the share swap agreement was entered on 21 November 2019, the consolidated financial statements present the financial condition, results of operations and cash flows as if the restructuring had occurred as of the beginning of the earliest period presented.

1.4 Subsidiaries

The consolidated financial statements of the Group have been prepared to reflect the operations of the Company and the subsidiaries as a single economic enterprise and consist of those companies under common control during the years ended 31 December 2020 and 2019.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)").

2.2 Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for:

- biological assets, which are measured at fair value less costs to sell; and
- agricultural produce (included in inventories), which are measured at fair value less cost to sell at the point of harvest.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars ("$"). The functional currency of the Company is the Russian rouble ("RUB"). Assets and liabilities are translated from RUB functional currency to $ 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 $ has been rounded to nearest thousand, unless otherwise stated.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements. The accounting policies have been applied consistently by the Group entities.

3.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method in accordance with SFRS(I) 3 Business Combinations as at the date of acquisition, which is the date on which control is transferred to the Group.

In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(i) Business combinations (cont'd)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in surplus or deficit. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

(iv) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to RUB at exchange rates at the reporting date. The income and expenses of foreign operations are translated to RUB at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

3 Significant accounting policies (cont'd)

3.3 Financial instruments

(i) Recognition and initial measurement

The Group initially recognised trade receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss ("FVTPL")) and financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, the Group's financial assets are classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets, on which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities

Financial liabilities are classified as measured at amortised cost and comprise loans and borrowings, lease liabilities and trade and other payables.

Such financial liabilities are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(iii) Derecognition of financial assets and financial liabilities

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. The Group enters into transactions whereby it transfers assets recognised.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(iv) Offsetting of non-derivative financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits placed with financial institutions.

3.4 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.5 Inventories

Inventories are recorded at the lower of cost and net realisable value. Cost of inventory is determined on weighted average basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. The cost of finished goods and work in progress comprises raw material, direct labour, other direct costs and related production overheads (based on normal operating capacity).

The cost of agricultural produce transferred from biological assets is its fair value less costs to sell at the date of harvest.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated costs necessary to make the sale.

3 Significant accounting policies (cont'd)

3.6 Biological assets and agricultural produce

Biological assets of the Group consist of unharvested crops (grain crops and other plant crops), permanent grasses and livestock (dairy cows which are able to produce milk (mature livestock), heifers and calves, being raised to produce milk in the future (immature livestock)). Bearer livestock and permanent grasses are classified as non-current assets, unharvested crops are classified as current assets in the statement of financial position.

Crops are measured at fair value less costs to sell, which include all costs that would be necessary to sell the assets. Permanent grass is stated at cost less accumulated depreciation and accumulated impairment losses as the fair value of permanent grass cannot be measured reliably. The permanent grass is grown for internal consumption and has neither comparable nor observable market sales data.

The fair value of agricultural produce at the point of harvest is based on the market price less costs to sell.

Upon harvest, grain crops and other plant crops are included into inventory for further processing or for sale and are initially measured at their fair value less estimated point-of-sale costs at the time of harvesting. A gain or loss arising on initial recognition of agricultural produce at fair value less estimated point-of-sale costs is recognised in profit or loss in the period in which it arises.

Livestock is measured at their fair value less estimated point-of-sale costs. The fair value of livestock is based on cash flows model discounted using a pre-tax rate that reflects current market assessment of the time value of money and risks specific to the asset. The fair value of livestock was previously determined based on the market price less estimated costs to sell.

All the gross gains or loss arising from initial recognition of biological assets and from changes in fair value less costs to sell of biological assets are included as a separate line "Gain/(loss) from change in fair value of biological assets" above the gross profit line.

Cost to sell include all costs that would be necessary to sell the assets, including transportation costs.

3.7 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.
- Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

3.7 Property, plant and equipment (cont'd)

(i) Recognition and measurement (cont'd)

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of assets, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land and properties under construction in progress are not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and previous years are as follows:

Buildings	7 – 50 years
Plant and equipment	3 – 12 years
Motor vehicles	3 – 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3 Significant accounting policies (cont'd)

3.8 Leases

Policy applicable from 1 January 2019

(i) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end if the lease term or the cost of the right-of-use assets reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

In accordance with SFRS(I) 16 variable payments which do not depend on index or rate, i.e. do not reflect changes in market rental rates, should not be included in calculation of lease liability. In respect of municipal (or federal) land leases where the lease payments are based on cadastral value of the land plot and do not change until the next potential revision of that value or payments (or both) by the authorities, the Group determined that these lease payments are not considered as either variable (that depend on an index or rate or reflect changes in market rental rates) or in-substance fixed, and therefore these payments are not be included in the measurement of the lease liability.

The Group leases a number of land plots under lease agreements that typically run for a period of 10 years, with an option to renew the lease after expiration. The Group determined the lease term as a contract term.

For majority of lease agreements, rent is established as a payment in-kind in a form of agricultural produce harvested by the Group. At the commencement date, the Group measures the lease liability at the present value of the payments in-kind that are not paid at that date. The following payments are not included in the measurement of lease liability: plowing services, ritual services, and reimbursement of land tax to the lessor.

3 Significant accounting policies (cont'd)

3.8 Leases (cont'd)

Policy applicable from 1 January 2019 (cont'd)

(i) As a lessee (cont'd)

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.9 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for ECLs (expected credit loss) on financial assets measured at amortised costs.

Loss allowance for the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12-months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial assets. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

3 Significant accounting policies (cont'd)

3.9 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risks.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;

- a breach of contract such as a default or being more than 90 days past due;

- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the consolidated statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

3 Significant accounting policies (cont'd)

3.9 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than biological assets, inventories and current tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment loss recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3 Significant accounting policies (cont'd)

3.10 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.11 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs.

3.12 Revenue

Revenue from sale of crops and dairy milk and services in the ordinary course of business is recognised when the Group satisfies a performance obligation (PO) by transferring control of a promised crop or diary milk or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised crop or diary milk or services. The individual standalone selling price of a crop or diary milk or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to crop or diary milk and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised crop or diary milk or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

3.13 Finance costs

Finance costs comprise interest expense on loans and borrowings, and lease liabilities. Interest expense is recognised using the effective interest method.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.14 Government grants

A conditional government grant related to property, plant and equipment are recognised initially as "deferred income" at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. These grants are presented at gross presentation basis in the financial statements. These grants are then recognised in profit or loss as "other operating income" on a systematic basis over the useful life of the asset. Grants that compensate the Group for finance cost incurred are recognised in profit or loss as reduction in "finance costs" on a systematic basis in the same periods in which the finance costs are recognised.

3.15 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I)1-37 Provisions, Contingent Liabilities and Contingent Assets.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes; if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

3 Significant accounting policies (cont'd)

3.15 Tax (cont'd)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.16 Fair value measurement

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).

3 Significant accounting policies (cont'd)

3.16 Fair value measurement (cont'd)

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 at 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.

3.17 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.18 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Directors of the Company (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Directors of the Company include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

4 Use of judgements and estimates

In preparing the 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.

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

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in note 3.7(iii) – useful lives of property, plant and equipment.

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 year ending 31 December 2020 is included in note 7 – determining the fair value of biological assets and agricultural produce on the basis of significant unobservable inputs.

5 New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2020:

- *Amendments to References to Conceptual Framework in SFRS(I) Standards*
- *Definition of a Business (Amendments to SFRS(I) 3)*
- *Definition of Material (Amendments to SFRS(I) 1-1 and SFRS(I)1- 8)*

The Group applied *Definition of a Business (Amendments to IFRS 3)* to business combinations whose acquisition dates are on or after 1 January 2020 in assessing whether it had acquired a business or a group of assets. The details of accounting policies are set out in Note 3. See also Note 29 for details of the Group's acquisition of subsidiary during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 Property, plant and equipment

	Land	Buildings	Plant and equipment	Motor Vehicles	Construction in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost						
At 1 January 2019	3,569	3,127	10,997	815	228	18,736
Buy-out of the leased assets	–	–	386	–	–	386
Additions	168	134	1,165	135	140	1,742
Disposals/Write-off	(7)	(15)	(109)	–	–	(131)
Effect on movements in exchanges rates	372	325	1,180	87	27	1,991
At 31 December 2019	4,102	3,571	13,619	1,037	395	22,724
Additions	335	2,085	1,396	254	2	4,072
Acquisition of subsidiary	345	1	574	26	6	952
Disposals/Write-off	–	(4)	(10)	(8)	(344)	(366)
Effect on movements in exchanges rates	(757)	(736)	(2,495)	(196)	(52)	(4,236)
At 31 December 2020	4,025	4,917	13,084	1,113	7	23,146
Accumulated depreciation and impairment losses						
At 1 January 2019	–	(990)	(6,629)	(665)	–	(8,284)
Buy-out of the leased assets	–	–	(157)	–	–	(157)
Depreciation charge for the year	–	(233)	(1,285)	(71)	–	(1,589)
Disposals/Write-off	–	2	91	–	–	93
Effect on movements in exchange rates	–	(108)	(719)	(70)	–	(897)
At 1 January 2020	–	(1,329)	(8,699)	(806)	–	(10,834)
Depreciation charge for the year	–	(269)	(1,203)	(72)	–	(1,544)
Disposals/Write-off	–	1	10	8	–	19
Effect on movements in exchange rates	–	248	1,590	145	–	1,983
At 31 December 2020	–	(1,349)	(8,302)	(725)	–	(10,376)
Carrying amounts						
At 1 January 2019	3,569	2,137	4,701	159	228	10,794
At 31 December 2019	4,102	2,242	4,920	231	395	11,890
At 31 December 2020	4,025	3,568	4,782	388	7	12,770

6 Property, plant and equipment (cont'd)

Security

Property, plant and equipment of the Group with carrying amounts, $2,356,000 and $2,342,000 have been pledged to secure bank loans (see note 13) at 31 December 2020 and 2019, respectively.

Depreciation

Depreciation for the year are charged to the accounts stated as follows:

	2020	2019
	$'000	$'000
Biological assets	656	474
Inventories	480	295
Cost of sales	389	795
Administrative expenses	19	25
	1,544	1,589

Depreciation expense, useful lives and residual value

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual value. The Group regularly reviews the estimated useful lives of the assets in order to determine the amount of depreciation expense to be recorded at each financial year. Useful lives are derived based on management's judgement of the period in which the assets will generate revenue, which are periodically reviewed for continued appropriateness. Due to the long lives of assets, changes to the estimates used can result in significant variations in the carrying value.

7 Biological assets

	2020	2019
	$'000	$'000
Livestock	7,503	9,808
Permanent grasses	304	181
Non-current	7,807	9,989
Current – crops	7,444	6,747
	15,251	16,736

7 Biological assets (cont'd)

Biological assets - crops

In 2020 and 2019, the Group cultivated wheat, sunflower, corn and other crops. As at 31 December, the unharvested crops are represented by the following types.

	2020	2019
	$'000	$'000
Winter wheat	7,444	6,502
Sunflower	–	227
Corn	–	18
Balance at 31 December – current	7,444	6,747

Changes in biological assets - crops balances are disclosed below:

	Note	2020	2019
		$'000	$'000
Balance at 1 January		6,747	5,647
Increase due to costs on growing crops		14,907	18,685
Acquisition of subsidiary	29	622	–
Gain arising from changes in fair value less estimated cost to sell		10,935	6,445
Decrease of crops due to harvest		(24,478)	(24,624)
Effect on movements in exchange rates		(1,289)	594
Balance at 31 December – current		7,444	6,747

Biological assets - permanent grasses

Changes in biological assets - permanent grasses balances are disclosed below:

	2020	2019
	$'000	$'000
Balance at 1 January	181	145
Increase due to costs on growing crops	540	932
Decrease of crops due to harvest	(376)	(912)
Effect on movements in exchange rates	(41)	16
Balance at 31 December – non-current	304	181

7 **Biological assets (cont'd)**

Biological assets - livestock

Changes in biological assets - livestock balances are disclosed below:

	2020 $'000	2019 $'000
Balance at 1 January	9,808	7,854
Increase due to cost on growth	8,104	7,740
Disposal due to mortality	(27)	(40)
Decrease due to sales of livestock	(1,092)	(1,086)
Decrease due to sales of milk	(5,881)	(5,566)
(Loss)/gain arising from changes in fair value less estimated cost to sell	(1,718)	67
Effect on movements in exchange rates	(1,691)	839
Balance at 31 December – non-current	7,503	9,808

Risk management strategy related to agriculture activities

The Group is exposed to the following risks related to its crops and livestock:

Regulatory and environmental risks

The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems are in place to manage those risks.

Supply and demand risk

The Group is exposed to risks arising from fluctuations in the price and sales volume of grain and milk products. Whenever possible, the Group manages this risk by aligning its production volume to market supply and demand. Management performs regular industry trend analyses to ensure that the Group's pricing structure is in line with the market and to ensure that the projected harvest and milk volumes are consistent with expected demand.

Climate and other risks

The Group's crops are exposed to the risk of damage from climatic changes and diseases. The Group has extensive processes in place aimed at monitoring and mitigating those risks. The Group does not insure itself against failure of crops.

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.

Permanent grass is stated at cost less accumulated impairment losses as the fair value of permanent grass cannot be measured reliably. The permanent grass is grown for internal consumption and has neither comparable nor observable market sales data.

7 Biological assets (cont'd)

Level 3 fair value

The following table shows a breakdown of the total gains/(losses) recognised in respect of Level 3 fair values.

	2020	2019
	$'000	**$'000**
Gain from change in fair value of biological assets and agricultural produce		
-Change in fair value (realised)	5,945	3,610
-Change in fair value (unrealised)	3,272	2,902
	9,217	6,512
(Loss)/gain included in OCI		
Effect of movements in exchange rates	(3,021)	1,449

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 - 2020: 2,096; 2019: 2,049 • Number of calves and heifers - 2020: 1,965; 2019: 2,054	*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) 2020: 2.90; 2019: 2.83 • Herd average daily milk yield (litres) 2020: 20.11; 2019: 19.53 • Market prices for milk in the same region (in RUB/litre excluding VAT) 2020: 30.01; 2019: 29.29 • Risk-adjusted discount rate 2020: 15.2%; 2019: 15.2%	The estimated fair value would increase (decrease) if: • the lengths of lactation period were Longer (shorter); • 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).
Crops: winter wheat • Plant area (hectare) - 2020: 23,984; 2019: 18,413	*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.	• Market prices for crop in the same region (in RUB/tonne excluding VAT) 2020: 12,613; 2019: 9,654 • Risk-adjusted discount rate 2020:15.2%; 2019: 15.2% Expected yield (tonne/hectare) 2020: 3.75; 2019: 4.1 • Future cost to grow and sell (in RUB/ hectare) 2020: 14,367; 2019: 14,131	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

	2020	2019
	$'000	$'000
Raw materials and consumables	3,504	3,011
Work in progress	1,922	1,364
Finished goods – agricultural produce	4,470	2,252
	9,896	6,627
Less: Provision	(17)	(72)
	9,879	6,555

Work in progress is mainly represented by the cost incurred after the harvest of corn, sunflower and other crops.

Inventories of $ 8,639,000 and $12,611,000 were recognised as an expense during the years ended 31 December 2020 and 2019, and included in "cost of sales", respectively (see note 18).

Provision is mainly represented by the write-down to net realisable value due to slow moving and obsolete inventories.

The write-downs and reversals are included in "cost of sales".

9 Investments

	2020	2019
	$'000	$'000
Short-term loan issued	–	251
Less: Impairment loss	–	(251)
	–	–
Short-term bank deposits with maturities of three months or more (RUB denominated, 5.8%-6.4%)	4,246	3,162
	4,246	3,162

In 2017, the Group issued RUB denominated non-interest bearing loan to LLC Volgo-Agro amounting to $255,000 (RUB11,000,000), repayable on demand in 2018. This loan is fully impaired. In 2020 the Group acquired LLC Volgo- Agro (Note 29).

The Group's exposure to credit risk and impairment losses for investments are disclosed in note 23.

10 Trade and other receivables

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Trade receivables	175	1,201	–	–
Other receivables	43	50	–	–
Less: Impairment losses	(3)	(4)	–	–
	215	1,247		–
Dividends receivable	–	–	4,326	1,926
Advances paid to suppliers	2,521	1,881	–	–
Value-added tax ("VAT") receivables	437	176	–	–
Prepaid listing expenses	–	440	–	159
	3,173	3,744	4,326	2,085

10 Trade and other receivables (cont'd)

During the year, a wholly-owned subsidiary has declared an interim dividend of RUB 255.000, 000 (RUB4.08 (0.08 cents) (2019: RUB1.50 (0.03 cents)) per share, amounting to RUB 255,000,000 (S$ 4,326,000) (2019: RUB93,604,500 (S$1,926,000)) to the Company for the financial year ended 31 December 2020.

The Group's exposure to credit and currency risks, and impairment losses for trade and other receivables are disclosed in note 23.

11 Cash and cash equivalents

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Petty cash	3	7	–	–
Bank balances	4,504	513	3,713	3
Short-term bank deposits with maturities of three months or less	5,485	4,126	–	–
	9,992	4,646	3,713	3

Interest rates relating to short-term bank deposits with maturities of three months or less with financial institutions range between 3.6% to 4.5% per annum and between 4.69% and 7.3% per annum for the years ended 31 December 2020 and 2019, respectively. Cash and cash equivalents are denominated in RUB.

12 Capital and reserves

Share capital

Share capital as presented in the statements of financial position refers to shares issued to the controlling shareholders pursuant to the Restructuring Exercise as described in note 1.2, which is deemed to have taken place since the beginning of the earliest period presented.

	Number of shares		Amount	
	2020	2019	2020	2019
			$'000	$'000
Issued and fully paid ordinary shares, at par value:				
In issue at 1 January	10,000,000	100	35,741	–*
Issued during the year	–	9,999,900	–	35,741
Share split in the proportion of 1 share for 12.5 shares	115,000,000	–	–	–
Placement Shares issued pursuant to the Placement	23,000,000	–	4,426**	–
Issue of PPCF Shares	2,272,700	–	500	–
In issue at 31 December	150,272,700	10,000,000	40,667	35,741

**: Less than $1,000*

*** Listing expenses incurred amounted to approximately $4.4 million, of which $0.7 million has been capitalised against share capital in accordance with the SFRS(I)32 while the remaining amount of approximately $3.7 million has been included in profit or loss.*

12 Capital and reserves (cont'd)

Dividends

For the year ended 31 December 2020 the Group paid dividends of $1,042,000 to the previous shareholder of JSC Tetra, prior to the Restructuring Exercise as disclosed in Note 1.2 (31 December 2019: $601,000).

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.

Capital reserves

The movements in capital reserve balance are as follows:

	2020	2019
	$'000	$'000
Balance at 1 January	(10,450)	11,024
Transactions with owners	–	260
Merger reserve	–	(21,734)
Balance at 31 December	(10,450)	(10,450)

The owner of the Group has undertaken to settle the listing expenses incurred by the Group without requiring the Group to repay the listing expenses resulting in a contribution to capital reserve of $260,000 for the year ended 31 December 2019.

Capital reserves mainly relates to merger reserves recognised in connection with the execution of the share swap agreement between the Company and Vallerd Investments Limited as a result of the Restructuring Exercise (note 1.2) and transactions with former shareholders.

Capital management

The primary objective of the Group's capital management is to maximise participants' return while sustaining a reasonable level of financial risks. The Group does not have a quantified target level of participants' return or capital ratios. To fulfil capital management objectives while providing for external financing of regular business operations and investment projects, the Group's management compares expected return of these operations and projects with the costs of debt and maintains prudent financial risk management as described above. The amount of capital that the Group managed at 31 December 2020 and 2019 was $ 43,399,000 and $37,489,000, respectively. The Group considers the amount of equity attributable to the owners of the Company as capital.

The Group monitors capital on the basis of net debt to earnings before interest, tax, depreciation and amortisation ("EBITDA") ratio. Net debt is calculated as total borrowings (including current and non-current loans, borrowings and lease liability as shown in the consolidated statement of financial position) less cash and cash equivalents. As at 31 December 2020 and 2019, net debt to EBITDA ratio is calculated as follows:

	2020	2019
	$'000	$'000
Net debt	2,336	5,995
EBITDA	11,598	8,334
Net debt to EBITDA ratio	0.20	0.72

13 Loans and borrowings

	2020 $'000	2019 $'000
Non-current liabilities		
Secured bank loans	1,058	984
Loans from third parties	3	4
	1,061	988
Current liabilities		
Secured bank loans	6,082	4,677
Loans from third parties	3	2
	6,085	4,679

Bank loans received in RUB are secured by pledge of property, plant and equipment (see note 6).

The Group's exposure to interest rate and liquidity risks related to loans and borrowings is disclosed in note 23.

Terms and debt repayment schedule

The terms and conditions of outstanding loans and borrowings are as follows:

				2020		2019	
	Currency	Nominal interest rate %	Year of maturity	Face value $'000	Carrying amount $'000	Face value $'000	Carrying amount $'000
Secured bank loans	RUB	2.45%-13%	2020 - 2023	7,140	7,140	5,661	5,661
Loans from third parties	RUB	3%	2020 - 2021	6	6	6	6
				7,146	7,146	5,667	5,667

Agricultural producers are supported by government through provision of subsidised loans with a reduced interest rate by the government approved banks. Low interest rate is provided so long as the Group complies with the specific conditions in relation to agricultural companies operating in the Russian Federation but could be cancelled in case of violation or lack of government financial support provided to the bank. The lower interest rate of 2.5% (in 2019 is 2.45%) per annum is treated as government grants in 2020. Government grants amounting to $370,000 and $394,000 were received during the year ended 31 December 2020 and 2019, respectively, and recognised in finance costs (see note 21).

13 Loans and borrowings (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities			
	Secured bank loans $'000	Loans from third parties $'000	Finance lease liabilities $'000	Total $'000
Balance at 1 January 2019	6,873	6	5,126	12,005
Changes from financing cash flows				
Proceeds from borrowings	5,755	–	–	5,755
Repayment of borrowings	(7,620)	–	–	(7,620)
Repayment of leases	–	–	(150)	(150)
Interest paid	(250)	–	(179)	(429)
Total changes from financing cash flows	(2,115)	–	(329)	(2,444)
Liability-related other changes				
Finance costs	247	1	641	889
Finance income	–	–	(45)	(45)
Remeasurement of right-of-use assets	–	–	(545)	(545)
Modification of right-of-use assets	–	–	342	342
New leases	–	–	49	49
Payment-in-kind	–	–	(756)	(756)
Total liability-related other changes	247	1	(314)	(66)
Effect on movement in exchange rates	656	(1)	491	1,146
Balance at 31 December 2019	5,661	6	4,974	10,641

13 Loans and borrowings (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

	Liabilities			
	Secured bank loans $'000	Loans from third parties $'000	Finance lease liabilities $'000	Total $'000
Balance at 1 January 2020	5,661	6	4,974	10,641
Changes from financing cash flows				
Proceeds from borrowings	8,848	–	–	8,848
Repayment of borrowings	(6,293)	–	–	(6,293)
Repayment of leases		–	(86)	(86)
Interest paid	(264)	–	(49)	(313)
Total changes from financing cash flows	2,291	–	(135)	2,156
Liability-related other changes				
Acquisition of subsidiary	54	–	72	126
Finance costs	264	3	556	823
Finance income	–	–	133	133
Remeasurement of right-of-use assets	–	–	1,415	1,415
Modification of right-of-use assets	–	–	250	250
New leases	–	–	9	9
Payment-in-kind	–	–	(1,159)	(1,159)
Total liability-related other changes	318	3	1,276	1,597
Effect on movement in exchange rates	(1,130)	(3)	(933)	(2,066)
Balance at 31 December 2020	7,140	6	5,182	12,328

14 Lease liabilities

	2020 $'000	2019 $'000
Non-current		
Lease liabilities	4,530	4,425
Current		
Lease liabilities	652	549

14 Lease liabilities (cont'd)

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

				2020		2019	
	Currency	Nominal interest rate %	Year of maturity	Face value $'000	Carrying amount $'000	Face value $'000	Carrying amount $'000
Lease liabilities	RUB	5% - 13%	2020 – 2040	7,816	5,182	7,800	4,974

Right-of-use assets

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

	Land plots $'000	Agricultural equipment $'000	Total $'000
2020			
Balance at 1 January	4,508	76	4,584
Depreciation charge for the year	(580)	(15)	(595)
Additions to right-of-use assets	9	–	9
Remeasurement of right-of-use assets	1,415	–	1,415
Modification of right-of-use assets	234	–	234
Acquisition of subsidiary	36	–	36
Effect on movements in exchange rates	(847)	(16)	(863)
Balance at 31 December	4,775	45	4,820
2019			
Balance at 1 January	4,820	342	5,162
Depreciation charge for the year	(632)	(62)	(694)
Additions to right-of-use assets	49	–	49
Remeasurement of right-of-use assets	(545)	–	(545)
Modification of right-of-use assets	342	–	342
Acquisition of subsidiary	–	(229)	(229)
Effect on movements in exchange rates	474	25	499
Balance at 31 December	4,508	76	4,584

Amounts recognised in profit or loss

	2020 $'000	2019 $'000
Interest on lease liabilities	(556)	(641)
Income from remeasurement and modification of lease liabilities presented in 'other income'	(133)	45
	(689)	(596)

15 Trade and other payables

	2020 $'000	2019 $'000
Non-current		
Amount due to subsidiary	70	70

Amount due to subsidiary is unsecured, interest bearing of 6.10% per annum and is payable in 2022.

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Current				
Trade payables	324	103	–	–
Other payables	1,467	244	545	594
Payables to employees	87	133	–	–
Accrued listing expenses	–	498	–	–
Advances received from customers	1,072	128	–	–
Dividends payable	52	–	52	–
Tax payable other than income tax	518	622	22	–
	3,520	1,728	619	594

Taxes payable other than on income tax is mostly related to VAT payable of $329,000 and $452,000 as at 31 December 2020 and 2019, respectively.

Other payables includes the payables to New Invest Group in accordance with an assignment agreement between Volgo-Agro LLC, JSC Tetra and New Invest Group of $980,000 which will be paid in year ended 31 December 2021.

The Group's exposures to currency risk and liquidity risk related to trade and other payables are disclosed in note 23.

16 Provisions

Provisions were created mainly for employees' unused vacation and year-end bonuses. The unused vacation and year-end bonuses provisions are expected to be utilised within the next 12 months.

	2020 $'000	2019 $'000
At 1 January	936	881
Provision made during the year	705	901
-Staff's unused vacation	433	456
-Staff's year-end bonuses	272	445
Acquisition of subsidiary	14	–
Provision used during the year	(795)	(624)
Provision reversed during the year	–	(311)
Write-off provision	–	(1)
Effect on movements in exchange rates	(160)	90
At 31 December	700	936

17 Revenue

	2020	2019
	$'000	**$'000**
Revenue from sale of crop production	21,060	25,666
Revenue from sale of livestock and milk	9,834	9,662
Revenue from services provided	102	103
	30,996	35,431

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Nature of goods or services	The Group is growing, processing and distributing of agricultural and dairy products, mainly grain and milk at farms.
When revenue is recognised	Revenue is recognised when the crops, livestock and milk are collected by the customer or delivered to the customer's premises.
Significant payment terms	Invoices are issued when the products are delivered. Payment for these products is due within period of 10 days. Advance payment is collected from most of the customers upon confirmation of orders. Payment of the outstanding amount is due within period of 10 days from the date of the products are delivered to the customer. The Group applied the practical expedient not to recognise any financing element as the contracts are typically completed within a year.

18 Cost of sales

	2020	2019
	$'000	**$'000**
Biological assets sold	16,486	21,400
Wages and salaries	4,504	5,691
Depreciation of property, plant and equipment and amortisation of ROU assets	1,877	2,124
Operating lease expenses	172	747
Growing and harvesting services	706	1,050
Energy utilities	393	468
Taxes	101	152
Impairment loss on inventories relating to agriculture produce	83	216
Others	1,265	1,506
	25,587	33,354

Biological assets sold consist of the cost of material expenses incurred and the cumulative fair value changes of the agricultural produce at the date of harvest.

19 Operating income and expenses

	2020	2019
	$'000	$'000
Administrative expenses		
Wages and salaries	1,599	1,524
Depreciation property, plant and equipment and amortisation of ROU assets	19	25
Information, consulting and other professional services	1,238	262
Operating lease expenses	52	44
Repair costs	10	7
Business travel expenses	58	107
Other material expenses	57	65
Others	84	88
	3,117	2,122
Other operating income/(expenses)		
Government grants received	631	420
Impairment loss on trade and other receivables and short-term investments reversed	219	4
Bank services	(90)	(91)
(Loss)/Gain on disposal of property, plant and equipment	(60)	722
Reversal of withholding tax provision on interest payments in relation to promissory notes payable to Vallerd Investments Limited	–	311
Penalties	(153)	(29)
Other taxes	(110)	(162)
Impairment loss on other inventories reversed/(made)	54	(40)
Other expenses	(1,003)	(52)
Listing expenses	(1,295)	(1,365)
	(1,807)	(282)

The Group, as an agricultural producer, recognised government grants amounting to $1,001,000 and $814,000 during the years ended 31 December 2020 and 2019, respectively.

The government grants recognised during the year are attributable to:

	2020	2019
	$'000	$'000
Operational activities – other operating income	631	420
Financing activities – finance costs	370	394
	1,001	814

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20 Employee benefits

	2020	2019
	$'000	$'000
Salaries and related expenses	(4,677)	(4,939)
Contributions to defined contribution plans	(1,468)	(1,549)
Provision made for unused vacation	(433)	(456)
Provision for bonuses	(272)	(445)
	(6,850)	(7,389)

Employee benefits expense for the year are charged to the accounts stated as follows:

	2020	2019
	$'000	$'000
Biological assets	(806)	(816)
Inventories	(703)	(507)
Cost of sales	(3,742)	(4,542)
Administrative expenses	(1,599)	(1,524)
	(6,850)	(7,389)

21 Finance income and finance costs

	2020	2019
	$'000	$'000
Finance income		
Interest income	223	204
Other income	(133)	45
	90	249
Finance costs		
Interest expense	(635)	(642)
Government grants compensating finance cost	370	394
Foreign exchange differences	40	(19)
Lease expense	(556)	(641)
	(781)	(908)
Net finance costs	(691)	(659)

22 Tax expense

	2020	2019
	$'000	**$'000**
Current tax expense		
Current year	(315)	(303)
	(315)	(303)
Total expense	(315)	(303)

Reconciliation of effective tax rate

Profit before tax	9,011	5,526
Tax at the domestic rates applicable in the respective jurisdiction (20%)	(1,802)	(1,105)
Tax effect of income of agricultural subsidiaries taxed at Nil%	1,904	1,050
Withholding tax on dividends	(240)	(98)
Change in unrecognised temporary differences	(177)	(150)
	(315)	(303)

The income tax rate applicable to the majority of the Group's 2020 and 2019 income is 0% as activities related to agricultural production; other activities are taxed at 20% respectively.

Unrecognised deferred tax assets

	2020	2019
	$'000	**$'000**
Tax losses	2,920	2,035

Due to amendments to the Russian tax legislation, starting from 1 January 2017 tax losses carried forward do not expire, but may be set off only against 50% of taxable profits. The deferred tax assets are not recognised as there is no evidence of probable future taxable profits related to theGroup's non-core activities.

Unrecognised deferred tax liabilities

At 31 December 2020 and 2019, deferred tax liabilities associated with the Group's investments in subsidiaries amounted to $ 2,812,000 and $1,454,000, respectively. These have not been recognised as the Group is able to control the timing of reversal of the difference, and reversal is not expected in the foreseeable future.

23 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing those risks. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

23 Financial risk management (cont'd)

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counter party to settle its financial and contractual obligations to the Group, as and when they fall due. Management has a credit policy in place which establishes credit limit for customers and monitors their balances on an ongoing basis.

Trade and other receivables

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	Group		Company	
		2020	2019	2020	2019
		$'000	$'000	$'000	$'000
Short-term bank deposits with maturities of three months or more	9	4,246	3,162	–	–
Trade and other receivables*	10	215	1,247	4,326	1,926
Cash and cash equivalents	11	9,992	4,646	3,713	3
		14,453	9,055	8,039	1,929

* *exclude advances paid to suppliers, VAT receivables and prepaid listing expenses*

The maximum exposure to credit risk for financial assets at the reporting date by customer type was:

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Corporate customers	175	1,201	–	–
Financial institutions	14,238	7,809	3,713	3
Others	40	45	4,326	1,926
	14,453	9,055	8,039	1,929

The maximum exposure to credit risk for financial assets at the reporting date by geographical segment was:

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Singapore	3,713	–	3,713	3
Russian Federation	10,740	9,055	4,326	1,926

Trade and other receivables

Expected credit loss assessment for individual customers

The Group uses an allowance matrix to measure the ECLs of trade receivables from customer. The allowance matrix is based on actual credit loss experience over the past three years. The ECLs computed is derived from the historical data which management is of the view that the historical conditions are representative of the conditions prevailing at the reporting date.

23 Financial risk management (cont'd)

Trade and other receivables (cont'd)

Expected credit loss assessment for individual customers (cont'd)

The Group's historical experience is that the write-offs of trade receivables fall within the recorded allowances. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables:

	Weighted average loss rate %	Gross $'000	Impairment $'000	Credit impaired $'000
31 December 2020				
Not past due	*%	215	–	No
Between 1 to 365 days	*%	–	–	No
More than one year	100%	3	(3)	Yes
		218	(3)	
31 December 2019				
Not past due	*%	1,247	–	No
Between 1 to 365 days	*%	–	–	No
More than one year	100%	4	(4)	Yes
		1,250	(4)	
Company				
31 December 2020				
Not past due	*%	4,326	–	No
31 December 2019				
Not past due	*%	1,926	–	No

** The weighted average loss rate for accounts was negligible*

Movement in allowance for impairment in respect of trade and other receivables

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	Lifetime ECL – credit impaired 2020 $'000	2019 $'000
At 1 January	(4)	(7)
Impairment loss made	–	(3)
Amounts written off	–	7
Effect on movements in exchange rates	1	(1)
At 31 December	(3)	(4)

23 Financial risk management (cont'd)

Cash and cash equivalents

Cash and bank balances are placed with banks and financial institutions which are regulated. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and low credit risk of the exposures. The amount of allowance on cash and cash equivalents was negligible.

Investments

Investments are loan issued to a related corporation and short-term bank deposits with maturities of three months or more. The Group uses a similar approach for assessment of ECLs for short term bank deposits to those used for cash and cash equivalents. Loan issued to a related corporation has been fully written down.

The following table presents an analysis of the credit quality of investments. It indicated whether assets were subject to 12-month ECLs, or lifetime ECLs allowance and in the latter case, whether they were credit impaired:

	Lifetime ECL – credit impaired	
	2020	**2019**
	$'000	**$'000**
Investments		
Not impaired	–	–
Impaired	–	251
Gross carrying amounts	–	251
Loss allowance	–	(251)
Carrying amount	–	–

The movement in the allowance for impairment in respect of investments during the year was as follows:

	Lifetime ECL – credit impaired	
	2020	**2019**
	$'000	**$'000**
At 1 January	(251)	(228)
Reversal of impairment loss	219	–
Effect on movements in exchange rates	32	(23)
At 31 December	–	(251)

Liquidity risk

Risk management policy

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Management believes that the Group will have the continued support of its creditor-banks to renew its short-term loans as and when they fall due.

23 Financial risk management (cont'd)

Liquidity risk (cont'd)

Risk management policy (cont'd)

The following are the expected contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

			Cash flows		
Group	**Carrying amount**	**Contractual cash flows**	**Within 1 year**	**Within 1 to 5 years**	**More than 5 years**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
2020					
Non-derivative financial liabilities					
Loans and borrowings	7,146	7,617	6,400	1,214	3
Lease liabilities	5,182	7,816	1,255	4,440	2,121
Trade and other payables*	2,448	2,448	2,448	–	–
	14,776	17,881	10,103	5,654	2,124
2019					
Non-derivative financial liabilities					
Loans and borrowings	5,667	5,904	4,873	1,027	4
Finance lease liabilities	4,974	7,800	1,122	3,957	2,721
Trade and other payables*	1,600	1,600	1,600	–	–
	12,241	15,304	7,595	4,984	2,725
Company					
2020					
Non-derivative financial liabilities					
Trade and other payables*	689	700	619	81	–
2019					
Non-derivative financial liabilities					
Trade and other payables*	664	675	594	81	–

* exclude advances received from customers

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its interest-bearing financial liabilities. The Group's objective is to maintain a balance of fixed and floating rate borrowings as well as a balanced maturity period.

23 Financial risk management (cont'd)

Interest rate risk *(cont'd)*

The Group does not hedge its exposure to changes in interest rates on interest-bearing borrowings.

	Nominal amount	
	2020	**2019**
	$'000	**$'000**
Fixed rate instruments		
Loans and borrowings	7,146	5,667
Lease liabilities	5,182	4,974
	12,328	10,641

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect the profit or loss.

Foreign currency risk

The Group has minimal exposure to foreign currency risks as transactions are mainly denominated in the respective functional currencies of the Group entities. The currencies in which these transactions primarily denominated are the EUR and USD. The changes in the exchange rates at the reporting date would not significantly affect profit or loss and equity.

24 Contingencies and commitments

Insurance

The insurance industry in the Russian Federation is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Group does not have full coverage for its plant facilities, biological assets, business interruption, or third party liability in respect of property or environmental damage arising from accidents on the Group's property or relating to the Group's operations. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Group's operations and financial position.

Taxation

The taxation system in the Russian Federation continues to evolve and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes contradictory and subject to varying interpretation by different tax authorities.

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

In addition, changes aimed at regulating tax consequences of transactions with foreign companies have been introduced, such as concept of beneficial ownership of income, taxation of controlled foreign companies, tax residency rules, etc. These changes may potentially impact the Group's tax position and create additional tax risks.

24 Contingencies and commitments (cont'd)

Taxation (cont'd)

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.

25 Fair value of financial instruments

(a) Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, short-term investments, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Carrying amounts of non-current financial liabilities approximate their fair values.

(b) Accounting classification and fair value

The carrying amounts and fair values of financial assets and financial liabilities are as follows:

	Amortised cost $'000	Other financial liabilities $'000	Total $'000 $'000
Group			
2020			
Financial assets not measured at fair value			
Trade and other receivables*	652	–	652
Investments	4,246	–	4,246
Cash and cash equivalents	9,992	–	9,992
	14,890	–	14,890
Financial liabilities not measured at fair value			
Loans and borrowings	–	7,146	7,146
Trade and other payables**	–	2,448	2,448
	–	9,594	9,594

* *exclude advances paid to suppliers and prepaid listing expenses*

** *exclude advances received from customers*

24 Contingencies and commitments (cont'd)

(b) Accounting classification and fair value (cont'd)

	Amortised cost $'000	Other financial liabilities $'000	Total $'000 $'000
Group			
2019			
Financial assets not measured at fair value			
Trade and other receivables*	1,423	–	1,423
Investments	3,162	–	3,162
Cash and cash equivalents	4,646	–	4,646
	9,231	–	9,231
Financial liabilities not measured at fair value			
Loans and borrowings	–	5,667	5,667
Trade and other payables**	–	1,600	1,600
	–	7,267	7,267
Company			
2020			
Financial assets not measured at fair value			
Trade and other receivables*	4,326	–	4,326
Cash and cash equivalents	3,713	–	3,713
	8,039	–	8,039
Financial liabilities not measured at fair value			
Trade and other payables**	–	689	689
2019			
Financial assets not measured at fair value			
Trade and other receivables*	1,926	–	1,926
Cash and cash equivalents	3	–	3
	1,929	–	1,929
Financial liabilities not measured at fair value			
Trade and other payables**	–	664	664

* *exclude advances paid to suppliers and prepaid listing expenses*

** *exclude advances received from customers*

26 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.

Key management received the following remuneration during the year, which is included in employee benefits expense (see note 20):

	2020	2019
	$'000	$'000
Salaries and related expenses	699	792
Contributions to defined contribution plans	157	181
	856	973

Guarantees

At 31 December 2020 and 2019, the Group received a number of guarantees from a related party in connection with certain bank loans obtained by the Group amounting to $7,140,000 and $5,661,000, respectively.

27 Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 31 December 2020 and 31 December 2019 is based on the profit attributable to ordinary shareholders $8,696,000 and $5,223,000, respectively, and the weighted-average number of ordinary shares outstanding during the year, as follows:

	2020	2019
	No. of shares	No. of shares
Issued ordinary shares at 1 January	10,000,000	100
Issue of ordinary shares pursuant to the Restructuring Exercise	–	9,999,900
Issued ordinary shares immediately after the Restructuring Exercise	10,000,000	10,000,000
Sub-division of ordinary shares via share split	125,000,000	125,000,000
Share based payment	2,272,700	–
Placement Shares issued pursuant to the Placement	23,000,000	–
Number of shares issued at 31 December	150,272,700	125,000,000
Weighted average number of shares at 31 December	147,749,603	125,000,000

Diluted earnings per share

As at 31 December 2020 and 31 December 2019 , there were no outstanding dilutive potential ordinary shares. Basic earnings per share is 5.89 cents and 4.34 cents during the year ended 31 December 2020 and 31 December 2019 respectively.

28 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 they require different technology and marketing strategies.

28 Operating segments (cont'd)

Basis of segmentation (cont'd)

The following summary describes the operations in each of the Group's reportable segment.

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

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

Other operations include other non-significant segments. None of these segments met the quantitative thresholds for reportable segments in 2019 and 2020.

There are varying levels of integration between the Crop 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 such information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

	Reportable segments			
	Crops	**Livestock**	**Total reportable segments**	**All other segments**
	$'000	**$'000**	**$'000**	**$'000**
2020				
External revenue	21,059	9,834	30,893	103
Inter-segment revenue	2,505	–	2,505	–
Segment revenue	23,564	9,834	33,398	103
Segment profit/(loss) before tax	10,000	408	10,408	(102)
Other (expenses)/income	(593)	82	(511)	(1)
Finance income	64	30	94	(4)
Finance costs	(759)	(23)	(782)	1
Depreciation	(1,596)	(220)	(1,816)	(80)
Unallocated expenses:				
Listing expenses	–	–	–	(1,295)
Segment assets	45,220	15,363	60,583	47
Capital expenditure	3,945	127	4,072	–
Acquisition of subsidiary	952	–	952	–
Segment liabilities	15,331	1,836	17,167	12
Unallocated liabilities:				
Dividends payable	–	–	–	52

28 Operating segments (cont'd)

Information about reportable segments (cont'd)

	Reportable segments*			
	Crops $'000	Livestock $'000	Total reportable segments $'000	All other segments $'000
2019				
External revenue	25,666	9,662	35,328	103
Inter-segment revenue	2,142	–	2,142	–
Segment revenue	27,808	9,662	37,470	103
Segment profit/(loss) before tax	3,707	3,293	7,000	(109)
Other (expenses)/income	554	526	1,080	3
Finance income	181	68	249	–
Finance costs	(850)	(58)	(908)	–
Depreciation	(2,045)	(18)	(2,063)	(86)
Unallocated expenses:				
Listing expenses	–	–	–	(1,365)
Segment assets	34,664	16,238	50,902	25
Unallocated assets:				
Prepaid listing expenses	–	–	–	440
Capital expenditure	1,615	127	1,742	–
Segment liabilities	12,036	1,333	13,369	11
Unallocated liabilities:				
Accrued listing expenses	–	–	–	498

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

	2020 $'000	2019 $'000
Revenue		
Total revenue for reportable segments	33,398	37,470
Revenue for other segments	103	103
Elimination of inter-segment revenue	(2,505)	(2,142)
Consolidated/Combined revenue	30,996	35,431
Profit before tax		
Total profit before tax for reportable segments	10,408	7,000
Loss before tax for other segments	(102)	(109)
Unallocated expenses: Listing expenses	(1,295)	(1,365)
Consolidated/Combined profit before tax	9,011	5,526

28 Operating segments (cont'd)

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

	2020	2019
	$'000	$'000
Assets		
Total assets for reportable segments	60,583	50,902
Assets for other segments	47	25
Unallocated assets: Prepaid listing expenses	–	440
Consolidated/Combined total assets	60,630	51,367
Liabilities		
Total liabilities for reportable segments	17,167	13,369
Liabilities for other segments	12	11
Unallocated liabilities: Accrued listing expenses	–	498
Unallocated liabilities: Dividend payable	52	–
Combined total liabilities	17,231	13,878

Other material items

	Reportable segment totals	Adjustments	Combined Totals
	$'000	$'000	$'000
2020			
Finance income	94	(4)	90
Finance costs	(782)	1	(781)
Capital expenditure	4,072	–	4,072
Depreciation	(1,816)	(80)	(1,896)
2019			
Finance income	249	–	249
Finance costs	(908)	–	(908)
Capital expenditure	1,742	–	1,742
Depreciation	(2,063)	(86)	(2,149)

Geographical information

External customers of the Group are located in the Russian Federation. The Group carries out its operations in the Russian Federation and all the Group's non-current assets are located in the Russian Federation.

28 Operating segments (cont'd)

Major customers

The following are major customers with revenue equal to more than 10% of the Group's total revenue during the year:

	2020	2019
	$'000	$'000
LLC Grain Service	13,921	9,756
JSC Voronezhsky Milk Combinat	8,735	8,572
LLC MEZ Yug Rusi	6,554	4,541
JSC Yug Rusi	–	3,872
	29,210	26,741

29 Subsidiaries

As at 31 December 2020 and 31 December 2019, the subsidiaries of the Group are as follows:

Name of subsidiaries	Principal activities	Principal place of business	Ownership interest	
			2020	2019
			%	%
LLC Don Agro	Production of agricultural products	Russia	100	100
JSC Selkhoztechnika	Lease of assets	Russia	91.8	91.8
JCS Rassvet	Lease of assets	Russia	86.2	86.2
JSC Don-Agro	Holding company	Russia	100	100
JSC Tetra	Holding company	Russia	100	100
LLC Degtevskoe	Lease of assets	Russia	98.4	98.4
LLC Happy Cow	Construction of livestock building	Russia	100	100
LLC Volgo-Agro	Production of agricultural products	Russia	99,9	-

(i) Non-controlling interests

The subsidiaries of the Company have non-controlling interest that are not material to the Group.

i) Effect of acquisiton of subsidiary on the financial position of the Group

On 5 November 2020, LLC Volgo-Agro was acquired by the Group due to the sales of 99.99% of equity shares owned by New Invest Group LLC for an aggregate consideration S$1,801,000. This consideration includes the purchase of a 99.99% stake in Volgo-Agro for S$766,000 was settled in cash and of outstanding debt carried by Volgo-Agro for S$1,035,000; will be paid in FY 2021.

29 Subsidiaries (cont'd)

i) Non-controlling interests (cont'd)

i) Effect of acquisiton of subsidiary on the financial position of the Group (cont'd)

	2020
	$'000
Property, plant and equipment	952
Right-of use assets	36
Biological assets	622
Current tax assets	16
Inventories	111
Trade and other receivables	60
Cash and cash equivalents	19
Loans and borrowings	(54)
Lease liabilities	(72)
Current tax liabilities	(9)
Provision for liabilities	(15)
Trade and other payables	(353)
Net assets acquired	1,313
Total consideration transferred	1,801
Goodwill from acquisition of LLC Volgo-Agro	488

ii) Effect on cash flows of the Group

	2020
	$'000
Cash paid	766
Less: cash and cash equivalents in subsidiary acquired	(19)
Net cash outflow from acquisition of subsidiaries	747

iii) Goodwill

The acquired subsidiary is involved in the sale of crops. It operates a land bank of approximately 10,040 hectares in the area which provides favourable levels of precipitation and quality of soil that is highly suited for winter wheat production. Volgo-Agro also owns important assets including a grain cleaning machine and grain storage facilities for 10,000 tonnes. The goodwill of $488,000 is attributable to significant expansion opportunity of the agricultural business expected to arise after the acquisition.

Following the acquisition of Volgo-Agro, the Group will harness an enlarged land bank of approximately 63,240 hectares in total, representing a growth rate of 18.9%. This new land capacity will accelerate growth for the Group's winter wheat production to capture the strong and growing global demand for wheat. Tapping on this new land bank, the Group also intends to expand its income stream by diversifying its range of offerings through crop rotation. This includes producing highly demanded crops such as chickpeas which could be sold to India and other Asian countries in the region. Operationally, the Group intends to increase the utilisation of its machinery and equipment such as seeders and cultivators by re-allocating underutilised resources to the new land bank. Due to the increased scale of operations, the Group will also enjoy synergies relating to procurement due to economies of scale, while being able to adopt new sales strategies to negotiate better prices for its crops as they will be sold in larger quantities. The impairment assessment is carried out on goodwill at least annually due to para 3.9.

30 Dividends

	2020	2019
	$'000	$'000
Dividends	1,739	1,042

After the reporting date, the Directors proposed to pay dividends in amount of 1.16 cents (2019: 0.69 cents) per ordinary share amounting to $ 1,739,000 (2019: $1,042,000).

31 New standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

– *Classifications of Liabilities as Current or Non-current (Amendments to SFRS(I) 1)*

– *COVID-19 – Related Rent Concessions (Amendments to SFRS(I) 16)*

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F to the Catalist Rules relating to the retiring directors is set out below and to be read in conjunction with their respective biographies under the section entitled "Board of Directors" in the Annual Report 2020:

Date of Appointment	28 November 2018	28 June 2019
Date of last re-appointment (if applicable)	29 August 2019 (Re-elected at the annual general meeting held on 29 August 2019 prior to the listing of the Company)	29 August 2019 (Re-elected at the annual general meeting held on 29 August 2019 prior to the listing of the Company)
Name of director	Evgeny Tugolukov	Ravi Chidambaram
Age	51	58
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board having considered the NC's recommendations, the qualifications and working experience of Mr Evgeny Tugolukov, is of the view that he has the requisite experience and capabilities as an Executive Director of the Company.	The Board having considered the NC's recommendations, the qualifications and working experience of Mr Ravi Chidambaram, is of the view that he has the requisite experience and capabilities as Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive Director, the area of responsibility: setting and executing the strategic directions and expansion plans for the growth and development of the Company	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman	Lead Independent Director, NC Chairman, RC member and AC member
Professional qualifications	Diploma in Economics and Management, Russia	BA, HONOURS;MBA;MA
Working experience and occupation(s) during the past 10 years	- 2018 to present –Don Agro International Limited, Executive chairman; - 2012 to present Strongbow Investments Pte Ltd-Managing director ; - 2014 to 2018 –International Enterprise Singapore, Honorary Business Representative (Russia); - 2007 to 2011 -the State Duma of the Russian Federation – Member of the Parliament.	- 2002 to Current: TC Capital Pte. Ltd. – President.
Shareholding interest in the listed issuer and its subsidiaries	Holding of 117,500,000 shares of the listed issuer	Nil

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	Nil	TC Capital Pte. Ltd. – President Director, Datarama
Present	Dubultu Krasts, SIA, Non-Executive Director; MedScan, Limited Liability Company, Non-Executive Director; MedSacn, Joint Stock Company, Non-executive Director; Clinical Hospital on Yauza, Limited Liability Company; DDD-Diagnostic, A/S, Non-Executive Director; Asian American Medical Group Limited, Non-Executive Director; Strongbow Investments Pte Ltd, Executive Director.	President, TC Capital Director, RIMM Sustainability Director, Watershed Holding
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
In connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Disclosure applicable to the appointment of Director only		
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N/A. This is a re-election of a Director.	N/A. This is a re-election of a Director.

SHAREHOLDINGS STATISTICS
As at 29 March 2021

Issued and fully paid-up share capital	:	S$41,301,100
Class of shares	:	Ordinary shares
Number of shares issued	:	150,272,700
Voting rights	:	One (1) vote per ordinary share (excluding treasury shares and subsidiary holdings)
Number of treasury shares and percentage	:	Nil
Number of subsidiary holdings and percentage	:	Nil

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholdings	No. of Shares	% of Shareholdings
1 – 1,000	9	19.15	6,200	0.00
1,001 – 10,000	17	36.17	92,300	0.06
10,001 – 1,000,000	16	34.04	1,796,600	1.20
1,000,001 and above	5	10.64	148,377,600	98.74
Grand Total	**47**	**100.00**	**150,272,700**	**100.00**

LIST OF 20 LARGEST REGISTERED SHAREHOLDERS
(as shown in the Register of Members)

No	Name of Shareholder	No. of Shares	% of Shareholdings
1.	EVGENY TUGOLUKOV	117,500,000	78.19
2.	UOB KAY HIAN PTE LTD	15,052,500	10.02
3.	MARAT DEVLET-KILDEYEV	7,500,000	4.99
4.	RAFFLES NOMINEES (PTE) LIMITED	6,052,400	4.03
5.	PRIMEPARTNERS CORPORATE FINANCE PTE LTD	2,272,700	1.51
6.	CITIBANK NOMINEES SINGAPORE PTE LTD	715,200	0.48
7.	ABN AMRO CLEARING BANK N.V.	277,700	0.18
8.	BIN BOON KIM	137,300	0.09
9.	ANGELA CHOONG CHIEW FOONG	136,000	0.09
10.	LEE KANG HOE	113,000	0.08
11.	YAP HUEY HENG ALEC	87,000	0.06
12.	LIM YAN HONG RICHARD	81,600	0.05
13.	DBS NOMINEES PTE LTD	48,300	0.03
14.	RAHEED AKBAR NARGUND	48,000	0.03
15.	WOO KIM FONG	29,500	0.02
16.	TAM KOCK FYE	26,000	0.02
17.	OCBC NOMINEES SINGAPORE PTE LTD	25,000	0.02
18.	TOH ZHI QUAN (ZHUO ZHIQUAN)	20,000	0.01
19.	SIM YEW YEN ALLAN ALEX	19,500	0.01
20.	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	17,500	0.01
Total		150,159,200	99.92

Based on the information available to the Company as at 29 March 2021, higher than 16.00% of the issued ordinary shares of the Company are held by the public and therefore, Rule 723 of the Catalist Rules has been complied with.

LIST OF SUBSTANTIAL SHAREHOLDERS
(As recorded in the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest	%	Deemed Interest	%
EVGENY TUGOLUKOV	117,500,000	78.19	-	-

NOTICE OF ANNUAL GENERAL MEETING

For the financial year ended 31 December 2020

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Don Agro International Limited ("**Company**") will be held by way of electronic means on Thursday, 29 April 2021 at 4:00 p.m. (Singapore time) for the following purposes:

As Ordinary Business

1.	To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2020, together with the Auditors' Report thereon.	**(Resolution 1)**
2.	To re-elect Mr Ravi Chidambaram, retiring by rotation under regulation 94 of the Company's Constitution.	**(Resolution 2)**
3.	To re-elect Mr Evgeny Tugolukov, retiring by rotation under regulation 94 of the Company's Constitution.	**(Resolution 3)**
4.	To approve Directors' fees of S$180,000 for the financial year ending 31 December 2021, payable by the Company in arrears not later than 31 December 2021.	**(Resolution 4)**
5.	To declare a final tax exempt one-tier dividend of 1.157363 Singapore cents per ordinary share for the financial year ended 31 December 2020.	**(Resolution 5)**
6.	To re-appoint KPMG LLP as auditors of the Company for the financial year ending 31 December 2021 and to authorise the Directors of the Company to fix their remuneration.	**(Resolution 6)**
7.	To transact any other ordinary business that may properly be transacted at an Annual General Meeting.	

As Special Business

To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolutions:

8. Authority to allot and issue shares

"THAT, pursuant to section 161 of the Companies Act, Chapter 50 ("**Companies Act**") and Rule 806 of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

(a) (i) allot and issue shares in the capital of the Company ("**Shares**") (whether by way of rights, bonus or otherwise); and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force, provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution does not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation and adjustments as may be prescribed by SGX-ST), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from the exercise of share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares.

Adjustments in accordance with sub-paragraph (2)(a) or sub-paragraph (2)(b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all legal requirements under the Companies Act and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in a general meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in general meeting, whichever is the earlier."
(See Explanatory Notes) **(Resolution 7)**

9. <u>Authority to grant options and issue Shares under the Don Agro Employee Share Option Scheme</u>

"THAT pursuant to Section 161 of the Companies Act, the Directors be and are hereby authorised and empowered to grant options, and to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of options granted under the Don Agro Employee Share Option Scheme ("**ESOS**") provided always that the aggregate number of Shares in respect of which such options may be granted and which may be issued pursuant to the ESOS, when added to the aggregate number of Shares issued and issuable pursuant to all other share schemes of the Company, shall not exceed fifteen per cent. (15%) of the issued share capital of the Company from time to time, and in this resolution, "**subsidiary holdings**" has the same meaning ascribed to it in the Catalist Rules."
(See Explanatory Notes) **(Resolution 8)**

BY ORDER OF THE BOARD

RAYMOND LAM KUO WEI
Company Secretary
Singapore
14 April 2021

Explanatory Notes:

Resolution 2

If re-elected, Mr Ravi Chidambaram will remain as member of the Audit Committee, the Nominating Committee and the Remuneration Committee of the Company and will also remain as Chairman of the Nominating Committee of the Company. He is considered an independent director pursuant to Rule 704(7) of the Catalist Rules of the SGX-ST.

Resolution 3

If re-elected, Mr Evgeny Tugolukov will remain as an Executive Chairman of the Company.

Resolution 7

The proposed Resolution 7, if passed, will empower the Directors, from the date of the Annual General Meeting until the next Annual General Meeting of the Company, to issue Shares and/or Instruments up to an aggregate number not exceeding 100% of the total number of issued Shares excluding treasury shares and subsidiary holdings if any, with a sub-limit of 50% for Shares other than on a pro rata basis to shareholders.

Resolution 8

The proposed Resolution 8, if passed, will empower the Directors of the Company, to grant options and to allot and issue Shares upon the exercise of such options in accordance with the ESOS.

IMPORTANT NOTICE TO SHAREHOLDERS IN RELATION TO THE CONDUCT AND PROCEEDINGS OF THE COMPANY'S AGM ON 29 APRIL 2021 AT 4:00 P.M. (SINGAPORE TIME)

This AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will NOT be sent to shareholders. Instead, this Notice will be sent to shareholders solely by electronic means via publication at the URL https://conveneagm.sg/donagrointernationalagm2021 and will also be made available on the SGXNet at the URL https://www.sgx.com/securities/company-announcements.

Alternative arrangements relating to shareholders' participation at the AGM are:

(a) observing and/or listening to the AGM proceedings contemporaneously via a "live" audio-visual webcast or a "live" audio-only stream (collectively, "**Live Webcast**") respectively;

(b) submitting questions in advance in relation of the resolutions set out in the Notice of AGM; and

(c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM.

Shareholders may participate at the AGM by taking note of the following steps:

1. Pre-Registration for the Live Webcast

A shareholder will be able to follow the proceedings of the AGM through the Live Webcast via mobile phone, tablet, computer or any such electronic device.

In order to do so, shareholders MUST pre-register online at the URL https://conveneagm.sg/donagrointernationalagm2021 by 4:00 p.m. (Singapore time) on 26 April 2021 (the "**Registration Deadline**") to enable the Company to verify their shareholders' status.

Following the verification and upon the closure of pre-registration, authenticated shareholders will receive email instructions to access the Live Webcast of the AGM proceedings by 4:00 p.m. (Singapore time) on 28 April 2021.

Shareholders are reminded that the AGM proceedings are private. Accordingly, shareholders must not forward the abovementioned email instructions to other persons who are not shareholders and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live Webcast. In addition, recording of the Live Webcast by shareholders in whatever form is also strictly prohibited.

Shareholders who register by the Registration Deadline but do not receive the abovementioned email instructions by 4:00 p.m. (Singapore time) on 28 April 2021 may contact the Company's technical support by email at vnovikov@donagroint.com for assistance, with the following details included for verification purpose:

(a) Full name of the shareholder; and (b) His/her/its national registration identity card ("**NRIC**") number/passport number/company registration number.

Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50), including CPF and SRS Investors, and who wish to participate in the AGM should, in addition to pre-registering online, contact their relevant intermediary (which would include, in the case of CPF and SRS Investors, their respective CPF Agent Banks and SRS Operators) through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

2. **Submission of Questions**

Shareholders will NOT be able to speak or ask questions during the AGM via the Live Webcast, and therefore it is important for them to submit their questions in advance of the AGM.

Shareholders may submit any questions related to the resolutions to be tabled for approval at the AGM via the URL https://conveneagm.sg/donagrointernationalagm2021 or by email at anazaryan@prodalliance.com no later than 4:00 p.m. (Singapore time) on 26 April 2021 (the "**Submission Deadline**").

Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50), including CPF and SRS Investors, can also submit their questions related to the resolutions to be tabled for approval at the AGM based on the abovementioned instructions.

The Company will endeavour to provide its answers and responses to the substantial and relevant questions received from shareholders relating to the resolutions to be tabled for approval at the AGM prior to the AGM via publication on (i) the SGXNet at the URL https://www.sgx.com/securities/company-announcements and (ii) the Company's corporate website at the URL http://www.donagroint.com; or at the AGM via the Live Webcast.

The minutes of the AGM will thereafter be published on (i) the SGXNet at the URL https://www.sgx.com/securities/company-announcements; and (ii) the Company's corporate website at the URL http://www.donagroint.com; within (1) one month after the date of the AGM.

3. **Voting by Proxy**

Due to the current COVID-19 restriction orders in Singapore, a shareholder will NOT be able to attend the AGM in person. A member (whether individual or corporate) MUST appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such shareholder wishes to exercise his/her/its voting rights at the AGM.

The accompanying Proxy Form for the AGM may be accessed at the URL https://conveneagm.sg/donagrointernationalagm2021 and will also be made available on the SGXNet at the URL https://www.sgx.com/securities/company-announcements.

Where a shareholder (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50), including CPF and SRS Investors, and who wish to appoint the Chairman of the AGM as proxy should contact their relevant intermediary (which would include, in the case of CPF and SRS Investors, their respective CPF Agent Banks and SRS Operators) through which they hold such shares as soon as possible in order to submit their votes at least (7) seven working days before the AGM and in any case, no later than 5:00 p.m. (Singapore time) on 19 April 2021.

The Proxy Form appointing the Chairman of the AGM as proxy, together with the power of attorney or other authority, if any, under which the instrument of proxy is signed or duly certified copy of that power of attorney or other authority (failing previous registration with the Company), must be submitted to the Company in the following manner:

(a) if submitted by post, be deposited at the registered office of the Company's Share Registrar at 80 Robinson Road, #11-02 Singapore 068898; or

(b) if submitted electronically, be submitted via email to the Company's Share Registrar at sg.is.proxy@sg.tricorglobal.com,

in either case, not less than 72 hours before the time appointed for holding the AGM, i.e. no later than 4:00 p.m. (Singapore time) on 26 April 2021.

A shareholder who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the ongoing COVID-19 situation which may make it difficult for shareholders to submit completed Proxy Forms by post, shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.

The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

In the case of shares entered in the Depository Register, a Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to appoint the Chairman of the AGM as proxy.

4. Documents for the AGM

All the documents (including the Annual Report 2020, the proxy form and the Notice of AGM) or information relating to the business of the AGM have been, or will be, published on the URL https://conveneagm.sg/donagrointernationalagm2021 and on the SGXNet at the URL https://www.sgx.com/securities/company-announcements.

IMPORTANT NOTICE: Due to the evolving COVID-19 situation in Singapore, the Company may change the AGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the AGM via the SGXNet. Shareholders are advised to check the SGXNet regularly for updates on the AGM.

The Company wishes to thank all shareholders for their patience and co-operation in enabling the Company to hold the AGM with the optimum safe distancing measures amidst the current COVID-19 pandemic.

Personal Data Privacy:

By (a) submitting a form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the AGM via a "live" audio-visual webcast or a "live" audio-only stream, or (c) submitting any question prior to the AGM in accordance with this Notice, a shareholder of the Company consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the following purposes:

(i) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);

(ii) processing of the registration for purpose of granting access to shareholders (or their corporate representatives in the case of shareholders which are legal entities) to observe the proceedings of the AGM and providing them with any technical assistance where necessary;

(iii) addressing relevant and substantial questions from shareholders received before the AGM and if necessary, following up with the relevant shareholders in relation to such questions; and

(iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

The shareholder's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

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DON AGRO INTERNATIONAL LIMITED

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

ANNUAL GENERAL MEETING PROXY FORM

IMPORTANT:
1. The Annual General Meeting of the Company ("**AGM**") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM will NOT be sent to shareholders. Instead, the Notice of AGM will be sent to shareholders solely by electronic means via publication at the URL https://conveneagm.sg/donagrointernationalagm2021 and will also be available on the SGXNet at the URL https://www.sgx.com/securities/company-announcements.
2. Alternative arrangements relating to the attendance at the AGM by way of electronic means via a "live" audio-visual webcast or a "live" audio-only stream, submission of questions to the Chairman of the AGM in advance in relation to any resolution set out in the Notice of AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying Notice of AGM.
3. **Due to the current COVID-19 restriction orders in Singapore, a shareholder will not be able to attend the AGM in person. A shareholder (whether individual or corporate) MUST appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such shareholder wishes to exercise his/her/its voting rights at the AGM.**
4. By submitting the Proxy Form appointing the Chairman of the AGM as proxy, the shareholder accepts and agrees to the personal data privacy terms set out in this Proxy Form.

Please read the notes overleaf which contains instructions on, *inter alia*, the appointment of the Chairman of the AGM as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.

*I/We ______________________________ (Name)

______________________________ *(NRIC/Passport Number/Company Registration Number)

of ______________________________ (Address)

being *a member/members of **DON AGRO INTERNATIONAL LIMITED** (the "**Company**"), hereby appoint the Chairman of the AGM, as *my/our proxy to attend, speak and vote for *me/us on *my/our behalf at the AGM to be convened and held by way of electronic means via a "live" audio-visual webcast or a "live" audio-only stream on 29 April 2021 at 4:00 p.m. (Singapore time) and at any adjournment thereof. *I/We direct the Chairman of the AGM to vote for or against or abstain from the Resolutions to be proposed at the AGM as indicated hereunder.

*** Delete accordingly**

No.	Resolutions	No. of votes for(1)	No. of votes against(1)	Abstain from voting(1)
Ordinary Business				
1	To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2020, together with the Auditors' Report thereon.			
2	To re-elect Mr Ravi Chidambaram, who is retiring by rotation under regulation 94 of the Company's Constitution.			
3	To re-elect Mr Evgeny Tugolukov, who is retiring by rotation under regulation 94 of the Company's Constitution.			
4	To approve Directors' fees of S$180,000 for the financial year ending 31 December 2021, payable by the Company in arrears not later than 31 December 2021.			
5	To declare a final tax exempt one-tier dividend of 1.157363 Singapore cents per ordinary share for the financial year ended 31 December 2020.			
6	To re-appoint KPMG LLP as auditors of the Company for the financial year ending 31 December 2021 and to authorise the Directors of the Company to fix their remuneration.			
Special Business				
7	To authorise the directors to issue and allot shares and/or instruments pursuant to Section 161 of the Companies Act, Cap. 50.			
8	To authorise the directors to grant options and issue shares under the Don Agro Employee Share Option Scheme.			

Notes:
(1) If you wish to exercise all your votes "For" or "Against" or "Abstain", please indicate with a tick "√" within the box provided. Alternatively, please indicate the number of votes as appropriate.
(2) In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.

Dated this _________ day of _____________________ 2021.

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	
TOTAL	

____
Signature(s) of Member(s)/Common seal
IMPORTANT: PLEASE READ NOTES OVERLEAF.

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. **Due to the current COVID-19 restriction orders in Singapore, a shareholder will not be able to attend the AGM in person. A shareholder (whether individual or corporate) MUST appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such shareholder wishes to exercise his/her/its voting rights at the AGM.** This Proxy Form may be accessed at the URL https://conveneagm.sg/donagrointernationalagm2021 and will also be made available on the SGXNet at the URL https://www.sgx.com/securities/company-announcements. Where a shareholder (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

3. Investors who hold shares through relevant intermediaries, including investors who buy shares using CPF monies ("**CPF Investor**") or SRS monies ("**SRS Investor**"), and who wish to appoint the Chairman of the AGM to act as their proxy should approach their respective relevant intermediaries, including CPF Agent Banks or SRS Operators, to submit their votes at least seven (7) working days before the AGM and in any case, no later than 5:00 p.m. (Singapore time) on 19 April 2021.

4. The Chairman of the AGM, as proxy, need not be a member of the Company.

5. The Proxy Form appointing the Chairman of the AGM as proxy must be under the hand of the appointor or his attorney duly authorised in writing. Where the Proxy Form appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed under its common seal or under the hand of its attorney duly authorised. Where the Proxy Form appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the Proxy Form appointing the Chairman of the AGM as proxy is submitted by post, be lodged with the Proxy Form, or if the Proxy Form appointing the Chairman of the AGM as proxy is submitted electronically via email, be emailed with the Proxy Form, failing which the Proxy Form may be treated as invalid.

6. The instrument appointing the Chairman of AGM as proxy, together with the power of attorney or other authority, if any, under which the instrument of proxy is signed or duly certified copy of that power of attorney or other authority (failing previous registration with the Company), must be submitted to the Company in the following manner:

   (a) if submitted by post, be deposited at the registered office of the Company's Share Registrar at 80 Robinson Road, #11-02 Singapore 068898; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar at sg.is.proxy@sg.tricorglobal.com,

   in either case, not less than 72 hours before the time appointed for holding the AGM, i.e. no later than 4:00 p.m. (Singapore time) on 26 April 2021.

   A shareholder who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the ongoing COVID-19 situation which may make it difficult for shareholders to submit completed Proxy Forms by post, shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.

7. A Depositor shall not be regarded as a shareholder of the Company entitled to attend the AGM and to vote thereat unless his name appears on the Depository Register as at 72 hours before the time appointed for holding the AGM.

8. The Company shall be entitled to reject the Proxy Form appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of shareholders of the Company whose shares are entered against their names in the Depository Register, the Company may reject any Proxy Form appointing the Chairman of the AGM as proxy lodged if such shareholders are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting this Proxy Form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 April 2021.

DON AGRO

Company Registration No. : 201835258H

DON AGRO INTERNATIONAL LIMITED