Prepared on: 6 February 2020

DON AGRO INTERNATIONAL LIMITED

(Company Registration No.: 201835258H)
(Incorporated in the Republic of Singapore on 16 October 2018)

PLACEMENT OF 23,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF DON AGRO INTERNATIONAL LIMITED (THE "PLACEMENT SHARES") AT S$0.22 FOR EACH PLACEMENT SHARE, PAYABLE IN FULL ON APPLICATION (THE "PLACEMENT")

Prior to making a decision to subscribe for the Placement Shares, you should carefully consider all the information contained in the offer document dated 6 February 2020 issued by Don Agro International Limited (the "Company") in respect of the Placement (the "Offer Document"). This Product Highlights Sheet should be read in conjunction with the Offer Document. You will be subject to various risks and uncertainties, including the potential loss of your entire principal amount invested. If you are in doubt as to investing in the Securities, you should consult your legal, financial, tax or other professional adviser.

This Product Highlights Sheet[1] is an important document.

- **It highlights the key information and risks relating to the offer of the Placement Shares contained in the Offer Document. It complements the Offer Document[2].**
- **You should not subscribe for the Placement Shares if you do not understand the nature of an investment in equity securities, our business or are not comfortable with the accompanying risks.**
- **If you wish to subscribe for the Placement Shares, you will need to make an application in the manner set out in the Offer Document. If you do not have a copy of the Offer Document, please contact us to ask for one.**

Issuer	Don Agro International Limited	**Place of incorporation**	Singapore
Details of this offer	Placement of 23,000,000 Placement Shares	**Total amount to be raised in this offer**	Gross proceeds of approximately S$5.1 million and net proceeds of approximately S$1.3 million
Issue Price	S$0.22 for each Placement Share	**Listing status of Issuer and the Securities**	Acceptance of applications will be conditional upon, *inter alia*, issue of the Placement Shares and permission being granted by the SGX-ST to deal in, and for quotation of, all of our Shares on Catalist. The Shares are expected to be listed on 14 February 2020.
Sponsor, Issue Manager and Placement Agent	PrimePartners Corporate Finance Pte. Ltd.	**Underwriter(s)**	The Placement is not underwritten.

OVERVIEW

[1] This Product Highlights Sheet does not constitute, or form any part of any offer for subscription for, or solicitation of any offer to subscribe for, any securities nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. This Product Highlights Sheet shall be read in conjunction with the Offer Document. The information in this Product Highlights Sheet is based on information found in the Offer Document dated 6 February 2020 issued by the Company. Any decision to subscribe for the Placement Shares must be made solely on the basis of information contained in the Offer Document. Capitalised terms used in this Product Highlights Sheet, unless otherwise defined, shall bear the meanings as defined in the Offer Document.

[2] The Offer Document, has been registered by the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore on 6 February 2020 respectively. A printed copy of the Offer Document (together with this Product Highlights Sheet) may be obtained on request, subject to availability, during office hours, from PrimePartners Corporate Finance Pte. Ltd., 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318. An electronic copy of the Offer Document (together with this Product Highlights Sheet) is also available on the SGX-ST's website at http://www.sgx.com.

WHO ARE WE AND WHAT DO WE DO?

Our Company was incorporated on 16 October 2018 in Singapore under the Companies Act as an investment holding private limited company under the name of "Don Agro International Private Limited". Our Company was converted to a public company and renamed "Don Agro International Limited" on 4 February 2020. Our Group's principal business activity is the cultivation of agricultural crops and the production of raw milk in Russia.

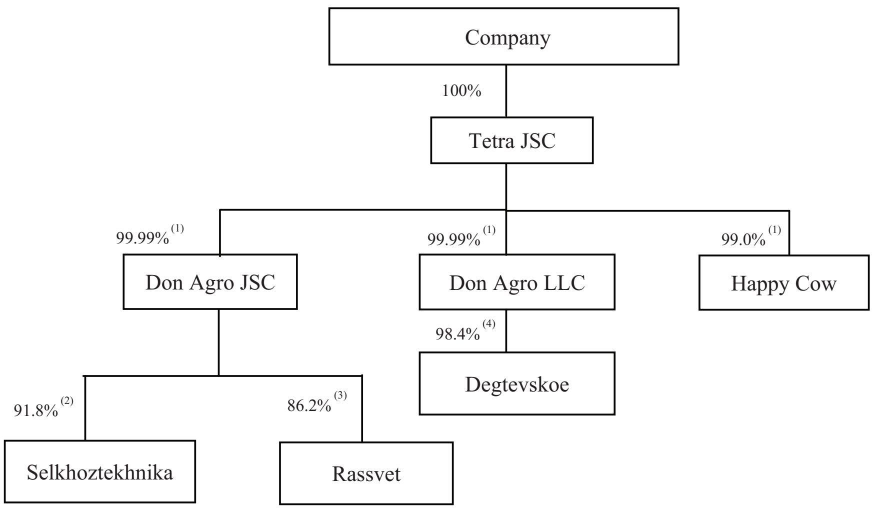
Our principal operating subsidiary is Don Agro LLC and we operate three (3) production divisions in the Rostov region, namely, the Northern production division, the Western production division and the Eastern production division. All of our production divisions undertake both crop and milk production and each production division has its own storage facilities and dedicated parking area for our machinery.

Crop production is one of our core businesses and all of our arable land is located in the Rostov region, which is one of the most fertile regions in Russia, and is approximately 220 km away from the Azov Sea and Don River international ports. This allows our customers, who are mainly traders and exporters, to save on transportation costs and, as a result, be able to offer higher prices for our crops. We are primarily engaged in the farming of commercial crops such as winter wheat, sunflower, sorghum, corn and flax. We have a controlled land bank of approximately 53,200 hectares, of which approximately 41,167 hectares are arable land. As at the Latest Practicable Date, we own approximately 13,640 hectares of our controlled land bank.

Our Group operates five (5) dairy farms and is one of the top farms in terms of milk production in the Rostov region. As at the Latest Practicable Date, our Group owns approximately 4,201 heads of dairy cattle which includes approximately 2,073 milking cows. We produce and sell raw milk to dairy processing companies for the production of fresh milk and other high-end processed dairy products.

Refer to the sections entitled "General Information on our Group – History" and "General Information on our Group – Business" on pages 115 to 117 and 118 to 128 respectively of the Offer Document for more information on our history and business.

The structure of our Group as at the date of the Offer Document is as follows:



Notes:

(1) The remaining 0.01%, 0.01% and 1.0% shareholding interests in Don Agro JSC, Don Agro LLC and Happy Cow respectively are held directly by Don Agro International Limited.

(2) The remaining 8.2% shareholding interest representing voting rights in Selkhoztekhnika are held by unrelated third parties.

(3) The remaining 13.8% shareholding interest in Rassvet is held by unrelated third parties.

(4) This refers to the percentage of voting participatory interests held by Don Agro LLC in Degtevskoe. The charter capital of Degtevskoe comprises the nominal value of the participatory interests (or shares) of its participants (or shareholders), of which approximately 98.4% is held by Don Agro LLC, approximately 1.4% is held by Degtevskoe and approximately 0.2% is held by unrelated third parties. The participatory interests held by Degtevskoe are dormant and are not taken into account for voting and distributions.

Refer to the sections entitled "Group Structure" on pages 73 to 75 of the Offer Document for more information on our Group structure.

WHO ARE OUR DIRECTORS AND KEY EXECUTIVES?

Our board of Directors comprise:

(a) Evgeny Tugolukov (Executive Chairman)

(b) Marat Devlet-Kildeyev (Chief Executive Officer and Executive Director)

(c) Ravi Chidambaram (Lead Independent Director)

(d) Tan Han Beng (Independent Director)

(e) Edwin Tham Soong Meng (Independent Director)

Our Executive Officers are:

(a) Artur Nazaryan (Chief Financial Officer)

(b) Vadim Novikov (Chief Operating Officer)

Refer to the section entitled "Directors, Management and Staff" on pages 176 to 187 of the Offer Document for more information on our Directors and Executive Officers.

WHO ARE OUR CONTROLLING SHAREHOLDERS?

Prior to the Placement, Evgeny Tugolukov, who is our Executive Chairman, holds approximately 92.3% of our Company's total issued and paid-up share capital. Immediately after the Placement, he is expected to hold approximately 78.2% of our Company's enlarged issued and paid-up share capital.

Refer to the section entitled "Shareholders – Shareholding and Ownership Structure" on page 67 of the Offer Document for more information on our controlling shareholders.

HOW WAS OUR HISTORICAL FINANCIAL PERFORMANCE AND WHAT IS OUR CURRENT FINANCIAL POSITION?

Key information on the results of operations of our Group

	Audited			Unaudited	
S$'000	**FY2016**	**FY2017**	**FY2018**	**HY2018**	**HY2019**
Revenue	**30,979**	**23,193**	**24,375**	**7,826**	**11,640**
Cost of sales	(31,668)	(21,495)	(22,017)	(7,196)	(9,624)
Gain from changes in fair value of biological assets and agricultural produce	6,602	5,049	6,704	1,826	3,226
Gross profit	**5,913**	**6,747**	**9,062**	**2,456**	**5,242**
Profit before tax	4,335	4,174	6,442	2,059	4,406
Profit attributable to owners of the Company	**4,237**	**4,101**	**6,389**	**2,035**	**4,259**
Pre-Placement EPS (cents)(1)	3.33	3.22	5.02	1.60	3.35
Post-Placement EPS (cents)(2)(3)	2.82	2.73	4.25	1.35	2.83

Notes:

(1) For comparative purposes, the pre-Placement EPS for the Period Under Review have been computed based on the total profit attributable to owners of the Company and our Company's pre-Placement share capital of 127,272,700 Shares.

(2) Had the Service Agreements (as set out in the section entitled "Directors, Management and Staff – Service Agreements" of the Offer Document) been in place since 1 January 2018, our audited combined profit before tax, profit attributable to owners of the Company and EPS based on our Company's post-Placement share capital of 150,272,700 Shares for FY2018 would have been approximately S$5.9 million, S$5.8 million and 3.88 cents respectively, after an adjustment of approximately S$0.6 million.

(3) For comparative purposes, the post-Placement EPS for the Period Under Review have been computed based on the profit attributable to owners of the Company and our Company's post-Placement share capital of 150,272,700 Shares.

Refer to the sections entitled "Selected Combined Financial Information" and "Management's Discussion and Analysis of Results of Operations and Financial Position" on pages 76 to 79 and 80 to 108, of the Offer Document for more information on our financial performance and position.

Selected Combined Statements of Cash Flows of Our Group

S$'000	FY2016 (Audited)	FY2017 (Audited)	FY2018 (Audited)	FY2019 (Unaudited)
Net cash from/(used in) operating activities	14,526	(3,855)	3,351	718
Net cash (used in) investing activities	(3,177)	(4,333)	(47)	(1,081)
Net cash (used in)/from financing activities	(10,916)	8,543	(3,733)	786
Net change in cash and cash equivalents	433	355	(429)	423
Net foreign exchange rate fluctuations on cash held	268	(39)	(260)	123
Cash and cash equivalents at beginning of financial year/period	935	1,636	1,952	1,263
Cash and cash equivalents as at end of financial year/period	1,636	1,952	1,263	1,809

Selected Combined Statements of Financial Position of Our Group

S$'000	As at 31 December 2016 (Audited)	As at 31 December 2017 (Audited)	As at 31 December 2018 (Audited)	As at 30 June 2019 (Unaudited)
Non-current assets	18,103	21,138	18,824	25,791
Current assets	16,612	20,695	19,986	28,829
Total assets	34,715	41,833	38,810	54,620
Non-current liabilities	11,676	319	1,298	6,146
Current liabilities	3,339	14,034	8,068	12,692
Total liabilities	15,015	14,353	9,366	18,838
Total equity	19,700	27,480	29,444	35,782
Total liabilities and equity	34,715	41,833	38,810	54,620
NAV per Share (cents)[1]	15.46	21.58	23.12	28.08

Note:

(1) NAV per share is computed based on the equity attributable to owners of the Company and our Company's pre-Placement share capital of 127,272,700 Shares.

The most significant factors contributing to our financial performance in FY2017 as compared to FY2016 are as follows:

- Our total revenue decreased by approximately S$7.8 million or 25.1% from approximately S$31.0 million in FY2016 to approximately S$23.2 million in FY2017. The decrease was attributable to a decrease in the revenue from the sale of crop production of approximately S$9.7 million mainly due to (i) lower yield of our crops as a result of a reduction in arable land by approximately 4,000 hectares due to expiration of certain leases; and (ii) a lower volume of crops sold due to lower prices in FY2017. The decrease was partially offset by an increase in revenue from the sale of livestock and milk of approximately S$1.9 million.
- Our profit before tax decreased by approximately S$0.2 million or 3.7% from approximately S$4.3 million in FY2016 to approximately S$4.1 million in FY2017 mainly due to (i) an increase in administrative expenses of approximately S$0.5 million; and (ii) net other operating expenses incurred of approximately S$1.5 million. This was offset by (i) an increase in gross profit of approximately S$0.8 million; and (ii) a decrease in net finance cost of approximately S$1.0 million.
- In FY2017, we recorded a net cash used in operating activities of approximately S$3.9 million, which was a result of operating profit before reinvestment in working capital of approximately S$6.6 million, adjusted for working capital outflows of approximately S$10.4 million and income tax paid of approximately S$0.1 million.

The most significant factors contributing to our financial performance in FY2018 as compared to FY2017 are as follows:

- Our total revenue increased by approximately S$1.2 million or 5.1% from approximately S$23.2 million in FY2017 to approximately S$24.4 million in FY2018. The increase was mainly due to the increase in the revenue from the sale of crop production of approximately S$1.7 million as a result of the sale of a portion of our agricultural produce harvested in FY2017 in FY2018 and higher prices of winter wheat, corn and sunflower. The increase was partially offset by the decrease in revenue from the sale of livestock and milk of approximately S$0.5 million.

• Our profit before tax increased by approximately S$2.3 million or 54.3% from approximately S$4.1 million in FY2017 to approximately S$6.4 million in FY2018 mainly due to (i) an increase in gross profit of approximately S$2.3 million; (ii) a decrease in administrative expenses of approximately S$0.2 million; and (iii) a decrease in finance costs of approximately S$0.3 million. This was partially offset by an increase in net other operating expenses of approximately S$0.5 million. • In FY2018, we recorded a net cash from operating activities of approximately S$3.4 million, which was a result of operating profit before reinvestment in working capital of approximately S$3.8 million, adjusted for working capital outflows of approximately S$0.4 million and income tax paid of approximately S$55,000. The most significant factors contributing to our financial performance in HY2018 as compared to HY2019 are as follows: • Our total revenue increased by approximately S$3.8 million or 48.7% from approximately S$7.8 million in HY2018 to approximately S$11.6 million in HY2019. This increase was mainly attributable to (i) the increase in the revenue from the sale of crop production of approximately S$2.9 million as a result of the increase in sale of a portion of our agriculture produce harvested in FY2018 in HY2019 due to the higher volume of sunflower sold in HY2019 as compared to HY2018; and (ii) the increase in the revenue from sale of raw milk of approximately S$0.9 million mainly due to the higher volume and slight increase in prices of milk sold (in RR) in HY2019 as compared to HY2018. • Our profit before tax increased by approximately S$2.3 million or 114.0% from approximately S$2.1 million in HY2018 to approximately S$4.4 million in HY2019 mainly due to (i) an increase in gross profit of approximately S$2.8 million; and (ii) an increase in net other operating income of approximately S$0.1 million. This was partially offset by (i) an increase in administrative expenses of approximately S$0.4 million; and (ii) an increase in finance costs of approximately S$0.2 million. • In HY2019, we recorded a net cash from operating activities of approximately S$0.8 million, which was a result of operating profit before reinvestment in working capital of approximately S$4.7 million, adjusted for working capital outflows of approximately S$3.8 million, and income tax paid of approximately S$0.1 million. **The above factors are not the only factors contributing to our financial performance in FY2016, FY2017, FY2018 and HY2019. Please refer to the other factors set out in the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position" pages 80 to 108 of the Offer Document.**	
INVESTMENT HIGHLIGHTS	
WHAT ARE OUR BUSINESS STRATEGIES AND FUTURE PLANS?	
Our strategies and future plans for the continued growth of our business are as follows: **Expansion of our arable land bank** We intend to expand our arable land bank through the acquisition of companies engaging in similar businesses and/or the acquisition of arable plots of land. While we have not identified any specific plots of land or companies for acquisition, we intend to focus our acquisition of land on plots of land which are near our current operations and/or nearer the ports in the Rostov region. Our sources for our land bank acquisitions may be through the sale of distressed assets by banks, land brokers and/or our personal connections. **Acquisition of new equipment and machinery** We intend to acquire new machinery to upgrade our existing equipment and machinery and/or expand our equipment and machinery in line with our expansion of our land bank. Such equipment and machinery may include seeders, tractors and harvesters. We believe that the acquisition of such new equipment and machinery will improve our efficiency, productivity and yield for our crop business. **Explore opportunities in mergers and acquisitions, joint ventures and strategic alliances** We recognise that there may be opportunities that may arise through mergers and acquisitions, joint ventures and strategic alliances with domestic and foreign companies. This would enable us to expand our Group's network and provide us with opportunities to learn from our business partners who have the relevant expertise and relationships.	Refer to the section entitled "General Information on our Group – Business Strategies and Future Plans" on page 162 of the Offer Document for more information on our strategies and future plans.

WHAT ARE THE KEY TRENDS, UNCERTAINTIES, DEMANDS, COMMITMENTS OR EVENTS WHICH ARE REASONABLY LIKELY TO HAVE A MATERIAL EFFECT ON US?	
Based on our Directors' knowledge and experience of the industry and barring any unforeseen circumstances, our Directors have observed the following trends since the Latest Practicable Date: (a) Crop business The harvest for winter wheat, corn and flax has generally been lower in 2018 than in 2017; while the harvest for sunflower was generally higher in 2018 than in 2017. For 2019, assuming normal weather conditions during the harvesting season, we expect the harvest for both winter wheat and sunflower to generally increase and believe that the crop harvest will be sufficient to satisfy local demand as the demand for sunflower, corn and flax has generally been stable from local customers. In addition, we believe that there are also good prospects for export demand for winter wheat due to demand driven by global economic growth in general and a rising world population, while export demand for corn and sunflower, which are typically sold to local customers, is also expected to increase in 2019 and 2020. As a result of the currency depreciation of the RR, the prices of our crops in RR increased in 2018. We expect our crop prices to remain fairly stable in 2019 as we envisage that the RR will likely continue to depreciate. Despite the general forecast of world sunflower oil quotes to improve, we expect a slight reduction of the prices of sunflower due to an oversupply due to a bumper harvest in Russia for the 2019 and 2020 season. We observed an increase in diesel prices between 2017 to 2018 as a result of an increase in world oil prices and RR depreciation, which led to a slight increase in our cost of sales. In response to the increase in diesel prices, the Russian government had decreased gasoline excise duty in the middle of 2018 in order to regulate diesel prices. In addition, in November 2018, as part of the SPDAR, the Russian government has also granted subsidies to agricultural companies to finance the purchase of fuel. Excise duties for diesel increased by 50.8% and for certain types of gasoline by 49.9% since 1 January 2019 following the changes to the Russian Tax Code introduced in 2018. Russian government also increased prohibitive duties on the export of oil and petroleum products in order to moderate fuel prices in Russia. As a result, prices for fuel increased by 5.0% to 10.0% compared to previous year. (b) Dairy business We expect that the demand for and the prices of our milk will continue to be stable in 2019 and 2020 due to Russia's current milk deficit situation and the development of Russia's milk industry. As the dairy business is labour intensive, with the increase in the Russian monthly minimum wage from RR9,489 to RR11,163 from 1 May 2018 onwards, we expect our labour costs to increase, although such increase is not expected to be significant as our Group pays most of our employees above the monthly minimum wage stipulated by the Russian government. Further, we expect that in line with the Russian government's focus on developing the dairy industry, Russian government domestic support for the industry such as subsidies for investment and short-term loans, subsidies for reimbursement of capital exp is treated as having an interest in for the purposes of the SFA enditures for dairy farm, and subsidies for the increase of productivity in dairy farming which were available in 2018, will continue to remain in effect in 2019 and 2020. **The above are not the only trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on us. Please refer to the other factors set out in the sections entitled "Risk Factors", "Management's Discussion and Analysis of Results of Operations and Financial Position", "General Information on our Group – Prospects" and "General Information on our Group – Trend Information and Order Book" on pages 37 to 56, 80 to 108, 156 to 160 and 160 to 161 respectively of the Offer Document**.	Refer to the sections entitled "General Information on our Group – Prospects" and "General Information on our Group – Trend Information and Order Book" on pages 156 to 160 and 160 to 161 respectively of the Offer Document for more information on the relevant trend information.

WHAT ARE THE KEY RISKS WHICH HAD MATERIALLY AFFECTED OR COULD MATERIALLY AFFECT US AND YOUR INVESTMENT IN OUR SECURITIES?	
We set out below a summary of what we consider the most important key risks which had materially affected or could materially affect our business operations, financial position and results and your investment in our Shares. Please refer to the section entitled "Risk Factors" set out on pages 37 to 56 of the Offer Document for more details on each of the risk factors set out below and other risk factors. • **Outbreaks of disease affecting crops or cows could have a material adverse effect on our business, results of operations and financial condition** Our production is vulnerable to crop diseases and pest infestations, which may vary in severity, depending on the stage of production at the time of infection or infestation, the type of treatment applied and climatic conditions. The costs to control these diseases and other infestations vary depending on the severity of the damage and the extent of the plantings affected. Moreover, available technologies to control such diseases or infestations may not continue to be effective. These diseases or infestations can increase costs, decrease revenues and lead to additional expenses, which may have a material and adverse effect on our business, results of operations and financial condition. A major outbreak of livestock diseases at our dairy farm could have a significant adverse impact on our milk production capacity and volume. We cannot guarantee that animal diseases, including but not limited to, FMD, brucellosis, bovine TB and bovine paratuberculosis, will not occur at our dairy farms or that we will always be able to monitor or detect any illness or diseases promptly among our cows. • **International sanctions, and their possible expansion, could materially and adversely affect the value of investments in Russia, as well as our business, results of operations and financial condition** The crisis in Ukraine has led to a significant deterioration of Russia's relations with the western economies, which intensified following the introduction by the U.S., the EU as well as a number of other countries of a variety of economic sanctions against Russia. To date, no individual or entity within our Group has been designated by the U.S., the EU or any other country as a specific target of their respective sanctions. No assurance can be given, however, that any such individual or entity will not be so designated in the future, or that broader sanctions against Russia that affect our Group, will not be imposed. • **We engage in transactions with entities which may be subject to various trade and economic sanctions** Our Group's operations are currently entirely based in Russia. Our customers include major Russian food producers, while our suppliers include major Russian chemical and fertiliser producers and diesel/petrol distributors. Accordingly, certain of our customers and suppliers are or may be subject to various trade and economic sanctions as part of international sanctions against Russia. In addition, our principal bankers, RSHB and Sberbank, are state-owned banks and are included in certain economic and diplomatic sanctions imposed by the U.S., the EU, Australia and Ukraine. Based on the views of Nektorov, Saveliev & Partners, the Legal Adviser to our Company on Russian Law and Hogan Lovells, the Legal Advisor to our Company on International Sanctions Laws, we believe that the current sanctions do not preclude us from our current dealings with the aforementioned customers, suppliers and banks. However, new sanctions imposed by the international community may affect or restrict certain of our dealings with our customers, suppliers and banks. To the extent applicable, existing and new or expanded future sanctions on our customers, suppliers and/or bankers may expose us to negative legal and business consequences, including government investigation, business disruptions and reputational harm.	Refer to the section entitled "Risk Factors" on pages 37 to 56 of the Offer Document for more information on risk factors.

During the Relevant Period, the existing sanctions on the aforementioned customers, suppliers and banks have not adversely affected our business, results of operations and financial condition.

In connection with the Listing, we have provided an undertaking to the SGX-ST that, amongst others, (i) the Board will undertake efforts to remediate and resolve material sanctions risks which arise post-Listing to the satisfaction of the SGX-ST within a reasonable period; and (ii) the Company will seek a voluntary suspension from trading and/or delisting from the SGX-ST pursuant to Catalist Rule 1307 in the event that material sanctions risks arise and it is unwilling or unable to remediate the sanctions risks to the satisfaction of the SGX-ST.

In the event that there are material risks of our Group infringing any sanctions laws or if material sanctions risks arise and the Company is unwilling or unable to remediate or resolve such sanctions risks to the satisfaction of the SGX-ST after the Listing, the SGX-ST may exercise its powers under Rule 1303(7) of the Catalist Rules to suspend the trading of our Shares or securities, and remove our Company from its official list without our agreement pursuant to Rule 1305(1)(d) of the Catalist Rules.

- **We may not be able to renew our land leases**

  As at the Latest Practicable Date, we have a controlled land bank of approximately 53,200 hectares, of which approximately 40,785 hectares or approximately 76.7% are leased pursuant to lease agreements with local government authorities and individuals. The lease terms generally range from one (1) year to 49 years. Our land leases are subject to uncertainties such as termination or breach by the land owners. Upon expiry of any such lease agreements, the lessor may refuse to extend the lease agreement or decide to re-enter into the lease agreement for an indefinite period of time. Under Russian law, land lease agreements concluded for an indefinite term may be terminated by either party at any time at his or her own discretion with three months' prior notice unless another notice period is agreed by the parties. There is no assurance that we will be able to renew our land leases on terms that will be commercially acceptable to us, or at all. We may compete against other potential tenants, including other agricultural businesses which may have comparable or superior financial and other resources, to lease our land after the expiry of our lease terms. In the event that we are unable to renew our land leases on terms that are commercially acceptable to us, we may be required to identify alternative land for our operations and may incur additional costs for such relocation. If we fail to renew leases for a considerable part of our land or find other land in the locations where we operate, we may be unable to implement our strategy in our agricultural business or may be forced to reduce our agricultural operations, which would materially adversely affect our business, results of operations and financial condition.

- **Our results of operations are subject to biological fair value adjustments, which can be highly volatile and are subject to a number of assumptions**

  Our results of operations, particularly our gross profit, operating profit and net profit, are affected by fair value adjustments on our biological assets and agricultural produce. We expect that our results of operations will continue to be affected by these fair value adjustments.

  The fair value of our biological assets and agricultural produce is conducted by our management and reviewed by our auditors. In the valuation and review of our biological assets and agricultural produce, our management will assess the valuation methods and assumptions such as the level of expenses, the market prices of agricultural produce, discount rate, yields and production usage. The fair value of our biological assets and agricultural produce could be affected by, among other factors, the accuracy of those assumptions, as well as the quality of our herd, raw milk prices and grain prices. In addition, while the assumptions adopted in the valuation process are based on historical results, there can be no assurance that there will be no significant deviation in the valuation of our biological assets and agricultural produce in the future. Accordingly, our gain or loss in fair value of biological assets and agricultural produce may fluctuate from period to period depending on the aforementioned factors and assumptions.

- **Our business is influenced by a number of factors, some of which are beyond our control**

  Production of crops is vulnerable to extreme weather conditions such as windstorms, hailstorms, droughts and temperature extremes, as well as natural disasters. Natural disasters or adverse conditions may occur in Russia, including severe weather, such as excessive rainfall and drought as well as power outages or other events which are beyond our control. Unfavourable conditions can reduce both crop yield and crop quality. Though we operate in a region with generally predictable and favourable weather conditions, these factors can create substantial volatility relating to our business. We take into account the possibility of the occurrence of these adverse seasonal weather conditions in making our production plans to mitigate such risks. However, such events are difficult to foresee or plan for and may occur at any time of the year, and the occurrence of any of these events may create the volatility for our business and results of operations.

  Agriculture is extremely vulnerable to climate change, including large-scale changes such as global warming. Global warming is projected to have a significant impact on conditions affecting agriculture, including temperature, carbon dioxide concentration, precipitation and the interaction of these elements. Higher temperatures may eventually reduce yields of desirable crops while encouraging weed and pest proliferation. Increased atmospheric carbon dioxide concentration may lead to a decrease in global crop production. Changes in precipitation patterns increase the likelihood of short-run crop failures and long-run production declines. Even a high level of farm-level adaptation in the agricultural sector will not entirely mitigate such negative effects. Rapid and severe climate changes may decrease our crop production, which may materially and adversely affect our business, results of operations and financial condition.

  The quality of our raw milk and yield of our dairy cows are two (2) important determinants of the success of our dairy business. Our quality of raw milk and yield are influenced by a number of factors, including, but not limited to:

  - feed supply factors – the volume and quality of milk produced by dairy cows being linked closely to the nutritional quality of the feed provided;
  - seasonal factors – dairy cows generally produce more milk in temperate weather than in extremely cold or hot weather. Extended unseasonal cold or hot weather could potentially lead to lower than expected yield;
  - breeding factors – the genetic quality of a dairy cow having a direct impact on the yield and quality of milk produced by such dairy cow; and
  - health factors – potential outbreaks of diseases among our dairy cows and dairy cows from neighbouring farms.

  The quality and well-being of our dairy cows have a direct impact on the protein content and fat content of our raw milk, which in turn could affect the selling price of our raw milk.

- **Our business and financial results are dependent on demand and price levels for our Group's agricultural produce**

  The selling prices and operating costs associated with producing our agricultural produce are volatile and are determined by market conditions. Prices for agricultural produce are one of the main determinants of our income.

  Among the key factors affecting the market are the increased output by other agricultural businesses (both in Russia and internationally), growing conditions during the year, crop or vegetables diseases or infestations, price controls or import or export regulation by the Russian government, the availability of subsidies to producers (both seasonal and long term) and the supply of, and the prices for, alternative produce or supply. In addition, our Group has in the past experienced fluctuations in the earnings due to seasonality of demand for agricultural products.

• **Our agricultural business is dependent upon the price and availability of fertilisers, pesticides and other related chemicals** The cost for the purchase of fertilisers, pesticides and other related chemicals accounted for approximately 8.1%, 12.9%, 11.6% and 18.6% of our Group's cost of sales for FY2016, FY2017, FY2018 and HY2019, respectively. Prices for fertilisers pesticides and other related chemicals in Russia may be affected by global prices. In the event of a rise in prices, our Group may reduce the usage of fertilisers, thereby potentially reducing crop yields and quality, continue to acquire similar quantities of fertiliser at a higher price, thereby incurring greater costs, or employ a combination of these approaches. In addition, our Group purchases substantial quantities of crop protection chemicals which could also experience increases in price. Such factors could materially and adversely affect our Group's costs and/or crop output and, as a result, our Group's business, results of operations and financial condition. • **We may not continue to benefit from favourable government policies** We have benefited from the policies of the Russian government. The Russian government has exempted us from taxation on agricultural-related income as well as provided us with subsidised interest rates on our loans. For example, since 2017, we have enjoyed heavily subsidised interest rates of below 5.0% (as compared with market rates in Russia of approximately 10.0% to 15.0%) on our bank loans for our agricultural activities, due to strong governmental support for agricultural operations and industrialisation strategy. In addition, the Russian government has also introduced a 0% profit tax rate for revenue arising from qualifying agriculture activities since 2011. If there are any changes or termination of such government policies, our business, results of operations, financial condition and/or prospects could be materially and adversely affected. **The above are not the only risk factors that had a material effect or could have a material effect on our business operations, financial position and results, and your Shares; and accordingly, should not be construed as a comprehensive list of all risks. You should note that our Group's business and operations are only in Russia and please refer to the section entitled "Risk Factors" on pages 37 to 56 of the Offer Document for more information on the above risk factors and for a discussion on other risk factors, in particular, general risks and risks relating to our operations in Russia. Please also refer to the section entitled "General Information on our Group – Sanctions Laws and Regulations" on pages 139 to 145 of the Offer Document for disclosures relating to sanctions related matters. Prior to making a decision to invest in our Shares, you are advised to apprise yourself of all factors involving the risks of investing in our Shares from your professional advisers before making any decision to invest in our Shares, and you should also consider all the information contained in the Offer Document.**	
WHAT ARE THE RIGHTS ATTACHED TO THE SECURITIES OFFERED?	
As of the date of the Offer Document, following the issue and allotment of the PPCF Shares, the issued and paid-up share capital of our Company is S$36,241,100 comprising 127,272,700 Shares. Upon the issue and allotment of the Placement Shares, the resultant issued and paid-up share capital of our Company will be increased to S$40,620,886 comprising 150,272,700 Shares. As at the date of the Offer Document, there is only one (1) class of Shares in the capital of our Company, being the Shares. The Placement Shares shall have the same interest and voting rights as our existing issued Shares and there are no restrictions to the free transferability of our fully paid-up Shares except where required by law or the Catalist Rules or the rules or by-laws of any stock exchange on which our Company is listed. All dividends are paid *pro rata* among our Shareholders in proportion to the amount paid up on each Shareholder's Shares, unless the rights attaching to an issue of any Share provides otherwise. In the event of liquidation, holders of our Shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares. A summary of the Constitution of our Company relating to, amongst others, the voting rights and privileges of our Shareholders is set out in "Appendix C – Selected Extracts of our Constitution" on pages C-1 to C-8 of the Offer Document.	Refer to the sections entitled "Share Capital" and "Description of Ordinary Shares" on pages 63 to 66 and 201 to 206 respectively of the Offer Document for more information on the Placement Shares.

PRODUCT HIGHLIGHTS SHEET

HOW WILL THE PROCEEDS OF THE OFFER BE USED?

The net proceeds to be raised by our Company from the Placement, after deducting the aggregate estimated listing expenses in relation to the Placement of approximately S$3.8 million, will be approximately S$1.3 million.

The following table sets out the breakdown of the use of proceeds to be raised by our Company:

Use of proceeds from the Placement	Amount in Aggregate (S$'000)	Estimated amount allocated for each dollar of the gross proceeds raised from the Placement (as a % of our Company's gross proceeds)
Expansion of arable land bank	400	7.9
Acquisition of new equipment and machinery	400	7.9
To explore opportunities in mergers and acquisitions, joint ventures and strategic alliances(1)	400	7.9
General working capital	110	2.2
Net proceeds	1,310	25.9
Listing expenses(2)(3)	3,750	74.1
Gross proceeds from the Placement	5,060	100.0

Notes:

(1) For expansion into other high growth regional markets within Russia, such as other districts within the Rostov region and the Krasnodar region in Russia. As at the date of this Offer Document, our Group has not identified any specific investment targets.

(2) Of the total estimated listing expenses to be borne by our Company, approximately S$0.7 million will be capitalised against our share capital in accordance with the SFRS(I) and the balance of the estimated listing expenses will be accounted for under our Group's statements of profit or loss and other comprehensive income.

(3) The professional fees refer to the cash expenses incurred by our Company in connection with the Listing and the Placement and excludes the management fee of approximately S$0.5 million payable to the Sponsor and Issue Manager pursuant to the Management Agreement which has been satisfied in full by the issue and allotment of the PPCF Shares.

Refer to the section entitled "Use of Proceeds and Listing Expenses" on pages 59 to 61 of the Offer Document for more information on our use of proceeds.

WILL WE BE PAYING DIVIDENDS AFTER THE OFFER?

Our Company was incorporated on 16 October 2018 and has not distributed any dividend on our Shares since incorporation. Our subsidiary, Don Agro LLC, had paid dividends of approximately RR28.5 million in FY2019 for FY2018 to its holding company, Tetra JSC. Tetra JSC had, in turn, paid dividends of approximately RR28.5 million in FY2019 for FY2018 to its then sole shareholder, Vallerd Investments. Save as disclosed, none of our subsidiaries has declared or paid any dividends in respect of each of the last three (3) financial years ended 31 December 2016, 2017 and 2018 and the period from 1 January 2019 to the Latest Practicable Date.

We currently do not have a fixed dividend policy. The form, frequency and amount of future dividends on our Shares will depend on, *inter alia*, the level of our cash and retained earnings, financial performance, capital expenditure, expansion plans, working capital requirements and general financing conditions.

Subject to the above, our Directors intend to recommend and distribute dividends of up to 20.0% of our net profit after tax attributable to Shareholders for each of FY2019, FY2020 and FY2021 as we wish to reward Shareholders for participating in our Group's growth. However, investors should note that the foregoing statement on the proposed dividends are merely statements of our present intention and shall not constitute legally binding statements in respect of our future dividends which may be subject to modification (including reduction or non-declaration thereof) in our Directors' sole and absolute discretion. The proposed dividend should not be treated as an indication of our Group's future dividend policy.

Refer to the section entitled "Dividend Policy" on page 62 of the Offer Document for more information on our dividend policy.

DEFINITIONS

"Associated Company"	:	A Company in which at least 20.0% but not more than 50.0% of its shares are held by the listed company or group
"Bovine TB"	:	Bovine tuberculosis, a chronic, highly infectious disease that primarily affects cattle but can be transmitted to humans, and is caused by Mycobacterium bovis, a group of bacteria that usually affects the respiratory system
"Catalist Rule" or "Catalist Rules"	:	Any or all of the rules in the SGX-ST Listing Manual Section B: Rules of Catalist, as amended, supplemented or modified from time to time
"Companies Act"	:	The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time
"Controlling Shareholder"	:	As defined in the Catalist Rules, a person who: (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in the Company (unless otherwise determined by the SGX-ST); or (b) in fact exercises control over a company, or may, where the context so requires, have the meaning ascribed to it in the Fourth Schedule to the SFR
"Director"	:	A director of our Company as at the date of the Offer Document, unless otherwise stated
"EPS"	:	Earnings per Share
"Executive Officers"	:	The executive officers of our Company as at the date of the Offer Document, who are also key executives as defined under the SFR, unless otherwise stated
"FMD"	:	Foot and mouth disease, a highly infectious and contagious livestock disease affecting cattle, pigs, sheep, goats, deer, elk and other cloven-hoofed animals which can cause significant loss of productivity, such as reduced milk yields or lameness, and even fatality in young animals
"FY"	:	Financial year ended or ending, as the case may be, 31 December, unless otherwise stated
"G20 Countries"	:	The 20 major economies, which include Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom, the United States of America and the European Union
"Group"	:	Our Company and our subsidiaries, namely Limited Liability Company "Don Agro", Joint-Stock Company "Don Agricultural Group", Limited Liability Company "Degtevskoe", Limited Liability Company "HAPPY COW", Closed Joint-Stock Company "Rassvet", Opened Joint-Stock Company "Selkhoztekhnika" and Joint-Stock Company "TETRA", and any Associated Companies in the future
"HY"	:	Half year ended or, as the case may be, ending 30 June, unless otherwise stated
"Issue Manager", "Sponsor", "Placement Agent" or "PPCF"	:	PrimePartners Corporate Finance Pte. Ltd.
"Latest Practicable Date"	:	13 November 2019, being the latest practicable date before the lodgement of the Offer Document with the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore
"Management Agreement"	:	The full sponsorship and management agreement between our Company and PPCF pursuant to which PPCF agrees to sponsor and manage the Listing as described in the sections entitled "Plan of Distribution" and "General and Statutory Information – Management and Placement Arrangements" of the Offer Document
"Period Under Review"	:	The period comprising FY2016, FY2017, FY2018 and HY2019
"Placement"	:	The placement of the Placement Shares by the Placement Agent on behalf of our Company for subscription at the Placement Price subject to and on the terms and conditions set out in the Offer Document
"Placement Price"	:	S$0.22 for each Placement Share
"Placement Shares"	:	The 23,000,000 new Shares which are the subject of the Placement
"PPCF Shares"	:	The 2,272,700 new Shares to be issued and allotted by our Company to PPCF as part of PPCF's management fees as the Sponsor and Issue Manager
"RR"	:	Russian Ruble
"SFR"	:	The Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore, as amended, supplemented or modified from time to time
"SFRS(I)"	:	The Singapore Financial Reporting Standards (International)
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Share(s)"	:	Ordinary share(s) in the capital of our Company

CONTACT INFORMATION

WHO CAN YOU CONTACT IF YOU HAVE ENQUIRIES RELATING TO OUR OFFER?

The Issuer	:	Don Agro International Limited
Registered Office	:	10 Collyer Quay #10-01, Singapore 049315
Principal Place of Business	:	12 Sedova St., City of Millerovo, Millerovskiy District, Rostov region, 346130, Russia
Telephone No./ Facsimile No.	:	+7 (86385) 20279 / +7 (86385) 20166
Internet address	:	www.donagroint.com
Sponsor, Issue Manager and Placement Agent	:	PrimePartners Corporate Finance Pte. Ltd.
Address	:	16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318
Telephone No.	:	+65 6229 8088