



JAWALA INC.

(Incorporated in Labuan on 8 August 2017)

(Company Registration No. LL13922)

**UNAUDITED HALF-YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR
THE FINANCIAL PERIOD ENDED 31 JANUARY 2021**

This announcement has been prepared by Jawala Inc. (the "Company") and its contents have been reviewed by UOB Kay Hian Private Limited (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

Background

The Company was incorporated in Labuan on 8 August 2017 in Labuan, Malaysia under the Labuan Companies Act as a company limited by shares under the name "Jawala Inc."

The Company is a forest resource company based in Malaysia with a focus on industrial tree plantations situated in Sabah. The Company's main business is the management of forestry resources, and the planting and extraction of timber. The Company with its subsidiary corporation (the "Group") focus on the cultivation of industrial tree plantations through the implementation of sustainable forest management practices.

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

For the six months ended 31 January 2021 (“HY2021”) and the six months ended 31 January 2020 (“HY2020”)

	Group 6-month Period Ended 31 January 2021 (Unaudited) RM'000	Group 6-month Period Ended 31 January 2020 (Unaudited) RM'000	Increase/ (Decrease) %
Revenue	15,981	18,750	(15)
Cost of sales	(7,540)	(8,255)	(9)
Gross Profit	8,441	10,495	(20)
Other income	370	439	(16)
Expenses			
- Distribution	(283)	(847)	(67)
- Administrative	(2,905)	(3,066)	(5)
- Finance	(79)	(54)	46
Profit before income tax	5,544	6,967	(20)
Income tax expense	(1,391)	(1,559)	(11)
Total comprehensive income for the period attributable to equity holders of the Company	4,153	5,408	(23)
Profit attributable to:			
Equity holders of the Company	2,839	3,690	(23)
Non-controlling interests	1,314	1,718	(24)
	4,153	5,408	(23)

1(a)(ii) Notes to statement of comprehensive income.

The Group's profit before income tax is arrived at after (crediting)/charging the following:

	Group 6-month Period Ended 31 January 2021 (Unaudited) RM'000	Group 6-month Period Ended 31 January 2020 (Unaudited) RM'000	Increase/ (Decrease) %
Finance expenses:			
- finance lease liabilities	12	13	(8)
- lease liabilities	41	41	-
- borrowings	26	-	NM
Amortisation of intangible assets	3	3	-
Depreciation of right-of-use assets	43	32	34
Depreciation of property, plant and equipment	235	183	28
Employee compensation	1,553	1,540	1
Interest income	(278)	(439)	(37)
Rental expense	7	17	(59)
Income tax expense:			
- current income tax	1,056	1,025	3
- deferred income tax	335	534	(37)

Note:

NM – Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group As at 31 Jan 2021 (Unaudited) RM'000	Group As at 31 Jul 2020 (Audited) RM'000	Company As at 31 Jan 2021 (Unaudited) RM'000	Company As at 31 Jul 2020 (Audited) RM'000
ASSETS				
Current assets				
Cash and bank balances	35,993	30,711	7,776	8,185
Trade and other receivables	3,950	3,617	5,054	5,295
Inventories	555	66	-	-
Total current assets	40,498	34,394	12,830	13,480
Non-current assets				
Other receivables	1,026	878	-	-
Investment in subsidiary corporation	-	-	2,350	2,350
Property, plant and equipment	2,396	2,146	-	-
Right-of-use assets	1,172	1,169	-	-
Biological assets	6,806	5,619	-	-
Intangible assets	473	475	-	-
Total non-current assets	11,873	10,287	2,350	2,350
Total assets	52,371	44,681	15,180	15,830
LIABILITIES				
Current liabilities				
Trade and other payables	1,215	1,188	160	581
Lease liabilities	169	145	-	-
Current income tax liabilities	-	-	-	-
Total current liabilities	1,384	1,333	160	581
Non-current liabilities				
Lease liabilities	1,194	1,212	-	-
Borrowings	3,170	-	-	-
Deferred income tax liabilities	1,797	1,463	-	-
Total non-current liabilities	6,161	2,675	-	-
Total liabilities	7,545	4,008	160	581
Net Assets	44,826	40,673	15,020	15,249
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	15,207	15,207	15,207	15,207
Retained profits / (Accumulated losses)	19,967	17,128	(187)	42
	35,174	32,335	15,020	15,249
Non-controlling interests	9,652	8,338	-	-
Total equity	44,826	40,673	15,020	15,249

1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable by the Group in one year or less, or on demand**

As at 31 January 2021 (RM'000)		As at 31 July 2020 (RM'000)	
Secured	Unsecured	Secured	Unsecured
94	75	72	73

Amount repayable by the Group after one year

As at 31 January 2021 (RM'000)		As at 31 July 2020 (RM'000)	
Secured	Unsecured	Secured	Unsecured
3,570	794	353	859

Details of collateral

The Group's borrowings consist of obligations under finance leases and facility obtained from Forest Plantation Development Sdn Bhd ("FPD") to partly finance the plantation activities in the Group's licensed area of the Sapulut Forest Reserve in Sabah.

The obligations under finance leases are secured and guaranteed by a charge over the respective leased motor vehicles.

The facility obtained from FPD is secured by the corporate guarantee of the immediate and ultimate holding corporation, deed of assignment of the licensed area of approximately 1,250 hectares issued by the State Authority of Sabah in favour of the lender and a power of attorney in favour of the lender.

1(c)(i) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 6-month Period Ended 31 January 2021 (Unaudited) RM'000	Group 6-month Period Ended 31 January 2020 (Unaudited) RM'000
Cash flows from operating activities		
Net profit	4,153	5,408
Adjustments for:		
- Depreciation of property, plant and equipment	235	183
- Amortisation of intangible assets	3	3
- Depreciation of right-of-use assets	43	32
- Interest income	(278)	(439)
- Interest expense	79	54
- Income tax expense	1,391	1,559
Operating cash flows before working capital changes	5,626	6,800
Changes in working capital:		
- Inventories	(489)	592
- Trade and other receivables	(562)	2,039
- Trade and other payables	341	(1,724)
Cash provided by operations	4,916	7,707
Income tax paid	(833)	(1,750)
Net cash provided by operating activities	4,083	5,957
Cash flows from investing activities		
Additions to property, plant and equipment	(460)	(337)
Additions to right-of-use assets	(28)	-
Additions to biological assets	(1,125)	(1,545)
Net cash used in investing activities	(1,613)	(1,882)
Cash flows from financing activities		
Principal payment of lease liabilities	(100)	(60)
Proceeds from borrowings	3,144	-
Interest received	134	195
Interest paid	(53)	(54)
Dividend paid	(313)	(2,514)
Net cash provided by/ (used in) financing activities	2,812	(2,433)
Net increase in cash and bank balances	5,282	1,642
Cash and bank balances at beginning of the year	29,711	31,101
Cash and bank balances at end of the year (Note A)	34,993	32,743

1(c)(ii) Note A:

For the purpose of the consolidated cash flow statement, the consolidated cash and bank balances comprise the following:

	Group As at 31 Jan 2021 RM'000	Group As at 31 Jan 2020 RM'000
Cash at bank and on hand	8,970	5,736
Short-term bank deposits	27,023	28,007
Cash and bank balances per Group statement of financial position	35,993	33,743
Less: Deposits placed with banks as security	1,000 ⁽¹⁾	1,000 ⁽¹⁾
Cash and bank balances per consolidated cash flow statement	34,993	32,743

Note:

- (1) The Group is required to provide a performance bond in the sum of RM1.0 million to the Sabah Chief Conservator of Forests as required by the Sustainable Forest Management Licence Agreement in order to commence work in the forest reserve area.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

HY2021 (Unaudited)	Share capital RM'000	Retained Profits RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 August 2020	15,207	17,128	32,335	8,338	40,673
Total comprehensive income for the year	-	2,839	2,839	1,314	4,153
At 31 January 2021	15,207	19,967**	35,174	9,652	44,826
HY2020 (Unaudited)					
At 1 August 2019	15,207	16,394	31,601	7,370	38,971
Total comprehensive income for the year	-	3,690	3,690	1,718	5,408
Dividend payable	-	(1,469)	(1,469)	-	(1,469)
At 31 January 2020	15,207	18,615	33,822	9,088	42,910

** Included in retained profits is an amount of RM17.9 million (31 July 2020: RM15.6 million) relating to strategic reserves of the Company's subsidiary corporation, Jawala Plantation Industries Sdn. Bhd ("JPISB"). As part of its internal financial management, JPISB will retain at least 75% of its profits after tax for each financial year as strategic reserves as per the Offer Document dated 24th May 2018.

Company

	Share capital RM'000	Accumulated losses RM'000	Total RM'000
HY2021 (Unaudited)			
At 1 August 2020	15,207	42	15,249
Total comprehensive loss for the financial year	-	(229)	(229)
At 31 January 2021	15,207	(187)	15,020
	Share capital RM'000	Accumulated losses RM'000	Total RM'000
HY2020 (Unaudited)			
At 1 August 2019	15,207	1,546	16,753
Total comprehensive loss for the financial year	-	(322)	(322)
Dividend payable	-	(1,469)	(1,469)
At 31 January 2020	15,207	(245)	14,962

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Capital

	No. of issued shares	Issued and paid-up share capital (RM)
Balance as at 31 July 2020	118,474,000	15,207,073
Balance as at 31 January 2021	118,474,000	15,207,073

The Company did not have any outstanding convertibles as at 31 January 2021 and 31 January 2020.

The Company did not have any treasury shares and subsidiary holdings as at 31 January 2021 and 31 January 2020.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31 January 2021	As at 31 July 2020
Total number of issued shares (excluding treasury shares)	118,474,000	118,474,000

The Company did not have any treasury shares as at 31 January 2021 and 31 July 2020.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Paragraph 5 below, the Group has adopted the same accounting policies and methods of computation in the unaudited consolidated financial statements for the six (6) months ended 31 January 2021 compared to its most recently audited annual financial statements for the financial year ended 31 July 2020.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and SFRS(I) Interpretations ("SFRS(I) INT") which became effective for the accounting periods beginning on or after 1 August 2020, where applicable. The adoption of these new and revised standards from the effective date is not expected to result in any material adjustments to the financial statements of the Group for the current financial period or prior financial periods/years.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group	
	Six Months Ended	
	<u>31 January 2021</u>	<u>31 January 2020</u>
Profit attributable to owners of the Company (RM'000)	2,839	3,690
Weighted average number of ordinary shares('000)	118,474	118,474
Basic and diluted EPS ⁽¹⁾ (RM)	0.02	0.03

Note:

(1) The basic and fully diluted EPS were the same as there were no dilutive ordinary shares in issue as at 31 January 2021 and 31 January 2020.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and (b) immediately preceding financial year.

	Group As at 31 Jan 2021 (Unaudited)	Group As at 31 Jul 2020 (Audited)	Company As at 31 Jan 2021 (Unaudited)	Company As at 31 Jul 2020 (Audited)
Net asset value attributable to owner ("NAV") (RM'000)	35,174	32,335	15,020	15,249
Number of ordinary shares in issue ('000)	118,474	118,474	118,474	118,474
NAV per ordinary share (RM)	0.30	0.27	0.13	0.13

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Review of Group's performance for HY2021 as compared to HY2020

Revenue

Our revenue is derived principally from the sales of timber logs in Malaysia. Our logs comprise of Seraya, Kapur, Keruing, Selangan Batu, Sedaman and logs of hard and soft densities.

Revenue decreased by RM2.8 million, or 15% in HY2021 compared to HY2020 mainly due to a decrease in sales volume from 37,617m³ in HY2020 to 31,968m³ in HY2021 as a result of a decrease in demand in logs from the local markets due to the on-going Covid-19 pandemic.

Cost of sales and gross profit

The decrease in cost of sales by RM0.7 million, or 9% in HY2021 compared to HY2020 was mainly due to the decrease in sales volume partially offset by the increase in the rate of extraction fee during the period.

The gross profit decreased by RM2 million, or 20% in HY2021 compared to HY2020 mainly due to the decrease in revenue. The gross profit margin decreased from 56% in HY2020 to 53% in HY2021 mainly due to the increase in extraction fee of about RM10 per m³.

Other income

Other income comprised mainly of interest income from fixed deposits. Other income decreased by RM69,000, or 16% in HY2021 compared to HY2020 mainly due to lower fixed deposit interest rate during the period. The decrease in other income is offset by the wage subsidy received from the

Malaysia Social Security Organisation (SOCSSO) as financial assistance due to the Covid-19 pandemic.

Distribution expenses

Distribution expenses comprised of transportation expenses incurred for transporting our logs to customers in Tawau and Sandakan. Distribution expenses decreased by RM564,000 or 67% mainly due to more sales of logs to customers that do not require transportation during HY2021.

Administrative expenses

Administrative expenses comprised mainly of employee compensation, depreciation, amortisation, listing expenses, rental and travelling expenses. Administrative expenses decreased by approximately RM161,000, or 5% in HY2021 compared to HY2020 mainly due to the decrease in expenses such as repair and maintenance, travelling expenses and workers' wages as a result of the Covid-19 pandemic in the country.

Finance expenses

Finance expenses comprised of interest charged for lease liabilities as well as the borrowing from FPD. Finance expenses increased by RM25,000, or 46% in HY2021 compared to HY2020 mainly due to the interest charged for borrowings from FPD for the loan drawdown in the current period.

Profit after tax

As a result of the foregoing, profit after tax in HY2021 amounted to RM4.2 million compared to RM5.4 million in HY2020, a decrease of approximately RM1.2 million, or 23%.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Review of the Group's financial position as at 31 January 2021 as compared to 31 July 2020.

Current assets

Cash and bank balances were the most significant component of current assets and amounted to RM36.0 million, or 89% of current assets.

Trade and other receivables amounted to RM3.9 million, or 10% of current assets. Trade receivables amounted to RM2.3 million, or 6% of current assets. Other receivables amounted to RM1.6 million or 4% of current assets. Trade receivables increased by approximately RM0.7 million, or 44% as at 31 January 2021 mainly due to higher sales in January 2021. Other receivables decreased by RM0.4 million, or 20% as at 31 January 2021 mainly due to lower tax instalments paid as compared to 31 July 2020.

Inventories amounting to RM0.6 million, or 1% of current assets comprises of logs held at central stumping. Inventories increased by RM0.5 million, or 741% as at 31 January 2021 compared to as at 31 July 2020 mainly due to higher production before 31 January 2021.

Non-current assets

Other receivables amounted to RM1.0 million, or 9% of non-current assets. This is related to the retention sum collected by the Sabah Forestry Department ("SFD") to offset against any potential shortfall in payment to the SFD. Such retention sum can be used for future payments to the SFD. Other receivables increased by approximately RM0.1 million, or 17% as at 31 January 2021 compared to as at 31 July 2020 due to the retention sum paid to SFD during the financial period.

Property, plant and equipment amounted to RM2.4 million, or 20% of non-current assets comprising mainly motor vehicles, plantation infrastructure, office equipment, and furniture and fittings. Property,

plant and equipment increased by RM0.3 million as at 31 January 2021 compared to as at 31 July 2020, or 12% mainly due to additions of plantation infrastructure.

Right-of-use (“ROU”) asset amounted to RM1.2 million, or 10% of non-current assets due to the adoption of SFRS(I) 16 for recognition of ROU since 1 August 2019.

Biological assets amounted to RM6.8 million, or 57% of non-current assets. Biological assets mainly comprised of hiring charges for equipment used in stacking and levelling of the nursery to prepare the land for planting, depreciation of fixed assets, employee compensation and all other expenses relating to the preparation of the nursery and planting. Biological assets increased by RM1.2 million, or 21% as at 31 January 2021 compared to as at 31 July 2020, mainly due to the cost incurred for the initial stages of replanting and planting activities in compartments 1, 15, 16, 17 and 29 during the period.

Intangible assets amounted to RM0.5 million, or 4% of non-current assets and is related to the acquired timber rights on the license granted by the SFD as per the Sustainable Forest Management License Agreement.

Current liabilities

Trade and other payables amounted to RM1.2 million, or 88% of current liabilities comprising mainly of trade payables of RM0.3 million and other payables amounting to RM0.9 million. No significant difference noted in the balances as at 31 January 2021 and as at 31 July 2020.

Lease liabilities amounted to RM0.2 million, or 12% of current liabilities. This comprised of the current portion of the finance lease liabilities for motor vehicles and the current portion of the lease liabilities as a result of the adoption of SFRS(I) 16 Leases. The lease liabilities increased by approximately RM24,000 or 17% as at 31 January 2021 compared to as at 31 July 2020 mainly due to addition of one unit of motor vehicle under hire purchase facilities.

Non-current liabilities

Lease liabilities amounted to RM1.2 million, or 19% of non-current liabilities. This comprised of the finance lease liabilities as well as the lease principals as a result of the adoption of SFRS(I) 16 Leases, that due later than one year. The lease liabilities decreased by RM18,000 or 1% as at 31 January 2021 compared to as at 31 July 2020 mainly due to the repayment of lease liabilities partially offset by the new lease obtained during the year for the purchase of motor vehicle.

Borrowings amounted to RM3.2 million, or 51% of non-current liabilities. This borrowing represents a loan facility obtained from Forest Plantation Development Sdn Bhd (“FPD”) in order to partly finance the plantation activities in the Group’s licensed area of the Sapulut Forest Reserve in Sabah.

Deferred income tax liability amounted to RM1.8 million or 29% of non-current liabilities. Deferred income tax liability increased by approximately RM0.3 million or 23% as at 31 January 2021 compared to as at 31 July 2020 mainly due to higher timing difference between the net book value and tax written down value as a result of the addition in property, plant and equipment and biological assets.

REVIEW OF THE GROUP’S CASH FLOW STATEMENT

Net cash from operating activities of RM4.1 million in HY2021 was lower compared to RM5.9 million in HY2020 mainly due to lower profit generated in HY2021.

Net cash used in investing activities of RM1.6 million in HY2021 related to the acquisition of motor vehicles, plantation infrastructure and additions to biological assets.

Net cash from financing activities of RM2.8 million is mainly due to the borrowing proceeds received from FPD.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's performance for the period under review is in line with its expectation as disclosed in the announcement of results for the full year ended 31 July 2020 issued on 29 September 2020.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Covid-19 pandemic has adversely impacted both the economies of Sabah as well as the economies of major importers of Sabah's timber products. Statistics from the Sabah Forestry Department show that exports of timber products from Sabah for 2020 recorded a drop of 31% from RM1.1 billion to RM740 million and 35% from 555,867m³ to 384,554m³ on value and volume respectively as compared to 2019.

We expect market conditions to be challenging. However, barring any further disruptions to operations or any other unforeseen circumstances, we expect the Group to remain profitable for FY2021.

11. Dividend

If a decision regarding dividend has been made:-

(a) Whether an interim (final) dividend has been declared (recommended); and

No dividend has been declared or recommended for current financial period reported on.

(b) Amount per share (cents) and previous corresponding period (cents).

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfer receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No interim dividend has been declared or recommended for the current financial period. The Company does not have a fixed dividend policy and it is generally the Company's practice to consider any declaration / recommendation of dividend with the full year results for each financial year.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a general mandate from shareholders for interested person transactions. The Company does not have any interested person transaction exceeding SGD100,000 for the period.

14. Negative confirmation pursuant to Rule 705(5) of the Catalist Rules

On behalf of the Board of Directors, we, Directors of the Company, Datuk Jema Khan and Mr Abdul Rahman Bin Hakim Khan, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the financial period ended 31 January 2021 to be false or misleading in any material aspect.

15. Confirmation pursuant to Rule 720(1) of the Catalist Rules

The Company confirms that it has procured the undertakings from all its Directors and executive officers in the required format.

16. Disclosure of Acquisition (including incorporations) and sale of shares under Catalist Rule 706A. Please indicate (with SGXNet announcement reference if applicable).

Not applicable. The Company did not acquire or dispose shares in any companies during HY2021.

17. Use of IPO Proceeds

Pursuant to the Company's IPO, the Company received net proceeds from the IPO of approximately S\$4.5 million (the "Net Proceeds"). Please refer to the Offer Document for further details.

As at the date of this announcement, the Net Proceeds have been utilised as follows:

<u>Purpose</u>	<u>Amount allocated</u> <u>(S\$'000)</u>	<u>Amount utilised</u> <u>(S\$'000)</u>	<u>Balance</u> <u>(S\$'000)</u>
Development of the plantation site within the Licensed Area	1,900	(1,900)	-
Working capital	1,250	(1,162) ⁽¹⁾	88
Listing expenses	1,350	(1,350)	-
Total	4,500	(4,412)	88

Note:

(1) The utilisation of proceeds under working capital amounting to S\$1,162,000 relates to payment of directors fees, employee compensation, professional fees and administrative expenses.

The above utilisation is in accordance with the intended use of proceeds from the IPO as stated in the Offer Document.

BY ORDER OF THE BOARD

Datuk Jema Anton Khan
Executive Chairman and Chief Executive Officer
16 March 2021