



JAWALA INC.

Company Registration No. LL13922
(Incorporated in Labuan)

RESPONSES TO SGX QUERIES ON THE ANNOUNCEMENT OF FACILITY AGREEMENT MADE ON 30 OCTOBER 2019

The board of directors ("**Board**") of Jawala Inc. (the "**Company**" and with its subsidiary, the "**Group**") refers to the queries from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Queries**") in relation to the Company's announcement on the RM10 Million Facility Agreement Secured with Forest Plantation Development Sdn Bhd made on 30 October 2019 (the "**Announcement**"). The Board wishes to respond to the Queries as follows:

Question 1:

Is this loan part of a program established by FPD and MTIB? How was the Company introduced to this loan? What are the requirements to qualify for the loan?

Company's Response to Question 1:

The Company is a forest resource company based in Malaysia and the main business is the management of forestry resources, and the planting and extraction of timber. Our Group focuses on the development of industrial tree plantations through the implementation of sustainable forest management practices. The Group currently manages a Licensed Area of approximately 11,043 hectares pursuant to the terms of the Sustainable Forest Management Licence Agreement ("SFMLA") entered into with the Government of Sabah. The loan was offered to the Company as a SFMLA license holder.

Question 2:

It was disclosed that the RM10m loan is not repayable during the Grace Period of 15 years after date of first disbursement of the loan. Instead, the repayment of the loan and interest will be during the 5 years after the expiry of the Grace Period (i.e. during the Repayment Period). Are there any other material terms surrounding the repayment of the loan?

Company's Response to Question 2:

There are no material terms surrounding the repayment of the loan other than the standard clauses and the security documents highlighted in the Announcement.

Question 3:

What are the covenants that the company have to observe after drawing down the loan during the 15-year tenure of the loan, if any?

Company's Response to Question 3:

Other than the standard operating covenants and negative covenants on assignment, charges and sub-leasing, there are no specific covenants that will require disclosure to shareholders under the listing rules that have not been disclosed in the Announcement.

Question 4:

What is the intended use of proceeds of this loan? How does the company intend to service the loan during the Repayment Period?

Company's Response to Question 4:

The purpose of the proceeds of this loan is to finance our planting operations. The Repayment Period will commence only after the harvesting and selling of our planted trees, and thus the loan will be serviced from the proceeds of such sales.

By Order of the Board of Directors

Datuk Jema Khan
Executive Chairman and Chief Executive Officer
5 November 2019

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

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.

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