

JAWALA INC.

Incorporated in Labuan
Company Registration No.: LL13922

CLARIFICATION ANNOUNCEMENT

The board of directors ("**Board**") of Jawala Inc. (the "**Company**") refers to the article in The Straits Times dated 25 May 2018 entitled "Malaysian sustainable timber firm Jawala seeks Catalist listing" and the article in The Business Times dated 25 May 2018 entitled "Malaysian timber firm Jawala to raise S\$3.15m ahead of SGX listing". The articles stated, among others, that "*A recent timber shortage, coupled with demand from countries like China, which has banned logging in national forests, is expected to keep driving prices up*".

The Company would like to clarify that it has taken into consideration the immediate temporary ban on the export of logs from Sabah as announced by the Chief Minister of Sabah on 23 May 2018 (the "**Temporary Export Ban**") as:

- (i) to the best of the Company's current knowledge and belief, the Temporary Export Ban does not extend to processed wood products such as plywood and veneer. As such, the downstream processor of logs (such as the Company's existing customers) would be able to export such semi-finished or finished products such as plywood and veneer;
- (ii) as stated in the Independent Technical Report as set out in the Company's offer document dated 24 May 2018, China imports relatively high volumes of tropical veneer and Malaysia's exports of tropical veneer has continued to be constrained by a declining availability of tropical log suppliers; and
- (iii) as also stated in the Independent Technical Report, Japan's tropical plywood imports are expected to increase from 1.65 million m³ in 2016 to 1.70 million m³ in 2019 due to investment in infrastructure for the Olympics Games in 2020 and Japanese companies are paying more for imported tropical plywood products due to strong demand and reducing inventories.

The Board of the Company also refers to the article in The Edge Singapore entitled "Sabah logger Jawala taps Catalist IPO at more than 40 times historical earnings. The article stated, among others that "*it plans to spend RM56.5 million (S\$19 million) to develop an industrial tree plantation in the licensed area in the next few months*"

The Company would like to clarify that, as stated in the offer document dated 24 May 2018, based on the Company's current best estimates, the expected capital expenditure required during the development period of 2018 to 2026 is approximately RM56.5 million. Site preparation for planting of new trees within the Licensed Area will commence by the third quarter in 2018.

By Order of the Board

Jema Khan
Director and Chief Executive Officer
25 May 2018

IMPORTANT NOTICE

*Jawala Inc. (the “**Company**”) is expected to be listed on Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 1 June 2018. The initial public offer of the Company was sponsored by UOB Kay Hian Private Limited (the “**Sponsor**”).*

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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 persons for the Sponsor are Mr Alvin Soh, Head of Catalist Operations, Senior Vice President, and Mr Lan Kang Ming, Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

*This announcement is for clarification purposes only and does not constitute, or form any part of an offer, invitation for the 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. The information in this announcement is qualified in its entirety by, and should be read in conjunction with the Company's offer document, registered by SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore, on 24 May 2018 (the “**Offer Document**”). Capitalised terms used, unless otherwise defined, shall have the same meaning given to them in the Offer Document. Anyone wishing to subscribe for the Shares should make an application in the manner set out in the Offer Document, and such decision should be made solely on the basis of information contained in the Offer Document. A copy of the Offer Document and the application forms may be obtained on request, subject to availability, during office hours, from UOB Kay Hian Private Limited, at 8 Anthony Road #01-01, Singapore 229957. A copy of the Offer Document is also available on SGX-ST's website at <http://www.sgx.com>. Details of the procedures for application for the Invitation Shares are available in the Offer Document.*