



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 2020**

This announcement has been prepared by Jawala Inc. (the "**Company**") and its contents have been reviewed by the 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 2020 (“HY2020”) and the six months ended 31 January 2019 (“HY2019”)

	Group 6-month Period Ended 31 January 2020 (Unaudited) RM'000	Group 6-month Period Ended 31 January 2019 (Unaudited) RM'000	Increase/ (Decrease) %
Revenue	18,750	24,164	(22)
Cost of sales	(8,255)	(8,845)	(7)
Gross Profit	10,495	15,319	(31)
Other income	439	189	132
Expenses			
- Distribution	(847)	(401)	111
- Administrative	(3,066)	(3,290)	(7)
- Finance	(54)	(13)	315
Profit before income tax	6,967	11,804	(41)
Income tax expense	(1,559)	(2,964)	(47)
Total comprehensive income for the period attributable to equity holders of the Company	5,408	8,840	(39)
Profit attributable to:			
Equity holders of the Company	3,690	6,025	(39)
Non-controlling interests	1,718	2,815	(39)
	5,408	8,840	(39)

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 2020 (Unaudited) RM'000	Group 6-month Period Ended 31 January 2019 (Unaudited) RM'000	Increase/ (Decrease) %
Finance expenses:			
- finance lease liabilities	13	13	-
- lease liabilities	41	-	NM
Amortisation of intangible assets	3	3	-
Amortisation of right-of-use assets	32	-	NM
Depreciation of property, plant and equipment	183	199	(8)
Employee compensation	1,540	1,607	(4)
Interest income	(439)	(185)	137
Rental expense	17	30	(43)
Income tax expense:			
- current income tax	1,025	2,964	(65)
- deferred income tax	534	-	NM

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 2020 (Unaudited) RM'000	Group As at 31 Jul 2019 (Audited) RM'000	Company As at 31 Jan 2020 (Unaudited) RM'000	Company As at 31 Jul 2019 (Audited) RM'000
ASSETS				
Current assets				
Cash and bank balances	33,743	32,101	9,671	9,965
Trade and other receivables	3,344	4,822	4,836	4,993
Inventories	571	1,163	-	-
Total current assets	37,658	38,086	14,507	14,958
Non-current assets				
Other receivables	859	693	-	-
Investment in subsidiary corporation	-	-	2,350	2,350
Property, plant and equipment	2,425	2,336	-	-
Right-of-use assets	905	-	-	-
Biological assets	4,274	2,663	-	-
Intangible assets	478	480	-	-
Total non-current assets	8,941	6,172	2,350	2,350
Total assets	46,599	44,258	16,857	17,308
LIABILITIES				
Current liabilities				
Trade and other payables	990	3,757	1,895	555
Finance lease liabilities	77	75	-	-
Lease liabilities	48	-	-	-
Current income tax liabilities	-	241	-	-
Total current liabilities	1,115	4,073	1,895	555
Non-current liabilities				
Finance lease liabilities	373	412	-	-
Lease liabilities	865	-	-	-
Deferred income tax liabilities	1,336	802	-	-
Total non-current liabilities	2,574	1,214	-	-
Total liabilities	3,689	5,287	1,895	555
Net Assets	42,910	38,971	14,962	16,753
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)	18,615	16,394	(245)	1,546
	33,822	31,601	14,962	16,753
Non-controlling interests	9,088	7,370	-	-
Total equity	42,910	38,971	14,962	16,753

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 2020 (RM'000)		As at 31 July 2019 (RM'000)	
Secured	Unsecured	Secured	Unsecured
77	-	75	-

Amount repayable by the Group after one year

As at 31 January 2020 (RM'000)		As at 31 July 2019 (RM'000)	
Secured	Unsecured	Secured	Unsecured
373	-	412	-

Details of collateral

The Group's borrowings consist of obligations under finance leases only.

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

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 2020 (Unaudited) RM'000	Group 6-month Period Ended 31 January 2019 (Unaudited) RM'000
Cash flows from operating activities		
Net profit	5,408	8,840
Adjustments for:		
- Depreciation of property, plant and equipment	183	199
- Amortisation of intangible assets	3	3
- Amortisation of right-of-use assets	32	-
- Interest income	(439)	(185)
- Interest expense	54	13
- Income tax expense	1,559	2,964
Operating cash flows before working capital changes	6,800	11,834
Changes in working capital:		
- Inventories	592	(133)
- Trade and other receivables	2,039	(579)
- Trade and other payables	(1,724)	(1,042)
Cash provided by operations	7,707	10,080
Income tax paid	(1,750)	(2,417)
Net cash provided by operating activities	5,957	7,663
Cash flows from investing activities		
Additions to property, plant and equipment	(337)	(358)
Additions to biological assets	(1,545)	(752)
Net cash used in investing activities	(1,882)	(1,110)
Cash flows from financing activities		
Repayment of finance lease liabilities	(37)	(30)
Principal payment of lease liabilities	(23)	-
Interest received	195	185
Interest paid	(54)	(13)
Dividend paid	(2,514)	(2,297)
Net cash used in financing activities	(2,433)	(2,155)
Net increase in cash and bank balances	1,642	4,398
Cash and bank balances at beginning of the year	31,101	24,468
Cash and bank balances at end of the year (Note A)	32,743	28,866

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 2020 RM'000	Group As at 31 Jan 2019 RM'000
Cash at bank and on hand	5,736	10,190
Short-term bank deposits	28,007	19,676
Cash and bank balances per Group statement of financial position	33,743	29,866
Less: Deposits placed with banks as security	1,000 ⁽¹⁾	1,000 ⁽¹⁾
Cash and bank balances per consolidated cash flow statement	32,743	28,866

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

HY2020 (Unaudited)	Share capital RM'000	Retained Profits RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
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)
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At 31 January 2020	15,207	18,615	33,822	9,088	42,910
	<hr/>				
HY2019 (Unaudited)					
At 1 August 2018	15,207	8,977	24,184	4,150	28,334
Total comprehensive income for the year	-	6,025	6,025	2,815	8,840
Dividend payable	-	(1,457)	(1,457)	-	(1,457)
	<hr/>				
At 31 January 2019	15,207	13,545	28,752	6,965	35,717
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Company

	Share capital RM'000	Retained profits/ (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
HY2019 (Unaudited)			
	Share capital RM'000	Retained profits/ Accumulated losses RM'000	Total RM'000
At 1 August 2018	15,207	1,628	16,835
Total comprehensive loss for the financial year	-	(546)	(546)
Dividend payable	-	(1,457)	(1,457)
At 31 January 2019	15,207	(375)	14,832

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 2019	118,474,000	15,207,073
Balance as at 31 January 2020	118,474,000	15,207,073

The Company did not have any outstanding convertibles as at 31 January 2020 and 31 January 2019.

The Company did not have any treasury shares and subsidiary holdings as at 31 January 2020 and 31 January 2019.

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 2020	As at 31 July 2019
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 2020 and 31 July 2019.

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 2020 compared to its most recently audited annual financial statements for the financial year ended 31 July 2019.

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 2019. Except for the adoption of SFRS(I) 16 Leases, the adoption of the other new and revised SFRS(I) and SFRS(I) INT are currently assessed to have insignificant financial impact on the Group's financial statements for the current financial period reported on.

Adoption of SFRS(I)16 Leases

SFRS(I)16 Leases introduces a single, on-balance sheet lease accounting model for lessees where the distinction between operating and finance leases is removed. It requires a lessee to recognise a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The accounting for lessors has not changed significantly.

The Group adopted SFRS(I)16 on 1 August 2019, using the modified retrospective approach, where comparative figures for the financial period prior to first adoption will not be restated.

The Group applied the practical expedient to recognise amounts of ROU assets equal to its lease liabilities on 1 August 2019 and recognition exemptions for short-term leases and leases of low value items in accordance with SFRS(I)16. Subsequent to initial recognition, ROU assets are carried at cost less accumulated depreciation and any accumulated impairment losses while the carrying amount of lease liabilities will take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

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 2020</u>	<u>31 January 2019</u>
	RM'000	RM'000
Profit attributable to owners of the Company	3,690	6,025
Weighted average number of ordinary shares('000)	118,474	118,474
Basic and diluted EPS ⁽¹⁾ (RM)	0.03	0.05

Note:

(1) The basic and fully diluted EPS were the same as there were no dilutive ordinary shares in issue as at 31 January 2020 and 31 January 2019.

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 2020 (Unaudited) RM'000	Group As at 31 Jul 2019 (Audited) RM'000	Company As at 31 Jan 2020 (Unaudited) RM'000	Company As at 31 Jul 2019 (Audited) RM'000
Net asset value ("NAV")	42,910	38,971	14,962	16,753
Number of ordinary shares in issue ('000)	118,474	118,474	118,474	118,474
NAV per ordinary share (RM)	0.36	0.33	0.13	0.14

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 HY2020 as compared to HY2019

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 RM5.4 million, or 22% in HY2020 compared to HY2019 mainly due to a decrease in sales volume from 38,295m³ in HY2019 to 37,617m³ in HY2020 as a result of a decrease in demand in logs from the local markets. In addition, a decrease in average selling price also contributed to the lower revenue in HY2020.

Cost of sales and gross profit

The decrease in cost of sales by RM0.6 million, or 7% in HY2020 compared to HY2019 was mainly due to the decrease in sales volume as well as decrease in extraction fee during the period.

The gross profit decreased by RM4.8 million, or 31% in HY2020 compared to HY2019 due mainly to the decrease in revenue. The gross profit margin decreased from 63% in HY2019 to 56% in HY2020.

Other income

Other income comprised mainly of interest income from fixed deposits. Other income increased by RM250,000, or 132% in HY2020 compared to HY2019 mainly due to the increase in fixed deposits placed during the period.

Distribution expenses

Distribution expenses comprised transportation expenses incurred for transporting our logs to customers in Tawau and Sandakan. Distribution expenses increased by RM446,000 or 111% mainly due to the increase in sales of logs to customers that required transportation during HY2020.

Administrative expenses

Administrative expenses comprised mainly of employee compensation, depreciation, amortisation, continuing listing expenses, rental and travelling expenses. For HY2020, administrative expenses remained relatively stable as compared to HY2019.

Profit after tax

As a result of the foregoing, profit after tax in HY2020 amounted to RM5.4 million compared to HY2019, RM8.8 million, a decrease of RM3.4 million, or 39%.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Review of the Group's financial position as at 31 January 2020 as compared to 31 July 2019.

Current assets

Cash and bank balances were the most significant component of current assets and amounted to RM33.7 million, or 90% of current assets.

Trade and other receivables amounted to RM3.3 million, or 9% of current assets. Trade receivables amounted to RM2.2 million, or 6% of current assets. Other receivables amounted to RM1.1 million or 3% of current assets. Trade receivables decreased by RM2 million, or 48% as at 31 January 2020 compared to 31 July 2019 mainly due to the decrease in sales. Other receivables increased by RM0.5 million, or 83% as at 31 January 2020 compared to 31 July 2019 mainly due to tax instalments paid in excess of taxation provision in HY2020.

Inventories amounted to RM0.6 million, or 2% of current assets and comprise of the logs held at central stumping. Inventories decreased by RM0.6 million, or 51% as at 31 January 2020 compared

to 31 July 2019 mainly due to lower production in as at 31 January 2020 compared to as at 31 July 2019.

Non-current assets

Other receivables amounted to RM0.9 million, or 10% 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 RM0.2 million, or 24% as at 31 January 2020 compared to 31 July 2019 due to the retention sum paid to SFD during the financial period.

Property, plant and equipment amounted to RM2.4 million, or 27% of non-current assets comprising mainly motor vehicles, plantation infrastructure, office equipment, and furniture and fittings. No significant increase noted as compared with 31 January 2020 and 31 July 2019.

Right-of-use (“ROU”) asset amounted to RM0.9 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 RM4.3 million, or 48% 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 RM1.6 million, or 60% as at 31 January 2020 compared to 31 July 2019, mainly due to the cost incurred for the initial stages of replanting and planting activities in compartments 7, 8, 9, 1 and 15 during the period.

Intangible assets amounted to RM0.5 million, or 5% 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 RM1.0 million, or 89% of current liabilities comprising mainly of trade payables of RM0.1 million and other payables amounting to RM0.9 million. Trade payables decreased by approximately RM0.4 million, or 80% as at 31 January 2020 compared to 31 July 2019 mainly due to lower sales volume. Other payables decreased by approximately RM2.3 million, or 72% as at 31 January 2020 compared to 31 July 2019 mainly due to dividend payable accrued in FY2019.

Non-current liabilities

Lease liabilities amounted to RM0.9 million, or 42% of non-current liabilities. This comprised of lease principals due later than one year. The lease liabilities were due to the adoption of SFRS(I) 16 Leases.

Deferred income tax liability amounted to RM1.3 million or 52% of non-current liabilities. Deferred income tax liability increased by approximately RM0.5 million or 67% as at 31 January 2020 compared to 31 July 2019 mainly due to higher temporary 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 RM6.0 million in HY2020 was lower compared to RM7.7 million in HY2019 mainly due to lower profit generated in HY2020.

Net cash used in investing activities of RM1.9 million in HY2020 related to the acquisition of motor vehicles, plantation infrastructure and additions to biological assets.

Net cash used in financing activities of RM2.4 million is mainly due to the payment of dividends to the shareholders.

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 2019 issued on 27 September 2019.

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.

Global trade tensions have adversely impacted the economies of Sabah's timber products' major importers. Statistics from the Sabah Forestry Department show that exports of timber products from Sabah for 2019 recorded a drop of 24% and 23% for value and volume respectively as compared to 2018. The total logs production volume has recorded a drop of 28% in 2019 as compared to 2018.

We expect market conditions to be challenging due to the global trade tensions and the on-going outbreak of the Covid-19 virus. There are concerns that affected countries may resort to closing of their borders and ports. This will directly impact Sabah's timber industries as they are reliant on importing countries such as USA, South Korea, Japan etc. This in turn will directly affect our logs sales. However, barring any unforeseen circumstances, we expect the Group to remain profitable for FY2020.

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 as it is the Company's practise to declare/recommend dividend, if any, in the fourth quarter of the 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

The Board of Directors of the Company confirms, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the financial period ended 31 January 2020 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 HY2020.

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	(1,420)	480
Working capital	1,250	(790) ⁽¹⁾	460
Listing expenses	1,350	(1,350)	-
Total	4,500	(3,560)	940

Note:

(1) The utilisation of proceeds under working capital amounting to S\$790,000 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 2020