



JAWALA INC.

Company Registration No. LL13922
(Incorporated in Labuan)

RESPONSES TO SGX QUERIES ON THE CHANGES IN SENIOR MANAGEMENT TEAM AND APPOINTMENT OF ALTERNATE DIRECTOR

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 changes in senior management team and appointment of alternate director made on 17 May 2021. The Board wishes to respond to the Queries as follows:

Question 1:

What are the reasons for the multiple Changes to Management Team?

Company's Response to Question 1:

The Board wishes to highlight that there is only one key change, that is the appointment of Mr Rahman as CEO in place of Datuk Jema. As Datuk Jema's service contract will be expiring in May 2021 and he wishes to step back from the Group's operations to spend more time on other pursuits, Mr Rahman will assume the role of Chief Executive Officer of the Company. Datuk Jema will remain as the Chairman of the Board to guide the Company in delivering its corporate strategy. The reason for the appointment of an additional Group Financial Controller is set out in the response to query 3 below.

Question 2(a):

Mr Muaz Bin Jema Anton Khan is appointed as an Alternate Director to Ms Nadja Binti Jema Khan with effect from 1 June 2021.

We refer to Practice Guidance 4 of the CG Code 2018 on Board Membership which states that "*A director should take on a directorship appointment only if he or she is able to commit the time to discharge the duties of a director, one of which includes attending all Board meetings. Alternate directors should only be appointed in exceptional circumstances. In particular, companies should not appoint alternate directors for IDs.*"

In Mr Muaz's appointment announcement, it was stated that the appointment was recommended by the Nominating Committee ("**NC**"). Please provide the rationale for the appointment, and elaborate on what the NC had considering in recommending the appointment.

Company's Response to Question 2(a):

The purpose of this appointment is for Mr Muaz to familiarise himself with the operations and business of the Group should there be a need for him to take over from Ms Nadja as further explained in the response to question 2(b) below. The NC has considered the Board's succession planning strategy as well as Mr Muaz's requisite qualifications, knowledge and experience as a listed company Director. The Company wishes to highlight that there are no additional director fees paid with regards to this appointment.

Question 2(b):

Does Ms Nadja have sufficient time to discharge her duties as a Non-Independent and Non-Executive Director?

Company's Response to Question 2(b):

Ms Nadja is currently working and residing in the United Kingdom and as such, she will be spending most of her time overseas. Nevertheless, she has attended all the board meetings held since her appointment as a director of the Company. However, should her other commitments increase subsequently, there may be a need for a replacement and in preparation for this possibility, Mr Muaz is being first appointed as an alternate director to facilitate a smooth transition should the need arises.

Question 3(a):

We noted the appointment of Group Financial Controller ("**GFC**") Kevin Chia Tshen Hui. Is the GFC a new position? How would the role and responsibilities complement that of the existing CFO?

Company's Response to Question 3(a):

Yes, the GFC is a new position and promotion for Mr Kevin who was previously the Finance Manager to recognise his development and contributions to the Group. This appointment is also part of succession planning for the finance team as it is envisioned that Mr Kevin will subsequently assume the CFO role when the current CFO retires in due course. Currently the date of retirement of the CFO has not been finalised.

Question 3(b):

Please elaborate on size, composition and experience of the Finance Team.

Company's Response to Question 3(b):

The current Finance Team consists of five personnel which includes the Chief Financial Officer ("**CFO**"), Group Financial Controller ("**GFC**"), Admin & Accounts Executive, Accounts Executive and Accounts Officer. Each of the five personnel in the Finance Team has at least 4 years of working experience in the accounting/finance function with the GFC and CFO having more than 10 years of experience individually.

As Jawala Inc. has only one subsidiary and in view of the current requirements of the Group, the Board and Audit Committee is of the view that the finance team is adequately resourced currently.

By Order of the Board of Directors

Datuk Jema Khan
Executive Chairman and Chief Executive Officer
21 May 2021

*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 relevant rules of 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 229975, telephone (65) 6590 6881.