



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 2019**

*Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as ascribed to them in the Offer Document of the Company dated 24 May 2018 (the "**Offer Document**").*

Jawala Inc. (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 1 June 2018. The initial public offering 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 person for the Sponsor is Mr Gregory Wee Toon Lee, Assistant Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

Background

The Company was incorporated 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.

Prior to the listing on the Catalist of the SGX-ST on 1 June 2018, the Company undertook a corporate restructuring (the "**Restructuring Exercise**") to rationalise and streamline the Company corporate structure. Please refer to the Offer Document for further details on the Restructuring Exercise.

For the purpose of this announcement, the results of the Group for the financial period ended 31 January 2019 ("**HY2019**") and the comparative results of the Group for the financial period ended 31 January 2018 ("**HY2018**") have been prepared on the assumption that the group structure following the completion of the Restructuring Exercise has been in place since 1 August 2016.

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 2019 (“HY2019”) and the six months ended 31 January 2018 (“HY2018”)

Consolidated statement of comprehensive income

	Group 6-month Period Ended 31 January 2019 (Unaudited) RM'000	Group 6-month Period Ended 31 January 2018(Unaudited) RM'000	Increase/ (Decrease) %
Revenue	24,164	21,556	12
Cost of sales	(8,845)	(7,448)	19
Gross Profit	15,319	14,108	9
Other income	189	-	NM
Expenses			
- Distribution	(401)	(628)	(36)
- Administrative	(3,290)	(2,146)	53
- Finance	(13)	(12)	8
Profit before tax	11,804	11,322	4
Income tax expense	(2,964)	(2,789)	6
Total comprehensive income for the year attributable to equity holders of the Company	8,840	8,533	4
Profit attributable to:			
Equity holders of the Company	6,025	5,949	1
Non-controlling interests	2,815	2,584	9
	8,840	8,533	4

Note:

The comparative HY2018 figures are based on the Group's combined financial statements as described in the Background paragraph in Page 1.

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 2019 (Unaudited) RM'000	Group 6-month Period Ended 31 January 2018 (Unaudited) RM'000	Increase/ (Decrease) %
Finance expenses:			
- finance lease liabilities	13	12	8
Amortisation of intangible assets	3	3	-
Depreciation of property, plant and equipment	199	105	90
Employee compensation	1,607	1,239	30
Interest income	(185)	-	NM
Rental expense	30	22	36
Income tax expense:			
- current income tax	2,964	2,789	6
- deferred income tax	-	-	-

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.

Statement of financial position

	Group As at 31 Jan 2019 (Unaudited) RM'000	Group As at 31 Jul 2018 (Audited) RM'000	Company As at 31 Jan 2019 (Unaudited) RM'000	Company As at 31 Jul 2018 (Audited) RM'000
ASSETS				
Current assets				
Cash and bank balances	29,866	25,468	9,006	9,046
Trade and other receivables	4,627	4,218	3,558	5,518
Inventories	635	502	-	-
Total current assets	35,128	30,188	12,564	14,564
Non-current assets				
Other receivables	569	399	-	-
Investment in subsidiary	-	-	2,350	2,350
Property, plant and equipment	2,106	1,790	-	-
Plantation development expenditure	1,621	868	-	-
Intangible assets	483	485	-	-
Total non-current assets	4,779	3,542	2,350	2,350
Total assets	39,907	33,730	14,914	16,914
LIABILITIES				
Current liabilities				
Trade and other payables	1,408	3,290	82	79
Finance lease liabilities	73	51	-	-
Current income tax liabilities	2,177	1,630	-	-
Total current liabilities	3,658	4,971	82	79
Non-current liabilities				
Finance lease liabilities	450	343	-	-
Deferred income tax liabilities	82	82	-	-
Total non-current liabilities	532	425	-	-
Total liabilities	4,190	5,396	82	79
Net Assets	35,717	28,334	14,832	16,835
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)	13,545*	8,977	(375)	1,628
	28,752	24,184	14,832	16,835
Non-controlling interests	6,965	4,150	-	-
Total equity	35,717	28,334	14,832	16,835

*Included in retained profits is an amount of RM10.8 million (FY2018: RM5.9 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 to fund its operating expenses during 2022 to 2026 to bring the Industrial Tree Plantation to maturity.

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 2019 (RM'000)		As at 31 July 2018 (RM'000)	
Secured	Unsecured	Secured	Unsecured
73	-	51	-

Amount repayable by the Group after one year

As at 31 January 2019 (RM'000)		As at 31 July 2018 (RM'000)	
Secured	Unsecured	Secured	Unsecured
450	-	343	-

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.

Consolidated statement of cash flows

	Group 6-month Period Ended 31 January 2019 (Unaudited) RM'000	Group 6-month Period Ended 31 January 2018 (Unaudited) RM'000
Cash flows from operating activities		
Net profit	8,840	8,533
Adjustments for:		
- Depreciation of property, plant and equipment	199	105
- Amortisation of intangible assets	3	3
- Interest income	(185)	-
- Interest expense	13	12
- Income tax expense	2,964	2,789
Operating cash flows before working capital changes	11,834	11,442
Changes in working capital:		
- Inventories	(133)	320
- Trade and other receivables	(579)	(3,367)
- Trade and other payables	(1,042)	1,748
Cash provided by operations	10,080	10,143
Income tax paid	(2,417)	(655)
Net cash provided by operating activities	7,663	9,488
Cash flows from investing activities		
Additions to property, plant and equipment	(358)	(727)
Additions to plantation development expenditure	(752)	(144)
Net cash used in investing activities	(1,110)	(871)
Cash flows from financing activities		
Repayment of finance lease liabilities	(30)	(22)
Interest received	185	-
Interest paid	(13)	(12)
Dividend Paid	(2,297)	-
Increase in bank deposits restricted in use	-	(1,000)
Net cash used in financing activities	(2,155)	(1,034)
Net increase in cash and bank balances	4,398	7,583
Cash and bank balances at beginning of the year	24,468	2,402
Cash and bank balances at end of the year (Note A)	28,866	9,985

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 2019 RM'000	Group As at 31 Jan 2018 RM'000
Cash at bank and on hand	10,190	4,985
Short-term bank deposits	19,676	6,000
Cash and bank balances per Group statement of financial position	29,866	10,985
Less: Deposits placed with banks as security	1,000 ⁽¹⁾	1,000 ⁽¹⁾
Cash and bank balances per consolidated cash flow statement	28,866⁽²⁾	9,985

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.
- (2) This amount includes the sum of RM16.5 million in the bank accounts which is currently suspended by the Malaysian authorities, as has been disclosed in our announcements since 7th November 2018.

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.

Statement of changes in equity

Group

HY2019 (Unaudited)	Share capital RM'000	Retained Profits RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
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)
At 31 January 2019	15,207	13,545	28,752	6,965	35,717
HY2018 (Unaudited)					
At 1 August 2017	1,000	1,142	2,142	918	3,060
Total comprehensive income for the year	-	5,949	5,949	2,584	8,533
At 31 January 2018	1,000	7,091	8,091	3,502	11,593

Note:

* - less than RM1,000

Company

	Share capital RM'000	Retained profits/ (Accumulated losses) RM'000	Total RM'000
HY2019 (Unaudited)			
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)
	<hr/>		
At 31 January 2019	15,207	(375)	14,832
	<hr/>		
	Share capital RM'000	Accumulated losses RM'000	Total RM'000
HY2018 (Unaudited)			
Date of incorporation, 8 August 2017	-	-	-
Issuance of shares at date of incorporation, 8 August 2017	*	-	*
Total comprehensive income for the financial year	-	(80)	(80)
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At 31 January 2018	*	(80)	(80)
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Note:

* - less than RM1,000

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 2018	118,474,000	15,207,073
Balance as at 31 January 2019	118,474,000	15,207,073

The Company did not have any outstanding convertibles as at 31 January 2019 and 31 January 2018.

The Company did not have any treasury shares and subsidiary holdings as at 31 January 2019 and 31 January 2018.

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 2019	As at 31 July 2018
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 2019 and 31 July 2018.

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.

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 qualifications or emphasis of a matter).

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

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 2019 compared to its most recently audited annual financial statements for the financial year ended 31 July 2018.

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 Accounting Standards Council (Singapore) has introduced a new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)"), that is identical to the International Financial Reporting Standards issued by the International Accounting Standards Board, for the financial year beginning on or after 1 January 2018.

The Group has adopted SFRS(I) on 1 August 2018 and as a result, the Group's financial statements for the financial year ending 31 July 2019 will be prepared in accordance with SFRS(I).

The adoption of SFRS(I) does not result in any material changes to the Group's accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited financial statements as at 31 July 2018.

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 2019</u>	<u>31 January 2018</u>
	RM'000	RM'000
Profit attributable to owners of the Company	6,025	5,949
Weighted average number of ordinary shares ⁽¹⁾ ('000)	118,474	118,474
Basic and diluted EPS based on actual number of shares (RM)	0.05	0.05
Diluted EPS based on actual number of shares ⁽²⁾ (RM)	0.05	0.05

Notes:

(1) For comparatives purposes, the EPS for the respective financial years have been computed based on the share capital of 118,474,200 shares assuming that the Restructuring Exercise, Share Split, and the issuance of new shares pursuant to IPO had been completed as at 1 August 2016.

(2) The basic and fully diluted EPS were the same as there were no dilutive ordinary shares in issue as at 31 January 2019 and 31 January 2018.

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 2019 (Unaudited) RM'000	Group As at 31 Jul 2018 (Audited) RM'000	Company As at 31 Jan 2019 (Unaudited) RM'000	Company As at 31 Jul 2018 (Audited) RM'000
Net asset value ("NAV")	35,717	28,334	14,832	16,835
Number of ordinary shares in issue ⁽¹⁾ ('000)	118,474	118,474	118,474	118,474
NAV per ordinary share based on issued share capital (RM)	0.30	0.24	0.13	0.14

Note:

(1) For comparatives purposes, the NAV per ordinary share for the respective financial years have been computed based on the share capital of 118,474,200 shares assuming that the Restructuring Exercise, Share Split, and the issuance of new shares pursuant to IPO had been completed as at 1 August 2016.

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 HY2019 as compared to HY2018

Revenue

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

Revenue increased by approximately RM2.6 million, or 12% in HY2019 compared to HY2018 despite a decrease in production volume, mainly due to an increase in average selling price in the local market as a result of shortage of logs.

Gross profits and gross profit margin

The gross profit increased approximately RM1.2 million, or 9% in HY2019 compared to HY2018 as a result of an increase in the overall selling price of logs. However, the gross profit margin decreased from 65% in HY2018 to 63% in HY2019 mainly due to an increase in production costs.

Other income

Other income comprised mainly of interest income from fixed deposits. No interest income was generated from fixed deposits in HY2018 as the fixed deposits were placed in January 2018.

Distribution expenses

Distribution expenses comprised of costs incurred for transporting logs to customers in Tawau and Sandakan. Distribution expenses decreased by approximately RM0.2 million or 36% mainly due to the sales of logs to certain customers on an ex-stumping basis.

Administrative expenses

Administrative expenses comprised of mainly employee compensation, depreciation of property, plant and equipment, amortisation of intangible asset, rental and travelling expenses. Administrative expenses increased by approximately RM1.1 million or 53% in HY2019 compared to HY2018 mainly due to the increase in depreciation expenses of RM0.1 million, professional fees of RM0.3 million and increase in employee compensation of RM0.4 million due to bonuses and additional headcount.

Profit after tax

As a result of the foregoing, profit after tax in HY2019 amounted to RM8.8 million compared to RM8.5 million for HY2018, an increase of approximately RM0.3 million, or 4%.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Review of the Group's financial position as at 31 January 2019 as compared to 31 July 2018.

Current assets

Cash and bank balances were the most significant component of current assets and amounted to approximately RM29.9 million, or 85% of current assets.

Inventories amounted to approximately RM0.6 million, or 2% of current assets and comprise of the logs held at central stumping. Inventories increased by approximately RM0.1 million, or 26% in HY2019 compared to FY2018 mainly due to lower stock turnover.

Trade and other receivables amounted to approximately RM4.6 million, or 13% of current assets. Trade receivables amounted to approximately RM4.1 million, or 12% of current assets. Other receivables amounted to approximately RM0.5 million or 1% of current assets. Trade receivables increased by approximately RM0.2 million, or 6% in HY2019 compared to FY2018 mainly due to an increase in sales coupled with longer credit terms given to customers. Other receivables increased by approximately RM0.2 million, or 53% in HY2019 compared to FY2018 mainly due to a prepayment of professional fees which was new in the current financial period.

Non-current assets

Other receivables amounted to approximately RM0.6 million, or 12% of non-current assets. This amount 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 43% in HY2019 compared to FY2018 due to the retention sum paid to SFD during the financial period.

Property, plant and equipment amounted to approximately RM2.1 million, or 44% 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 in HY2019 compared to FY2018, or 18% mainly due to additions of motor vehicles and plantation infrastructure.

Plantation development expenditure amounted to approximately RM1.6 million, or 34% of non-current assets. Plantation development expenditure comprised of mainly hiring charges of 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 nursery and planting. Plantation development expenditure increased by approximately RM0.8 million, or 87% mainly due to the cost incurred for initial stage of replanting and planting activities in new compartments.

Intangible assets amounted to approximately RM0.5 million, or 10% 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 (SFMLA).

Current liabilities

Trade and other payables amounted to approximately RM1.4 million, or 38% of current liabilities comprising mainly trade payables of approximately RM0.7 million and other payables amounting to RM0.7 million. Trade payables decreased by approximately RM0.2 million, or 25% in HY2019 compared to FY2018 mainly due to prompt payment made to contractors and other suppliers. Other payables decreased by approximately RM1.6 million, or 71% in HY2019 compared to FY2018 mainly due to the payment made for bonus and dividends HY2019.

Finance lease liabilities amounted to RM73,000, or 2% of current liabilities and comprised of the current portion of the finance leases for motor vehicles. Current finance lease increased by approximately RM22,000 or 43% in HY2019 compared to FY2018 mainly due to addition of two units of motor vehicles under hire purchase facilities.

Current income tax liabilities increased by approximately RM0.5 million or 34% in HY2019 compared to FY2018 due to an increase in profit in HY2019.

Non-current liabilities

Finance lease liabilities amounted to approximately RM0.5 million or 85% of non-current liabilities. This comprised of hire purchase principals due later than one year. Non-current finance lease liabilities increased by approximately RM0.1 million, or 31% in HY2019 compared to FY2018 mainly due to addition of two units of motor vehicles under hire purchase.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Net cash from operating activities of approximately RM7.7 million in HY2019 was lower compared to RM9.5 million in HY2018 mainly due to a higher tax instalment paid in HY2019 and a reduction in trade creditors.

Net cash used in investing activities of approximately RM1.1 million in HY2019 related to the acquisition of motor vehicles, plantation infrastructure and plantation development expenditure.

Net cash used in financing activities of approximately RM2.2 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.

No forecast or prospect statement has been previously disclosed to shareholders.

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 Chief Minister of Sabah announced an immediate temporary ban on the export of logs from Sabah (the "**Temporary Export Ban**") on 23 May 2018. The Company is of the view that the Temporary Export Ban would not have a material adverse impact on the Company as (i) the Company currently does not export its logs and hence, the Temporary Export Ban is not expected to have any material impact on the Group's business and results of operations; (ii) to the best of the Company's knowledge and belief as of the date of this announcement, the export ban does not extend to processed wood products such as plywood and veneer. The Group sells logs and timber from salvage logging within the Licensed Area to customers for the production of sawn timber, veneer

and plywood which in turn export to other countries. It expects growth to be underpinned by strong demand for certified sustainable timber amid increasing international awareness of sustainability.

The Sabah State Government had also conducted a review on the logging concessions and forest management units of the Company to ensure all logging activities were done according to the rules to avoid environmental damages. There is no negative impact to the Company arising from this review.

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.

No interim dividend has been declared or recommended for the current financial period.

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.

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 2019 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. 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	(534)	1,366
Working capital	1,250	(246) ⁽¹⁾	1,004
Listing expenses	1,350	(1,350)	-
Total	4,500	(2,130)	2,370

Note:

(1) The utilisation of proceeds under working capital amounting to S\$246,000 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
15 March 2019