

# DIRECTORS' STATEMENT

For the financial year ended 31 July 2024

The directors present their statement to the members together with the audited financial statements of Jawala Inc. (the "Company") and its subsidiary corporation (collectively, the "Group") for the financial year ended 31 July 2024 and the statement of financial position of the Company as at 31 July 2024.

In the opinion of the directors,

- (i) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 96 to 136 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 July 2024 and the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## Directors

The directors of the Company in office at the date of this statement are as follows:

Datuk Jema Anton Khan  
Abdul Rahman Khan Bin Hakim Khan ("Mr. Rahman Khan")  
Nadja Binti Jema Khan (Resigned on 28 November 2023)  
Muaz Bin Jema Anton Khan  
Lee Yong Soon  
Leow Ming Fong @ Leow Min Fong ("Leow Ming Fong")  
Faridah Binti Mohd. Fuad Stephens

## Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options" and "Performance share plan" in this statement.

## Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of director		Holdings in which a director is deemed to have an interest	
	As at 31.07.2024	As at 31.07.2023	As at 31.07.2024	As at 31.07.2023
<b>Jawala Inc.</b>				
<u>(No. of ordinary shares)</u>				
Datuk Jema Anton Khan <sup>(1)</sup> <sup>(2)</sup>	-	-	100,000,000	100,000,000
Nadja Binti Jema Khan <sup>(2)</sup>	-	-	-	-
Muaz Bin Jema Anton Khan <sup>(2)</sup>	-	-	-	-
<b>Immediate and ultimate holding corporation</b>				
- Jawala Corporation Sdn. Bhd.				
<u>(No. of ordinary shares)</u>				
Datuk Jema Anton Khan <sup>(1)</sup> <sup>(2)</sup>	3,000,000	3,000,000	-	-
Nadja Binti Jema Khan <sup>(2)</sup>	1,500,000	1,500,000	-	-
Muaz Bin Jema Anton Khan <sup>(2)</sup>	1,500,000	1,500,000	-	-

# DIRECTORS' STATEMENT

For the financial year ended 31 July 2024

## Directors' interests in shares or debentures (continued)

- (1) Datuk Jema Anton Khan, who by virtue of his interest of not less than 20.00% of the issued share capital of the immediate and ultimate holding corporation, is deemed to have interests in the shares of the Company and the subsidiary corporation.
- (2) The Chairman, Datuk Jema Anton Khan, is the father of Non-Independent Non-Executive Director, Ms. Nadja Binti Jema Khan and Mr. Muaz Bin Jema Khan, the cousins of Chief Executive Officer cum Executive Director, Mr. Rahman Khan and the son of our Substantial Shareholder, Tan Sri Abdul Majid Khan. Jawala Corporation Sdn. Bhd. ("Jawala Corporation") is a company incorporated in Malaysia. The shareholders of Jawala Corporation are Tan Sri Abdul Majid Khan, who holds approximately 35.32% of the total shareholding interest in Jawala Corporation, Datuk Jema Anton Khan, who holds 20.00% of the total shareholding interest in Jawala Corporation, Mr. Chee Ah What who holds approximately 14.68% of the total shareholding interest in Jawala Corporation, and Mr. Muaz bin Jema Anton Khan, Ms. Qamra Binti Jema Khan and Ms. Nadja Binti Jema Khan who each hold 10.00% of the total shareholding interest in Jawala Corporation. Mr. Muaz bin Jema Anton Khan, Ms. Qamra Binti Jema Khan and Ms. Nadja Binti Jema Khan are siblings, and the children of Datuk Jema Anton Khan. Mr. Chee Ah What is not related to any of the Substantial Shareholders, Directors or Executive Officers.

The directors' interests in the ordinary shares of the Company as at 21 August 2024 were the same as those as at 31 July 2024.

## Share options

### THE JAWALA EMPLOYEE SHARE OPTION SCHEME

In conjunction with the Company's listing on the Catalist of Singapore Exchange Securities Trading Limited ("SGX-ST"), the Group has adopted the Jawala Employee Share Option Scheme ("ESOS") which was approved by its shareholders at an Extraordinary General Meeting ("EGM") held on 26 April 2018. The ESOS is administered by a committee comprising of members of the Nominating Committee and the Remuneration Committee (the "Administration Committee"). The ESOS provides for the grant of share options ("Options") to employees and Directors ("ESOS participants").

The selection of the ESOS participants and number of shares which are subject of each Option to be granted to an ESOS participant in accordance with the ESOS shall be determined at the absolute discretion of the Administration Committee, which shall take into account criteria such as, *inter alia*, the rank, scope of responsibilities, performance, years of service and potential for future development and contribution to the success of the Group.

Under the ESOS, the number of shares over which the Administration Committee may grant Options on any date, when added to the number of shares issued and issuable in respect of all Options granted under the ESOS (including the Jawala Performance Share Plan and any other share option scheme of the Company) shall not exceed 8% of the number of issued shares (excluding treasury shares and subsidiary holdings) on the day preceding the date of the relevant grant.

Options granted with the exercise price set at market price shall only be exercisable, in whole or in part at any time, by an ESOS participant after the first anniversary of the offer date of that Option, provided always that the Options shall be exercised before the fifth anniversary of the relevant offer date, or such earlier date as may be determined by the Administration Committee, failing which all unexercised Options shall immediately lapse and become null and void and an ESOS participant shall have no claim against the Company.

Options granted with exercise price set at a discount to market price shall only be exercisable, in whole or in part at any time, by an ESOS participant after the second anniversary from the offer date of that option, provided always that the Options shall be exercised before the fifth anniversary of the relevant offer date, or such earlier date as may be determined by the Administration Committee, failing which all unexercised Options shall immediately lapse and become null and void and an ESOS participant shall have no claim against the Company.

Options may lapse or be exercised earlier in circumstances which include the termination of the employment of the participant in the Group and the parent company, the bankruptcy of the participant, the death of the participant, a take-over of the Company, and the winding-up of the Company.

There were no options granted to the ESOS participants from the commencement of the ESOS up to the end of the financial year.

No options have been granted to controlling shareholders of the Company and their associates under the ESOS from the commencement of the ESOS up to the end of the financial year.

# DIRECTORS' STATEMENT

For the financial year ended 31 July 2024

## Share options (continued)

### THE JAWALA EMPLOYEE SHARE OPTION SCHEME (continued)

None of the ESOS participants received 5% or more of the total number of options available under the ESOS.

There were no options being exercised during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporation.

There were no unissued shares under Options in the Company or its subsidiary corporation as at the end of the financial year.

## Performance share plan

### THE JAWALA PERFORMANCE SHARE PLAN

In conjunction with the Company's listing on the Catalist of SGX-ST, the Group has adopted the Jawala Performance Share Plan ("PSP") which was approved by its shareholders at the EGM held on 26 April 2018. The PSP is administered by the Administration Committee. The PSP provides for the grant of incentive share awards ("Awards") to employees and Directors ("PSP participants").

The selection of the PSP participants and number of shares which are subject of each Award to be granted to a PSP participant in accordance with the PSP shall be determined at the absolute discretion of the Administration Committee, which shall take into account criteria such as, *inter alia*, the rank, job performance and potential for future development and contribution to the success of the Group.

Under the PSP, the total number of shares which may be delivered pursuant to the vesting of Awards on any date, when added to the aggregate number of shares issued and issuable in respect of (a) all Awards granted under the PSP; and (b) all options granted under any share option, shares incentive, performance share or restricted plans of the Company and for the time being in force, shall not exceed 8% of the number of issued shares (excluding treasury shares and subsidiary holdings) on the day preceding the date of the relevant grant.

The PSP allows for the participation by full-time employees of the Group (including the Executive Directors) and Non-Executive Directors (including Independent Directors) who have attained the age of 21 years and above on or before the relevant date of grant of the Award, provided that none shall be an undischarged bankrupt or have entered into a composition with his creditors. Controlling shareholders of the Company and their associates will be eligible to participate in the PSP provided they have met the eligibility criteria and that all other conditions for their participation in the PSP as may be required by the Catalist Rules from time to time, including but not limited to obtaining the necessary approvals of independent Shareholders for such participation, are satisfied.

Notwithstanding that a PSP participant may have met his performance targets, no Awards shall be vested:

- (a) When a PSP participant, being an employee of the Group, ceasing for any reason whatsoever, to be in the employment of a company in the Group or in the event the company by which the PSP participant is employed ceases to be a company in the Group;
- (b) When a PSP participant, being a Non-Executive Director, ceasing to be a director of a company in the Group, for any reason whatsoever;
- (c) Upon the bankruptcy of the PSP participant;
- (d) Upon ill health, injury or death of a PSP participant;
- (e) When a PSP participant committing any breach of any of the terms of his Award;
- (f) Upon misconduct on the part of a PSP participant as determined by the Administration Committee in its discretion;
- (g) When a general offer being made of all or any part of the Shares;

# DIRECTORS' STATEMENT

For the financial year ended 31 July 2024

## **Performance share plan(continued)**

### THE JAWALA PERFORMANCE SHARE PLAN (continued)

- (h) When a scheme of arrangement or compromise between the Company and the Shareholders being sanctioned by the Court;
- (i) When an order for the compulsory winding-up of the Company being made;
- (j) When a resolution for a voluntary winding-up (other than for amalgamation or reconstruction) of the Company being made; and/or
- (k) Upon any other event unless approved by the Administration Committee.

There were no share awards granted pursuant to the PSP from the commencement of the PSP up to the financial year ended 31 July 2024.

## **Audit Committee**

The Audit Committee comprises the following members, who are all non-executive independent directors.

Leow Ming Fong (Chairman)  
Lee Yong Soon  
Faridah Binti Mohd. Fuad Stephens

The Audit Committee carried out its functions including the review of the following:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the audit;
- the assistance given by the Company's management to the independent auditor; and
- the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 July 2024 before their submission to the Board of Directors.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The independent auditor has unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Board that the independent auditor, PKF-CAP LLP, be nominated for appointment at the forthcoming Annual General Meeting of the Company.

# DIRECTORS' STATEMENT

For the financial year ended 31 July 2024

## **Independent auditor**

The independent auditor, PKF-CAP LLP, has expressed its willingness to accept appointment.

On behalf of the directors

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Datuk Jema Anton Khan  
*Director*

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Abdul Rahman Khan Bin Hakim Khan  
*Director*

25 October 2024

# INDEPENDENT AUDITOR'S REPORT

To The Members of Jawala Inc.

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Jawala Inc. (the "Company") and its subsidiary corporation (the "Group"), which comprise the consolidation statements of financial position of the Group and the statement of the Company as at 31 July 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 96 to 136.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the financial position of the Group and the Company as at 31 July 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics* applicable to *Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter
<p><b>Going concern</b></p> <p>The Group incurred a net loss of RM2,684,370 (2023: RM897,336) or RM8,454,615 (2023: RM5,259,572) excluding the fair value gain on biological assets, and net cash used in operating activities of RM6,914,314 (2023: RM5,588,292) and cash and bank balances of RM8,909,814 (2023: RM19,498,909) for the financial year ended 31 July 2024. The Group had also reported declining revenue of RM8,152,797 (2023: RM11,203,054) due to the reduction in sales volume to customers during the year.</p> <p>The above conditions indicate the existence of event and conditions that may cast significant doubt on the Group's ability to continue as a going concern.</p> <p>The financial statements of the Group were prepared on a going concern basis as the management believe the Group will be able to meet its obligations as and when they fall due within the next twelve months on the bases as disclosed in Note 4.</p> <p>Management's assessment of the Group's ability to generate sufficient operating cash flows on a timely basis and availability of sufficient funds for its operations are important considerations for the going concern assumption. As such, these are significant aspects of our audit and we determined this is a key audit matter.</p>	<p>We reviewed, evaluated and discussed with management on their going concern assessment and the key assumptions used in the 12-months projected cash flows.</p> <p>We reviewed events after the financial year end to identify factors relevant, if any, to the going concern assumption as a basis for the preparation of the financial statements, including other future action plan of the Group.</p> <p>We reviewed the appropriateness and adequacy of the disclosures related to going concern in the consolidated financial statements.</p>

# INDEPENDENT AUDITOR'S REPORT

To The Members of Jawala Inc.

## Key Audit Matters (continued)

Key audit matter	How our audit addressed the matter
<p><b>Valuation of biological assets</b></p> <p>As at 31 July 2024, biological assets of the Group amounted to RM42.2 million (2023: RM25.2 million) representing approximately 61% (2023: 41%) of the total assets of the Group.</p> <p>Biological assets are measured at fair value, with changes in fair values being recognised in profit or loss. The fair value is estimated with reference to an independent professional valuer using the discounted cash flows. Determining the fair value requires the use of assumptions and estimates relating to harvesting plan, harvest yield per hectare, sale prices, extraction costs and discount rate.</p> <p>Judgement is exercised by the directors and management in determining the appropriateness of valuation methods and the key assumptions used in valuation.</p> <p>Due to the valuation involving significant management judgement and uncertainty in estimation, we have considered this to be a key audit matter.</p>	<p>We performed the following audit procedures to address the relevant risk assertions for biological assets:</p> <ul style="list-style-type: none"> <li>• Assessed the key inputs and data used in the valuation, and corroborating the evidence and comparing to the market available data;</li> <li>• Obtained forestry appraisal report and assessed the appropriateness of the sampling basis used by the forester.</li> <li>• Assessed the appropriateness of the discount rate applied in the valuation;</li> <li>• Reviewed the adequacy of the disclosures in relation to the valuation of biological assets in the financial statements;</li> <li>• Checked the mathematical computation of the discounted cash flow calculations;</li> <li>• Assessed the competence, capabilities and objectivity of the independent professional valuer and independent forester, including consideration of their qualifications and experience.</li> </ul>

## Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Other Matter

The financial statements for the financial year ended 31 July 2023 were audited by another auditor whose report dated 26 October 2023 expressed an unmodified opinion on those financial statements.

# INDEPENDENT AUDITOR'S REPORT

To The Members of Jawala Inc.

## *Responsibility of Management and Directors of the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

## *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



# INDEPENDENT AUDITOR'S REPORT

To The Members of Jawala Inc.

## *Auditor's Responsibilities for the Audit of the Financial Statements (continued)*

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lee Eng Kian.

### **PKF-CAP LLP**

Public Accountants and  
Chartered Accountants

Singapore

25 October 2024

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 July 2024

		Group	
	Note	2024 RM	2023 RM
Revenue	5	<b>8,152,797</b>	11,203,054
Cost of sales	8	<b>(5,504,299)</b>	(6,901,441)
Gross profit		<b>2,648,498</b>	4,301,613
Other income	6	<b>279,921</b>	614,892
Other gains and losses			
- Impairment loss on financial assets	7	<b>(1,407,089)</b>	(250,309)
- Fair value gain on biological assets	7	<b>5,770,245</b>	4,362,236
- Others	7	<b>(728)</b>	(2,839)
Expenses			
- Distribution	8	<b>(1,236,540)</b>	(1,019,724)
- Administrative	8	<b>(8,414,307)</b>	(8,880,064)
- Finance	10	<b>(94,701)</b>	(95,149)
Loss before income tax		<b>(2,454,701)</b>	(969,344)
Income tax (expense)/credit	11	<b>(229,669)</b>	72,008
<b>Total comprehensive loss, representing net loss for the financial year</b>		<b>(2,684,370)</b>	(897,336)
<b>Total comprehensive loss and net loss for the financial year attributable to:</b>			
Equity holders of the Company		<b>(2,094,664)</b>	(856,078)
Non-controlling interests	16	<b>(589,706)</b>	(41,258)
		<b>(2,684,370)</b>	(897,336)
<b>Loss per share for loss attributable to equity holders of the Company</b> (Sen per share)			
Basic and diluted	12	<b>(1.77)</b>	(0.72)

The accompanying notes form an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION GROUP

As at 31 July 2024

	Note	2024 RM	2023 RM
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	13	8,909,814	19,498,909
Trade and other receivables	14	6,570,340	6,986,139
Income tax recoverable		1,701,986	1,701,986
Inventories	15	1,479,638	566,761
		<b>18,661,778</b>	<b>28,753,795</b>
<b>Non-current assets</b>			
Other receivables	14	1,490,744	1,443,837
Property, plant and equipment	17	4,932,940	4,085,673
Right-of-use assets	18(a)	999,793	1,269,766
Biological assets	19	42,200,000	25,200,000
Intangible assets	20	455,000	460,000
		<b>50,078,477</b>	<b>32,459,276</b>
<b>Total assets</b>		<b>68,740,255</b>	<b>61,213,071</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	21	3,145,896	1,740,962
Borrowings	22	1,286,879	236,399
		<b>4,432,775</b>	<b>1,977,361</b>
<b>Non-current liabilities</b>			
Borrowings	22	16,477,610	8,951,139
Deferred income tax liabilities	23	3,464,175	3,234,506
		<b>19,941,785</b>	<b>12,185,645</b>
<b>Total liabilities</b>		<b>24,374,560</b>	<b>14,163,006</b>
<b>NET ASSETS</b>		<b>44,365,695</b>	<b>47,050,065</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital	24	15,207,073	15,207,073
Retained profits	25		
- Distributable		16,523,535	10,757,371
- Non-distributable (strategic reserve)		2,594,944	10,455,772
		<b>19,118,479</b>	<b>21,213,143</b>
		<b>34,325,552</b>	<b>36,420,216</b>
<b>Non-controlling interests</b>	16	<b>10,040,143</b>	<b>10,629,849</b>
<b>TOTAL EQUITY</b>		<b>44,365,695</b>	<b>47,050,065</b>

The accompanying notes form an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION COMPANY

As at 31 July 2024

	Note	2024 RM	2023 RM
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	13	<b>4,133,674</b>	4,840,272
Trade and other receivables	14	<b>37,027</b>	37,508
		<b>4,170,701</b>	4,877,780
<b>Non-current assets</b>			
Other receivable	14	<b>7,627,503</b>	7,185,155
Investment in a subsidiary corporation	16	<b>2,350,000</b>	2,350,000
		<b>9,977,503</b>	9,535,155
<b>Total assets</b>		<b>14,148,204</b>	14,412,935
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	21	<b>865,190</b>	421,066
<b>NET ASSETS</b>		<b>13,283,014</b>	13,991,869
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital	24	<b>15,207,073</b>	15,207,073
Accumulated losses	25(b)	<b>(1,924,059)</b>	(1,215,204)
<b>TOTAL EQUITY</b>		<b>13,283,014</b>	13,991,869

*The accompanying notes form an integral part of these financial statements.*

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 July 2024

	Attributable to equity holders of the Company			Non-controlling interests RM	Total equity RM
	Share capital RM	Retained profits RM	Total RM		
<b>2024</b>					
<b>Beginning of financial year</b>	15,207,073	21,213,143	36,420,216	10,629,849	47,050,065
Total comprehensive loss for the financial year	-	(2,094,664)	(2,094,664)	(589,706)	(2,684,370)
<b>End of financial year</b>	<b>15,207,073</b>	<b>19,118,479</b>	<b>34,325,552</b>	<b>10,040,143</b>	<b>44,365,695</b>
<b>2023</b>					
<b>Beginning of financial year</b>	15,207,073	22,069,221	37,276,294	10,671,107	47,947,401
Total comprehensive loss for the financial year	-	(856,078)	(856,078)	(41,258)	(897,336)
<b>End of financial year</b>	<b>15,207,073</b>	<b>21,213,143</b>	<b>36,420,216</b>	<b>10,629,849</b>	<b>47,050,065</b>

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 July 2024

	Note	Group	
		2024 RM	2023 RM
<b>Cash flows from operating activities</b>			
Net loss		(2,684,370)	(897,336)
- Interest income	6	(248,483)	(599,086)
- Fair value gain on biological assets	7	(5,770,245)	(4,362,236)
- Loss allowance on impairment of trade receivables	7	1,407,089	250,309
- Deposit written off		40,000	-
- Inventories written down	8	-	68,235
- Depreciation of property, plant and equipment	8	529,082	461,041
- Amortisation of intangible assets	8	5,000	5,000
- Depreciation of right-of-use assets	8	126,081	105,633
- Interest expense	10	94,701	95,149
- Income tax expense/(credit)	11	229,669	(72,008)
- Property, plant and equipment written off		914	-
- Gain on lease termination		(17,583)	-
		<b>(6,288,145)</b>	<b>(4,945,299)</b>
Changes in working capital:			
- Inventories		(912,877)	514,230
- Trade and other receivables		(1,118,226)	1,464,642
- Trade and other payables		1,404,934	(2,162,838)
Cash used in operations		<b>(6,914,314)</b>	<b>(5,129,265)</b>
Income tax paid, net		-	(459,027)
<b>Net cash used in operating activities</b>		<b>(6,914,314)</b>	<b>(5,588,292)</b>
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment	17	(1,575,719)	(1,610,032)
Additions to right-of-use assets		-	(50,525)
Additions to biological assets		(10,541,691)	(6,672,605)
Interest income received		288,512	542,146
<b>Net cash used in investing activities</b>		<b>(11,828,898)</b>	<b>(7,791,016)</b>
<b>Cash flows from financing activities</b>			
Principal payment of lease liabilities		(210,125)	(210,440)
Proceeds from borrowings		8,474,943	4,162,293
Interest paid		(94,701)	(95,149)
Principal repayment of borrowings		(16,000)	-
<b>Net cash provided by financing activities</b>		<b>8,154,117</b>	<b>3,856,704</b>
<b>Net decrease in cash and cash equivalent</b>		<b>(10,589,095)</b>	<b>(9,522,604)</b>
<b>Cash and cash equivalent</b>			
Beginning of financial year		<b>18,498,909</b>	28,021,513
<b>End of financial year</b>	13	<b>7,909,814</b>	18,498,909

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 July 2024

## Reconciliation of liabilities arising from financing activities

	1 August 2023	Proceeds from borrowings	Principal and interest payments	Non-cash changes			31 July 2024
				Additions	Lease termination	Interest expense	
RM	RM	RM	RM	RM	RM	RM	
<b>Borrowings</b>	7,688,775	8,474,943	(17,431)	-	-	397,896	16,544,183
<b>Lease liabilities</b>	1,498,763	-	(303,395)	-	(68,332)	93,270	1,220,306
	<b>9,187,538</b>	<b>8,474,943</b>	<b>(320,826)</b>	<b>-</b>	<b>(68,332)</b>	<b>491,166</b>	<b>17,764,489</b>

	1 August 2022	Proceeds from borrowings	Principal and interest payments	Non-cash changes			31 July 2023
				Additions	Lease termination	Interest expense	
RM	RM	RM	RM	RM	RM	RM	
<b>Borrowings</b>	3,313,104	4,162,293	-	-	-	213,378	7,688,775
<b>Lease liabilities</b>	1,264,604	-	(305,589)	444,599	-	95,149	1,498,763
	<b>4,577,708</b>	<b>4,162,293</b>	<b>(305,589)</b>	<b>444,599</b>	<b>-</b>	<b>308,527</b>	<b>9,187,538</b>

The accompanying notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

These notes form an integral part and should be read in conjunction with the accompanying financial statements.

## 1. Corporate information

### 1.1 The Company

The Company is listed on Catalist Board of Singapore Exchange Securities Trading Limited ("SGX-ST") on 1 June 2018 and incorporated in Labuan on 8 August 2017 as a company limited by shares, under the name of "Jawala Inc.", to act as the holding corporation of the Group.

The address of its registered office is at Lot A020, Level 1, Podium Level, Financial Park, Jalan Merdeka, 87000 Labuan F.T. Malaysia. The principal place of business is located at Lot 17.02, 17th Floor, Menara KH, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.

The principal activity of the Company is investment holding. The principal activities of the subsidiary corporation are disclosed in Note 16.

The Company's immediate and ultimate holding corporation is Jawala Corporation Sdn. Bhd., a company incorporated in Malaysia.

## 2. Material Accounting Policy Information

### 2.1 Basis of preparation

These financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

#### **Interpretations and amendments to published standards effective in 2024**

On 1 August 2023, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's and the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 2. Material Accounting Policy Information (continued)

### 2.1 Basis of preparation (continued)

#### SFRS(I)s and SFRS(I) INTs issued but not yet effective

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 August 2024 and which the Group has not early adopted:

		<b>Effective for annual periods beginning on or after</b>
Amendments to SFRS(I) 1-1	Classification of Liabilities as Current or Non-current	1 August 2024
Amendments to SFRS(I) 16	Lease liability in a sale and leaseback	1 August 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7	Supplier Finance Arrangements	1 August 2024
Amendments to SFRS(I) 1-1	Non-current Liabilities with Covenants	1 August 2024
Amendments to SFRS(I) 1-21	Lack of Exchangeability	1 January 2025
Amendments to SFRS(I) 10 and 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

### 2.2 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring promised goods or services to the customer, which is when the customer obtains control of the goods or services. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

#### (a) *Sale of logs/industrial tree plantation*

Revenue from sale of logs/industrial tree plantation is recognised upon the satisfaction of each performance obligation which is usually when the Group has delivered the products to the customer, the customer has accepted the products and the collectability of the related receivables is reasonably assured. Each delivery comprises a single performance obligation which is satisfied at a point in time.

#### (b) *Interest income*

Interest income from financial assets at amortised cost is recognised using the effective interest rate method.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 2. Material Accounting Policy Information (continued)

### 2.3 Government grants

Grants from the government are recognised as receivables at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

### 2.4 Group accounting

#### (a) *Subsidiary corporations*

##### (i) *Consolidation*

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statements of comprehensive income, statements of changes in equity, and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

##### (ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations entered into by the Group, other than those entities which are under common control.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 2. Material Accounting Policy Information (continued)

### 2.4 Group accounting (continued)

#### (a) *Subsidiary corporations (continued)*

##### (ii) *Acquisitions (continued)*

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair values of the identifiable net assets acquired is recorded as goodwill.

Acquisitions of entities under common control have been accounted for using the pooling-of-interests method. Under this method:

- The consolidated financial statements of the Group have been prepared as if the Group structure immediately after the transaction has been in existence since the earliest date the entities are under common control;
- The assets and liabilities are brought into the consolidated financial statements at their existing carrying amounts from the perspective of the controlling party;
- The consolidated statements of comprehensive income include the results of the acquired entities since the earliest date the entities are under common control;
- The cost of investment is recorded at the aggregate of the nominal value of the equity shares issued, cash and cash equivalents and fair values of other consideration; and
- On consolidation, the difference between the cost of investment and the nominal value of the share capital of the merged subsidiary corporation is taken to merger reserve.

##### (iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to "Investment in a subsidiary corporation" for the accounting policy on investment in a subsidiary corporation in the separate financial statements of the Company.

#### (b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 2. Material Accounting Policy Information (continued)

### 2.5 Property, plant and equipment

#### (a) Measurement

##### (i) Property, plant and equipment

All items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

##### (ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

#### (b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Furniture and fittings	10 years
Office equipment	3 years
Motor vehicles	5 years
Plantation infrastructure	5-10 years
Buildings - commercial office unit	50 years

The residual value, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each financial period. The effects of any revision are recognised in profit or loss when the changes arise.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

Fully depreciated. property, plant and equipment still in use are retained in the financial statements.

#### (c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

#### (d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other income".

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 2. Material Accounting Policy Information (continued)

### 2.6 Intangible assets

#### *Acquired timber rights*

Rights to fell, extract and harvest merchantable logs from the concession granted under the forest timber license are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 100 years, which is the period of contractual rights.

The amortisation period and amortisation method of intangible assets are reviewed at least at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

### 2.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the development of the biological assets. This includes those costs on borrowings acquired specifically for the development of biological assets.

### 2.8 Biological assets

Biological assets are stated at fair value less cost to sell, based on market prices of logs. Market prices are obtained from observable market prices (where available), contracted prices or estimated future prices. The costs to sell include the incremental selling costs, including royalty payable to authority, estimated extraction fee and costs of transport to market. Costs incurred during the year that are directly attributable to the biological assets are capitalised and changes in fair value of biological assets are recognised in profit or loss.

### 2.9 Investment in a subsidiary corporation

Investment in a subsidiary corporation is carried at cost less accumulated impairment losses. On disposal of such investment, the difference between disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

### 2.10 Impairment of non-financial assets

#### *Intangible asset*

#### *Property, plant and equipment including Right of use assets*

#### *Investment in a subsidiary corporation*

Intangible asset, property, plant and equipment, right-of-use assets and investment in a subsidiary corporation are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

Management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 2. Material Accounting Policy Information (continued)

### 2.11 Financial assets

The Group classifies its financial assets as amortised cost.

The classification of debt instruments depends on Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

#### (i) *At initial recognition*

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

#### (ii) *At subsequent measurement*

Debt instruments mainly comprise of cash and bank balances and trade and other receivables.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

#### (iii) *Impairment*

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has applied the general approach for the other financial assets carried at amortised cost.

#### (iv) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

### 2.12 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liabilities simultaneously.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 2. Material Accounting Policy Information (continued)

### 2.13 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

### 2.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

### 2.15 Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

### 2.16 Leases

*When the Group is the lessee*

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

#### (a) *Right-of-use assets*

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

This right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The right-of-use assets are presented as a separate line in the statement of financial position.

#### (b) *Lease liabilities*

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 2. Material Accounting Policy Information (continued)

### 2.16 Leases (continued)

*When the Group is the lessee (continued)*

#### *(b) Lease liabilities (continued)*

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### *(c) Short-term and low-value leases*

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

### 2.17 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of finished goods comprises of direct costs. Net realisable value is the estimated selling price in the ordinary course of business, less the applicable variable selling expenses.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 2. Material Accounting Policy Information (continued)

### 2.18 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investment in a subsidiary corporation, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income and expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

### 2.19 Provisions

Provisions for other liabilities and charges are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in profit or loss as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the profit or loss when the changes arise.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 2. Material Accounting Policy Information (continued)

### 2.20 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

#### (a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds such as the Employees' Provident Fund in Malaysia on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

#### (b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

### 2.21 Currency translation

#### (a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the functional currency of the Company.

#### (b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rate at the reporting date are recognised in profit or loss. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

### 2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors whose members are responsible for allocating resources and assessing performance of the operating segments.

### 2.23 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

### 2.24 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

### 2.25 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 2. Material Accounting Policy Information (continued)

### 2.26 Cash and cash equivalent

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, short-term deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet.

## 3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### *Expected Credit Losses*

The Group has applied the simplified approach by using the allowance matrix to measure the lifetime expected credit losses ("ECL") for all receivables. In measuring the expected credit losses, receivables are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rate, the Group considers current payment patterns for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

The carrying amounts of trade and other receivables and details of ECL allowance are disclosed in Notes 14 and 26(b)(i) to the financial statements respectively.

### *Impairment of non-financial assets*

The Group assesses whether there is an indication that an asset may be impaired. If any such indication exists, the Group has calculated the recoverable amount of an asset at higher of value-in-use and fair value less cost to sell. The value-in-use is based on a discounted cash flows model. The cash flows are derived from the budget approved by the management. The recoverable amount is sensitive to the key assumptions used which includes discount rate used for the discounted cash flows model. The fair value less cost to sell of an asset is estimated by an independent third-party valuer based on the available market data and necessary adjustments were made accordingly to match with the current condition of the asset. Recoverable amount is subject to a higher degree of uncertainty due to changes in market conditions, technological advancements and changes in the business environment in future.

The carrying amounts of property, plant and equipment, right-of-use assets and intangible assets are disclosed in Notes 17, 18(a) and 20 to the financial statements respectively.

### *Fair value of biological assets*

Biological assets are measured at fair value, with changes in fair values being recognised in profit or loss. The fair value is estimated with reference to an external independent valuer using the discounted cash flows method. Determining the fair value requires the use of assumptions and estimates relating to harvesting plan, harvest yield per hectare, sale prices, extraction costs and discount rate. Judgement is exercised by the directors and management in determining the appropriate valuation methods and the keys assumptions used in valuation.

The key assumptions used in the valuation and the carrying amount of biological assets are disclosed in Note 19 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 3. Critical accounting estimates, assumptions and judgements (continued)

### *Lease Terms*

The leases for plantation land contain extension period, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise the extension option. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The extension option is exercisable by the Group and not by the lessor. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

As at 31 July 2024, potential future (undiscounted) cash outflows of approximately RM5,521,500 (2023: RM5,521,500) have not been included in lease liabilities because it is not reasonably certain that the leases will be extended.

## 4. Going concern

The Group incurred a net loss of RM2,684,370 (2023: RM897,336) or RM8,454,615 (2023: RM5,259,572) excluding the fair value gain on biological assets, and net cash used in operating activities of RM6,914,314 (2023: RM5,588,292) and cash and bank balances of RM8,909,814 (2023: RM19,498,909) for the financial year ended 31 July 2024. The Group had also reported declining revenue of RM8,152,797 (2023: RM11,203,054) due to the reduction in sales volume to customers during the year.

The above conditions indicate the existence of events and conditions that may cast significant doubt on the Group's ability to continue as a going concern.

The financial statements of the Group have been prepared on a going concern basis as the Group will be able to meet its liabilities as when they fall due. The management is of the view that the use of the going concern assumption in the preparation of the financial statements is appropriate after taking into consideration the following:

1. The Group has a positive net current assets and net assets as well as sufficient positive cash and cash equivalent of RM7,909,814 (2023: RM18,498,909) as at the financial year end;
2. There are RM3,684,083 of claims that has been submitted during the year and there are remaining undrawn balance of RM25,811,331 available for drawdown in due course;
3. Management's plans to undertake periodic assessments in relation to the Group's operations and financial positions and where appropriate seek improvements in cash flow management, productivity, and manage cost efficiency of the Group's operations.

Accordingly, the directors are of the view that there is no material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and that the use of the going concern assumption to prepare the Group's financial statements remains appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 5. Revenue

	Group	
	2024	2023
	RM	RM
Sale of logs/industrial tree plantation	<b>8,152,797</b>	11,203,054

All the sales are derived from Malaysia and recognised at a point in time.

## 6. Other income

	Group	
	2024	2023
	RM	RM
Interest income from bank deposits	<b>248,483</b>	599,086
Others	<b>31,438</b>	15,806
	<b>279,921</b>	614,892

## 7. Other gains and losses

	Group	
	2024	2023
	RM	RM
Fair value gain on biological assets (Note 19)	<b>5,770,245</b>	4,362,236
Loss allowance on trade receivables (Note 26(b)(i))	<b>(1,407,089)</b>	(250,309)
Loss on foreign exchange, net	<b>(728)</b>	(2,839)
	<b>4,362,428</b>	4,109,088

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 8. Expenses by nature

	Group	
	2024	2023
	RM	RM
<b><u>Cost of sales</u></b>		
Extraction costs	3,527,133	3,339,204
Royalty fees	2,050,544	1,819,937
Fuel and oil	308,184	440,649
Conservation fee	47,728	50,264
Hiring charges	461,473	735,983
Others	22,114	1,174
Change in inventories	(912,877)	514,230
	<b>5,504,299</b>	<b>6,901,441</b>
<b><u>Distribution expenses</u></b>		
Hauling charges	895,761	704,786
Loader fees	196,604	208,233
Barging	144,175	106,705
	<b>1,236,540</b>	<b>1,019,724</b>
<b><u>Administrative expenses</u></b>		
Amortisation of intangible assets (Note 20)	5,000	5,000
Auditors' remuneration paid/payable to:		
- Auditors of the Company	186,300	241,400
- Other auditors	85,000	53,000
Other fees paid/payable to:		
- Other auditors	16,000	7,850
Depreciation of property, plant and equipment (Note 17)	529,082	461,041
Depreciation of right-of-use assets (Note 18(a))	126,081	105,633
Director's fees	359,166	355,200
Director's remuneration	380,993	380,953
Donation	94,568	74,417
Employee compensation (Note 9)	3,616,373	4,103,312
Inventories written down	-	68,235
Professional fees	933,141	1,166,104
Rental expenses on short-term leases (Note 18(c))	18,000	83,200
Repair and maintenance	393,333	466,209
Travelling and transportation	390,245	423,995
Advertisement	202,593	23,611
Insurance	241,637	233,453
Entertainment	147,169	138,960
Others	689,626	488,491
	<b>8,414,307</b>	<b>8,880,064</b>
Total costs of sales, distribution and administrative expenses	<b>15,155,146</b>	<b>16,801,229</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 9. Employee compensation

	Group	
	2024 RM	2023 RM
Wages and salaries	3,134,125	3,333,485
Employer's contribution to defined contributions plan	386,103	441,398
Other short-term benefits	96,145	328,429
	<b>3,616,373</b>	<b>4,103,312</b>

## 10. Finance expense

	Group	
	2024 RM	2023 RM
Interest expense		
- Borrowings	397,896	213,378
- Lease liabilities (Note 18(b))	93,270	95,149
	<b>491,166</b>	<b>308,527</b>
Less: Amount capitalised as biological assets	(396,465)	(213,378)
Amount recognised in profit or loss	<b>94,701</b>	<b>95,149</b>

Borrowings acquired were specifically for the development of biological assets. Interest expenses incurred on these borrowings were capitalised and included in biological assets (Note 19).

## 11. Income tax expense/(credit)

	Group	
	2024 RM	2023 RM
Income tax expense/(credit) attributable to loss is made up of:		
Deferred income tax (Note 23)		
- Current year provision	355,430	263,795
- Over provision in prior financial year	(125,761)	(335,803)
	<b>229,669</b>	<b>(72,008)</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 11. Income tax expense/(credit) (continued)

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the Labuan tax rate of income tax is as follows:

	Group	
	2024	2023
	RM	RM
Loss before income tax	<b>(2,454,701)</b>	(969,344)
Effects of:		
- different tax rate in other jurisdiction	<b>(419,004)</b>	(50,453)
- expenses not deductible for tax purposes	<b>626,988</b>	246,422
- over provision of deferred income tax in prior financial year	<b>(125,761)</b>	(335,803)
- others	<b>147,446</b>	67,826
Income tax expense/(credit)	<b>229,669</b>	(72,008)

## 12. Earnings per share

Basic earnings per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	2024	2023
<u>Numerator</u>		
Net loss attributable to equity holder of the Company (RM)	<b>(2,094,664)</b>	(856,078)
<u>Denominator</u>		
Weighted average number of ordinary shares ('000)	<b>118,474</b>	118,474
Basic and diluted earnings per share (Sen per share) <sup>(1)</sup>	<b>(1.77)</b>	(0.72)

<sup>(1)</sup> The basic and fully diluted earnings per share are the same as there were no dilutive ordinary shares in issue as at 31 July 2024 and 2023.

## 13. Cash and bank balances

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cash at bank	<b>2,347,329</b>	1,141,707	<b>772,188</b>	552,387
Cash on hand	<b>10,224</b>	7,727	<b>9</b>	8
Short-term bank deposits	<b>6,552,261</b>	18,349,475	<b>3,361,477</b>	4,287,877
	<b>8,909,814</b>	19,498,909	<b>4,133,674</b>	4,840,272



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 13. Cash and bank balances (continued)

For the purpose of presenting the consolidated statement of cash flows, cash and bank balances comprise the following:

	Group	
	2024	2023
	RM	RM
Cash and bank balances	<b>8,909,814</b>	19,498,909
Less: Bank deposits pledged	<b>(1,000,000)</b>	(1,000,000)
Cash and cash equivalents per consolidated statement of cash flows	<b>7,909,814</b>	18,498,909

Bank deposits pledged are in relation to the banker's guarantee required for the license as described in Note 20. A portion of the cash and bank balances has also been set aside as funds for purposes as referred to in Note 25 on the use of strategic reserves.

## 14. Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
<b>Current</b>				
Trade receivables – Non-related parties	<b>7,796,421</b>	6,257,728	-	-
Less: Allowance for impairment (Note 26(b)(i))	<b>(1,657,398)</b>	(250,309)	-	-
	<b>6,139,023</b>	6,007,419	-	-
Other receivables				
- Related parties	<b>140,644</b>	445,319	-	-
- Related corporation	<b>16,595</b>	18,545	-	-
- Non-related parties	<b>189,088</b>	388,066	<b>15,008</b>	15,937
	<b>346,327</b>	851,930	<b>15,008</b>	15,937
Deposits	<b>29,440</b>	70,440	-	-
Prepayments	<b>55,550</b>	56,350	<b>22,019</b>	21,571
	<b>6,570,340</b>	6,986,139	<b>37,027</b>	37,508
<b>Non-current</b>				
Retention sum on royalty fees (Note 1)	<b>1,444,222</b>	1,443,837	-	-
Other receivables – Non-related party	<b>46,522</b>	-	-	-
Subsidiary corporation	-	-	<b>7,627,503</b>	7,185,155
Total trade and other receivables	<b>8,061,084</b>	8,429,976	<b>7,664,530</b>	7,222,663

Current other receivables from related corporation, related parties are unsecured, interest free and receivable on demand.

### Note 1

The amount pertains to the 5% retention sum on royalty fees for Sabah Forestry Department. Upon payment of royalties on the logs harvested and sold by the Group, a 5% retention sum is paid to the Sabah Forestry Department (SFD). The Group would be able to claim the retention sum upon completion of the coupe within the licensed area or can utilise the retention sum to offset against future royalty payments to the SFD.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 14. Trade and other receivables (continued)

Non-current other receivables from subsidiary corporation are unsecured and subject to a variable interest rate of 7.85% (2023: 7.85%) per annum. The variable interest rate per annum is 1% premium added on the annual market lending rate. The non-current balances, including all accrued and unpaid interest, are repayable upon maturity on 19 June 2029.

The fair value of non-current other receivables is computed based on future cash flows discounted at market borrowing rates of an equivalent instrument at the reporting date which the directors expect to be available. The fair value is within Level 3 of the fair value hierarchy. The fair value and the market borrowing rates used are as follows:

	Fair value		Borrowing rate	
	2024	2023	2024	2023
	RM	RM	%	%
<b>Company</b>				
Other receivables – subsidiary corporation	<b>7,627,503</b>	7,185,155	<b>7.85</b>	7.85

## 15. Inventories

	Group	
	2024	2023
	RM	RM
At cost		
Finished goods	<b>1,479,638</b>	566,761

The cost of inventories recognised as an expense and included in “cost of sales” amounted to RM 4,664,801 (2023: RM5,673,371).

During the financial year, the Group has written down inventories amounting to RM NIL (2023: RM68,235).

## 16. Investment in a subsidiary corporation

	Company	
	2024	2023
	RM	RM
<b>Equity investment at cost</b>		
Beginning and end of financial year	<b>2,350,000</b>	2,350,000

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 16. Investment in a subsidiary corporation (continued)

The Group had the following subsidiary corporation as at 31 July 2024 and 2023:

Name of company	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group and the Company		Proportion of ordinary shares held by non-controlling interests	
			2024	2023	2024	2023
			%	%	%	%
Jawala Plantation Industries Sdn. Bhd. <sup>(a)</sup>	Harvesting, distributing, processing and sales of logs/ industrial tree plantation	Malaysia	70	70	30	30

<sup>(a)</sup> Audited by PKF, Malaysia for local statutory purpose.

*Carrying value of non-controlling interests*

	2024 RM	2023 RM
Jawala Plantation Industries Sdn. Bhd.	<b>10,040,143</b>	10,629,849

*Summarised financial information of subsidiary corporation with material non-controlling interests.*

Set out below is the summarised financial information for the subsidiary corporation, Jawala Plantation Industries Sdn. Bhd. that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

*Summarised statement of financial position*

	2024 RM	2023 RM
<b>Current</b>		
Assets	<b>14,933,928</b>	23,996,338
Liabilities	<b>(4,010,437)</b>	(1,676,618)
Total net current assets	<b>10,923,491</b>	22,319,720
<b>Non-current</b>		
Assets	<b>50,078,477</b>	32,459,276
Liabilities	<b>(27,569,288)</b>	(19,370,800)
Total net non-current assets	<b>22,509,189</b>	13,088,476
<b>Net assets</b>	<b>33,432,680</b>	35,408,196

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 16. Investment in a subsidiary corporation (continued)

*Summarised statement of comprehensive income*

	2024 RM	2023 RM
Revenue	<b>8,152,797</b>	11,203,054
<b>Loss before income tax</b>	<b>(1,745,847)</b>	(210,222)
Income tax (expense)/credit	<b>(229,669)</b>	72,008
<b>Total comprehensive loss, representing net loss</b>	<b>(1,975,516)</b>	(138,214)
<b>Total comprehensive loss and net loss allocated to non-controlling interests</b>	<b>(589,706)</b>	(41,258)

*Summarised statement of cash flows*

	2024 RM	2023 RM
<u>Cash flows from operating activities</u>		
Cash used in operations	<b>(6,075,932)</b>	(3,911,986)
Income tax paid, net	-	(459,027)
<b>Net cash used in operating activities</b>	<b>(6,075,932)</b>	(4,371,013)
<b>Net cash used in investing activities</b>	<b>(11,960,681)</b>	(8,333,162)
<b>Net cash generated from financing activities</b>	<b>8,154,116</b>	4,267,460
<b>Net decrease in cash and cash equivalents</b>	<b>(9,882,497)</b>	(8,436,715)
<b>Cash and cash equivalents</b>		
Beginning of financial year	<b>13,658,637</b>	22,095,352
<b>End of financial year</b>	<b>3,776,140</b>	13,658,637

The above cash and cash equivalents excluded bank deposits of RM 1,000,000 (2023: RM1,000,000) pledged in relation to the banker's guarantee required for the license as described in Note 20.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 17. Property, plant and equipment

	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Plantation infrastructure RM	Buildings - commercial office unit RM	Total RM
<b>Group</b>						
<b>2024</b>						
<i>Cost</i>						
Beginning of financial year	244,133	409,638	601,107	5,259,584	-	6,514,462
Additions	39,248	39,437	-	802,034	695,000	1,575,719
Written off	-	-	-	(2,566)	-	(2,566)
End of financial year	<b>283,381</b>	<b>449,075</b>	<b>601,107</b>	<b>6,059,052</b>	<b>695,000</b>	<b>8,087,615</b>
<i>Accumulated depreciation</i>						
Beginning of financial year	71,338	286,681	550,520	1,520,250	-	2,428,789
Depreciation charge (Note 8)	27,261	78,804	21,594	394,473	6,950	529,082
Depreciation capitalised	-	-	-	198,456	-	198,456
Written off	-	-	-	(1,652)	-	(1,652)
End of financial year	<b>98,599</b>	<b>365,485</b>	<b>572,114</b>	<b>2,111,527</b>	<b>6,950</b>	<b>3,154,675</b>
<b>Net book value</b>						
<b>End of financial year</b>	<b>184,782</b>	<b>83,590</b>	<b>28,993</b>	<b>3,947,525</b>	<b>688,050</b>	<b>4,932,940</b>
<b>2023</b>						
<i>Cost</i>						
Beginning of financial year	211,304	327,643	601,107	3,766,245	-	4,906,299
Additions	32,829	83,864	-	1,493,339	-	1,610,032
Written off	-	(1,869)	-	-	-	(1,869)
End of financial year	244,133	409,638	601,107	5,259,584	-	6,514,462
<i>Accumulated depreciation</i>						
Beginning of financial year	48,302	216,109	494,974	1,047,763	-	1,807,148
Depreciation charge (Note 8)	23,036	72,441	42,359	323,205	-	461,041
Depreciation capitalised	-	-	13,187	149,282	-	162,469
Written off	-	(1,869)	-	-	-	(1,869)
End of financial year	71,338	286,681	550,520	1,520,250	-	2,428,789
<b>Net book value</b>						
<b>End of financial year</b>	<b>172,795</b>	<b>122,957</b>	<b>50,587</b>	<b>3,739,334</b>	<b>-</b>	<b>4,085,673</b>

Depreciation charge relating to property, plant and equipment used in plantation (reforestation) development activities during the financial year of RM 198,456 (2023: RM162,469) is capitalised and included in biological assets (Note 19).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 18. Leases – the Group as a lessee

*Nature of the Group's leasing activities*

The Group leases plantation land and office space and motor vehicles for the purpose of day-to-day operations.

### (a) Right-of-use assets

	Plantation land and office RM	Motor vehicles RM	Total RM
<b>2024</b>			
<b>Cost</b>			
Beginning of financial year	1,043,505	1,070,460	2,113,965
Lease termination	(107,148)	-	(107,148)
End of financial year	<b>936,357</b>	<b>1,070,460</b>	<b>2,006,817</b>
<b>Accumulated depreciation</b>			
Beginning of financial year	290,197	554,002	844,199
Depreciation charge (Note 8)	82,605	43,476	126,081
Depreciation capitalised	-	93,143	93,143
Lease termination	(56,399)	-	(56,399)
End of financial year	<b>316,403</b>	<b>690,621</b>	<b>1,007,024</b>
<b>Carrying amount</b>			
<b>End of financial year</b>	<b>619,954</b>	<b>379,839</b>	<b>999,793</b>
<b>2023</b>			
<b>Cost</b>			
Beginning of financial year	998,711	662,334	1,661,045
Additions	86,998	408,126	495,124
Lease termination	(42,204)	-	(42,204)
End of financial year	1,043,505	1,070,460	2,113,965
<b>Accumulated depreciation</b>			
Beginning of financial year	247,174	428,900	676,074
Depreciation charge (Note 8)	85,227	20,406	105,633
Depreciation capitalised	-	104,696	104,696
Lease termination	(42,204)	-	(42,204)
End of financial year	290,197	554,002	844,199
<b>Carrying amount</b>			
<b>End of financial year</b>	753,308	516,458	1,269,766

### (b) Interest expense

	2024 RM	2023 RM
Interest expense on lease liabilities (Note 10)	<b>93,270</b>	95,149

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 18. Leases – the Group as a lessee (continued)

- (c) Lease expense not capitalised in lease liabilities

	2024 RM	2023 RM
Lease expense – short-term leases (Note 8)	<b>18,000</b>	83,200

- (d) Total cash outflow for leases in 2024 was RM321,395 (2023: RM388,789).

- (e) Future cash outflow which are not capitalised in lease liabilities

### *Extension options*

The leases for plantation land contain extension period, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise the extension option. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The extension option is exercisable by the Group and not by the lessor.

## 19. Biological assets

	Group	
	2024 RM	2023 RM
Beginning of financial year	<b>25,200,000</b>	13,589,521
Additions	<b>11,250,055</b>	7,248,243
Harvested	<b>(20,300)</b>	-
Changes in fair value of biological assets (Note 7)	<b>5,770,245</b>	4,362,236
<b>End of financial year</b>	<b>42,200,000</b>	25,200,000

Biological assets represent the forest planting expenditure incurred under the license as described in Note 20 below.

### *Fair value of biological assets*

The Group engages an independent external professional valuer, VPC Alliance (Sabah) Sdn. Bhd. (the "Valuer") to estimate the fair value of the biological assets as at 31 July 2024 based on the information provided and the assessment report of the plantation issued by an external independent forester. VPC Alliance (Sabah) Sdn. Bhd. is a member of the Board of Valuers, Appraisers and Estate Agents Malaysia with appropriate recognised professional qualifications.

The directors and management reviewed the suitability of the engaged professional valuer and forester, taking into consideration of their competent and qualification relevant to the scope of work.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 19. Biological assets (continued)

### *Fair value information*

The fair value measurements for the planted trees have been categorised as Level 3 fair value based on the inputs to the valuation techniques used.

### **Level 3 Fair value**

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation model.

Description	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Planted trees	Discounted Cash Flows	(i) Log selling price per m <sup>3</sup> : RM400 (2023: RM400)	The higher the selling price, the higher the fair value
		(ii) Discount rate of 16% (2023: 12%)	The higher the discount rate, the lower the fair value
		(iii) Estimated yield per hectare: 147 m <sup>3</sup> /ha (2023: 190 m <sup>3</sup> /ha)	The higher the yield rate, the higher the fair value

During the year, there was a change in estimation of fair value under the income approach involving certain cost components to arrive at the valuation of biological asset. The new change in significant unobservable input is more reflective of the fair value of the biological asset.

## 20. Intangible assets

	Group	
	2024	2023
	RM	RM
<b>Acquired timber rights</b>		
<b>Cost</b>		
Beginning and end of financial year	500,000	500,000
<b>Accumulated amortisation</b>		
Beginning of financial year	40,000	35,000
Amortisation charge (Note 8)	5,000	5,000
End of financial year	45,000	40,000
<b>Net book value</b>		
End of financial year	455,000	460,000

On 12 August 2015, the Group was granted a sustainable forest management license ("License") over an area of 11,043 hectares in the Sapulut Forest Reserve in Sabah, Malaysia for a period of 100 years.

Bank deposits of RM1,000,000 (Note 13) were pledged in relation to the banker's guarantee required under the License.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 21. Trade and other payables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables - Non-related parties	<b>760,527</b>	321,172	-	-
Other payables				
- Non-related parties	<b>950,371</b>	673,557	<b>66,206</b>	300,743
- Related parties	<b>150,834</b>	39,628		
- Ultimate holding corporation	<b>7,954</b>	2,921	-	-
- Subsidiary corporation	-	-	<b>442,851</b>	120,323
- Related corporation	<b>11,345</b>	11,345	-	-
	<b>1,120,504</b>	727,451	<b>509,057</b>	421,066
Accruals for operating expenses	<b>1,264,865</b>	692,339	<b>356,133</b>	-
	<b>3,145,896</b>	1,740,962	<b>865,190</b>	421,066

Other payables to ultimate holding corporation, subsidiary corporation, related corporation and related parties are unsecured, interest free and repayable on demand.

## 22. Borrowings

	Group	
	2024 RM	2023 RM
<b>Current</b>		
Lease liabilities	<b>152,293</b>	236,399
Borrowings	<b>1,134,586</b>	-
	<b>1,286,879</b>	236,399
<b>Non-current</b>		
Lease liabilities	<b>1,068,013</b>	1,262,364
Borrowings	<b>15,409,597</b>	7,688,775
	<b>16,477,610</b>	8,951,139
Total borrowings	<b>17,764,489</b>	9,187,538

The borrowings of the Group are charged at a fixed interest rate of 3% per annum and not exposed to interest rate changes.

The borrowings are repayable over 5 years of instalment to commence at the earlier of the expiry of 180 months grace period from the first drawdown or the commencement of harvesting of the planted trees as disclosed in Note 19. Two borrowings were granted to the Group in year 2019 and 2022, with the disbursement received in financial year 2021, 2023 and 2024 respectively.

### (a) Security granted

The borrowings of the Group are secured over corporate guarantee issued by immediate and ultimate holding corporation, Jawala Corporation Sdn. Bhd. and an area of approximately 6,762 hectares from a total of 11,043 hectares in the Sapulut Forest Reserve in Sabah, Malaysia which is granted under the license as described in Note 20.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 22. Borrowings (continued)

### (b) Fair value of non-current borrowings

The carrying amounts non-current borrowings as at 31 July 2024 approximates its fair values as it is subject to interest rates close to market rate of interests for similar arrangements (2023: RM7,358,951) which is determined from the cash flow analyses, discounted at market borrowing rates of 3% (2023: 3%), from an equivalent instrument at the reporting date which the directors expect to be available to the Group.

The fair values are within Level 3 of the fair value hierarchy.

## 23. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amount is shown on the consolidated statement of financial position as follows:

	Group	
	2024 RM	2023 RM
<b>Deferred income tax assets</b>		
Unabsorbed capital allowance	(632,758)	(423,357)
Unutilised business loss carry forward	(6,084,252)	(2,365,756)
Other	(44,976)	(60,074)
	<b>(6,761,986)</b>	<b>(2,849,187)</b>
<b>Deferred income tax liabilities</b>		
Biological assets	9,836,268	5,826,252
Accelerated tax depreciation	389,893	257,441
	<b>10,226,161</b>	<b>6,083,693</b>
<b>Net deferred tax liabilities</b>	<b>3,464,175</b>	<b>3,234,506</b>

Movement in deferred income tax account is as follows:

	Group	
	2024 RM	2023 RM
Beginning of financial year	3,234,506	3,306,514
Income tax expense/(credit) (Note 11)	229,669	(72,008)
End of financial year	<b>3,464,175</b>	<b>3,234,506</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 24. Share capital

	Group and Company	
	No. of ordinary shares	Amount RM
<b>2024 and 2023</b>		
Beginning and end of financial year	<b>118,474,000</b>	<b>15,207,073</b>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

## 25. Retained profits

The Group has an existing covenant to set aside its share in 75% of the net profit of the subsidiary corporation to be placed as strategic reserves.

Such strategic reserves will not be used for any other purposes save for (i) funding operating expenses during 2023 and 2026 and capital expenditure required to bring the Industrial Tree Plantations ("ITP") to maturity, including but not limited to infrastructure development and management, land development, planting, planting maintenance, natural forest silviculture and restoration for the period between 2018 and 2026 and corporate and administrative expenses for the period between 2023 and 2026 to bring the ITP to maturity (Note 19); and (ii) acquisition of other ITPs which would generate net cash inflow during the period between 2023 and 2026.

(a) Movement for non-distributable strategic reserves included in retained profits of the Group is as follows:

	Group	
	2024 RM	2023 RM
Beginning of financial year	<b>10,455,772</b>	15,529,542
Utilisation	<b>(7,860,828)</b>	(5,073,770)
End of financial year	<b>2,594,944</b>	10,455,772

During the financial year, RM7,860,828 (2023: RM5,073,770) was utilised from strategic reserves for planting activities.

(b) Movement in accumulated losses for the Company is as follows:

	Company	
	2024 RM	2023 RM
Beginning of financial year	<b>(1,215,204)</b>	(456,082)
Net loss for the year	<b>(708,855)</b>	(759,122)
End of financial year	<b>(1,924,059)</b>	(1,215,204)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 26. Financial risk management

### *Financial risk factors*

The Group's activities expose it to market risk (including currency risk, price risk and interest risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performances.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. This includes establishing detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, and exposure limits.

Financial risk management is carried out by the finance department in accordance with the policies set by the Board of Directors. The finance personnel identifies, evaluates and monitors financial risks in close co-operation with the Group's operating units. The finance personnel measures actual exposures against the limits set and prepares periodic reports for review by the Executive Directors. Regular reports are also submitted to the Board of Directors.

The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below:

(a) *Market risk*

(i) *Currency risk*

Foreign currency risk arises from transactions denominated in currencies other than the functional currency of the entities of the Group. The Group's business operations are based in Malaysia and most of the transactions are denominated in Ringgit Malaysia. The Group and the Company are not exposed to significant foreign currency risk.

(ii) *Price risk*

The Group and the Company have no significant exposure to price risk as they do not have any equity securities.

(iii) *Cash flow and fair value interest rate risks*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's interest rate risk is primarily from short-term deposits that will mature from 1 to 12 months. These short-term deposits are placed on a short-term basis according to the Group's cash flow requirements, and hence the Group has no significant exposure to interest rate risk.

The Company's exposure to cash flows interest rate risk arises mainly from non-current loans to a subsidiary at variable rate. The Company's loan to a subsidiary at variable rate on which effective hedges have not been entered into are denominated in RM. If the RM interest rate had been higher/lower by 1% with all other variables including tax rate being held constant, the Company's profit after tax would have been higher/lower by RM76,275 (2023: RM71,852) as a result of higher/lower interest income on the non-current loans to a subsidiary.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 26. Financial risk management (continued)

### Financial risk factors (continued)

#### (b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and the Company are cash and bank balances and trade and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the reporting date, except as follows:

	Group	
	2024	2023
	RM	RM
Corporate guarantee provided to a related party on hire purchase facility	<b>1,121,728</b>	1,603,840

Concentration of credit risk relating to trade receivables is limited due to the Group's varied customers. The Group's top 3 (2023: 3) most significant customers account for individual balances represented between 13% to 42% (2023: 23% to 53%) of the trade receivables as at 31 July 2024. The Group's historical experience in the collection of trade receivables adjusted with forward-looking information fall materially within the recorded allowances. Due to these factors, management believes no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

#### (i) Trade receivables

The Group has applied the simplified approach by using the allowance matrix to measure the lifetime expected credit losses ("ECL") for all trade receivables.

In measuring the expected credit losses, trade and other receivables are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rate, the Group considers current payment patterns for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a receivable for write off when a customer fails to make contractual payment greater than 1 year past due based on historical collection trend. Where trade and other receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The movements in credit loss allowance are as follows:

	Group	
	2024	2023
	RM	RM
At beginning of financial year	<b>250,309</b>	-
Loss allowance recognised in profit or loss	<b>1,407,089</b>	250,309
At end of financial year (Note 14)	<b>1,657,398</b>	250,309

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 26. Financial risk management (continued)

### Financial risk factors (continued)

#### (b) Credit risk (continued)

##### (i) Trade receivables (continued)

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 are set out in the provision matrix as follows:

	Not past due nor impaired RM	Past due 0 to 30 days RM	Past due 31 to 150 days RM	Past due 151 to 365 days RM	More than one year RM	Total RM
<b>Group</b>						
<b>31 July 2024</b>						
Expected loss rate	3%	0%	0%	0%	42%	
Trade receivables	1,873,488	925,168	1,151,483	-	3,846,281	7,796,420
Loss allowance	(56,725)	-	-	-	(1,600,673)	(1,657,398)
<b>31 July 2023</b>						
Expected loss rate	0%	0%	0%	0%	40%	
Trade receivables	-	-	1,448,895	4,187,576	621,257	6,257,728
Loss allowance	-	-	-	-	(250,309)	(250,309)

##### (ii) Amounts due from subsidiary corporation

The Company provides for ECL on non-trade receivable balances due from subsidiary corporation based on general approach.

In assessing whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the non-trade receivable balances due from subsidiary corporation as at the reporting date with the risk of default as at the date of initial recognition. The Company considered amongst other factors, the financial position of the subsidiary corporation at the reporting date, the past financial performance and cash flows trends, adjusted for the outlook of the industry and economy in which the subsidiary operate in.

The Company assessed that the credit risk is low and the ECL is insignificant using 12-month ECL.

##### (iii) Cash and cash equivalents

The Group's and the Company's held cash and cash equivalents with banks with high credit ratings and are considered to have low credit risk. The cash and cash equivalents are measured on 12-month ECL and credit loss is negligible.

##### (iv) Financial guarantee contracts

The Group has provided corporate guarantees in favour of hire purchase creditors in consideration of hire-purchase arrangement granted to a supplier. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Group has considered the operating performance and other factors of the supplier and hence, does not expect significant credit loss arising from these guarantees.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 26. Financial risk management (continued)

### Financial risk factors (continued)

#### (c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and having an adequate amount of committed credit facilities to enable the Group to meet its normal operating commitments. The Group's objective is to maintain a balance between continuing of funding and the ability to close out market positions at a short notice. As at reporting date, assets held by the Group for managing liquidity risk included cash and bank balances as disclosed in Note 13.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Within 1 year RM	Between 1 and 5 years RM	Over 5 years RM
<b>Group</b>			
<b>At 31 July 2024</b>			
Trade and other payables	3,145,896	-	-
Borrowings	1,286,879	16,014,223	4,884,087
Financial guarantee contract	475,024	646,704	-
	<b>4,907,799</b>	<b>16,660,927</b>	<b>4,884,087</b>
<b>At 31 July 2023</b>			
Trade and other payables	1,740,962	-	-
Borrowings	236,400	752,780	16,227,417
Financial guarantee contract	482,112	1,121,728	-
	<b>2,459,474</b>	<b>1,874,508</b>	<b>16,227,417</b>
<b>Company</b>			
<b>At 31 July 2024</b>			
Trade and other payables	<b>865,190</b>	-	-
<b>At 31 July 2023</b>			
Trade and other payables	421,066	-	-

#### (d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Group and the Company do not have any externally imposed capital requirements for the financial years ended 31 July 2024 and 2023.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 26. Financial risk management (continued)

### Financial risk factors (continued)

#### (e) Fair value measurements

The table below presents assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The carrying amounts of current financial assets and liabilities carried at amortised cost approximate their fair values.

	Level 3	
	2024 RM	2023 RM
<b>Group</b>		
<b>Asset</b>		
Biological assets	<b>42,200,000</b>	25,200,000

#### (f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Financial assets</b>				
<u>At amortised cost</u>				
Cash and bank balances	<b>8,909,814</b>	19,498,909	<b>4,133,674</b>	4,840,272
Trade and other receivables	<b>6,514,790</b>	6,929,789	<b>15,008</b>	15,937
Other receivables- non-current	<b>46,522</b>	-	<b>7,627,503</b>	7,185,155
	<b>15,471,126</b>	26,428,698	<b>11,776,185</b>	12,041,364
<b>Financial liabilities</b>				
<u>At amortised cost</u>				
Trade and other payables	<b>3,145,896</b>	1,740,962	<b>865,190</b>	421,066
Lease Liabilities	<b>1,220,306</b>	1,498,763	-	-
Borrowings	<b>16,544,183</b>	7,688,775	-	-
	<b>20,910,385</b>	10,928,500	<b>865,190</b>	421,066



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 27. Significant related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed amongst the parties:

### (a) Sales and purchases of goods and services

	Group	
	2024 RM	2023 RM
Rental expense on short-term lease charged by immediate holding corporation	(2,000)	(6,000)
Rental expense on short-term lease charged by related corporation	-	(13,200)
Rental expense on short-term lease charged by related parties	(12,000)	(13,200)
Expenses incurred in biological assets charged by related parties	(2,685,106)	(1,811,182)
Purchases made from related parties	(207,291)	(257,505)
Rental income on short-term lease received from related parties	<u>3,000</u>	<u>3,500</u>

Related parties refer to close family members and business entities owned by close family members of key management personnel who are not the directors of the Company.

### (b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2024 RM	2023 RM
<b>Directors of the Company</b>		
Directors' fees		
-Company	323,166	319,200
-Subsidiary	36,000	36,000
Wages and salaries		
-Company	67,500	67,500
-Subsidiary	270,000	270,000
Defined contributions plan		
-Company	9,934	9,914
-Subsidiary	33,559	33,539
	<u>740,159</u>	<u>736,153</u>
<b>Other key management personnel</b>		
Wages and salaries		
-Company	-	48,300
-Subsidiary	472,850	456,050
Defined contributions plan		
-Company	-	6,795
-Subsidiary	58,643	56,256
	<u>531,493</u>	<u>567,401</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## **28. Segment information**

The Group operates predominantly in only one business segment, which is the timber segment, namely the planting, extraction and sale of logs/industrial tree plantation. Accordingly, no segment information is presented based on business segment.

No segmental information by geographical location is presented as all the revenue and non-current assets in the financial years ended 31 July 2024 and 2023 were derived and are based in Malaysia respectively.

## **29. Authorisation of financial statements**

These financial statements were authorised for issue by the Board of Directors of the Group on 25 October 2024.

# SHAREHOLDERS' INFORMATION

As at 10 October 2024

Number of Issued Shares	:	118,474,000
Issued and Fully Paid Up Capital	:	RM15,207,073 or SGD4,752,210
Class of Shares	:	Ordinary Shares
Treasury Shares	:	Nil
Subsidiary Holdings	:	Nil
Voting Rights	:	1 vote for each Ordinary Share held

## DISTRIBUTION OF SHAREHOLDINGS AS AT 10 OCTOBER 2024

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0.00
100 - 1,000	44	40.37	40,000	0.03
1,001 - 10,000	49	44.95	187,300	0.16
10,001 - 1,000,000	13	11.93	1,664,000	1.40
1,000,001 and above	3	2.75	116,582,700	98.41
<b>TOTAL</b>	<b>109</b>	<b>100.00</b>	<b>118,474,000</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS AS AT 10 OCTOBER 2024

NO.	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	JAWALA CORPORATION SDN. BHD.	100,000,000	84.41
2	UOB KAY HIAN PRIVATE LTD	14,582,700	12.31
3	DB NOMINEES (SINGAPORE) PTE LTD	2,000,000	1.69
4	TOH GUANG WEN	368,400	0.31
5	PHILLIP SECURITIES PTE LTD	350,600	0.30
6	LEONG SOAY YUET	140,000	0.12
7	TAN LAY CHING	140,000	0.12
8	YUNG LAY KIANG	140,000	0.12
9	GAN PEI LING OR CHEE HAN HWA	113,000	0.10
10	YEO KHEE SENG BENNY	110,000	0.09
11	OCBC SECURITIES PRIVATE LIMITED	100,000	0.08
12	TAN PENG KHOON	70,000	0.06
13	OU YANG YAN TE	56,900	0.05
14	CHEW AH BA	35,000	0.03
15	HSBC (SINGAPORE) NOMINEES PTE LTD	20,100	0.02
16	TAN HUI YIN	20,000	0.02
17	CHEE KENG LOO @ CHEE KUM YOKE	10,000	0.01
18	MERRILL LYNCH (SPORE) PTE LTD	8,200	0.01
19	LAI LYE HENG	8,000	0.01
20	DBS NOMINEES PTE LTD	6,400	0.01
	<b>TOTAL</b>	<b>118,279,300</b>	<b>99.87</b>

# SHAREHOLDERS' INFORMATION

As at 10 October 2024

## SUBSTANTIAL SHAREHOLDERS AS AT 10 OCTOBER 2024 (as recorded in the Register of Substantial Shareholders)

Name	Direct Interest	%	Deemed Interest	%
Jawala Corporation Sdn. Bhd. <sup>(1)</sup>	100,000,000	84.4	-	-
Tan Sri Abdul Majid Khan <sup>(2)</sup>	-	-	100,000,000	84.4
Datuk Jema Khan <sup>(3)</sup>	-	-	100,000,000	84.4

### Notes:

1. Jawala Corporation Sdn. Bhd., a company incorporated in Malaysia, is the immediate and ultimate holding corporation of the Company.
2. Tan Sri Abdul Majid Khan is deemed interested in all the shares in the Company ("**Shares**") held by Jawala Corporation Sdn. Bhd., through his shareholding in Jawala Corporation Sdn. Bhd.
3. Datuk Jema Khan is deemed interested in the Shares held by Jawala Corporation Sdn. Bhd., through his shareholding in Jawala Corporation Sdn. Bhd.

## SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company, and to the best knowledge of the Directors, approximately 15.59% of the total number of issued shares (excluding treasury shares, if any) in the capital of the Company are held in the hands of the public as at 10 October 2024. Therefore, the Company has complied with Rule 723 of the Catalist Rules.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“AGM”) of Jawala Inc. (“Company”) will be convened and held at **Rose Room I, York Hotel, 21 Mount Elizabeth, Singapore 228516** on **Monday, 25 November 2024 at 1:00 p.m.**, for the following purposes:-

## **As Ordinary Business**

1. To receive and adopt the Directors’ Statement and Audited Financial Statements of the Company for the financial year ended 31 July 2024, together with the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect Mr. Lee Yong Soon, a Director retiring pursuant to Article 98 of the Articles of Association of the Company. **(Resolution 2)**  
*[Explanatory Note (i)]*
3. To re-elect Mr. Muaz Bin Jema Khan, a Director retiring pursuant to Article 102 of the Articles of Association of the Company. **(Resolution 3)**  
*[Explanatory Note (ii)]*
4. To note the retirement of Ms. Faridah Binti Mohd. Fuad Stephens as a Director pursuant to Article 98 of the Articles of Association of the Company upon the conclusion of the AGM.  
*[Explanatory Note (iii)]*
5. To appoint Dato’ Mary Lim Thiam Suan (“Dato’ Mary”) as a Director of the Company. **(Resolution 4)**  
*[Explanatory Note (iv)]*
6. To approve Directors’ fees of RM321,600 (equivalent to SGD94,588) payable by the Company for the financial year ending 31 July 2025, to be paid half yearly in arrears (FY2024: RM321,600 (equivalent to SGD94,588)). **(Resolution 5)**  
*[Explanatory Note (v)]*
7. To re-appoint PKF-CAP LLP as auditors of the Company, and to authorise the Directors to fix their remuneration. **(Resolution 6)**  
*[Explanatory Note (vi)]*
8. To transact any other ordinary business that may properly be transacted at an annual general meeting.

## **As Special Business**

To consider and, if thought fit, to pass, with or without modifications, the following resolutions, which will be proposed as ordinary resolutions:-

9. **Authority to Allot and Issue Shares** **(Resolution 7)**  
That, pursuant to Article 3 of the Articles of Association of the Company and Rule 806 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (“Catalist Rules”), authority be given to the Directors of the Company to:-
  - (a) (i) allot and issue shares in the Company (“Shares”) whether by way of rights, bonus or otherwise; and/or

# NOTICE OF ANNUAL GENERAL MEETING

- (ii) make or grant offers, agreements, or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and

- (b) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this resolution was in force,

provided that:-

- (1) the aggregate number of Shares to be issued under this resolution (including Shares to be issued in pursuance of the Instruments, made or granted under this Resolution) shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and convertible securities to be issued (including Shares to be issued in pursuance of Instruments made or granted under this Resolution) other than on a pro rata basis to existing shareholders of the Company shall not exceed fifty per cent (50%) of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted under this Resolution) that may be issued under sub-paragraph (1) above, the total number of issued Shares shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any), at the time of the passing of this Resolution, after adjusting for:-
  - (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;
  - (b) new Shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (c) any subsequent bonus issue, consolidation or subdivision of Shares.
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company for the time being; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

*[Explanatory Note (vii)]*

# NOTICE OF ANNUAL GENERAL MEETING

10. **Authority to grant awards and issue shares under the Jawala Performance Share Plan** (Resolution 8)

That the Directors of the Company be and are hereby authorised to offer and grant awards ("**Awards**") from time to time in accordance with the provisions of the Jawala Performance Share Plan ("**Plan**"), and to allot and issue from time to time such number of fully paid-up Shares as may be required to be issued pursuant to the vesting of Awards granted under the Plan, provided always that the aggregate number of Shares to be issued pursuant to the Plan, when added to the number of Shares issued and issuable under other share-based incentives schemes or share plans of the Company, if any, shall not exceed eight per cent (8%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) of the Company from time to time and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

*[Explanatory Note (viii)]*

11. **Authority to grant options and issue shares under the Jawala Employee Share Option Scheme** (Resolution 9)

That the Directors of the Company be and are hereby authorised:-

- (i) to offer and grant options ("**Options**") from time to time in accordance with the provisions of the Jawala Employee Share Option Scheme ("**Scheme**"); and
- (ii) to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued under the exercise of the Options under the Scheme, provided always that the aggregate number of Shares to be issued under the Scheme shall not exceed eight per cent (8%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) of the Company from time to time, and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

*[Explanatory Note (viii)]*

By Order of the Board

Jason Chen  
Chew Pei Tsing  
Company Secretaries

Singapore  
8 November 2024

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:

- (i) Resolution 2 is to re-elect Mr. Lee Yong Soon (“**Mr. Lee**”) who will be retiring under Article 98 of the Articles of Association (“**Articles**”) of the Company.

Mr. Lee will, upon re-election as a Director, remain as Lead Independent Director, Chairman of the Nominating Committee, and a member of each of the Remuneration Committee and Audit Committee respectively. Mr. Lee is considered independent by the Board of Directors for the purposes of Rule 704(7) of the Catalist Rules.

Detailed information of Mr. Lee (including information as set out in Appendix 7F of the Catalist Rules) can be found under “Board of Directors” and “Additional Information on Directors Seeking Re-election/Appointment at the AGM” in the Company’s Annual Report.

- (ii) Resolution 3 is to re-elect Mr. Muaz Bin Jema Khan (“**Mr. Muaz**”) who will be retiring under Article 102 of the Articles.

Mr. Muaz will, upon re-election as a Director, remain as a Non-Independent Non-Executive Director of the Company.

Detailed information of Mr. Muaz (including information as set out in Appendix 7F of the Catalist Rules) can be found under “Board of Directors” and “Additional Information on Directors Seeking Re-election/Appointment at the AGM” in the Company’s Annual Report.

- (iii) Item 4 of this Notice is to note the retirement of Ms. Faridah Binti Mohd. Fuad Stephens as a Director of the Company pursuant to Article 98 of the Articles.

- (iv) Resolution 4 is to appoint Dato’ Mary as a Director of the Company.

Dato’ Mary will, upon appointment as a Director, serve as an Independent Non-Executive Director of the Company, Chairman of the Remuneration Committee and a member of each of the Nominating Committee and Audit Committee respectively. Dato’ Mary is considered independent by the Board of Directors for the purposes of Rule 704(7) of the Catalist Rules.

Detailed information of Dato’ Mary (including information as set out in Appendix 7F of the Catalist Rules) can be found under “Board of Directors” and “Additional Information on Directors Seeking Re-election/Appointment at the AGM” in the Company’s Annual Report.

- (v) Resolution 5 is to approve the payment of Directors’ fees during the financial year ending 31 July 2025 in which the fees are incurred. The aggregate amount of Directors’ fees provided in the resolution is calculated based on the assumption that there are no change in the number of Directors for the financial year ending 31 July 2025 (“**FY2025**”). Should any Director hold office for only part of FY2025 and not the whole of FY2025, the Directors’ fees payable to him/her will be appropriately pro-rated.
- (vi) Resolution 6 is to approve the re-appointment of PKF-CAP LLP as auditors of the Company, and to authorise the Directors to fix their remuneration.
- (vii) Resolution 7, if passed, will empower the Directors, from the date of the annual general meeting until the date of the next annual general meeting of the Company, or the date which the next annual general meeting of the Company is required by law to be held, to issue Shares and/or Instruments convertible into Shares up to an aggregate number not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any), of which up to 50% may be issued other than on a pro rata basis to existing shareholders of the Company.
- (viii) Resolutions 8 and 9, if passed, will empower the Directors to allot and issue Shares pursuant to the vesting of Awards and the exercise of Options under the Plan and Scheme, provided that the aggregate number of Shares to be issued pursuant to the Plan and Scheme, when added to the number of Shares issued and issuable under other share-based incentives schemes or share plans of the Company, shall not exceed 8% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) of the Company from time to time.

## Important Notes:

1. The AGM will be held, in a wholly physical format, at **Rose Room I, York Hotel, 21 Mount Elizabeth, Singapore 228516** on **Monday, 25 November 2024 at 1:00 p.m.** There will be no option for Shareholders to participate virtually.
2. The Company’s Annual Report for the financial year ended 31 July 2024, Sustainability Report, Notice of AGM and the accompanying proxy form will be published on the Company’s website at <https://jawalainc.com/2024-annual-general-meeting/> and/or the SGX website at <https://www.sgx.com/securities/company-announcements>. Printed copies of this Notice of AGM and the accompanying Proxy Form will be sent to members via post. **Printed copies of the Annual Report will not be sent to members.**

A member who wishes to obtain a printed copy of the Annual Report should request the same via email to [srs.requestform@boardroomlimited.com](mailto:srs.requestform@boardroomlimited.com) or by completing the Request Form which was sent to you on 8 November 2024 together with the printed copies of this Notice of AGM and Proxy Form. Completed Request Form should be mailed to the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., **no later than 5:00 p.m., on Friday, 15 November 2024.**



# NOTICE OF ANNUAL GENERAL MEETING

3. **A Shareholder (whether individual or corporate) may vote live at the AGM or may appoint a proxy, including the Chairman of the AGM, to attend, speak and vote on his/her/its behalf at the AGM if such Shareholder wishes to exercise his/her/its voting rights at the AGM.**

The Proxy Form for the AGM will be sent to members via post and may be accessed at the Company's website at <https://jawalainc.com/2024-annual-general-meeting/> and/or the SGXNet at <https://www.sgx.com/securities/company-announcements>. Where a Shareholder (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of proxy for that resolution will be treated as invalid. In addition, if no specific direction as to voting is given for the individual(s) named above, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM or at any adjournment thereof.

Only Shareholders of the Company or their appointed proxy(ies) who have been successfully verified will be entitled to attend the AGM.

4. A member who is not a \*relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member's Proxy Form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented on each proxy shall be specified in the instrument. If no such proportion or number is specified, the first named proxy shall be deemed to represent 100% of his/her shareholding and the second named proxy shall be deemed an alternate to the first named.
5. Investors who hold their shares through \*relevant intermediaries (including CPF members or SRS investors):
- (a) may vote at the AGM if they are appointed as proxies by their respective \*relevant intermediaries and should contact their respective \*relevant intermediaries (including their respective CPF agent banks or SRS operators) if they have any queries regarding their appointment as proxies; or
  - (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective \*relevant intermediaries (including their respective CPF agent banks or SRS operators) to submit their votes **by 5:00 p.m. (Singapore time) on Wednesday, 13 November 2024** in order to allow sufficient time for their respective \*relevant intermediaries to submit a Proxy Form to vote on their behalf by the cut-off date.
6. Shareholders or their appointed proxy (other than the Chairman of the AGM) may speak and raise questions at the AGM. Shareholders of the Company (including CPF and SRS investors) are also encouraged to submit questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the AGM, in advance of the AGM in the following manner **no later than 5:00 p.m., on Friday, 15 November 2024:**
- (a) by email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at [srs.teamE@boardroomlimited.com](mailto:srs.teamE@boardroomlimited.com); or
  - (b) if submitted by post, be deposited with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.
7. Shareholders who submit questions via email or by post to the Company must provide the following information:
- (a) the Shareholder's full name;
  - (b) the Shareholder's identification number (ie NRIC/Passport Numbers/Company Registration Numbers);
  - (c) the Shareholder's contact number and email address; and
  - (d) the number and manner in which the Shareholder holds shares in the Company (e.g. via CDP, CPF or SRS).
- Any question without these identification details will not be entertained.
8. The Company will endeavour to address the substantial and relevant questions received from Shareholders in advance of the AGM by publishing its responses on SGXNet and the Company's website at <https://jawalainc.com/2024-annual-general-meeting/>, by **Tuesday, 19 November 2024**.
9. The Company's responses to other questions addressed during the AGM, or follow-up questions on substantial and relevant questions received prior to the AGM will be published on SGXNet and the Company's corporate website at <https://jawalainc.com/2024-annual-general-meeting/>, together with the minutes of the AGM within one (1) month after the date of the AGM.
10. A proxy, including the Chairman of the AGM, need not be a Shareholder of the Company.

# NOTICE OF ANNUAL GENERAL MEETING

11. The Proxy Form must be submitted through any one of the following means:
  - (a) by depositing a physical copy at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
  - (b) by sending a copy of the completed and executed Proxy Form via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at [srs.proxy@boardroomlimited.com](mailto:srs.proxy@boardroomlimited.com) in each case, **no later than 1:00 p.m., on Friday, 22 November 2024** (being not less than seventy-two (72) hours before the time fixed for the AGM).
12. In the case of submission of the Proxy Form, the Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing and may be submitted via email. Where the Proxy Form is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof (failing previous registration with the Company), if the Proxy Form is submitted by post, must be deposited with the Proxy Form (or if submitted by email, be emailed with the Proxy Form), failing which the Proxy Form will be treated as invalid.
13. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form.
14. In the case of a Shareholder of the Company whose shares are entered against his/her name in the Depository Register, the Company may reject any Proxy Form if the Shareholder, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

\* A relevant intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

## Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of proxy(ies) and/or representative of the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

# JAWALA INC.

Company Registration No. LL13922  
(Incorporated in Labuan)

## PROXY FORM – ANNUAL GENERAL MEETING (Please see notes overleaf before completing this Form)

I/We \_\_\_\_\_ (full name in capital letters)

\_\_\_\_\_ (NRIC/Passport No./Company No.)

of \_\_\_\_\_ (full address)  
being a shareholder/shareholders of Jawala Inc. ("**Company**"), hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or\* (delete as appropriate)

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Annual General Meeting (the "**AGM**") of the Company as \*my/our proxy/proxies to attend and to vote for \*me/us on \*my/our behalf at the AGM of the Company to be held at **Rose Room I, York Hotel, 21 Mount Elizabeth, Singapore 228516** on **Monday, 25 November 2024 at 1:00 p.m.** and at any adjournment thereof.

Please note that where the Chairman of the AGM is appointed as proxy, the Proxy Form appointing the Chairman of the AGM must be directed, i.e., the member must indicate for each resolution whether the Chairman of the AGM is directed to vote "for" or "against" or "abstain" from voting. If no specific direction as to voting is given, the appointment of the Chairman of the AGM as proxy for the resolution will be treated as invalid at the AGM and at any adjournment thereof. In addition, if no specific direction as to voting is given for the individual(s) named above, the proxy/proxies will vote or abstain from voting at his/their\* discretion, as he/ they\* will on any other matter arising at the AGM and at any adjournment thereof.

The Ordinary Resolutions put to the vote at the AGM shall be decided by way of poll.

No.	Resolutions	For**	Against**	Abstain**
<b>Ordinary Business</b>				
1.	To receive and adopt Directors' Statement and Audited Financial Statements for the financial year ended 31 July 2024, together with the Auditors' Report thereon.			
2.	To re-elect Mr. Lee Yong Soon as a Director of the Company.			
3.	To re-elect Mr. Muaz Bin Jema Khan as a Director of the Company.			
4.	To approve the appointment of Dato' Mary Lim Thiam Suan (" <b>Dato' Mary</b> ") as a Director of the Company.			
5.	To approve Directors' fees for the financial year ending 31 July 2025, to be paid half yearly in arrears.			
6.	To re-appoint PKF-CAP LLP as auditors of the Company, and to authorise the Directors to fix their remuneration.			
<b>Special Business</b>				
7.	To authorise the Directors to allot and issue shares.			
8.	To authorise the Directors to grant awards and issue shares under the Jawala Performance Share Plan.			
9.	To authorise the Directors to grant options and issue shares under the Jawala Employee Share Option Scheme.			

\* Delete where inapplicable

\*\* If you wish to exercise all your votes "**For**" or "**Against**", please indicate with a tick (✓) in the "**For**" or "**Against**" box. Alternatively, please indicate the number of votes "**For**" or "**Against**" as appropriate in each resolution. If you wish to "**Abstain**" from voting on a resolution, please indicate with a tick (✓) in the "**Abstain**" box. Alternatively, please indicate the number of shares which you wish to abstain from voting.

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	
<b>Total</b>	

Signature(s) of member(s)/Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



**Notes: -**

1. The Annual General Meeting (the "AGM") of the Company will be held at **Rose Room I, York Hotel, 21 Mount Elizabeth, Singapore 228516** on **Monday, 25 November 2024** at **1:00 p.m.** **There will be no option for Shareholders to participate virtually.**
2. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 815F of Securities and Futures Act 2001 of Singapore or any statutory modification thereof, as the case may be), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the Proxy Form shall be deemed to relate to all the shares held by you.
3. The Notice of AGM, this Proxy Form and the Annual Report 2024 may be accessed on SGXNet at <https://www.sgx.com/securities/company-announcements> or the Company's corporate website at <https://jawalainc.com/2024-annual-general-meeting/>. Printed copies of the Notice of AGM and this Proxy Form will be sent to members via post.

A member who wishes to obtain a printed copy of the Annual Report should request the same via email to [srs.requestform@boardroomlimited.com](mailto:srs.requestform@boardroomlimited.com) or by completing the Request Form which was sent to you on 8 November 2024 together with the printed copies of the Notice of AGM and this Proxy Form. Completed Request Form should be mailed to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., **no later than 5:00 p.m., on Friday, 15 November 2024.**

4. A Shareholder (whether individual or corporate) may vote live at the AGM or may appoint a proxy, including the Chairman of the AGM, to attend, speak and vote on his/her/its behalf at the AGM if such Shareholder wishes to exercise his/her/its voting rights at the AGM. Where a Shareholder (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of proxy for that resolution will be treated as invalid. In addition, if no specific direction as to voting is given for the individual(s) named above, the proxy/ proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM or at any adjournment thereof.

Only Shareholders of the Company or their appointed proxy(ies) who have been successfully verified will be entitled to attend the AGM.

5. A member who is not a \*relevant intermediary is entitled to appoint not more than two (2) proxies. Where such member's instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument. If no such proportion or number is specified, the first named proxy shall be deemed to represent 100% of his/her shareholding and the second named proxy shall be deemed an alternate to the first named.
6. A member of the Company who is a \*relevant intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than one proxy, the number and class of shares to which each proxy has been appointed shall be specified in the proxy form.
7. Investors who hold their shares through \*relevant intermediaries (including CPF members or SRS investors):
  - (a) may vote at the AGM if they are appointed as proxies by their respective \*relevant intermediaries and should contact their respective \*relevant intermediaries (including their respective CPF agent banks or SRS operators) if they have any queries regarding their appointment as proxies; or
  - (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective \*relevant intermediaries (including their respective CPF agent banks or SRS operators) to submit their votes by **5:00 p.m. (Singapore time) on Wednesday, 13 November 2024** in order to allow sufficient time for their respective \*relevant intermediaries to submit a Proxy Form to vote on their behalf by the cut-off date.
8. Shareholders or their appointed proxy (other than the Chairman of the AGM) may speak and raise questions at the AGM. Shareholders of the Company (including CPF and SRS investors) are also encouraged to submit questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the AGM, in advance of the AGM in the following manner **no later than 5:00 p.m., on Friday, 15 November 2024:**
  - (a) by email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at [srs.teamE@boardroomlimited.com](mailto:srs.teamE@boardroomlimited.com); or
  - (b) by post and be deposited with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.
9. Shareholders who submit questions via email or by post to the Company must provide the following information:
  - (a) the Shareholder's full name;
  - (b) the Shareholder's identification number (i.e. NRIC/Passport Number/Company Registration Number);
  - (c) the Shareholder's contact number and email address; and
  - (d) the number and the manner in which the Shareholder holds shares in the Company (e.g. via CDP, CPF or SRS).
10. A proxy, including the Chairman of the AGM, need not be a Shareholder of the Company.
11. The Proxy Form must be submitted through any one of the following means:
  - (a) by depositing a physical copy at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
  - (b) by sending a copy of the completed and executed Proxy Form via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at [srs.proxy@boardroomlimited.com](mailto:srs.proxy@boardroomlimited.com) in each case, **no later than 1:00 p.m., on Friday, 22 November 2024** (being not less than seventy-two (72) hours before the time fixed for the AGM).

12. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM.

13. Where the Proxy Form is executed by an individual, it must be executed under the hand of the individual or his attorney duly authorised. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

14. Where the Proxy Form is executed under the hand of an attorney duly authorised, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

15. The Company shall be entitled to reject a Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy. In addition, in the case of Shareholders of the Company whose shares are entered against their names in the Depository Register, the Company may reject such Proxy Form(s) if the Shareholders are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

16. A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the AGM and vote thereat unless his/her/its name appears on the Depository Register seventy-two (72) hours before the time appointed for holding the AGM.

\* A relevant intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to vote at the AGM and/or any adjournment thereof, a Shareholder of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 8 November 2024.