



REPLANTING SABAH'S FOREST FOR FUTURE GENERATIONS

ANNUAL REPORT 2025



TABLE OF CONTENTS

1	Corporate Profile
2	Corporate Information
4	Chairman's Message
6	Board of Directors
10	Senior Management
12	Major Events During the Financial Year 2025
14	Financial Highlights
15	Financial Performance and Operational Review
18	Corporate Governance Report
50	Additional Information on Directors Seeking Re-Election at the AGM
56	Sustainability Report

98	Financial Contents
99	Directors' Statement
104	Independent Auditor's Report
108	Consolidated Statement of Comprehensive Income
109	Statement of Financial Position – Group
110	Statement of Financial Position – Company
111	Consolidated Statement of Changes in Equity
112	Consolidated Statement of Cash Flows
114	Notes to the Financial Statements
149	Shareholders' Information
151	Notice of Annual General Meeting
157	Proxy Form

This annual report has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "**Sponsor**").

This annual report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Mr. Lance Tan, Senior Vice President, at 83 Clemenceau Avenue, #10-01 UE Square, Singapore 239920, telephone (65) 6590 6881.

CORPORATE PROFILE

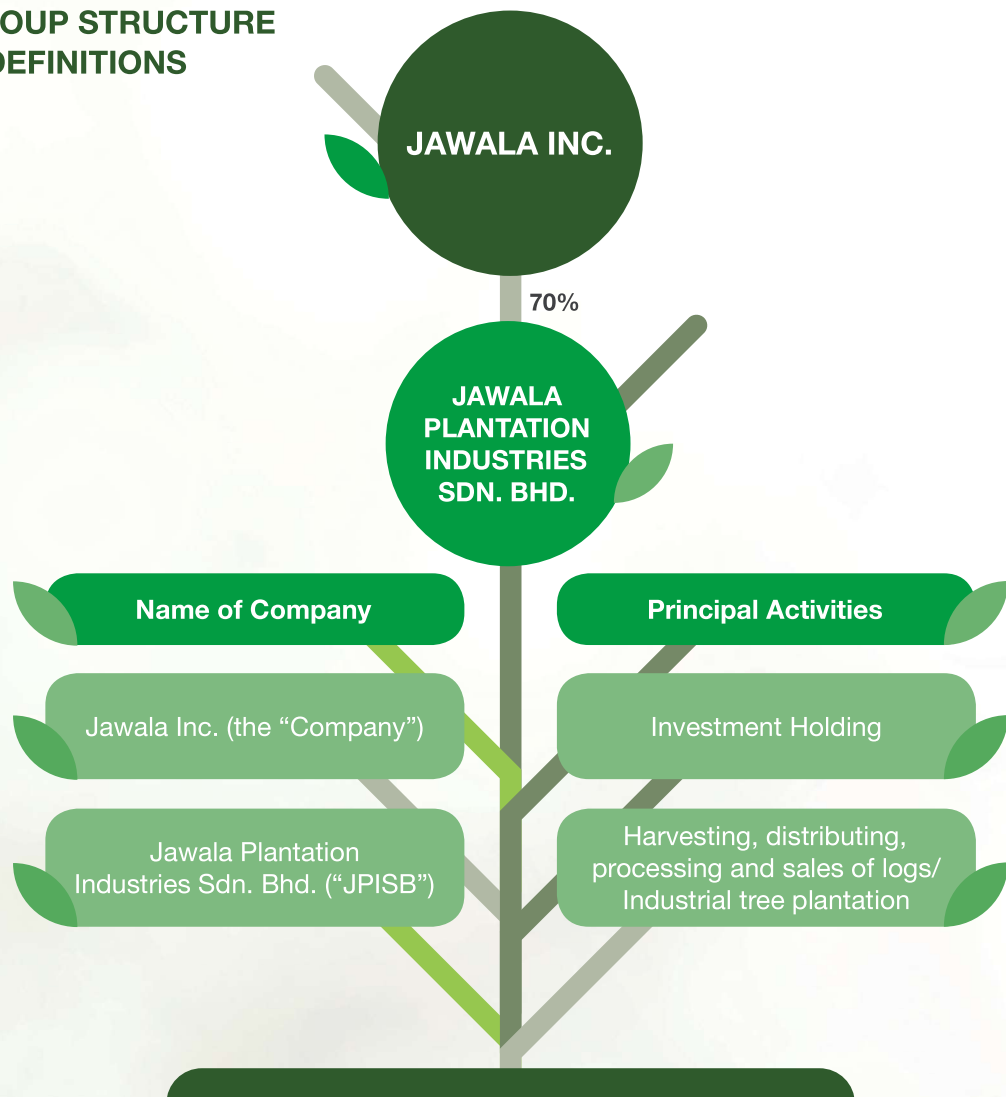
Listed on the Catalist Board of the Singapore Exchange Securities Trading Limited on 1 June 2018, **JAWALA INC.**, (the “Company” and together with its subsidiary corporation, the “Group”) is a Malaysian sustainable forest company.

The Group’s objective “Replanting Sabah’s Forests For Future Generations” represents a commitment to sustainable development.

The Group focuses on the cultivation of industrial tree plantations through the implementation of sustainable forest management practices situated in Sabah, Malaysia. Its main business is the management of forestry resources including the planting and extraction of logs, managing the planting and silvicultural treatments of natural and plantation forests, felling, cutting, collecting, removing and converting trees into forest produce such as logs within the Sapulut Forest Reserve, Sabah (the “Licensed Area”). The Group currently manages a Licensed Area comprising a Commercial Forest Reserve (Class II) of approximately 11,043 hectares in the Licensed Area, until 31 December 2115, with a potential for a 100 year period extension at the discretion of Sabah’s Chief Minister.

The logs produced from our industrial tree plantation are sold to customers for the production of sawn-timber, veneer, plywood and other timber products.

GROUP STRUCTURE & DEFINITIONS



CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Jema Anton Khan

Chairman

Abdul Rahman Khan Bin Hakim Khan

Chief Executive Officer and Executive Director

Muaz bin Jema Anton Khan

Non-Independent Non-Executive Director

Lee Yong Soon

Lead Independent Director

Leow Ming Fong @ Leow Min Fong

Independent Director

Dato' Mary Lim Thiam Suan

Independent Director

AUDIT COMMITTEE

Leow Ming Fong @ Leow Min Fong - *Chairman*

Lee Yong Soon

Dato' Mary Lim Thiam Suan

NOMINATING COMMITTEE

Lee Yong Soon - *Chairman*

Dato' Mary Lim Thiam Suan

Leow Ming Fong @ Leow Min Fong

REMUNERATION COMMITTEE

Dato' Mary Lim Thiam Suan - *Chairman*

Lee Yong Soon

Leow Ming Fong @ Leow Min Fong

SECRETARIES

Hans Corporate Services Ltd.

Chen Chuanjian, Jason

Chew Pei Tsing

REGISTERED OFFICE

Lot A020, Level 1, Podium Level,

Financial Park, Jalan Merdeka,

87000 Labuan, F.T. Malaysia

Tel : +608 742 7745

Fax : +608 742 8845

SPONSOR

UOB Kay Hian Private Limited

83 Clemenceau Avenue,

#10-01 UE Square,

Singapore 239920

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.

1 Harbourfront Avenue,

#14-07 Keppel Bay Tower,

Singapore 098632

Tel : (65) 6536 5355

Fax : (65) 6536 1360

INDEPENDENT AUDITORS

PKF-CAP LLP

6 Shenton Way OUE Downtown 1,

#38-01,

Singapore 068809

Partner-in-Charge:

Chew Wei Jim

(Appointed since the financial year ended 31 July 2025)

PRINCIPAL BANKERS

United Overseas Bank (Malaysia) Bhd.

UOBM Sri Petaling

1, Jalan Radin Bagus 6,

Bandar Baru Sri Petaling,

57000 Kuala Lumpur

CIMB Islamic Bank Bhd.

Damai Plaza

Lot No. 41 & 42, Ground Floor,

Jalan Damai, Damai Plaza Phase 1,

88300 Kota Kinabalu, Sabah

Public Bank Bhd.

Lido Branch

Lot 8, 9 & 10 Blk P,

Taman Che Mei KM5 Jln Penampang

88300 Lido, Kota Kinabalu, Sabah

Keningau Branch

1 & 2 Block A,

Keningau Plaza,

89000 Keningau, Sabah

RHB Bank Berhad

58, Bukit Bintang Street,

Bukit Bintang,

55100 Kuala Lumpur,

Wilayah Persekutuan

**REPLANTING
SABAH'S FOREST
FOR FUTURE GENERATIONS**

CHAIRMAN'S MESSAGE



Dear Shareholders,

OVERALL REVIEW

On behalf of the Board of Directors ("Board") of Jawala Inc. (the "Company", together with its subsidiary, collectively the "Group"), it is my pleasure to present the Group's Annual Report for the financial year ended 31 July 2025 ("FY2025").

The Malaysian economy recorded a growth in Gross Domestic Product of 5.1% in 2024 compared to a growth of 3.7% in 2023. However, 2025 growth forecast stands at a lower figure of 4.5% due to global uncertainties such as fluctuating trade policies and political tensions.

Malaysian timber exports during FY2025 amounted to RM22.26 billion compared to RM23.25 billion in the previous corresponding period which represents a decline of 4.28%. The Department of Statistics, Sabah reported that the total volume of timber exported from Sabah, from January to July 2025 amounted to 216,699 m³ compared to 260,215 m³ in the previous corresponding period, representing a drop of 16.7%. On the other hand, the value of the exports dropped by a bigger percentage of 21.6% from RM579 million to RM454 million. This was caused mainly by the fall in export of finished products which carries much higher value compared to sawn timber.

FINANCIAL PERFORMANCE

The main component of our revenue consists of extraction and sale of logs. The sale of industrial production timber was still small in quantity as the plantation is just about reaching maturity of 6 years. We expect the harvesting of planted timber to commence in the coming financial years.

During the financial year under review, total revenue increased by RM2 million, or 25% as compared to the previous year contributed by logging activities in the first half of FY2025. Gross profit margin remained fairly consistent at 32%.

Net loss after tax amounted to RM3.5 million compared to RM2.7 million in FY2024. This was caused mainly by lower fair value gain on biological assets recognised in FY2025.

CHAIRMAN'S MESSAGE

The Group had engaged VPC Alliance (Sabah) Sdn. Bhd. to conduct a fair valuation on biological assets. The fair value derived from the biological assets increased from RM 42.2 million as at 31 July 2024 to RM 52.5 million as at 31 July 2025 which is in tandem with capitalisation of planting and maintenance costs as well as increase in valuation of industrial trees as a result of natural growth.

DIVIDEND

No dividend has been declared or recommended for FY2025 after taking into consideration the loss recorded by the Group.

GOVERNANCE AND SUSTAINABILITY

The Group operates as a forest resource company focusing on cultivation of industrial tree plantations in Sabah, Malaysia, specializing in sustainable management of forestry resources, including planting and extraction of timber. The Group manages a Licensed Area of approximately 11,043 hectares in Sapulut Forest Reserve in Sabah until 31 December 2115. Our sustainability objective, "Replanting Sabah's Forest for Future Generations," embodies our commitment to sustainable plantation development. This objective translates into sustainable forest management practices and environmental protection.

The Group continued to provide social services to the needy whenever possible. During this financial year, it donated RM58,437 to twenty-two organisations for various good causes. The Group continued to successfully meet all environmental impact assessment requirements.

The Group had successfully planted a total of 1,637,044 seedlings as at 31 July 2025. During FY2025, 317,320 seedlings were planted covering an additional 589 hectares. Total areas planted is approximately 3,952 hectares as at 31 July 2025. Our planting progress was lower than our target in FY2025 as we were facing a shortage of machinery and manpower for maintenance and planting activities. Securing adequate manpower continued to be challenging due to choices and competitiveness of the job market in Sabah.

GOING FORWARD

The Group will continue its reforestation plan by planting as much as possible on the balance plantable areas. We will conduct our planting and silviculture programmes according to our Annual Work Plan (AWP). As for harvesting, barring any unforeseen weather and market circumstances, as per the AWP, the Company intends to harvest approximately 202 hectares of industrial trees from compartment 1, 7 and 8, in the forthcoming financial year, consisting of 147 hectares of Albizia and 55 hectares of Laran. The trial harvests have produced encouraging results at an average yield of 161 m³ per hectare from industrial trees aged 5 and 7 years old.

We continue to explore opportunities for strategic acquisitions, joint ventures and partnerships that will strengthen the Group's market position. We hope to achieve greater economies of scale and progress in the future.

THANK YOU

On behalf of the Board, I would like to thank my fellow colleagues on the Board, senior management team and employees who have continued to discharge their duties with fortitude and forbearance towards a common goal, in the best interests of the Group. We would also like to extend our sincere gratitude to our shareholders, customers, suppliers, business associates and partners for their support, trust and confidence in the Group.

As a closing note, I would like to express and put on record my deep appreciation and sincere thanks to Sabah Forestry Department, various government agencies and regulatory authorities for their assistance and support accorded to Jawala Plantation Industries Sdn. Bhd.

Datuk Jema Khan
Chairman

BOARD OF DIRECTORS



DATUK JEMA KHAN

*Non-Independent
Non-Executive Chairman*



MR. RAHMAN KHAN

*Chief Executive Officer/
Executive Director*

Datuk Jema Khan was first appointed to the Board as the Executive Chairman and Chief Executive Officer on 8 August 2017. He retired as the Chief Executive Officer and was redesignated as a Non-Independent Non-Executive Chairman on 1 June 2021. Datuk Jema Khan was last re-elected as Director on 29 November 2022. He ensures that there is mentorship, unity of purpose within the Board and that the Board engages in productive discussions on strategic, tactical, business, financial and planning issues of the Group.

Datuk Jema Khan has more than 30 years' of experience in the timber industry. Datuk Jema Khan had previously served as the Chief Executive Officer of Jawala Corporation Sdn. Bhd. ("Jawala Corporation") from August 2016 until the date of listing of the Company. Prior to this, he was the Managing Director of Jawala Corporation from April 1988 to June 2004 and was responsible for the overall direction and management of Jawala Corporation, a company involved in the trading of wood and palm oil products. During this time, he was also the Deputy Chairman in Jaycorp Bhd., a company in the business of furniture manufacturing, for the period from April 2006 to July 2011 and the Chairman of Progressive Insurance Bhd. from the period of January 1995 to November 2000. Datuk Jema Khan did not hold any directorship in any other listed company as at the date of Annual Report and for the last three years.

Datuk Jema Khan graduated from City University, London, with a Bachelor of Science in Economics and Accountancy in October 1985.

Mr. Rahman Khan was appointed to the Board as Executive Director on 28 September 2017 and was promoted as the Chief Executive Officer of the Group on 1 June 2021. He was last re-elected as Director on 29 November 2022. He is responsible for the overall management, strategic planning, business expansion of the Group and oversight of our Group's strategies and business development. He is also in charge of marketing.

Mr. Rahman Khan has more than 20 years' of experience in the timber industry, including the production of sawn timber, log purchasing and marketing. He started his career as a Property Manager in Induslumber Sdn. Bhd. for the period from 1992 to 1998. Thereafter, in 1998, he joined Harusmas Agro Sdn. Bhd. as a General Manager and was promoted to Director in 2001. Mr. Rahman Khan was a director of Imaprima Sdn. Bhd. from 2011 to 2018 and has been a Non-Independent Non-Executive Director of Jaycorp Engineering & Construction Sdn. Bhd. since 2016. Mr. Rahman Khan was elected as Deputy President of Sabah Timber Industries Association (STIA) in June 2024. He is also a member of the 18 General Assembly of the Forest Stewardship Council (FSC) National Consultative Assembly on forest conversion. Mr. Rahman Khan did not hold any directorship in any other listed company as at the date of Annual Report and for the last three years.

BOARD OF DIRECTORS



MR. MUAZ BIN JEMA KHAN

*Non-Independent
Non-Executive Director*



MR. LEE YONG SOON

Lead Independent Director

Mr. Muaz Jema Khan was appointed as the Non-Independent Non-Executive Director on 28 November 2023 and was last re-elected as Director on 25 November 2024.

Mr. Muaz joined Jaycorp Berhad, an investment holding company listed on Bursa Malaysia Securities Berhad, in 2013 as Head of Business Development. He was promoted to Executive Director in 2016. In his role at Jaycorp Berhad, Mr. Muaz serves as Chairman of the Investment Committee and Enterprise Risk Management Committee, and a member of the Board Risk Management Committee. He also holds several Executive Director position at Jaycorp's subsidiary companies.

Save for Jaycorp Berhad, Mr. Muaz did not hold any directorship in any other listed company as at the date of the Annual Report and for the past three years.

Mr. Muaz graduated from University College London (UCL) in 2011 with a Bachelor of Science (Honours) in Human Genetics.

Mr. Lee Yong Soon was appointed to the Board as Lead Independent Non-Executive Director on 27 April 2018 and was last re-elected as Director on 25 November 2024. Mr. Lee Yong Soon has more than 45 years of experience in the finance industry, and started his career in September 1968 with the Inchcape Group, where he was responsible for accounting, finance and administrative matters. He left in 1981 to join the Haw Par Group, where he assumed the role of financial controller for its subsidiary corporations. After serving in the Haw Par Group for four years, Mr. Lee Yong Soon joined the Petrodril group as their financial controller from February 1986 to May 1997. After his stint at the Petrodril group, he joined Keppel Integrated Engineering Ltd as its financial controller from July 1997 to August 1999 and from the period of August 1999 to December 2014, Mr. Lee Yong Soon served as the financial controller of Keppel FELS Ltd where he was involved in the accounting, finance, management of operations and administrative functions of the company and several subsidiary corporations within the Keppel group. He was also involved in the company's SGX-ST compliance matters.

Mr. Lee Yong Soon served as an Independent Non-Executive Director of Wong Fong Industries Ltd, a company listed on the Catalist, and was also the Chairman of its Remuneration Committee, a member of the Audit and Nominating Committees from 28 June 2016 up to his retirement on 29 April 2019. Save for the aforementioned, Mr. Lee Yong Soon did not hold any directorship in any other listed company as at the date of Annual Report and for the last three years.

Mr. Lee Yong Soon obtained his Diploma in Management Studies from the Singapore Institute of Management in 1977 and subsequently his degree in Accountancy from the Association of International Accountants of the United Kingdom in 1981. He is currently a Fellow of the Association of International Accountants of the United Kingdom and an Associate and Chartered Secretary of The Chartered Governance Institute of Australia. He is also a member of the Singapore Institute of Directors.

BOARD OF DIRECTORS



MR. LEOW MING FONG

Independent Director



DATO' MARY LIM THIAM SUAN

Independent Director

Mr. Leow Ming Fong was appointed to the Board as Independent Non-Executive Director on 27 April 2018 and was last re-elected as Director on 28 November 2023. Mr. Leow Ming Fong commenced his articleship with a medium sized firm of Chartered Accountants in London, United Kingdom in 1969. He joined KPMG Malaysia upon his return in 1974 and worked there until his retirement. During his 32 years career with KPMG, he held various positions including taking charge of Sabah East Coast offices of KPMG Malaysia in Sandakan and Tawau from 1976 to 1995, taking charge of KPMG Cambodia from 1996 to 2000 and finally retired as an Audit Partner of KPMG Kuala Lumpur in 2005. In addition to his audit experience, he was involved in special work for fraud investigations, due diligence work for merger and acquisitions and reporting accountants for various corporate exercises for public listed companies.

Mr. Leow Ming Fong served as an Independent Non-Executive Director of Hap Seng Consolidated Bhd. a company listed on Bursa Malaysia from March 2016 to March 2025. He currently sits on the board of four Cambodian companies, Canadia Bank PLC, Sovannaphum Life Assurance PLC, Dara Insurance PLC and Cambodia Post Bank PLC, as an Independent Non-Executive Director. Mr. Leow Ming Fong served as an Independent Non-Executive Director of Focus Point Holdings Bhd., a company listed on Bursa Malaysia from 2010 up to his retirement on 25 May 2022. Mr. Leow Ming Fong served as a Director of KSK Group Bhd., a non listed public company from 2007 up to his retirement on 28 February 2022. Apart from the aforementioned, Mr. Leow Ming Fong did not hold any directorship in any other listed company as at the date of Annual Report and for the last three years.

Mr. Leow Ming Fong is currently a Fellow of the Institute of Chartered Accountants in England and Wales and is also a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

Justice Dato' Mary Lim Thiam Suan was appointed to the Board as Independent Director on 25 November 2024. Dato' Mary holds a Bachelor of Laws (Hons) degree from the University of Leeds, UK, and a Master of Laws degree from the University of Western Australia. She is a Barrister-at-Law of Lincoln's Inn and an Honorary Benchler of Lincoln's Inn. Dato' Mary was the first judge of the Construction Court in Kuala Lumpur and retired as a Judge of the Federal Court of Malaysia in 2024. She is currently a Judge of the Bahrain International Commercial Court; and a visiting professor at Taylor's University, Malaysia; Quangxi University, China and Hainan University, China.



SENIOR MANAGEMENT



MR. MAXY SELF
Chief Operations Officer

Mr. Maxy Self was appointed as our Group's Chief Operations Officer on 8 August 2017. He is mainly responsible for the running of the operations on the ground, which includes oversight of forest and plantation management, security, camp management and administrative issues.

Mr. Maxy Self has 50 years of experience in the timber industry and started his career as a Management Cadet with Benawood Sdn. Bhd. in January 1974, where he was involved in the overall management of the logging operations. He left in December 1983 and subsequently joined Inchcape Ltd as a forest manager for the period from January 1984 to May 1990. Following his role as a forest manager in Inchcape Ltd, he started his role as a self-employed consultant, providing ad-hoc consultancy services for Malaysian companies involved in the management of forestry resources, planting and extraction of logs from the period of June 1990 to December 2015.



**MR. REVI A/L
JANARDHANAN PILLAI**
Chief Financial Officer

Mr. Revi A/L Janardhanan Pillai was appointed as Chief Financial Officer of the Company on 1 October 2025. He is responsible for the overall accounting, finance and tax, risk management and internal control, human resources and other administrative functions.

Mr. Revi has over 36 years of professional experience, including 29 years in senior finance leadership roles across various industries. His career spans notable organisations such as Novelty Builders Pte Ltd (Singapore), CapitaLand Ltd (Singapore), Gryphon Energy Group, Qi Ltd (Hong Kong), Westmont Power (Bangladesh), Lonpac Insurance Berhad, and KPMG Kuala Lumpur.

Mr. Revi's experience covers a wide range of industries, including property development, construction, plantation, oil and gas, hospitality, power generation, and investment holding. Throughout his career, he has built extensive expertise in financial management, operational process analysis, problem-solving, and crisis management, with a proven track record in enhancing business processes and organisational performance.

Mr. Revi is a retired member of the Malaysian Institute of Certified Public Accountants.

SENIOR MANAGEMENT



MS. EVELYN TING

Group Financial Controller

Ms. Evelyn Ting joined Jawala Inc. and its subsidiary corporation in July 2022 as a finance manager and subsequently appointed as the Group Financial Controller on 1 June 2023. She oversees the accounting and financial matters of the Group and has overall responsibility for the framework and implementation of finance related activities including management and financial reporting, budgeting, compliance and tax related matters.

Ms. Evelyn Ting started her career at Ernst & Young in December 2005 and progressed to the position of senior audit associate before her departure in December 2009. Throughout her career as an auditor, she formulated audit strategy, led audit teams, reviewed various companies' internal controls and ensure tax compliance. In many of her assignments, she was also involved in the special audits, due diligence review, developed procedural manual for listed company and supported client in successful listing on the mainboard of Bursa Malaysia.

Ms. Evelyn Ting joined Times Square Group of Companies, Brunei from March 2010 to April 2019, where she assumed the role of Head of Accounting and Finance for multiple companies. Her responsibilities included ensuring completeness of statutory accounts, overseeing overall finance and accounting functions, encompassing financial planning and management, implementation of procedures and controls, finalization of management accounts and tax oversight. Apart from engaging in the operational matters by recommending improvements and establishing new policy and control system, she was also involved in the internal audit to assist the organization on the new business/business venture.

Ms. Evelyn Ting is currently a member of the Certified Practising Accountants Australia and Malaysian Institute of Accountants.

MAJOR EVENTS DURING THE FINANCIAL YEAR 2025

Deputy Minister of Plantation and Commodities, Yang Berhormat Datuk Chan Foong Hin, visited our camp to recognise its sustainable forest management practices and to strengthen collaboration in promoting responsible forestry and green growth in Sabah.



16 AUG 2024

Visit by Sabah Forestry Department to JPISB Weighbridge.



7 APRIL 2025

29 AUG 2024

JPISB participated in the Malaysian Forestry Conference held at the Sabah International Centre (SICC), Kota Kinabalu, as part of its effort to strengthen collaboration and information sharing within the forestry sector.



15 APRIL 2025

Malaysian Timber Association (MTA) visited our camp.



MAJOR EVENTS DURING THE FINANCIAL YEAR 2025

Fieldwork session under the Forest Research Centre (FRC) – JPISB collaborative research project was conducted from 19 to 23 May 2025 at the JPISB Industrial Tree Plantation (ITP).



19 - 23 MAY 2025

The Keningau Regional Forestry Officer visited our camp.



30 JULY 2025

29 MAY 2025

Forest Plantation Development Sdn. Bhd. (FPDSB) visited our camp.



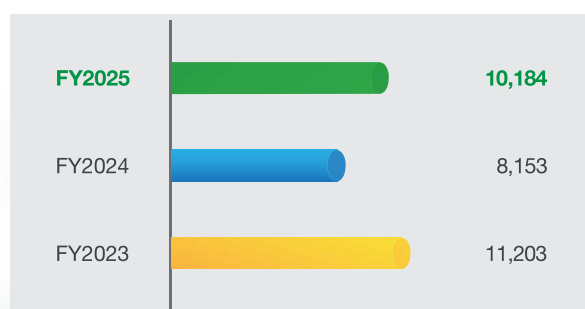
FINANCIAL HIGHLIGHTS

INCOME STATEMENT (RM'000)	FY2025	FY2024	FY2023
Revenue	10,184	8,153	11,203
Gross profit	3,243	2,648	4,302
Gross profit margin (%)	32%	32%	38%
Loss before income tax	(4,324)	(2,455)	(969)
Loss after income tax	(3,473)	(2,684)	(897)
Loss attributable to:			
Equity holders of the Company	(2,610)	(2,095)	(856)
Non-controlling interests	(863)	(590)	(41)
Loss per share:			
Basic and diluted (sen)	(2.2)	(1.8)	(0.7)

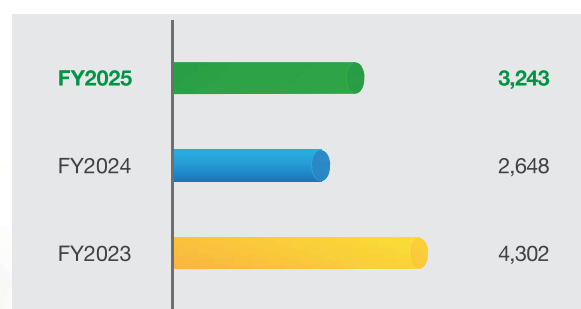
BALANCE SHEET (RM'000)	31 July 2025	31 July 2024	31 July 2023
Current assets	7,936	18,662	28,754
Non-current assets	60,073	50,078	32,459
Current liabilities	7,245	4,433	1,977
Non-current liabilities	19,871	19,942	12,186
Total Equity	40,892	44,366	47,050

CASH FLOWS (RM'000)	FY2025	FY2024	FY2023
Cash flows used in operating activities	(1,379)	(6,914)	(5,588)
Cash flows used in investing activities	(8,537)	(11,829)	(7,791)
Cash flows provided by financing activities	3,443	8,154	3,857
Cash and cash equivalents at the end of the year	1,436	7,910	18,499

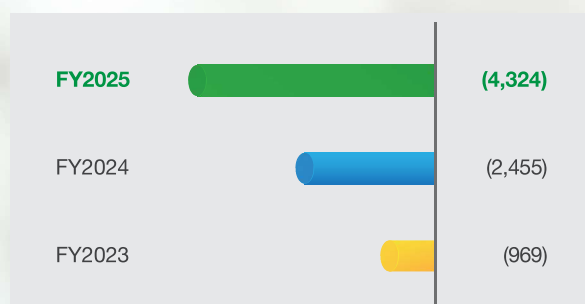
REVENUE (RM'000)



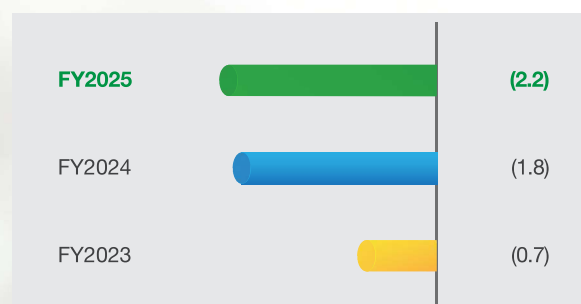
GROSS PROFIT (RM'000)



LOSS BEFORE INCOME TAX (RM'000)



LOSS PER SHARE (Sen)



FINANCIAL PERFORMANCE AND OPERATIONAL REVIEW

REVENUE

The Group's revenue is derived principally from the sales of logs in Malaysia. The logs comprises of Seraya, Kapur, Keruing, Selangan Batu, Majau, Sedaman and logs of hard and soft densities. The industrial tree plantation comprises of Laran and Albizia.

Revenue for FY2025 increased by RM2.0 million, or 25% compared to FY2024, contributed by logging activities in the first half of FY2025.

COST OF SALES AND GROSS PROFITS

The increase in cost of sales by RM1.4 million, or 26% in FY2025 compared to FY2024 was mainly attributed to an increase in sales volume as explained above. The gross profit increased by RM0.6 million, or 22% in FY2025 compared to FY2024 mainly due to an increase in revenue. The gross profit margin remained unchanged at 32% in FY2025 compared to FY2024.

OTHER INCOME

Other income comprised mainly of interest income from fixed deposits. Other income decreased by RM146,000, or 52% in FY2025 compared to FY2024 mainly due to uplift of our fixed deposits for utilisation of planting and maintenance activities.

FAIR VALUE GAIN ON BIOLOGICAL ASSETS

Fair value gain on biological assets decreased by RM3.9 million, or 68% primarily due to changes in the assumptions arising from the adverse market conditions to reflect the current fair value of the biological assets. Additionally, there was a change in estimation of fair value under the income approach involving accumulated cost components of immature plantations to arrive at the valuation of biological assets.

REVERSAL/IMPAIRMENT (LOSS) ON FINANCIAL ASSETS

The Group recorded a reversal of impairment loss on trade receivables in FY2025 due to collection from debtor in current year. In FY2024, impairment loss on trade receivables were recognised after management assessed the recoverability of certain long overdue debtors.

DISTRIBUTION EXPENSES

Distribution expenses comprised of transportation expenses incurred for transporting logs to customers in Tawau, Sandakan and Keningau. Distribution expenses increased by approximately RM0.6 million or 49% in FY2025 mainly due to increase in sales to these customers.

ADMINISTRATIVE EXPENSES

Administrative expenses comprised mainly of employee compensation, depreciation, amortisation, listing expenses, professional fees, vehicle running expenses and travelling expenses. Administrative expenses decreased by approximately RM1.1 million, or 13% in FY2025 compared to FY2024 mainly due to decrease in employee compensation, advertisement, professional fee as well as travelling and transportation during the year.

FINANCE EXPENSE

Finance expenses comprised mainly of hire purchase interest on motor vehicles and interest on operating lease liabilities, in addition to FPD loan interest expense. Finance expenses increased by approximately RM0.5 million in FY2025, mainly due to the expensing of FPD loan interest, whereas it was capitalised in FY2024.

LOSS AFTER TAX

As a result of the foregoing, loss after tax in FY2025 amounted to RM3.5 million compared to loss after tax of RM2.7 million in FY2024.

CURRENT ASSETS

Cash and bank balances amounted to approximately RM2.4 million, or 31% of current assets.

Trade and other receivables amounted to approximately RM4.8 million, or 60% of current assets. Trade receivables amounted to approximately RM4.6 million, or 58% of current assets. Other receivables amounted to approximately RM0.19 million or 2% of current assets. Trade receivables decreased by approximately RM1.6 million, or 25% in FY2025 mainly attributed to the improved collection during the year. Other receivables decreased by RM0.2 million in FY2025 mainly due to settlement of outstanding amount from non-related parties and related parties.

The income tax recoverable amounting to RM0.4 million, or 5% of current assets, is related to the income tax refundable from the Inland Revenue Board.

Inventories amounted to approximately RM0.3 million, or 4% of current assets and is mainly related to stock in transit during the year. Inventories decreased by approximately RM1.2 million in FY2025 mainly due to significant sales of inventories before the financial year.

FINANCIAL PERFORMANCE AND OPERATIONAL REVIEW

NON-CURRENT ASSETS

Other receivables amounted to approximately RM1.6 million or 3% of non-current assets. This is mainly related to the retention sum collected by the Sabah Forestry Department ("SFD") to offset against any potential shortfall in payment to the SFD. Such retention sum can be used for future payments to the SFD.

Property, plant and equipment amounted to approximately RM4.7 million, or 8% of non-current assets comprised mainly motor vehicles, plantation infrastructure, office equipment, and furniture and fittings. Property, plant and equipment decreased by RM0.2 million, or 4% in FY2025 mainly due to depreciation during the year.

Right-of-use ("ROU") asset amounted to RM0.8 million, or 1% of non-current assets. The decrease in right-of-use asset by RM0.2 million, or 17% in FY2025 is mainly due to the depreciation during the year.

Biological assets amounted to approximately RM52.5 million, or 87% of non-current assets. Biological assets mainly comprised of hiring charges for equipment used in stacking and levelling of the nursery to prepare the land for planting, depreciation of fixed assets, employee compensation and all other expenses relating to the preparation of the nursery and planting and expenses incurred in upkeep and maintenance of immature planted areas. Biological assets increased by approximately RM10.3 million, or 24% mainly due to the cost incurred for the initial stages of replanting and planting activities and unrealised fair value gain recognised during the financial year.

Intangible assets amounted to approximately RM0.5 million, or 1% of non-current assets and is related to the acquired timber rights on the license granted by the SFD as per the Sustainable Forest Management License Agreement.

CURRENT LIABILITIES

Trade and other payables amounted to approximately RM2.7 million, or 37% of current liabilities. This comprised mainly trade payables of approximately RM1.0 million and other payables of approximately RM1.6 million. Trade payables increased by approximately RM0.3 million in FY2025 mainly due to the increase in production during the year. Other payables decreased by approximately RM0.8 million, or 32% in FY2025 mainly due to decrease in accruals for operating expenses.

Lease liabilities amounting to RM117,000, or 2% of current liabilities, comprised of the current portion of the finance leases for motor vehicles as well as the lease liabilities as

a result of the adoption of SFRS(I) 16 Leases. Current lease liabilities decreased by approximately RM0.04 million or 23% in FY2025 mainly due to repayment of lease liabilities.

Borrowings amounted to RM4.5 million, or 62% of current liabilities. This borrowing represents a loan facility obtained from Forest Plantation Development Sdn. Bhd. ("FPD") in order to partly finance the plantation activities in the Group's licensed area of the Sapulut Forest Reserve in Sabah.

NON-CURRENT LIABILITIES

Lease liabilities amounted to RM1.0 million, or 5% of non-current liabilities. This comprised of the finance lease liabilities as well as the lease principals as a result of the adoption of SFRS(I) 16 Leases, that are due later than one year. The lease liabilities decreased by RM0.1 million or 11% in FY2025 mainly due to repayment of lease liabilities.

Borrowings amounted to RM16.3 million, or 82% of non-current liabilities. This borrowing represents a loan facility obtained from Forest Plantation Development Sdn. Bhd. ("FPD") in order to partly finance the plantation activities in the Group's licensed area of the Sapulut Forest Reserve in Sabah.

Deferred income tax liability amounted to RM2.6 million or 13% of non-current liabilities.

NET CASH USED IN OPERATING ACTIVITIES

Net cash used in operating activities amounted to approximately RM1.4 million in FY2025 mainly due to net loss recognised during the year and the adjustments on fair value gain on biological assets, partly offset with changes in working capital and income tax refund.

NET CASH USED IN INVESTING ACTIVITIES

Net cash used in investing activities of approximately RM8.5 million in FY2025 is mainly related to the additions to plantation infrastructure and biological assets.

NET CASH FROM FINANCING ACTIVITIES

Net cash provided by financing activities of approximately RM3.4 million is mainly due to drawdown of the loan facility from Forest Plantation Development Sdn. Bhd. ("FPD") in FY2025.



CORPORATE GOVERNANCE REPORT

The board of directors (the “**Board**”) of JAWALA INC. (“**Jawala**” or the “**Company**” and together with its principal subsidiary, Jawala Plantation Industries Sdn Bhd (“**JPISB**”), the “**Group**”) recognises the importance of corporate governance and the offering of high standards of accountability to all shareholders (the “**Shareholders**”). The Board is committed to observing high standards of corporate governance, to promote corporate transparency and to enhance the long-term value of the Group to its Shareholders and stakeholders in line with the good practices recommended by the Code of Corporate Governance 2018 (as amended on 11 January 2023), and accompanying Practice Guidance issued by the Monetary Authority of Singapore (the “**Code**”).

This report describes the corporate governance structure and practices that the Group had adopted throughout the financial year ended 31 July 2025 (“**FY2025**”), with specific reference to the principles and provisions of the Code, which forms part of the continuing obligations under the SGX-ST Listing Manual: Section B Rules of Catalist (the “**Catalist Rules**”).

For FY2025, the Board is pleased to confirm that the Company has adhered to the principles and substantially with the provisions of the Code. Where the Company’s practices vary from provisions of the Code, specific disclosures and appropriate explanations are provided in the relevant sections below.

(A) BOARD MATTERS

THE BOARD’S CONDUCT OF AFFAIRS

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company

The Board comprises the following members:

Datuk Jema Anton Khan
Mr Abdul Rahman Khan Bin Hakim Khan
Mr Muaz Bin Jema Anton Khan
Mr Lee Yong Soon
Mr Leow Ming Fong @ Leow Min Fong
Dato’ Mary Lim Thiam Suan

Non-Independent Non-Executive Chairman
Executive Director and Chief Executive Officer
Non-Independent Non-Executive Director
Lead Independent Director
Independent Director
Independent Director



CORPORATE GOVERNANCE REPORT

Provision 1.1 - Principal Duties of the Board

The Board provides entrepreneur leadership and is responsible for the overall corporate governance, strategic direction (including sustainability issues) and formulation of policies of the Company to protect and enhance long-term value for Shareholders and other stakeholders. They contribute their expertise, skills, knowledge and experiences to the Board, for the benefit of the Shareholders. The Board heads the Company, sets the appropriate tone-from-the-top to provide effective leadership and direction, and works with Management to enhance the long-term success of the Group.

To this end, each director of the Company (“**Director**”) endeavours to objectively discharge his or her duties and responsibilities as fiduciaries in the interests of the Company. The main roles of the Board, apart from its statutory duties, are:

- (a) to decide on matters in relation to the Group’s activities which are of significant nature, including decisions on strategic directions and guidelines and approvals of annual budget, major funding investment and divestment proposals;
- (b) to review and oversee Management’s performance and affairs of the Group;
- (c) to ensure that the necessary financial and human resources are available for the Group to meet its objectives;
- (d) to oversee the process for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- (e) to establish a framework of prudent and effective controls to assess and manage risks including safeguarding the Group’s assets and Shareholders’ interests;
- (f) to identify key stakeholder groups, and determine the Group’s values and standards including ethical standards to ensure that obligations to its stakeholders are understood and met;
- (g) to set the Group’s values and standards (including ethical standards), and ensure that obligations to Shareholders and other stakeholders are understood and met;
- (h) to consider sustainability issues, e.g., environmental and social factors, in the formulation of its strategies; and
- (i) to ensure compliance with all laws and regulations as may be relevant to the business.

The Board exercises due diligence and independent judgement in dealing with the business affairs of the Group and sets the tone for the entire organisation where ethics and values are concerned. The Board works with Management, its external advisors and auditors and is supported by three Board Committees to facilitate the discharge of its functions to which specific areas of responsibilities were delegated.

Each Director acts in good faith and in the best interest of the Company and contributes their own expertise, skills, knowledge and experiences to the Board for the benefit of the Shareholders.

Conflict of Interest

The Directors are expected to be cognizant of their statutory duties, and to discharge them objectively in the interest of the Company. As a matter of good practice, all Board members and members of Board Committees who have a potential conflict of interest in a particular agenda item, will recuse themselves from the discussion and decisions on the matter at all levels within the Group including, but not limited to, the Company’s subsidiary and any committees and sub-committees, if any, that are involved in the proposed transaction in which the Director has an interest or in respect of which the Director is conflicted. Such compliance will be recorded in the minutes of meeting and/or directors’ resolutions in writing from time to time, when applicable.

CORPORATE GOVERNANCE REPORT

Provision 1.2 – Continuous Training and Development of Directors

Each new Director will, upon his/her appointment, sign an appointment letter which sets out the terms of his/her appointment, general duties and obligations, including expectations of the Company.

The Board ensures that incoming new Directors are given guidance and orientation to familiarise them with the Group's business and corporate governance practices upon their appointment to facilitate the effective discharge of their duties. A comprehensive and tailored induction programme is also conducted by the Chief Operations Officer ("COO") and the plantation manager at the Group's campsite in Sapulut Forest Reserve in Sabah to allow newly appointed Directors to get acquainted with key executives and Management, and to familiarise him/her with the Group's business and governance practices, to enable them to assimilate into their new roles. The programme also allows the new Director to be acquainted with senior Management members, thereby facilitating board interaction.

Any newly appointed Director who has no prior experience as a director of a Singapore-listed company is required to attend the relevant trainings on the roles and responsibilities as a director of a listed company in Singapore as prescribed by the SGX-ST. Dato' Mary Lim Thiam Suan is currently undergoing the prescribed training and she will complete the required training within one year from the date of her appointment to the Board.

The Company recognises the importance of ongoing professional development for the Board members. Depending on each Director's background and development needs, the Directors are provided with opportunities to develop and maintain their skills and knowledge, particularly on applicable new laws, regulations, as well as trainings in areas such as accounting, legal and industry-specific knowledge, as appropriate. The Company endeavours to provide Directors with opportunities to develop and maintain their skills and knowledge at the Company's expense. The Directors are encouraged to attend training courses organised by the Singapore Institute of Directors ("SID") or other training institutions in connection with their duties as Directors on an on-going basis, at the Company's expense. In this regard, the Board has approved an annual budget to fund any Director's participation/attendance at seminars and training programmes that are relevant to his/her duties as a Director. These ranges from in-house talks by invited speakers or training or seminars conducted by external parties, including webinars and online courses organised by professional associations.

During the financial year:

- the external auditor, PKF-CAP LLP, and internal auditor, Axcelasia Sdn Bhd respectively, regularly briefed the Audit Committee members on developments in accounting and governance standards, as well as risk management issues;
- the CEO and COO updated the Board at each board meeting on business and operational developments within the industry;
- the Board and senior Management members had in-depth discussions on strategic issues and direction of the Group at Board meetings;
- Management had kept the Directors abreast on pertinent developments in the Group's business during Board and Board Committee meetings to facilitate the discharge of their duties;
- some of the Directors had attended workshops and trainings on sales and services tax, related party transactions, risk management for AI, Board responsibilities on cybersecurity oversight and audit oversight for Board and Audit Committee.
- the Head of Departments regularly conduct in-house training to the operation staffs at site in the plantation.

The Board is also provided with information and updates on the Group's policies and procedures relating to issues pertaining to governance, disclosure of interests in securities and restrictions on disclosure of price sensitive information, changes in reporting standards and issues which have a direct impact on financial statements, so as to enable them to properly discharge their duties and responsibilities as Board members or Board Committee members.

Provision 1.3 – Matters Requiring Board's Approval

Matters which are specifically reserved to the Board for decision are, inter alia, those involving a conflict of interest for a substantial shareholder or a Director, material acquisitions and disposal of assets, corporate or financial restructuring, share issuance and dividends, and financial results and corporate strategies.

CORPORATE GOVERNANCE REPORT

Provision 1.4 – Delegation of Authority to Board Committees

To facilitate effective Management and to ensure appropriate checks and balances, the Board delegates specific responsibilities to committees ("**Board Committees**") namely:

- (a) Audit Committee ("**AC**");
- (b) Nominating Committee ("**NC**"); and
- (c) Remuneration Committee ("**RC**").

(collectively, the "**Board Committees**").

These committees have been constituted to assist the Board in the discharge of specific responsibilities and function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The information on each of the Board Committees is set out in this report. As at 31 July 2025, the AC, NC and RC each comprised entirely of Independent Non-Executive Directors.

While the Board Committees have been delegated power to make decisions within the authority delegated to the respective committees, the ultimate responsibility for the decisions and actions rests with the Board as a whole. The chairpersons of the respective Board Committees update the Board on the discussions made at the meetings of the Committees. Similarly, minutes of such meetings, which record the key deliberations and decisions taken during the meetings, are also circulated to the Board members for their information.

Provision 1.5 - Board Processes and Meetings of Board and/or Board Committees

The Board and the various Board Committees meet regularly, with Directors attending and actively participating in such meetings. The Board meets at least once every six months to discuss and review the strategic policies of the Group, significant business transactions, performances of the business and approves the release of the half-yearly financial results. Board meetings may include presentations by members of the Management and/or external advisers/consultants on strategic issues pertinent to the Group.

Ad-hoc meetings are convened as and when warranted by circumstances, to discuss pressing matters which require the Board's deliberation and decision in between the scheduled meetings. The Company's Articles of Association ("Articles") allow a Board meeting to be conducted by means of a teleconference telephone, videoconferencing, audio visual or other electronic means of communication. The Board and Board Committees may also make decisions by way of circulating resolutions in writing. Additionally, the minutes of Board Committee meetings, which record the key deliberations and decisions taken during these meetings, are circulated to all Board members for their information.

The schedule of all Board and Board Committee meetings and the Annual and/or Extraordinary General Meeting of the Company is planned in advance, in consultation with the Directors, to facilitate meaningful participation and to ensure optimal attendance. In between regularly scheduled meetings, matters that require the Board and/or Board Committees' approval are circulated to all Directors and/or respective Board Committee members, as the case may be, for their consideration by way of circular resolutions, as provided in the Articles and the terms of reference of the respective Board Committees.

For FY2025, the Board met four (4) times, with the year-end meeting focusing on annual budget and strategic issues.

CORPORATE GOVERNANCE REPORT

The attendance of each Director at the Board and Board Committee meetings during FY2025 is summarised as follows:

Name	Board		AC		RC		NC	
	No. of Meetings held	No. of Meetings attended	No. of meetings held	No. of meetings attended	No. of meeting held	No. of meeting attended	No. of meeting held	No. of meeting attended
Datuk Jema Anton Khan	4	4	4	4*	1	1*	1	1*
Abdul Rahman Khan Bin Hakim Khan	4	4	4	4*	1	1*	1	1*
Muaz Bin Jema Anton Khan	4	4	4	4*	1	1*	1	1*
Lee Yong Soon	4	4	4	4	1	1	1	1
Leow Ming Fong @ Leow Min Fong	4	4	4	4	1	1	1	1
Faridah Binti Mohd. Fuad Stephens ^(a)	2	2	2	2	1	1	1	1
Dato' Mary Lim Thiam Suan ^(b)	2	2	2	2	-	-	-	-

* by invitation

(a) Ms Faridah Binti Mohd. Fuad Stephens ("Ms Faridah") ceased to be a Director with effect from 25 November 2024.

(b) Dato' Mary Lim Thiam Suan ("Dato' Mary") was appointed to the Board as an Independent Non-Executive Director on 25 November 2024.

The Board communicates frequently through informal meetings and teleconference to discuss the Group's strategies and businesses. All the Directors are obliged to act in good faith and consider at all times the interest of the Group and avoid situations in which their own personal or business interests directly or indirectly conflict or potentially conflict with the interests of the Group. The Directors are also required to discharge their duties and responsibilities objectively at all times as fiduciaries in the interests of the Group.

Provision 1.6 – Access to Information

To enable the Board to fulfil its responsibilities and make informed decisions in the discharge of their duties and responsibilities, the Directors receive from Management, a regular flow of information pertaining to relevant matters to be brought before the Board for its decision as well as ongoing reports, management financial statements, annual budgets, and explanations and updates relating to the operational and financial performance of the Group.

To allow the Directors sufficient time to prepare for meetings of the Directors and relevant Board Committees, all scheduled Board and Board Committee papers are distributed to the Directors not less than a week in advance of the respective meetings. Information provided include amongst others, the background or explanatory information relating to matters to be brought before the Board and/or Board Committees, budgets, forecasts, internal and external auditors' reports and internal financial statements. This allows Directors to focus on the meeting agenda or raise questions/issues which they may have at the meetings.

Management, the Company's auditors and other professionals are invited to be present at these meetings, where necessary, to provide additional insights into the matters to be discussed at Board and Board Committee meetings. At each Board meeting, Management briefs the Directors on the state of the Group's business, operations, finances and risks, including material developments of the Group, as and when necessary. Updates are also provided, where necessary, by the auditors, the Company's sponsor and/or the Secretary, during the Board and Board Committees, on risk management, corporate governance and the key changes in the relevant regulatory requirements and financial reporting standards.

CORPORATE GOVERNANCE REPORT

All Directors have unrestricted access to the Management and other employees and are free to request for additional information, when necessary. Any additional material or information requested by the Directors will be promptly furnished.

Provision 1.7 – Directors Have Separate and Independent Access to Information

The Company provides the Directors, individually or as a group, to have separate and independent access to Management, the Company Secretary and to seek external professional advice, where necessary, at the Company's expense, in furtherance of their duties and after consultation with the Chairman of the Board.

Under the Chairman's direction, the Company Secretaries ensure that Board procedures are followed and that applicable rules and regulations including the provisions of the Company's Articles are complied with. The Company Secretaries assist the Chairman to ensure good information flow within the Board and its Board Committees, and between Management and Non-Executive Directors.

The Company Secretaries, or at least one of the Company Secretaries attended all Board and Board Committee meetings and assist the Chairman, the Chairperson of the respective Board Committees and Management in the development of meeting agendas for the various Board and Board Committee meetings.

The appointment and removal of the Company Secretaries are subject to the approval of the Board.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company

Provision 2.1 - Independence of the Board

An independent director, as defined under the Code, is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.

In its deliberation on whom may be considered as independent, the Board takes into account the views of the NC and adopts the Code's as well as Catalist Rule 406(3)(d)'s definition of independence in its review. The Board considers whether a Director has or had business relationships with the Group, its related corporations, its substantial shareholders or its officers, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Group.

Each Director is required to disclose to the Board, any relationships or circumstances which are likely to affect or could appear to affect the Director's judgement, as and when they arise. The independence of each Director is reviewed annually by the NC in accordance with the definition of independence in the Code. All Independent Directors have also provided written declaration confirming their independence in accordance with the Code for FY2025.

For FY2025, the Board, through the NC, assessed the independence of each of the Directors. Based on the declarations of independence provided by the Directors and taking into account the requirements and/or guidance set out in the Catalist Rules and the Code as well as its accompanying practice guidance, Mr Leow Ming Fong @ Leow Min Fong, Mr Lee Yong Soon and Dato' Mary Lim Thiam Suan, were considered independent Directors as there were no relationships or other factors such as past associations, business dealings and relationship with Directors and the Management that could impair or compromise their independent judgement or which deem them to be not independent. Taking into consideration factors above, the NC is satisfied that the Board has substantial independent elements to ensure that objective judgment is exercised on corporate affairs.

CORPORATE GOVERNANCE REPORT

Provisions 2.2 and 2.3 – Independent Directors Comprising Majority of the Board and the Proportion of Non-Executive Directors

Under Provision 2.2 of the Code, the Independent Directors should make up a majority of the Board where the Chairman is not independent. As at the date of this report, the Board comprises one (1) Executive Director, two (2) Non-Executive Non-Independent Directors, and three (3) Independent Directors. Whilst this is not in line with Provision 2.2 of the Code, the Board currently comprises only one (1) Executive Director and the majority of the Board is made up of Non-Executive Directors.

With half of the Board comprising Independent Directors, there is a strong element of independence on the Board. The NC believes that notwithstanding that the Non-Executive Chairman was not independent, the Board is able to exercise strong and independent judgement on corporate affairs, with no one individual or groups of individuals dominating any decision-making process.

With their expertise and competency in their respective fields, the Board engages in open and constructive debate and challenges Management on its strategic proposals and assists in reviewing the performance of the Management in achieving set objectives. They are well-supported by Management with accurate, complete and timely information to enable them to make informed decisions. The Independent Directors have no financial or contractual interests in the Group other than by way of their directors' fees. There are also no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him/her not to be independent.

Under Provision 2.3 of the Code, Non-Executive Directors should make up a majority of the Board. The Company complies with Provision 2.3 of the Code as the Board currently comprises six (6) members of which five (5) are Non-Executive Directors.

Information regarding each Board member is provided under the Board of Directors section set out on pages 6 to 8 of this report.

Provision 2.4 – Composition, Size and Diversity of Board and Board Committees

The Board recognises the benefit of diversity in fostering robust discussions and strives to achieve an appropriately balanced mix of talent on the Board, principally through combining Directors with diverse but complementary backgrounds and experiences, but also through gender and age diversity.

Each Director has been appointed based on the strength of his/her calibre, experience and stature, and the Board, as a group, is made up of Directors with a wide range of skills, experiences and qualifications, ranging from accounting and finance expertise to industry knowledge, entrepreneurial and management experiences relevant to the Group's businesses.

The Board, through the NC, has examined its structure, size and composition, and believes that the Board, in its current size and composition, represents a well-balanced mix of Directors who have extensive business, financial, accounting, legal and management experience, and whom as a group, is capable of providing the core competencies, necessary to meet the Group's objectives and facilitate effective decision making.

Board Diversity

The Company is committed to building and maintaining a culture of diversity and inclusivity, in terms of skillsets, knowledge, industry and business experience, educational background, gender, age, ethnicity, culture, geographical background, independence and professional qualifications. For this reason, the Company had adopted a board diversity policy ("**Board Diversity Policy**") which recognises and embraces the benefits of diversity on the Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. Its main objective is to continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the long-term success of the Group.

CORPORATE GOVERNANCE REPORT

The current Board composition takes into consideration of board diversity. The NC was satisfied that members of the Board possess the relevant core competencies in areas of accounting and finance, business and management experience, legal and strategic planning. In particular, the Non-Executive Directors, who are mostly professionals in their selected fields, are able to take a broader view of the Group's activities, contribute their valuable experience and provide independent judgement during the Board's deliberation on the Group's matters.

In addition, the Board consists of directors with ages ranging from 30s to 70s, who have served on the Board for different tenures. The Board members with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Group's business and direction.

Core Competencies	Number of Directors	Proportion of the Board (%)
• Accounting or finance	4	67%
• Business Management	5	83%
• Legal or Corporate Governance	4	67%
• Relevant Industry knowledge or experience	5	83%
• Strategic Planning Experience	4	67%
• Customer based experience or knowledge	3	50%

None of the Independent Directors has served on the Board beyond nine (9) years from the date of his/her first appointment.

The NC will review the Board Diversity Policy, from time to time as appropriate, to ensure its effectiveness, and to ascertain that the current makeup of the Board and Board Committees reflects the Group's commitments in all aspects of diversity. In the process of sourcing for qualified candidates to serve on the Board, the NC will consider candidates on merit against objective criteria and with due consideration being given to a candidate's suitability in strengthening the diversity of skills, experience, gender, knowledge and core competencies of the Board, relevant to the Group.

The current Board composition reflects the Company's commitment to the relevant diversity in gender, age, skills and knowledge. The following table sets out the diversity targets and progress since the adoption of the Board Diversity Policy:

Targets		Progress
(a)	To maintain at least three (3) Independent Directors which will comprise at least 50% of the entire Board.	As at the date of this report, the Board comprises six (6) members, three (3) of whom are Independent Directors, with two (2) Non-Executive Directors and one (1) Executive Director.
(b)	To ensure appropriate balance between functional skill sets, domain expertise and specific skills and capabilities needed to support the Company's strategy and business.	This is a continual target as part of Board renewal. The NC has assessed and was satisfied that members of the Board possess the appropriate balance of skills necessary to support the Company's strategy and business.
(c)	To ensure at least one (1) female representation in the Board.	As at the date of this report, the Board continues to maintain its target goal of having at least one (1) female director.
(d)	To ensure at least one (1) Director who is ordinarily a resident in Sabah.	As at the date of this report, the CEO who is also the sole Executive Director, is a resident in Sabah.

Having considered the scope and nature of the operations of the Group, the Board is satisfied that the current size and composition of the Board and Board Committees are appropriate and reflective of the Company's commitment to Board diversity with a good balance of skills, experience, industry knowledge, professional qualifications, gender and age, which serve to support the Group in achieving its strategic objectives.

The Company will continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the long-term success of the Group in line with the Board Diversity Policy.

CORPORATE GOVERNANCE REPORT

Provision 2.5 – Meetings of the Non-Executive Directors

The Non-Executive Directors of the Company (including the Independent Directors) engage in open and constructive debate and endeavour to constructively challenge Management in helping with the development of strategic proposals. The Directors also review and oversee effective implementation by Management in achieving agreed goals and objectives and monitor the reporting of performance.

To ensure that the Non-Executive Directors are well supported by accurate, complete and timely information, such Directors are provided unrestricted access to Management and are well supported by completed and timely information, including half-yearly performance reports. This facilitates their review of the effective implementation by the Management in achieving agreed goals and objectives, and to monitor the reporting of performance.

Where necessary, the Company would co-ordinate information sessions for the Non-Executive Directors to meet on a need-basis with relevant external auditors of the Group or amongst the Non-Executive Directors, without the presence of Management. Thereafter, the chairperson of such meetings will provide feedback to the Board and/or Chairman as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER (“CEO”)

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making

Provision 3.1 - Chairman and CEO

The Chairman and Chief Executive Officer (“CEO”) are cousins, with Datuk Jema Anton Khan (“**Datuk Jema Khan**”) as the Non-Executive Chairman (“**Chairman**”) and Mr Abdul Rahman Khan Bin Hakim Khan (“**Mr Rahman Khan**”) as the CEO. There is a clear division of responsibilities between the leadership of the Board and Management, with no one individual having unfettered powers of decision making.

The Chairman and CEO jointly oversee the observance of high standards in corporate governance and compliance with the Code.

Provision 3.2 - Roles and Responsibilities of Chairman/CEO

Role of Chairman

As the Chairman, Datuk Jema Khan acts independently in the best interests of the Company and its Shareholders. The Chairman ensures that there is mentorship, unity of purpose within the Board and that the Board engages in productive discussions on strategic, tactical, business, financial and planning issues. He is responsible for, amongst others:

- (a) leading the Board to ensure its effectiveness on all aspects of its role;
- (b) setting the agenda and ensure that adequate time is available for discussion of all agenda items, in particular, strategic issues;
- (c) promoting a culture of openness and debate at the Board;
- (d) facilitating contributions from the Non-Executive and Independent Directors and encourage constructive relationships within the Board and between the Directors and Management;

CORPORATE GOVERNANCE REPORT

- (e) exercising control over the quality, quantity and timeliness of information flow to the Board;
- (f) ensuring effective communication with Shareholders and fostering constructive dialogue between Shareholders, the Board and Management during general meetings;
- (g) promoting high standards of corporate governance; and
- (h) managing and developing the businesses of the Group and implements Board's decisions.

Role of the CEO

The CEO, Mr Rahman Khan, drives the Company's businesses with full executive responsibility over the business executive decisions of the Company. Assisted by Management, the CEO makes strategic proposals to the Board and after robust and constructive board discussions, executes the agreed upon strategy(ies), manages and develops the Group's businesses and implements the Board's decision.

The CEO makes sure that the information that is shared with the Board is timely, appropriate and of the requisite quality so that the Board can discharge its duties and responsibilities effectively.

Provision 3.3 - Lead Independent Director

Notwithstanding the clear separation of duties between the Chairman and the CEO, Mr Lee Yong Soon ("**Mr Lee**"), also the NC Chairman, is the Lead Independent Director of the Board ("**LID**").

Other than his statutory duties as a Director, the LID has the following additional roles:

- (a) LID is available to Shareholders where there are concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate;
- (b) LID plays an additional facilitative role within the Board;
- (c) where necessary, the LID may also facilitate communication between the Board and Shareholders as well as other stakeholders of the Company; and
- (d) the LID provides a channel to NEDs for confidential discussions on any concerns and to resolve conflicts of interests, as and when necessary.

The Board is of the view that there are sufficient safeguards and checks in place to ensure that the process of decision-making by the Directors is independent and based on collective decision-making without the Chairman and the CEO being able to exercise considerable concentration of power or influence.

As the LID, Mr Lee acts as the leader of the Independent Directors at Board Meetings to provide non-executive perspectives and contribute a balance of viewpoints on the Board. He is also available to Shareholders if they have concerns and for which contact through the normal channels of the Chairman, the CEO and the Group Financial Controller has failed to resolve their concerns or is inappropriate.

CORPORATE GOVERNANCE REPORT

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board

Provision 4.1 - NC and its Terms of Reference

The Board establishes an NC to make recommendations to the Board on relevant matters, pertaining to the composition of the Board including aspects such as professional qualifications of its Directors, industry and geographic knowledge, experience, skills, length of service and the needs of the Company.

As at the date of this report, the NC comprises the following members, all of whom are independent:

Mr Lee Yong Soon (NC Chairman)	Lead Independent Director
Mr Leow Ming Fong @ Leow Min Fong	Independent Director
Dato' Mary Lim Thiam Suan	Independent Director

The NC had convened one (1) scheduled meeting in FY2025, which was attended by all members.

The NC is established to ensure there is a formal and transparent search and nomination process for the appointment and re-appointment of Directors. The NC also evaluates and reviews the Board succession plans for Directors to ensure progressive renewal of the Board, as well as the appointment and/or replacement of the Chairman, the CEO or key management personnel.

The NC's terms of reference sets out its roles and responsibilities. The principal functions of the NC include:

- (a) to review and approve any new employment of related persons and proposed terms of their employment;
- (b) to recommend to the Board on Board appointments, including re-nominations of existing Directors for re-election in accordance with the Company's Articles, taking into account the Directors' contribution and performance;
- (c) to review board succession plans for the Directors;
- (d) to determine on an annual basis, and when so required under the particular circumstances, whether or not a Director of the Company is independent;
- (e) in respect of a Director who has multiple board representations on various companies, if any, to review and decide whether or not such Director is able to and has been adequately carrying out his duties as Director, having regard to the competing time commitments that are faced by the Director when serving on multiple Boards and discharging his duties towards other principal commitments;
- (f) to decide whether or not a Director of the Company is able to and has been adequately carrying out his duties as a director;
- (g) to review training and professional development programmes for the Board;
- (h) to decide on how the Board's performance may be evaluated and propose objective performance criteria, as approved by the Board that allows comparison with its industry peers and address how the Board has enhanced long-term shareholders' value; and
- (i) to administer jointly with the RC, the Jawala Performance Share Plan and the Jawala Employee Share Option Scheme.

CORPORATE GOVERNANCE REPORT

Provision 4.2 – Composition of NC

In line with Provision 4.2 of the Code, the NC is made up of Independent, Non-Executive Directors. The NC is chaired by Mr Lee Yong Soon, who is also the LID of the Board.

Provision 4.3 – Selection, Appointment and Re-Appointment of the Directors

The Board recognises the importance of progressively renewing the Board to address the evolving needs of the Company and is committed to a process of orderly succession planning for Directors.

The Board, in conjunction with the NC, reviews the composition of the Board and Board Committees annually, taking into account the performance and contribution of each individual Director. Board composition is also evaluated to ensure diversity of skills, core competencies, knowledge, professional experience, educational background, gender, age and length of service.

The NC reviews and makes recommendations to the Board on all nominations for appointments and re-appointments to the Board and the Board Committees. The NC may identify suitable candidates for appointment as new Directors through the business network of the Board members or engage independent professional advisers to assist in the search for suitable candidates, taking into consideration factors such as the ability of the potential candidates to contribute to discussions, deliberations and activities of the Board. The potential candidate will go through a shortlisting process and thereafter, an interview will be set up before the NC proceeds to recommend the selected candidate to the Board for consideration and approval. In the nomination and selection process, the NC will also first review the Company's prevailing and emerging strategic priorities before reviewing the experience and expertise of the current Board composition to identify critical complementary gaps which require filling that are aligned to the strategic priorities of the Company. Diversity in, *inter alia*, gender and skillsets is one of the key considerations, to ensure that (i) the Board is appropriately balanced to support the long-term success of the Group, (ii) the skillsets of the retiring Director(s) are replaced, and/or the collective skillsets of the Board are complemented, and (iii) different perspectives are brought to the Board. Other considerations include (i) whether the candidate would fit with the Board's culture and diversity, (ii) the independence status of the candidate, and (iii) whether the candidate would be able to commit sufficient time to fulfil the duties of a Director.

Pursuant to the Company's Articles, the Directors, upon receipt of recommendation from the NC, shall have power to appoint a new Director either to fill a casual vacancy or as an additional Director. Newly appointed Directors may only hold office until the next annual general meeting ("**AGM**") of the Company but will be eligible for re-election by Shareholders at the AGM. The Board is also advised by the Sponsor on the appointment of Directors as required under Catalist Rule 226(2)(d).

All Directors are also subject to the provisions of the Articles whereby at least one-third (1/3) of the Directors are required to retire and subject themselves to re-election by Shareholders at every AGM. Further, all of the Directors are also required to retire from office at least once every three years. Shareholders will be provided with relevant information about the candidates for election or re-election so that they may exercise their voting rights on an informed basis.

The NC oversees the nomination of Directors for election or re-election and each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his/her re-election as a Director. When deliberating the nomination of Directors for re-election and re-appointment, the NC takes into consideration the Directors' attendance, participation, contribution, commitment and performance during the previous year, and where applicable, the retiring Directors' independence.

CORPORATE GOVERNANCE REPORT

When an existing Director chooses to retire or the need for a new Director arises, either to replace a retiring Director or to enhance the Board's strength, the NC, in consultation with the Board, determines the selection criteria and identifies candidates with the appropriate expertise and experience for the appointment of a new Director. The NC will generally identify suitable candidates skilled in core competencies such as accounting or finance, business or management expertise, or industry knowledge taking into consideration the requirement for board diversity. If the NC decides that the candidate is suitable, the NC then recommends its choice to the Board. Meetings with such candidates may be arranged to facilitate open discussion. Upon appointment, arrangements will be made for the new Director to attend various briefings with members of the Management.

The following Directors are due for retirement at the forthcoming AGM:

- (a) Datuk Jema Khan - Article 98 of the Articles; and
- (b) Mr Rahman Khan - Article 98 of the Articles;

(each a "**Retiring Director**" and together the "**Retiring Directors**").

At the recommendation of the NC and as approved by the Board, both the Retiring Directors will be standing for re-election. The NC's recommendation, which has been endorsed by the Board, follows the NC's assessment of the Retiring Directors' contributions, competency, and commitment (including attendance, preparedness, participation at Board and Board Committee meetings).

Having expressed their willingness to be re-elected as a Director of the Company at the forthcoming AGM, and upon re-election:

- (a) Datuk Jema Khan shall remain as the Non-Independent Non-Executive Chairman of the Company; and
- (b) Mr Rahman Khan shall remain as the Executive Director and CEO of the Company.

Detailed information on the Retiring Directors can also be found in the "Additional Information on Directors Seeking Re-election at the AGM" section of this Annual Report.

As and when required, the NC seeks to balance Board renewal, which brings in fresh insights with maintenance of knowledge and experience of the Group's operations. The NC strives to ensure that the Board, Board Committees and key management personnel comprise individuals who are able to discharge their duties and responsibilities to the highest standards of corporate governance.

Succession Planning

Succession planning is an important part of the governance process. The NC makes recommendations to the Board on matters relating to the review of succession plans for Directors (in particular, the appointment and/or replacement of the Chairman and the CEO) and other key management personnel to ensure peaceful and efficient leadership transitions, crucial to ensure the Group's longevity and security in meeting the Group's business objectives and strategies for future growth.

The Company had on 28 September 2022, adopted the Group's Succession Planning Framework which takes into consideration the long-term succession plan and emergency succession plan, for key positions including the CEO, COO, Chief Financial Officer and other key management position as may be determined by the CEO and the Board, from time to time.

With regard to the succession planning for the Board, the NC aims to maintain an optimal Board composition by considering the Company's strategic priorities and the factors and trends affecting the long-term success of the Company, reviewing the skills needed on the Board, in line with its terms of reference.

CORPORATE GOVERNANCE REPORT

Provision 4.4 – NC to Determine Directors’ Independence

The NC conducts an annual review of each Director’s independence, in line with the relevant provisions and salient factors in the Code as well as the Catalist Rules. No member of the NC participated in the deliberation in respect of his/her own status as an Independent Director.

Each Director is required to disclose to the Board any relationships or circumstances which are likely to affect or could appear to affect the Director’s judgement, as and when they arise. The Directors are also required, to complete annually, a confirmation of independence based on the substantive requirements of the Code and declare whether he/she considers himself/herself to be independent based on the criteria under the Catalist Rules and the Code, including, amongst others, the confirmation that he/she does not have any relationship with his/her fellow Directors or with the Group and its substantial shareholders. Such declarations are put before the NC to be reviewed annually in accordance with the definition of independence in the Code and the Catalist Rules to ensure that there is a strong independent element on the Board such that the Board is able to exercise objective judgment on corporate affairs independently.

For FY2025, the Independent Directors have confirmed that they are independent and do not have any relationship with the Company or its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors’ independent business judgement with a view to the best interests of the Company.

Taking into consideration factors above, the NC is of the view that the Independent Directors, Mr Lee Yong Soon, Mr Leow Ming Fong @ Leow Min Fong and Dato’ Mary Lim Thiam Suan remain independent. The NC is satisfied that the Board, in its current composition, has substantial independent elements to ensure that objective judgment is exercised on corporate affairs.

Provision 4.5 - Commitments of Directors sitting on Multiple Directorships

The meeting attendance records of all Directors, as well as a list of their directorships of listed companies and their principal commitments are fully disclosed in the Annual Report. The NC assesses the effectiveness of the Board as a whole and takes into account each Director’s contribution and devotion of time and attention to the Company. In assisting the NC to determine whether the Directors who have multiple board representations are able to adequately carry out their duties and commitments towards the Group, the Directors have adopted a form of internal guidelines whereby Directors are required to apprise the Board of their other listed company directorships and other principal commitments. The NC, after reviewing the completed disclosure forms returned by all Directors together with the respective list of directorships held by each Director as well as their attendance at Board and/or Committee meetings, is satisfied that all the Directors who sit on multiple boards are able to devote adequate time and attention to the affairs of the Group and to fulfil their duties as Directors.

To address the competing time commitments faced by the Directors serving on multiple boards, the Board has based on the NC’s recommendation, determined that the maximum number of listed company board representations which any Director may hold, should not be more than five (5) including the Company, in line with international practices and conventions.

Information on Directors

Key information on the Directors and proposed Director, including their board directorships in other listed companies and principal commitments, academic and professional qualifications, if any, can be found in the “Board of Directors” section in this Annual Report.

CORPORATE GOVERNANCE REPORT

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal assessment of its effectiveness as a whole and each of its board committees and individual directors

Provisions 5.1 and 5.2 - Board Performance and Board Evaluation

The NC is responsible for recommending and implementing a process to assess the performance and effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contributions of each individual Director to the overall effectiveness of the Board.

Annually, the NC undertakes a process to assess the effectiveness of the Board as a whole, and its Board Committees. The NC will ascertain the key areas for improvement and relevant corresponding follow-up actions, as appropriate.

To facilitate the evaluation and assessment of the effectiveness of the Board Committees and Chairman, the relevant Directors completed a Board Committee evaluation questionnaire for each of the Board Committees. The key areas covered in such assessment included:

- (a) roles and responsibilities of the respective Board Committees;
- (b) actual practices, which cover matters relating to decision making in meetings and access to information;
- (c) performance of the Board Committees;
- (d) culture and robustness of discussions amongst the members; and
- (e) composition of members with the right competencies and skillsets.

Their feedback and responses were collated by the Company Secretary and presented to the NC for review and discussion prior to submitting to the Board for its review and determining the areas of improvement.

A Board assessment is also performed by each Director in the form of a Board Performance Evaluation. Among the areas covered in the board effectiveness assessment are:

- (a) Board culture and dynamics;
- (b) Board composition;
- (c) Board organization, processes and procedures;
- (d) quality of information and accessibility provided during Board meetings;
- (e) Board's relationship with senior management;
- (f) potential Board developmental needs; and
- (g) Shareholders' engagement and communications.

The performance assessment is administered on a confidential basis by the Company Secretary. The results and data collated from the input and performance assessments from the Directors are consolidated and shared with the NC and the Chairman, prior to the results being tabulated for review and discussion at the Board meeting. The Company did not engage any external facilitator for the Board and Board Committee assessments for FY2025.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration

Provision 6.1 - RC and its Terms of Reference

The Board establishes an RC to review and recommend to the Directors, the Group's remuneration framework for both the Directors and key management personnel, including the specific remuneration packages for each of such individual. The main objective is to attract, reward, motivate and retain a talented and high performing workforce in order to achieve the Group's business objectives, while also incentivizing Directors to provide good stewardship of the Group.

As at the date of this report, the RC comprises three (3) members, all of whom are Independent Directors, namely:

Dato' Mary Lim Thiam Suan (RC Chairperson)	Independent Director
Mr Leow Ming Fong @ Leow Min Fong	Independent Director
Mr Lee Yong Soon	Lead Independent Director

The RC had convened one (1) scheduled meeting, which was attended by all members, during the financial year.

The RC plays an important role in ensuring that the Group is able to attract, recruit, motivate and retain the best talents through competitive remuneration. The RC also considers all aspects of remuneration including termination terms to ensure they are fair. Under the RC's terms of reference, the RC performs the following functions:

- (a) to establish and recommend to the Board, the individual remuneration structure and policy for key management personnel, taking due account of short term and long term incentives and whether there is an appropriate balance between fixed and incentive pay that is aligned with the objectives of the Company and commensurates with the level of executive responsibilities;
- (b) to review and advise on the terms of any contract to be offered to the key management personnel ensuring that contractual terms on appointment, retirement, termination and any payments made are fair to the individual and the Company;
- (c) to take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the Code in determining the remuneration policy;
- (d) to review the remuneration of employees who are immediate family members of a director, and whose remuneration exceeds SGD100,000 during the year;
- (e) to review the ongoing appropriateness and relevance of the remuneration policy and approving any major changes to remuneration policy;
- (f) to determine and agree with the Board an appropriate performance framework;
- (g) to support the setting of performance target parameters for the remuneration of the key management personnel;
- (h) to monitor Management's performance against targets and to recommend resultant annual remuneration levels; and
- (i) to administer jointly with the NC, the Jawala Performance Share Plan and the Jawala Employee Share Option Scheme.

CORPORATE GOVERNANCE REPORT

Provision 6.2 – Composition of RC

In line with Provision 6.2 of the Code, the RC is made up entirely of Independent, Non-Executive Directors. The Board considers the members of the RC, who each have years of experience in senior management positions and/or on the boards of various companies, collectively, have strong management experience and expertise on remuneration issues.

Provision 6.3 - Roles and Responsibilities of the RC

The scope of responsibilities of the RC encompasses all aspects of remuneration, including but not limited to the Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind. The RC also review the remuneration of senior Management and employees related to the Directors, if any. Each member of the RC shall abstain from voting on any resolutions in respect of his/her remuneration package and also in respect of any employee related to him/her, if any.

The remuneration of employees who are related to Directors and substantial shareholders will also be reviewed annually by the RC to ensure that their remuneration package is in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Additionally, the RC also reviews the Group's obligations arising in the event of termination of service contracts entered into between the Group and its Executive Directors or key management personnel, as the case may be, to ensure that the service contracts contain fair and reasonable termination clauses which are not overly onerous to the Group.

Provision 6.4 - RC's Access to Advice on Remuneration Matters

In discharging its functions, the RC may from time to time, seek independent external legal and other professional advice on the remuneration of all Directors and key management personnel. The expenses of such advice shall be borne by the Company.

The Board did not engage any external remuneration consultant to advise on remuneration matters for FY2025.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company

Provision 7.1 - Remuneration of Executive Directors and Key Management Personnel

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Group, taking into account the Group's strategic objectives. The RC administers all the performance-related elements of remuneration for senior management and key management personnel. The RC reviews the remuneration of the Executive Director and key executives of the Group, and makes recommendation on an appropriate framework of remuneration. The RC's recommendation is submitted to the Board for endorsement.

The Company currently has a standing service agreement with Mr Rahman Khan (Executive Director and CEO). Such agreement which was for an initial period of three (3) years is subject for renewal annually thereafter unless otherwise agreed in writing or terminated in accordance with the service agreement. The relevant parties may terminate the service agreement by either party giving not less than six months' notice in writing to the other.

CORPORATE GOVERNANCE REPORT

In setting remuneration packages, the Company takes into account, the pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors and key management personnel.

The Company has adopted an overall remuneration policy for employees comprising a fixed component in the form of base salary, and a variable component in the form of a bonus that is linked to the performance and cashflows of the Group, the individual, the industry and the economy. The remuneration packages are formulated to attract, retain and motivate the Executive Director(s) and the key management personnel, to align their interests with the long-term interests of Shareholders and other stakeholders and promotes the long-term success of the Company. The RC endorses the bonus for distribution to key management personnel and Directors based on individual performance, and presents its recommendations to the Board for approval.

Provision 7.2 - Remuneration of Non-Executive Directors

The Non-Executive Directors (including Independent Directors) do not have any service agreement with the Company and they receive Directors' fees which are pro-rated according to their appointment date, where applicable, and based on their level of contributions to the Company, taking into account factors such as efforts and time spent as well as their responsibilities on the Board and Board Committees, if applicable. The Company recognizes the need to pay competitive fees to attract, motivate and retain Directors to provide good stewardship of the Company without being excessive to the extent that their independence might be compromised. Directors' fees which are subject to Shareholders' approval at the Company's AGMs, are reviewed annually by the RC and/or the Board, taking into consideration contributions, regulatory changes, responsibilities and market benchmarks.

Each member of the RC will abstain from reviewing and voting on any RC's resolutions approving his/her own remuneration as well as the remuneration packages of persons related to him/her, if any.

The Company believes that the current remuneration of the Non-Executive Directors are at a level that will not compromise the independence of such Directors.

Provision 7.3 – Incentive Schemes to Promote Good Stewardship of the Company for the Long Term

To align the interest of the Directors and key management personnel, the Company has also adopted the Jawala Performance Share Plan ("PSP") and the Jawala Employee Share Option Scheme ("ESOS"), details of which are set out on pages 37 to 38 respectively of this Annual Report. The PSP and ESOS aim to amongst others, provide an opportunity for Executive Directors, key management personnel and eligible employees of the Group to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long-term prosperity of the Group and promoting organizational commitment, dedication and loyalty of the eligible participants to the Group. Non-Executive Directors who satisfy the eligibility requirements shall also be eligible to participate in the PSP and ESOS.

The RC is of the view that the current schemes/compensation structure is appropriate to attract, retain and motivate both the Directors and key management personnel to provide good stewardship of the Company and to successfully manage the Company for the long term.

CORPORATE GOVERNANCE REPORT

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent in its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation

Provisions 8.1 and 8.3 - Remuneration of the Directors and Top Five Key Management Personnel

The Company sets remuneration packages which are competitive and sufficient to attract, retain and motivate Directors and key management personnel with adequate experience and expertise to manage the business and operations of the Group.

The remuneration paid to the Directors and key management personnel for services rendered for FY2025 are as follows:

Names	Salary ⁽¹⁾ %	Performance Bonus %	Directors' Fees %	Total
Directors				
Datuk Jema Khan	-	-	100	MYR96,000
Abdul Rahman Khan Bin Hakim Khan	100	-	-	MYR339,112
Muaz Bin Jema Anton Khan	-	-	100	MYR36,000
Faridah Binti Mohd. Fuad Stephens ⁽²⁾	-	-	100	MYR12,000
Leow Ming Fong @ Leow Min Fong	-	-	100	MYR36,000
Lee Yong Soon	-	-	100	MYR79,788
Dato' Mary Lim Thiam Suan ⁽³⁾	-	-	100	MYR24,000
Key Management Personnel				
Below SGD250,000 (equivalent to approximately MYR825,000)				
Evelyn Ting	100	-	-	100%
Maxy Bin Self	100	-	-	100%

Notes:

(1) Inclusive of statutory contributions.

(2) Ms Faridah Binti Mohd. Fuad Stephens retired as an Independent Non-Executive Director on 25 November 2024.

(3) Dato' Mary Lim Thiam Suan was appointed as an Independent Non-Executive Director on 25 November 2024

Save for the Executive Director, the Company only has two (2) top key management personnel (who are not Directors or CEO) as at 31 July 2025.

There were no termination, retirement and post-employment benefits granted to Directors and key management personnel in FY2025.

Aggregate remuneration for key management personnel

The aggregate remuneration paid to the above key management personnel (who are not Directors or CEO) in FY2025 was SGD147,699 (equivalent to approximately MYR487,405).

CORPORATE GOVERNANCE REPORT

Provision 8.2 – Employees who are Substantial Shareholders or are Related to Directors/CEO/Substantial Shareholder of the Company

There are no employees whose remuneration exceeds SGD100,000 (equivalent to approximately MYR 330,000) during FY2025 who are immediate family members of any Director, substantial shareholder or the CEO.

Provision 8.3 – Employee share Schemes

Jawala Performance Share Plan (“PSP”)

The Company recognizes that the contributions and continued dedication of the employees within the Group and Non-Executive Directors are critical to the future growth and development of the Group and has adopted the PSP which was approved by its Shareholders at an extraordinary general meeting held on 26 April 2018 (“EGM”). The PSP which is based on the principle of pay-for-performance, is designed to enable the Company to reward, retain and motivate employees of the Group to achieve superior performance.

The PSP allows for participation by full-time employees of the Group (including the Executive Director) and Non-Executive Directors (including Independent Directors), controlling shareholders and their associates, provided they have met the eligibility criteria.

The PSP is managed by the members of the NC and the RC (the “**Administration Committee**”) which has the absolute discretion to determine persons who are eligible to participate in the PSP.

The aggregate number of shares which may be issued and/or transferred under the PSP (including other share schemes of the Company) shall not exceed eight per cent (8%) of the Company’s total issued capital (excluding treasury shares) on the date preceding the date of the relevant grant.

There is no minimum vesting period under the PSP for Awards and the length of the vesting period in respect of each Award will be determined on a case-by-case basis by the Administration Committee.

As at the date of this report, no awards had been granted under the PSP.

Information on the PSP is set out in the Company’s Offer Document dated 24 May 2018.

Jawala Employee Share Option Scheme (“ESOS”)

The ESOS was adopted at the EGM, and provides eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. The ESOS which forms an integral and important component of the Company’s compensation plan is designed to primarily reward and retain employees whose services are vital to the success of the Company.

The ESOS allows for participation by confirmed employees of the Group (including the Executive Director) and Non-Executive Directors (including Independent Directors), controlling shareholders and their associates provided they have met the eligibility criteria.

CORPORATE GOVERNANCE REPORT

The ESOS is managed by the Administration Committee which shall have the powers to determine, among others, the following:

- (a) persons to be granted Options;
- (b) number of Options to be offered; and
- (c) recommendations for modifications to the ESOS.

The aggregate number of shares which may be offered under the ESOS (including the PSP and any other share option schemes of the Company) shall not exceed eight per cent (8%) of the Company's total issued capital (excluding treasury shares) on the date preceding the date of the relevant grant.

The options that are granted under the ESOS may have exercise prices that are at the discretion of the Administration Committee.

As at the date of this report, no options had been granted under the ESOS.

Information on the ESOS is set out in the Offer Document dated 24 May 2018.

(B) ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls to safeguard the interests of the company and its shareholders

Provision 9.1 - Risk Management and Internal Control System

The Board and the Management of the Group are committed to maintaining throughout the Company, a culture of risk awareness.

The Board is responsible for the overall internal control framework and risk management in the Group, amongst other matters. The Board determines the Group's levels of risk tolerance and risk policies and oversees Management in the design, implementation and monitoring of risk management and internal control systems. Such systems are put in place to address financial, operational, compliance and information technology risks with the objectives to provide reasonable assurance that there are no material financial misstatements or material loss and that the assets are safeguarded. The Board is assisted by the AC in carrying out its responsibility for risk management and internal controls.

Adequacy and Effectiveness of Risk Management and Internal Control Systems

The Board reviews, at half-yearly, the adequacy and effectiveness of the Group's risk management and internal control systems.

The Company had engaged Axcelasia Sdn Bhd ("**Axcelasia**") as an external consultant and has established a formal Enterprise Risk Management ("**ERM**") framework which facilitates risk assessment and the identification of risk actions across the organisation. Risk assessment was carried out by the Group's internal audit function and risk action plans were deliberated during the financial year. An internal control review was also carried to assess the adequacy and effectiveness of the internal control system established by the Company's principal subsidiary, JPISB.

CORPORATE GOVERNANCE REPORT

The risk-based audit plan is approved by the AC and audits are conducted to assess the adequacy and effectiveness of the Group's system of risk management and internal controls in addressing shortage of manpower, market and planting risks, fire, pest and diseases risks as well as the risks of non-performing contractors. Material control weaknesses, if any, would also be highlighted by the external auditors in the course of the audit of the Group's books.

Risk Management Committee

To assist the Board in carrying out its responsibility of overseeing the Group's risk management framework and policies, the Board has established the Risk Management Committee ("**RMC**"), a dedicated board risk management committee comprising the CEO/Executive Director, the Group Financial Controller ("**GFC**") and COO as its members. The RMC which would report to the Board, is responsible for:

- (a) monitoring the consistent enforcement of ERM Framework across the Group;
- (b) communicating requirements of the ERM Framework and ensuring continuous enhancement of ERM;
- (c) reviewing the risk appetite, risk parameters, risk profiles, risk treatment options and risk action plans status monitoring;
- (d) providing guidance and advice on the appropriateness of risk treatment option selected and risk action plans development;
- (e) formulating and implementing ERM mechanism to accomplish requirements of the ERM policy;
- (f) articulating and challenging risk ratings, control effectiveness, risk treatment options and risk action plans;
- (g) ensuring that the ERM reports prepared are submitted to Board in a timely manner, and flash reports are submitted in the event of any new risk(s) that require urgent attention; and
- (h) reviewing the ERM Policy on a quarterly basis and considering to adopt best practices based on corporate governance framework.

Provision 9.2 - Adequacy and Effectiveness of Internal Controls and Risk Management Systems

The risk management and internal control systems have been integrated throughout the Group and have been an essential part of its business planning and monitoring process. The Board continually monitors the threat and impact of risks to the Company's business and in parallel, assesses the Company's internal systems and procedures that monitor, control and mitigate these risks.

For FY2025, the Board and the AC have obtained assurances from the CEO and the GFC for the following:

- (a) that the financial records have been properly maintained and the financial statements for FY2025 give a true and fair view of the Group's operations and finances in accordance with the applicable financial reporting framework that are free from material misstatement; and
- (b) that the Group's risk management and internal control systems in place were adequate and effective in FY2025 in addressing the material risks of the Group in its current business environment including financial, operational, compliance and information technology risks.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, reviews performed and actions taken by Management and on-going reviews and continuing efforts at enhancing controls and processes, the Board with the concurrence of the AC, is satisfied that the Group's risk management systems and internal controls were adequate and effective to address the financial, operational, compliance and information technology risks for FY2025.

CORPORATE GOVERNANCE REPORT

The Group's internal controls and risk management systems provide reasonable assurance against foreseeable events that may adversely affect the Group's business objectives. The Board and the AC also note that no internal controls and risk management systems can provide absolute assurance in this regard, or against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

AUDIT COMMITTEE ("AC")

Principle 10: The Board has an AC which discharges its duties objectively

Provision 10.1 - AC and its Terms of Reference

The Board has an AC which was formed under written terms of reference which clearly sets out its authority and duties. As at the date of this report, The AC comprises the following members, all of whom are independent:

Mr Leow Ming Fong @ Leow Min Fong (AC Chairman)	Independent Director
Mr Lee Yong Soon	Lead Independent Director
Dato' Mary Lim Thiam Suan	Independent Director

The AC had convened four (4) scheduled meetings, which were attended by all members.

The AC assists the Board in discharging their responsibility to safeguard the Group's assets, maintain adequate accounting records, and in developing and maintaining effective systems of risk management and internal control.

Under the AC's terms of reference, the AC performs, among others, the following functions:

- (a) to assist the Board in the discharge of its responsibilities on financial reporting matters;
- (b) to maintain oversight and discretionary power on the Use of Strategic Reserves as set out in the section entitled "Working Capital" in the Offer Document;
- (c) to monitor and review on a quarterly basis, the Use of Strategic Reserves, which will be kept in a separate bank account;
- (d) to review and approve the Use of Strategic Reserves for any other purposes other than the stated Use of Strategic Reserves;
- (e) to monitor compliance with the undertakings provided by the Company in relation to the Bumiputra Requirement, the Jawala Corporation Additional Undertaking, the Khan Family Additional Undertaking as set out under the section entitled "Shareholders – Moratorium" in the Offer Document, the Undertaking provided by Jawala Corporation in relation to the provision of shareholder loans as set out in the sections entitled "Working Capital" and "General Information on our Group – Business – Salvage Logging within the Licensed Area" of the Offer Document, and the Undertakings by Jawala Corporation, Datuk Jema Khan, Tan Sri Abdul Majid Khan, JPISB and the Company in relation to compliance with the Shareholding Requirement of the Sustainable Forest Management Licence Agreement ("SFMLA") as set out in the section entitled "General Information on Our Group – Licences, Permits, Approvals and Certifications" in the Offer Document;
- (f) to review, with the internal and external auditors, the audit plans, scope of work, their evaluation of the system of internal accounting controls, their management letter and the Management's response, and results of the Group's audits compiled by the Company's internal and external auditors;
- (g) to review the interim and annual financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Catalyst Rules and any other statutory/regulatory requirements;

CORPORATE GOVERNANCE REPORT

- (h) to review the effectiveness and adequacy of the Group's internal control and procedures, including accounting, financial controls, operational, compliance and information technology and risk management systems and ensure coordination between the internal and external auditors and Management, to review the assistance given by the Management to the auditors, and to discuss problems and concern, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of Management where necessary);
- (i) to review the scope and results of the external audit, and the independence and objectivity of the external auditors;
- (j) to review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and Management's response;
- (k) to make recommendations to the Board on the proposals to the Shareholders on the appointment, re-appointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors;
- (l) to review significant reporting issues and judgments with the GFC and the external auditors so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance before submission to the Board of Directors;
- (m) to review and report to the Board at least annually, the adequacy and effectiveness of the Group's material internal controls with the GFC and the internal and external auditors, including financial, operation, compliance and information technology controls, and risk management systems via reviews carried out by the internal auditors;
- (n) to monitor and review the implementation of recommendations from external and internal auditors, if any, to address any control weaknesses;
- (o) to review and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);
- (p) to review any potential conflict of interests;
- (q) to review and approve all hedging policies and instruments (if any) to be implemented by the Group;
- (r) to undertake such reviews and projects as may be requested by the Board and to report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- (s) to review and establish procedures for receipt, retention and treatment of complaints received by the Group, among others, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group; and
- (t) to generally undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.

The AC has explicit authority to investigate any matters within its terms of reference. It has full access to and co-operation of Management and full discretion to invite any Director to attend its meetings, with reasonable resources to enable it to discharge its function.

The Company's internal and external auditors are invited to attend AC meetings and to make presentations, as appropriate. The AC, which also has independent access to both the internal and external auditors, meets with the internal and external auditors without the presence of Management in FY2025.

CORPORATE GOVERNANCE REPORT

Provisions 10.2 and 10.3 – Composition of AC

In line with Provision 10.2 of the Code, the AC comprises three (3) Directors, all of whom are Independent, Non-Executive Directors, with no management and/or business relationships with the Company or any connection to any of its substantial shareholders.

The AC members bring with them invaluable professional expertise in the accounting and financial management domains. The majority of the AC members (including the AC Chairman), namely Mr Leow Ming Fong and Mr Lee Yong Soon, have relevant accounting or related financial management expertise or experience to discharge the AC's functions, and they keep abreast of relevant changes to accounting standards and issues which have a direct impact on the financial statements.

The Board considers the members of the AC to be appropriately qualified to discharge the responsibilities of the AC. None of the AC members were previous partners or directors of the Group's external auditors within the last 24 months or hold any financial interest in both the former and existing auditing firms.

Independence of External Auditor

The AC oversees the Group's relationship with its external auditor. It reviews the selection of the external auditor and recommends to the Board the appointment, re-appointment and removal, if necessary, of the external auditor, the remuneration and terms of engagement of the external auditor. Cognizant that the external auditor should be free from any business or other relationships with the Group that could materially interfere with their ability to act with integrity and objectivity, the AC undertook a review of the independence and objectivity of the external auditor annually. Such review is made through discussions with the external auditor as well as reviewing all the non-audit fees awarded to them to satisfy the AC that the nature and extent of such services will not prejudice the independence of the external auditor.

The AC approved the scope and plans for the audit undertaken by the external auditor, reviewed the results of the audits, significant findings and recommendations as well as Management's responses for FY2025. The external auditor also provided regular updates to the AC on relevant changes to the accounting standards and the implication of such changes on the financial statements.

Based on the above, the AC is satisfied with the independence of the external auditor. The AC has also conducted an annual review of all non-audit services provided by the external auditor and noted that there were no non-audit services provided by the external auditor in FY2025.

The total fees in respect of audit and non-audit fees paid to the external auditor (including its associate firms) for FY2025 are disclosed in the table below:

External Auditor's Fees for FY2025	S\$'000	% of Total Fees
Total Audit Fees	54	100
Total Non-Audit Fees	-	-
Total Fees Paid	54	100

CORPORATE GOVERNANCE REPORT

Whistle-Blowing Policy

The Company has put in place a whistle-blowing policy and procedures to provide employees and others with well-defined and accessible channels within the Group, to raise concerns in confidence, about possible improprieties in matters of financial reporting or other matters. The policy establishes a confidential line of communication by way of a dedicated and secured email address which would be monitored by the AC Chairman. This ensures that arrangements are in place for the independent investigations of such matters and for appropriate follow up actions.

The aim of the policy is to encourage employees to report malpractices and misconduct in the workplace. All information received will be treated confidentially and the identity of the whistle-blowers protected. Anonymous disclosures will be accepted, and anonymity honored. Employees who have acted in good faith will be protected from reprisal.

The AC reviews all whistle-blowing complaints, if any, at each AC meeting to ensure independent, thorough investigations and appropriate follow-up actions. Where appropriate, an independent third party may be appointed to assist in the investigation.

Activities in FY2025

The AC is kept abreast of changes by the external auditors and Company Secretaries in accounting standards, stock exchange rules and other codes and regulations, where applicable, which could have an impact on the Group's business and financial statements, during its meeting(s).

Provision 10.4 - Internal Auditor

The AC's responsibilities over the Group's internal controls and risk management are complemented by the work of the internal auditor.

The AC reviews the effectiveness of the internal control procedures within the Group and had appointed Axcelasia as its internal auditor to ensure the adequacy and sufficiency of internal controls procedures within the Group. Axcelasia, possesses vast experience in providing internal audits, risk management services and advisory services in the region.

The number of staff deployed for its internal audit reviews ranges from 3 to 4 staff per visit, including the Engagement Partner. The Engagement Partner is Mr David Low Tak Wei. He has over 17 years of combined experience in external audit, governance, risk and compliance advisory services. Mr David Low is a certified internal auditor from the Institute of Internal Auditors (USA), Fellow Member of the Association of Chartered Certified Accountants (UK), Chartered Accountant, Member of the Malaysian Institute of Accountants, and Associate Member of the Association of Certified Fraud Examiners. He is also a Professional member of Institute of Internal Auditors of Malaysia.

The primary reporting line of the internal auditor was to the AC, which also endorses the appointment, termination and remuneration of the internal auditor. The internal auditor had unfettered access to all the Company's documents, records, properties and personnel, including the AC, and has appropriate standing within the Company.

CORPORATE GOVERNANCE REPORT

The AC exercised its oversight over the internal audit function throughout the financial year and reviews, among other things, the following:

- (a) scope of the annual internal audit plans;
- (b) significant audit observations and Management's responses thereto; and
- (c) adequacy and effectiveness of the internal audit function.

The internal auditor had unfettered access to the AC, members of the Management as well as the Group's documents, records, properties and personnel, where necessary, for the internal auditor to carry out their function accordingly.

The internal auditor carried out their functions under the direction of the AC and reports directly to the AC Chairman, and administratively to the CEO and GFC. Key audit findings and recommendations were tabled for discussion at AC meetings, and the timeliness and progress of implementing the corrective or improvement actions are measured and reported.

Adequacy and Effectiveness of the Internal Audit Functions

The AC reviews and assesses annually the adequacy and effectiveness of the Group's internal audit function to ensure that internal audits are conducted effectively, and that Management provides the necessary co-operation to enable the internal auditor to perform its function. The AC also reviews the internal auditor's reports and remedial actions implemented by Management to address any internal control inadequacies identified and was satisfied that the internal audit functions were adequate and effective.

For FY2025, the AC reviewed the adequacy of the internal function to ensure that internal audits were conducted effectively, and that the Management provided the necessary co-operation to enable Axcelasia to perform its function. After having reviewed Axcelasia's plans, reports and remedial actions implemented by the Management to address any internal control inadequacies identified, the AC is satisfied that Axcelasia is adequately qualified (given its adherence to Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors) and resourced, and has the appropriate standing in the Company to discharge its duties effectively.

Provision 10.5 – Meeting with the External Auditor and Internal Auditor Without the Presence of Management

The Company's internal and external auditors were invited to attend AC Meetings during FY2025 and make presentation, as appropriate. Both auditors also met separately with the AC without the presence of Management, to provide them with the opportunity to discuss unreservedly and to raise any pertinent issues without restrictions or interference.

CORPORATE GOVERNANCE REPORT

(C) SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospect

Provision 11.1 - Shareholders' Participation and Voting at General Meetings

The Company recognizes the importance of maintaining transparency and accountability to Shareholders, and endeavors to maintain full and adequate disclosure of material event and matters concerning its business, in a timely, fair and transparent manner. The Company ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNet, and where appropriate, such information is also posted on the Company's Website at <https://jawalainc.com>. The Company recognises that the release of timely, regular and relevant information regarding the Group's performance, progress and prospects aids shareholders in their investment decisions.

The principal forum for dialogue with the Shareholders remains at the Annual and/or Extraordinary General Meetings ("General Meetings"). Shareholders are entitled to attend the General Meetings and are accorded the opportunity to participate effectively in and vote at General Meetings. Shareholders are also informed of the rules governing the General Meetings including voting procedures and given the opportunity to voice their views and to direct queries regarding the Group to Directors, including the Chairman of each of the Board Committees.

Shareholders are informed of General Meetings through notices published on the SGXNet and the Company's website, electronic releases, reports and/or circulars, and are provided with the opportunity and time to voice their views and raise questions to the Directors or the Management regarding the Company via various methods. These methods include submission of questions in advance of the General Meetings via a dedicated email address, or via physical submission of questions to a dedicated office address, or at the General Meetings itself.

The Company's Articles allow a member of the Company to appoint up to two (2) proxies to attend and vote at the Company's General Meetings. Indirect investors, who hold the Company's shares through a relevant intermediary, may attend and vote at the General Meetings. Pursuant to the Articles of the Company, a member who is a relevant intermediary may appoint more than two (2) proxies to attend and vote at a General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

The Company puts all resolutions at General Meetings to vote by poll. An independent polling agent and an independent external scrutineer will be appointed by the Company for General Meetings, and they will explain the rules, including the voting procedures which govern the proceedings of the General Meetings. Prior to the commencement of the General Meetings, the scrutineer would review the proxies and proxy process. The results of the poll voting will be collated and the number of votes cast for and against as well as the respective percentages would be displayed after all resolutions have been put to a vote. Detailed results of the poll votes for each resolution will be promptly disclosed on the SGXNet after the respective General Meetings.

CORPORATE GOVERNANCE REPORT

Conduct of General Meetings

The Company's forthcoming AGM in respect of FY2025 ("**AGM 2025**") is scheduled to be held on 28 November 2025 and will be held in a wholly physical format. The Company will adhere to the SGX-ST's guiding principle to allow Shareholders sufficient time from the date of the AGM Notice to raise questions and provide answers to such questions within reasonable timelines. Please refer to the Notice of the AGM of the Company, which may be accessed at the Company's corporate website at <https://jawalainc.com/2025-annual-general-meeting/> and/or the SGX website at <https://www.sgx.com/securities/company-announcements>.

The Company endeavors to communicate regularly and effectively with Shareholders and the Board supports and encourages active Shareholders participation at General Meetings. The Board believes that General Meetings serve as an opportune forum for Shareholders to meet the Board and Management, as well as to interact with them. As and when extraordinary general meeting is convened, a circular is sent to Shareholders, containing details of the matters proposed for Shareholders' consideration and approval.

Provision 11.2 - Resolutions to be tabled at General Meetings

As a matter of good order, the Board ensures that issues or matters requiring Shareholders' approval are tabled at General Meetings in the form of separate and distinct resolutions, unless such resolutions are interdependent and linked. In the event that there are resolutions which are interdependent and linked, the Board will explain the reasons and material implications in the notice of meeting. Shareholders in attendance are given an opportunity to clarify or direct questions on issues pertaining to the proposed resolutions before the resolutions are put to the vote.

All resolutions are put to vote by poll in the presence of independent scrutineer. To ensure transparency in the voting process, the detailed results of all resolutions put to vote, showing the number of votes cast, for or against each resolution, and the respective percentages are tallied and disclosed live on-screen to the Shareholders immediately after the vote has been cast. Votes cast, for or against, and the respective percentages on each resolution are announced via SGXNet on the same day of the general meeting.

Provision 11.3 - Attendance at General Meetings

The Chairman of the Board and the Board Committees and CEO as well as the external auditor will be present and on hand to address all issues raised at the General Meetings, including any Shareholders' queries about the conduct of the audit and in the preparation and content of the auditors' report. All of the Directors have attended the 2024 AGM except for Ms Faridah Binti Mohd. Fuad Stephens, who had also retired at the last AGM. Shareholders are given the opportunity to share their thoughts and ideas or ask questions relating to matters which are the subject of the resolutions tabled.

Provision 11.4 – Absentia Voting

The Company's Articles provide for Shareholders to participate and vote at General Meetings, and Shareholders are encouraged to do so. If any Shareholder is unable to attend, the Articles allow the Shareholder to appoint up to two (2) proxies to vote on his/her behalf through proxy forms submitted at least 72 hours prior to the relevant meeting. The Company has decided not to implement voting in absentia by mail, email or facsimile, until all relevant issues on security and integrity on such mode of communication are satisfactorily resolved.

CORPORATE GOVERNANCE REPORT

Provision 11.5 - Minutes of General Meetings

The Company Secretaries prepare minutes of General Meetings that include substantial and pertinent comments from Shareholders relating to the agenda of the meeting, and responses from Management and the Board, which would be subsequently approved by the Board. Such minutes will be announced and made available to Shareholders via the SGXNet and on the Company's website within one month from the relevant General Meeting.

Provision 11.6 - Dividend Policy

The Company does not have a fixed dividend policy. The Board had not declared or recommended dividend payment for FY2025 after taking into consideration, loss recorded by the Group. The Company recognises creation of long-term Stakeholders' value but given the current market outlook, the Company would conserve cash for the development of its industrial trees' plantation. The form, frequency and the amount of dividends declared (if any) will take into consideration the following:

- (a) the level of the Company's cash and retained earnings;
- (b) actual and projected financial performance;
- (c) projected levels of capital expenditure and expansion plans;
- (d) working capital requirements and general financing conditions; and
- (e) restrictions on payment of dividends imposed on the Company by the relevant financing arrangements (if any).

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company

Provision 12.1 - Communication with Shareholders

The Company is committed to maintaining high standards of corporate disclosure and transparency, and proactively engages its Shareholders to ensure effective communication with the investment community.

In line with the continuous disclosure obligations under the Catalist Rules, the Board has and will continue to apprise Shareholders promptly of all pertinent information. Material information is disclosed in an adequate, accurate and timely manner via SGXNet. In the event that unpublished material information is inadvertently disclosed to any selected group in the course of the Company's interactions with the investing community, a media release or announcement will be released to the public via SGXNet promptly.

The Company does not currently have an investor relations policy and considers advice from its continuing sponsor, corporate lawyers and professionals on the appropriate disclosure requirements before the announcement of each material information. The Company will consider the appointment of a professional investor relations officer to manage this function, should the need arises.

CORPORATE GOVERNANCE REPORT

Provisions 12.2 and 12.3 - Dialogues with Shareholders

General Meetings are currently the principal forum for the Board's dialogue and interaction with Shareholders. Shareholders are encouraged to participate during the General Meetings, to engage the Board and the Management on the Group's business activities, financial performance and other business-related matters.

The Directors (including the Chairpersons of the respective Board Committees) and key management personnel are in attendance to address queries and concerns about the Group. The Company's external auditor also attend to address Shareholders' queries relating to the conduct of the audit and the preparation and content of the external auditors' report.

MANAGING STAKEHOLDERS' RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provisions 13.1, 13.2 and 13.3 – Managing Stakeholders relationships

The Company recognises the vitality on stakeholders' engagement for the Company's long-term sustainability and has put in place appropriate channels to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

The Company's approach to stakeholder engagement and materiality assessment can be found under the "Sustainability Report" section of this Annual Report.

The Company maintains a corporate website at www.jawalainc.com to communicate and engage with its stakeholders.

APPOINTMENT OF AUDITOR (Rule 712 and Rule 715 of the Catalyst Rules)

The Company confirmed that Rule 712 and Rule 715 of the Catalyst Rules has been complied with.

MATERIAL CONTRACTS (Rule 1204(8) of the Catalyst Rules)

Other than disclosed in the audited financial statements for FY2025, there was no material contracts entered into by the Group involving the interest of the Chairman, CEO or any Directors or controlling shareholders which are either still subsisting at the end of FY2025 or if not then subsisting, entered into since the end of the previous financial year.

CORPORATE GOVERNANCE REPORT

CONFIRMATION OF ADEQUACY OF INTERNAL CONTROLS **(Rule 1204(10) of the Catalist Rules)**

The Board and AC are of the opinion that the internal controls are adequate to address the financial, operational and compliance risks based on the following:

- internal controls and the risk management system established by the Company;
- work performed by the Internal Auditor and External Auditor;
- assurance from the CEO and GFC; and
- reviews done by the various Board Committees and key management personnel.

DEALINGS IN SECURITIES **(Rule 1204(19) of the Catalist Rules)**

In line with Catalist Rule 1204(19), the Company has adopted a policy with respect to dealings in securities by Directors and officers of the Group. The Company, its Directors, Management and officers of the Group who have access to price-sensitive, financial or confidential information are not permitted to deal in the Company's shares for the period of one (1) month prior to the announcement of the Company's half-yearly results and full year results as the case may, ending on the date of announcement of the relevant results. The Company, its Directors and employees who are in possession of unpublished material price-sensitive information of the Group should not deal in the Company's securities on short term consideration. The Company, its Directors and executives are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period.

INTERESTED PERSON TRANSACTIONS **(Rule 907 and 920 of the Catalist Rules)**

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are on an arm's length basis.

There was no discloseable interested person transactions for the financial year ended 31 July 2025.

NON-SPONSOR FEES **(Rule 1204(21) of the Catalist Rule)**

No non-sponsor fees were paid to the Company's sponsor, UOB Kay Hian Private Limited for FY2025.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE AGM

Datuk Jema Anton Khan (“**Datuk Jema Khan**”) and Mr. Abdul Rahman Khan Bin Hakim Khan (“**Mr. Rahman Khan**”) will be retiring by rotation under Article 98 of the Articles of Association of the Company at the forthcoming Annual General Meeting of the Company to be convened on 28 November 2025 (“**AGM**”) (collectively the “**Retiring Directors**” and each a “**Retiring Director**”). The information of the Retiring Directors as set out in Appendix 7F to the Listing Manual (Section B: Rules of Catalyst) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Catalist Rules**”) as required under Rule 720(5) of the Catalyst Rules, are set out below:

Name of Retiring Director	Datuk Jema Anton Khan	Mr. Abdul Rahman Khan Bin Hakim Khan
Date of Appointment	8 August 2017	28 September 2017
Date of last re-appointment	29 November 2022	29 November 2022
Age	60	52
Country of principal residence	Malaysia	Malaysia
The Board’s comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board of Directors believes that the Board, in its current size, has a good balance of Directors who have extensive business, financial, accounting and management experience. After considering the recommendation of the Nominating Committee, the Board is of the view that Datuk Jema Khan has the expertise, knowledge and skills to contribute towards the core competencies of the Board, as well as possesses the requisite experience and capabilities to continue to assume his responsibilities as Non-Independent Non-Executive Chairman of the Group.	The Board of Directors believes that the Board, in its current size, has a good balance of Directors who have extensive business, financial, accounting and management experience. After considering the recommendation of the Nominating Committee, the Board is of the view that Mr. Rahman Khan possesses the requisite expertise, knowledge and skills to contribute towards the core competencies of the Board and has recommended his continuous re-appointment as Executive Director and Chief Executive Officer of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive. Providing overall strategy and direction for implementation by Management.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chairman of the Board	Executive Director and Chief Executive Officer
Professional qualifications	Bachelor of Science (Honours) in Economics and Accountancy	Not Applicable

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE AGM

Name of Retiring Director	Datuk Jema Anton Khan	Mr. Abdul Rahman Khan Bin Hakim Khan
Working experience and occupation(s) during the past 10 years	<u>August 2017 to 1 June 2021</u> - Chief Executive Officer of Jawala Inc. <u>August 2016 to May 2018</u> - Chief Executive Officer of Jawala Corporation	<u>2001 - 2008</u> - Director of Harusmas Agro Sdn. Bhd. <u>2016 – Present</u> - Non-Independent Non-Executive Director of Jaycorp Engineering & Construction Sdn. Bhd. <u>1998 – Present</u> - Director of Harusmas Holdings Sdn. Bhd. <u>2011 – 2018</u> - Director of Imaprima Sdn. Bhd.
Shareholding interest in the listed issuer and its subsidiaries	Yes – Deemed interest in 100,000,000 ordinary shares of Jawala Inc.	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Yes (i) Son of Tan Sri Abdul Majid Khan, Substantial Shareholder (ii) Father of Mr Muaz Bin Jema Anton Khan, Non-Independent Non-Executive Director (iii) Cousin to Mr Rahman Khan, Executive Director and Chief Executive Officer	Yes (i) Nephew of Tan Sri Abdul Majid Khan, Substantial Shareholder (ii) Cousin to Datuk Jema Khan, Non-Independent Non-Executive Chairman (iii) Uncle to Mr Muaz Bin Jema Anton Khan, Non-Independent Non-Executive Director
Conflict of interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments including Directorships		
Past (for the last 5 years)	Chief Executive Officer of Jawala Inc.	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE AGM

Name of Retiring Director	Datuk Jema Anton Khan	Mr. Abdul Rahman Khan Bin Hakim Khan
Present	- Non-Independent Non-Executive Director in Jawala Inc. - Director of Jawala Corporation Sdn. Bhd.	- Non-Independent Non-Executive Director in Jaycorp Engineering & Construction Sdn. Bhd. - Executive Director and Chief Executive Officer in Jawala Inc. - Director in Jawala Plantation Industries Sdn. Bhd. - Director in Paragaya Sdn. Bhd. - Director in Harusmas Holdings Sdn. Bhd. - Deputy President of Sabah Timber Industries Association - Member of Consultative Assembly of Forest Stewardship Council
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE AGM

Name of Retiring Director	Datuk Jema Anton Khan	Mr. Abdul Rahman Khan Bin Hakim Khan
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE AGM

Name of Retiring Director	Datuk Jema Anton Khan	Mr. Abdul Rahman Khan Bin Hakim Khan
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE AGM

Name of Retiring Director	Datuk Jema Anton Khan	Mr. Abdul Rahman Khan Bin Hakim Khan
Disclosure applicable to the Appointment of Director only		
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not Applicable	Not Applicable





SUSTAINABILITY REPORT CONTENTS

57	Board Statement
58	Our Sustainability Framework
59	Sustainability Performance at a Glance
60	Our Business
61	Reporting Framework
62	Stakeholders' Engagement
63	Policy, Practice And Performance Reporting
67	Material Sustainability Factors
68	Economic

68	Environment
78	Social
85	Governance
87	Targets and Progress
89	Supporting the TCFD
93	Industry-Based Guidance On Implementing Climate-Related Disclosure Metrics
94	GRI Content Index

SUSTAINABILITY REPORT

BOARD STATEMENT

Dear Stakeholders of Jawala,

Jawala Inc. (“**Jawala**” or the “**Company**”), and its subsidiaries (collectively as the “**Group**” or “**We**”), are delighted to present our Sustainability Report for the financial year (“**FY**”) ended 31 July 2025, marking the seventh edition of our annual sustainability disclosures. Our operations are deeply intertwined with the natural environment, and we are committed to ensuring the sustainability of both our business and the ecosystem in which we operate. The objective of “Replanting Sabah’s Forest for Future Generations” reflects our commitment to sustainable development, which prioritises the needs of future generations.

For this Report, we provide insights into the way we conduct business, manage our material sustainability factors under the sustainability pillars of economic, environmental, social and governance (collectively as “**Sustainability Factors**”), whilst striking a balance between them for a sustainable future.

The Board of Directors (“**Board**”) of the Company considered the Group’s sustainability issues as part of its strategic formulation and business strategies, determined the material Sustainability Factors and overseen the management and monitoring. Amidst today’s rapid business environment, the Board is committed to supporting the management in upholding good governance and sustainability practices to achieve long-term success and value for our stakeholders.

This Report communicates our support towards the United Nations’ Sustainable Development Goals (“**SDGs**”). As we collaborate closely with our stakeholders throughout the value chain, their inputs serve as the compass in directing our sustainability initiatives towards prioritising our material Sustainability Factors.

We extend our heartfelt gratitude to our stakeholders for their unwavering support in our mission to nurture Sabah’s forests for the future.

The Board of Directors of Jawala Inc.



SUSTAINABILITY REPORT

OUR SUSTAINABILITY FRAMEWORK



SUSTAINABILITY REPORT

SUSTAINABILITY PERFORMANCE AT A GLANCE

A summary of our performance for FY2025 is as follows:

Sustainability Pillar	Sustainability Metric	Sustainability Performance	
		FY2025	FY2024
Economic	Revenue (Malaysian Ringgit ("RM") million)	10.18	8.15
Environmental	Water consumption intensity (Megalitre/ Revenue RM million)	12.4	12.9
	Waste generated intensity (tonnes / employee)	0.04	0.04
	Aggregated absolute Scope 1 and 2 greenhouse gas ("GHG") emissions (tCO ₂ e)	2,250	2,570 ¹
	GHG emissions intensity (tCO ₂ e/ Revenue RM million)	221	315 ¹
	Number of seedlings replanted	317,320	322,927
	Area under silvicultural treatment ² (ha)	2,476	2,035
Social	Number of workplace fatalities	-	-
	Number of high consequence work-related injuries ³	-	-
	Number of recordable work-related injuries	-	-
	Number of work-related ill health cases ⁴	-	-
	Employee turnover rate (%)	47%	36%
	Number of reported incidents of unlawful discrimination against employees ⁵	-	-
Governance	Number of reported incidents of serious offence ⁶	-	-
	Number of incidents of non-compliance with any applicable laws and regulations ⁷ that resulted in significant fines or non-monetary sanctions	-	-
	Number of fines or penalties arising from non-compliance with environmental laws and regulations or the Sustainable Forest Management License Agreement ("SFMLA")	-	-

¹ Data is restated as a correction.

² Silviculture Treatment in the terms of Sabah Forestry Department is the vines and climber cuttings done in the natural forests and the areas that were not being opened yet for plantation. Silviculture Treatment needs to be done once in every two (2) years to enhance the growth of the natural trees.

³ A high consequence work-related injury refers to an injury from which the worker cannot recover or cannot recover fully to pre-injury health status within six (6) months.

⁴ A work-related ill health case refers to a case with negative impacts on health arising from exposure to hazards at work.

⁵ An incident of unlawful discrimination refers to an incident whereby the relevant authority has commenced investigation and resulted in a penalty to a company.

⁶ A serious offence is defined as one that involves fraud or dishonesty involving an amount not less than RM 300,000 and is punishable by imprisonment for a term of not less than two (2) years, which is being or has been committed against a company by officers or employees of the company.

⁷ An incident of non-compliance that excludes fraud or dishonesty.

SUSTAINABILITY REPORT

OUR BUSINESS

We operate as a forest resource company focusing on the cultivation of industrial tree plantations in Sabah, Malaysia, specialising in the sustainable management of forestry resources, including the planting and extraction of timber. Our sustainability objective, “Replanting Sabah’s Forest for Future Generations,” embodies our commitment to sustainable plantation development. This objective translates into sustainable forest management practices and environmental protection.



The Licensed Area comprise a Commercial Forest Reserve (Class II)⁸ of approximately 11,043 hectares (“**HA**”). This license is valid until 31 December 2115, with a potential for a 100-year extension at the discretion of Sabah’s Chief Minister.

⁸ A Commercial Forest Reserve (Class II) is a forest allocated for harvesting to supply timber and other forest produce to contribute to the Sabah, Malaysia’s economy. Harvesting is carried out according to sustainable forest management principles.

SUSTAINABILITY REPORT

REPORTING FRAMEWORK

This report is prepared in accordance with Rules 711A and 711B of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”) and the guidance set out in SGX-ST’s sustainability reporting guide under Practice Note 7F of the Catalyst Rules. This Report is also prepared with reference to the Global Reporting Initiative (“**GRI**”) Standards for the period from 1 August 2024 to 31 July 2025 (or the “**Reporting Period**”). We chose to report using the GRI Standards as it is an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we mapped our sustainability efforts to the 2030 Agenda for Sustainable Development which was adopted by all United Nations Member States in 2015 (“**UN Sustainability Agenda**”). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs, which form an urgent call for action by all developed and developing countries in a global partnership. We incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

Our climate-related disclosures are prepared based on the 11 recommendations of the Task Force on Climate-related Financial Disclosures (“**TCFD**”). Following the publication of the International Sustainability Standards Board (“**ISSB**”) Standards – International Financial Reporting Standards (“**IFRS**”) S1 and IFRS S2, we conducted a gap analysis against our existing TCFD reporting and are in the process of aligning our climate-related disclosures to the ISSB Standards. We are guided by the phased approach recommended by the Singapore Exchange Regulation in aligning our reporting of climate-related disclosures in accordance with ISSB Standards.

We relied on internal data monitoring and verification to ensure accuracy of data and information for this Report. Internal reviews on the sustainability reporting process are incorporated as part of our internal audit review cycle. We will work towards external assurance for our future sustainability reports subject to market trends and regulatory requirements.

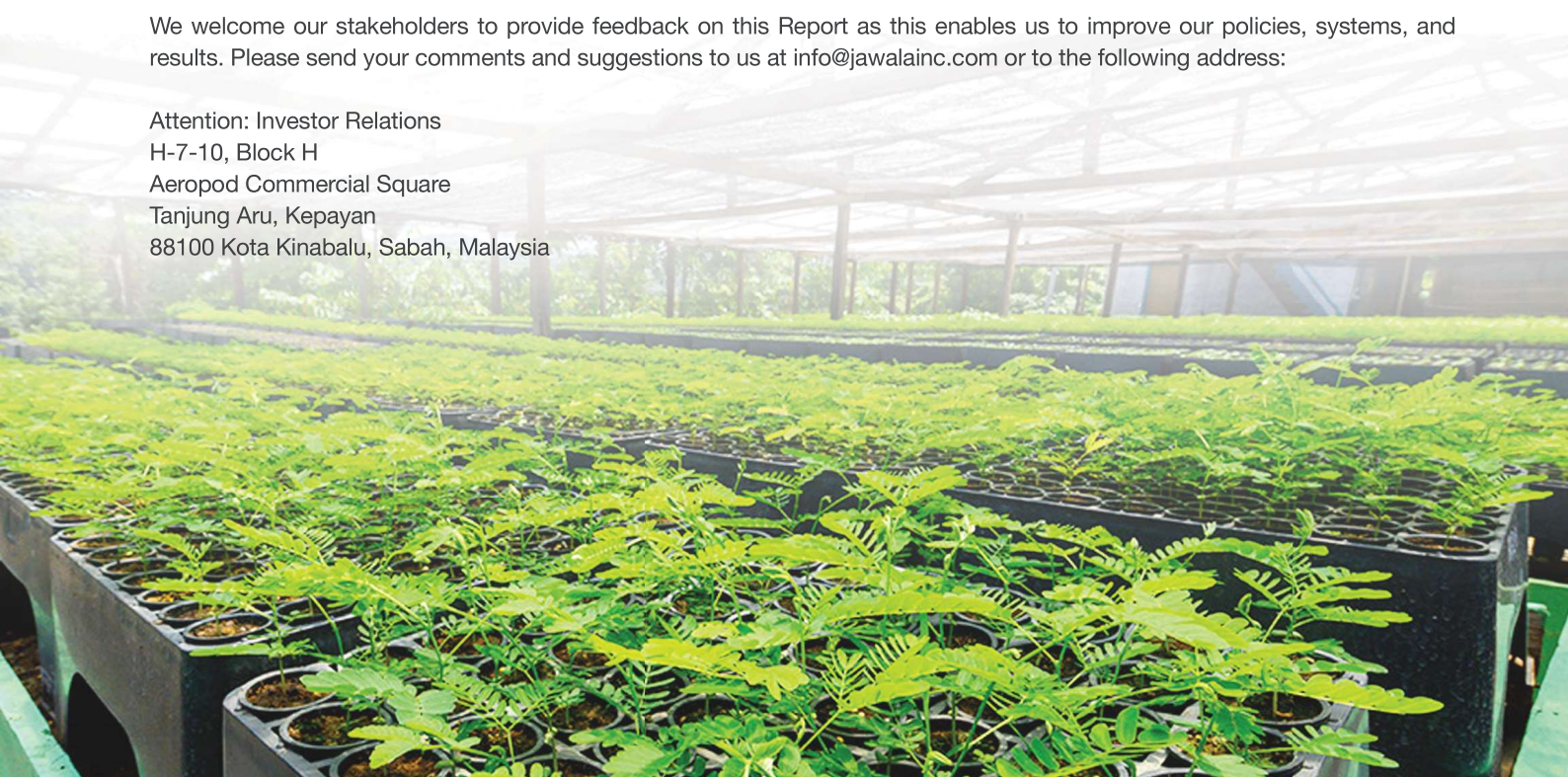
Reporting Period and Scope

The report covers the consolidated entities as disclosed in our audited financial statements for the Reporting Period.

Contact Point

We welcome our stakeholders to provide feedback on this Report as this enables us to improve our policies, systems, and results. Please send your comments and suggestions to us at info@jawalainc.com or to the following address:

Attention: Investor Relations
H-7-10, Block H
Aeropod Commercial Square
Tanjung Aru, Kepyayan
88100 Kota Kinabalu, Sabah, Malaysia



SUSTAINABILITY REPORT

STAKEHOLDERS' ENGAGEMENT

As part of our stakeholder engagement process, we identify the key stakeholders relevant to our business, and they include entities or individuals that have an interest that is affected or could be affected by our activities. These key stakeholders include customers, employees, national agencies and government bodies ("**Regulators**"), local communities, investors and shareholders ("**Shareholders**") and suppliers and service providers ("**Suppliers**").

The concerns of key stakeholders are considered when formulating corporate strategies. We adopt both formal and informal channels of communication to understand these concerns and incorporate them in our corporate strategies to achieve mutually beneficial outcomes. We engage our key stakeholders through the following channels:

Stakeholder	Engagement Channel	Frequency of Engagement	Key Concern Raised
Customers 	Meetings and feedback	Ongoing	- Product quality - Product certification - Sustainable forest management
Employees 	- Regular communication and engagement activities - Training - Regular employee performance appraisal	Ongoing	- Career development and training - Job security - Remuneration - Equal employment opportunities - Occupational safety and health ("OSH")
Regulators 	- Consultations and seminars organised by regulatory bodies - Advice and information from professionals e.g., sponsors and regular liaison with the Sabah Forestry Department to comply with their requirements	Ad-hoc	- Corporate governance - OSH - Environmental compliance - Sustainable forest management
Local Community 	- Regular communication and engagement activities - Sustainability report	Ad-hoc	- Corporate Social Responsibility - Environmental initiatives
Shareholders 	- Annual Report ("AR") - Annual general meetings	Annual	- Sustainable business performance - Market valuation - Dividend payment - Corporate governance - Environmental initiatives
	Corporate websites	Ongoing	
	SGX-ST announcements	Ad-hoc	
Suppliers 	Suppliers' assessment and feedback	Ongoing	- Environmental compliance - Order volatility

SUSTAINABILITY REPORT

POLICY, PRACTICE AND PERFORMANCE REPORTING

In line with our commitment to sustainability, a sustainability reporting policy ("**SR Policy**") covering our sustainability strategies, sustainability governance structure, materiality assessment and processes in identifying and monitoring material Sustainability Factors is in place and serves as a point of reference in the conduct of our sustainability reporting. Under this SR Policy, we will continue to monitor, review and update our material Sustainability Factors periodically, considering the feedback that we receive from our engagement with our stakeholders, organisational and external developments.

Sustainability Reporting Process

Under our SR Policy, our sustainability reporting process begins with an understanding of the Group's context. This is followed by the ongoing identification and assessment of the Group's sustainability-related impacts. The most significant impacts are prioritised for reporting, and the result of this process is a list of material Sustainability Factors disclosed in this Report.

The processes involved are as shown below:

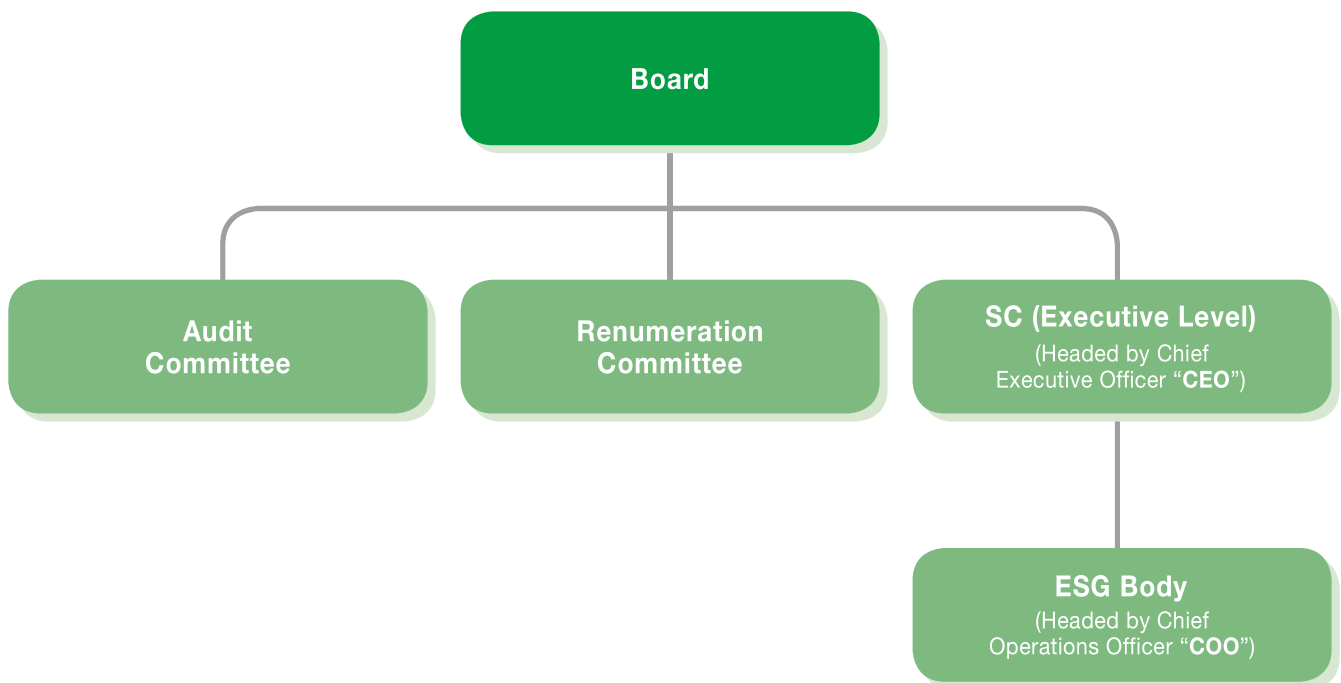


SUSTAINABILITY REPORT

Sustainability Governance Structure

The Board is ultimately responsible for the oversight of the Group's sustainability matters including the determination of material Sustainability Factors, development of sustainability strategy, performance target setting and is primarily supported by an executive level SC by virtue of delegation. As part of our continual efforts to upgrade the knowledge of our directors on sustainability reporting and to meet the requirement of Rule 720(6) of the Catalist Rules, all directors have completed SGX-mandated sustainability training, ensuring they remain informed and capable of fulfilling their sustainability-related responsibilities except for Dato' Mary Lim who is currently undergoing the prescribed training and she will complete the required training within one year from the date of her appointment to the Board.

Our sustainability reporting structure and the responsibilities of its component parties are detailed as follows:



SUSTAINABILITY REPORT

Terms of Reference of Component Party

Component Party	Member	Terms of Reference
Board	Board members	- Determine material sustainability factors of the Group - Review and approve sustainability strategy, policies and targets (including materiality assessment process and outcome), and consider climate-related risks and opportunities during strategy formulation - Monitor implementation of sustainability strategy, policies and performance against targets - Oversee the identification and evaluation of climate-related risks and opportunities - Ensure the integration of sustainability and climate-related risks and opportunities are covered by the Group's enterprise risk management ("ERM") framework - Review and approve sustainability reports - Evaluate the composition and competencies of the SC to support effective oversight of sustainability strategy, with consideration of climate-related risks and opportunities
Audit Committee ("AC")	AC members	- Review the adequacy and effectiveness of the Group's internal control and risk management systems - Oversee the conduct of assurance activities pertaining to the Group's sustainability reporting processes
Remuneration Committee ("RC")	RC members	Review of the remuneration policy to incorporate sustainability and climate-related KPIs as key components of the incentive structure
SC (Executive Level)	- CEO - Group Financial Controller - Senior Reforestation Manager - Sustainability Officer	- Develop sustainability strategy and policies and recommend revisions to the Board, and consider climate-related risks and opportunities during strategy formulation - Ensure that the implementation of sustainability strategy is aligned across business segments and geographical locations - Evaluate overall sustainability risks and opportunities, with a focus on climate-related risks and opportunities - Perform materiality assessment and prepare sustainability reports prior to approval by the Board - Monitor sustainability activities and performance against targets - Align the Group's practices with the organisation-wide sustainability agenda and strategy - Consolidate sustainability metrics to track sustainability impact - Review sustainability related regulatory requirements
Environment Social and Governance ("ESG") Body	COO, Sustainability Officer and senior management personnel and representatives from the following departments: - Forest operations; - Reforestation; - Health and Safety; - Human Resources; and - Finance and Admin.	- Align practices at the operational level with the organisation-wide sustainability agenda and strategy - Collect and compile sustainability metrics to track sustainability impact and for reporting purposes

SUSTAINABILITY REPORT

Membership Association

Amidst his heavy business commitment, our CEO contributes his time, experience and knowledge to various associations and organisations by holding the following key appointments:

- Deputy President of Sabah Timber Industries Association; and
- Member of the 18th General Assembly of the Forest Stewardship Council (“FSC”) National Consultative Assembly on forest conversion.

Materiality Assessment

We constantly refine our management approach to adapt to the changing business landscape. The SC performs an annual materiality assessment to ensure that material Sustainability Factors disclosed in our sustainability reports remain material and relevant. From the assessment, we identify key areas that impact our ability to create value for our stakeholders.

Both positive and negative impacts, actual and potential, are assessed based on: (i) the likelihood of the occurrence of actual and potential negative and positive impacts; and (ii) their significance on the economy, environment, people and their human rights and contribution to sustainable development.

Performance Tracking and Reporting

We track the progress of our material Sustainability Factors by identifying, monitoring, and measuring the relevant sustainability metrics. In addition, we set performance targets that are aligned with our business strategies to ensure that we remain focused on our path to sustainability. We constantly enhance our performance-monitoring processes and improve our data collection processes. A sustainability report is published annually in accordance with our SR policy.



SUSTAINABILITY REPORT

MATERIAL SUSTAINABILITY FACTORS

In FY2025, a materiality assessment was conducted by the SC to update the material Sustainability Factors, and this was followed by a stakeholder engagement session⁹ to understand the concerns and expectations of our key stakeholders. In this Report, we also reported on our progress in managing these factors and set related targets to improve our sustainability performance.

We incorporated the SDGs from the UN Sustainability Agenda as a supporting framework to shape and guide our sustainability strategy where appropriate. Below are the results showing how our material Sustainability Factors relate to these SDGs:

S/N	Material Sustainability Factor	SDG	Key Stakeholder	Our Effort
Economic				
1	Sustainable Business Performance		- Employees - Regulators - Shareholders - Suppliers	We contribute to economic growth through the creation of long-term economic value for our stakeholders.
Environmental				
2	Water Conservation		- Local communities - Regulators - Shareholders	We utilise water resources responsibly in our business operations.
3	Responsible Waste Management		- Local communities - Regulators - Shareholders	We minimise waste generated in our operations.
4	Energy and GHG Emissions Management		- Local communities - Regulators - Shareholders	We implement practices to reduce energy consumption, improve efficiency, and lower the GHG emissions generated from our business operations.
5	Biodiversity and Conservation		- Customers - Local communities - Regulators - Shareholders	We preserve the forest ecosystems through responsible and sustainable forest management practices.
Social				
6	Occupational Safety and Health		- Employees - Regulators	We provide a safe working environment for our employees.
7	Employee Development and Retention		Employees	We provide comprehensive employee benefits, training, and development programmes.
8	Workplace Diversity and Equality		Employees	We ensure that our employees are treated with respect regardless of race, religion, gender, age or education background.
9	Community Investment		Local communities	We contribute to social and environmental wellbeing that benefit the community in which we are operating in.
Governance				
10	Robust Corporate Governance		- Regulators - Shareholders	We enforce ethical practices and maintain internal control and risk management systems to protect Shareholders' interests.

⁹ The Company distributed an online survey to its internal and external stakeholder of customers, employees and Suppliers for the materiality assessment.

SUSTAINABILITY REPORT

ECONOMIC

Sustainable Business Performance

Commitment

We are committed to creating long-term value for our stakeholders by adopting responsible business practices and growing our business in a sustainable manner.

Approach

Jawala's revenue is derived principally from the sales of logs in Malaysia. The logs comprise of Seraya, Kapur, Keruing, Selangan Batu, Majau, Sedaman and logs of hard and soft densities. The industrial tree plantation comprises of Laran and Albizia. The increase in revenue in FY2025 is primarily due to the increase in logging activities in the first half of FY2025, resulting in higher sales volume.

Performance

During the Reporting Period, we generated RM 10.18 million of revenue (FY2024: RM 8.15 million).

Refer to the audited financial statements in our AR FY2025 for the Group's financial performance and financial risk management disclosure on our efforts and progress to maintain financial sustainability.

ENVIRONMENT

Water Conservation

Commitment

We are committed to the efficient management of water consumption to avoid wastage.

Approach

Our water consumption¹⁰ is primarily sourced from the following areas:

- For general office consumption, water is derived from Jabatan Air Negeri Sabah, water supply services company in Sabah, Malaysia; and
- For base camp consumption such as maintenance of plant nurseries and employee's daily consumption, gravity water is derived from natural streams near our base camp and rainwater, located within the High Conservation Value ("HCV") forests of our plantation.

In line with Sabah Water Resources Enactment 1998, we closely monitor our extraction and usage of water resources through the following measures:

- Appointment of a third-party environmental auditor since 2015 to regularly conduct sampling and analysis of water quality in and around the operation areas;
- Perform water-related risk assessments in the Licensed Area to identify, evaluate and manage potential water-related risk such as: (i) water scarcity; (ii) flooding or drought; and (iii) poor water quality;
- Address and rectify any water supply disruptions or blockages promptly to ensure minimal operational and environmental impact;
- Conduct quarterly briefings for our employees and contractors, to reinforce best practices in water conservation and raise awareness; and
- Implementation of advanced irrigation techniques such as drip and subsurface irrigation, to efficiently manage water usage.

¹⁰ Disclosure on water drawn from water stress areas is not made as the Group does not significantly impact the ability of the countries where it operated, in meeting their human and ecological water demands.

SUSTAINABILITY REPORT

Performance

Key statistics on water consumption during the Reporting Period are as follows:

Sustainability Metric	Unit of Measurement	FY2025	FY2024
Water consumption	Megalitre	127	105
Water consumption intensity	Megalitre/ Revenue RM million	12.4	12.9

For FY2024, the water consumption figures are gathered based on limited monitoring and sampling assumptions. During the Reporting Period, we enhanced the data collection practices (“**Improved Data Collection Practices**”) by tracking the water consumption more frequently and provide further training to our employees on proper tracking techniques, resulting in an increase in water consumption. Despite this increase, we continue to practice prudent water usage by improving our operational efficiency and sustainable use of water resources, leading to a decrease in water consumption intensity.

During the Reporting Period, there were no material water-related risk identified in the Licensed Area.

Responsible Waste Management

Commitment

We are committed to environmental preservation through responsible waste management practices.

Approach

Our waste management practices are aligned with Malaysia’s National Policy on Climate Change, Environmental Quality Act 1974 and the Environmental Quality Act (Scheduled Wastes) Regulations 2005 (collectively referred to “**Prevailing Waste Regulations**”). The waste generated in our operations include:

S/N	Type of Waste	Waste Generated
1	General waste	Papers, plastic, glass, metal, and organic waste
2	Biomass waste	Branches, twigs, fruit bodies, leaves, and deadwood
3	Scheduled waste ¹¹	Diesel waste, lubricants such as engine oil and coolant from camp equipment

We closely monitor general and scheduled waste generated from our operations and ensure that all handling, storage, labelling, and disposal activities comply with regulatory requirements, with a strict prohibition on discharging scheduled waste into waterways.

Biomass waste from our harvesting activities is a significant byproduct of our forest management operations. Guided by our sustainable forest management strategy, we focus on optimising the utilisation of this resource to promote a circular economy within our operations. Depending on its composition, biomass waste is repurposed for applications such as fertiliser, fuel or wood-based products.

¹¹ Under the Prevailing Waste Regulations, scheduled waste refers to waste that is hazardous in nature

SUSTAINABILITY REPORT

As some employees and contractors reside within the Licensed Area (plantation boundary), effective waste management is essential to minimise environmental impact. To support this, designated bins are provided for the collection of general waste, which is then disposed of at licensed dump pits nearby.

We continue to undertake initiatives to explore effective waste management and recycling methods to further promote responsible business practices.

Performance

Key statistics on our waste generated during the Reporting Period are as follows:

Sustainability Metric	Unit of Measurement	FY2025	FY2024
Waste generated	tonnes	4.17	4.75
Waste generated intensity	tonnes / employee	0.04	0.04

During the Reporting Period, there were no material changes in the waste generated intensity as compared to the prior Reporting Period.

Energy and GHG Emissions Management

Commitment

We are committed to reducing our carbon footprint whilst open to capitalise on opportunities that may arise as we transit to become a low carbon organisation.

Approach

We aim to reduce our environmental footprint and at the same time, establish operational resilience to deliver long-term and sustainable value to our stakeholders. We adopt a balanced approach in effectively managing the environmental impacts arising from our business operations.

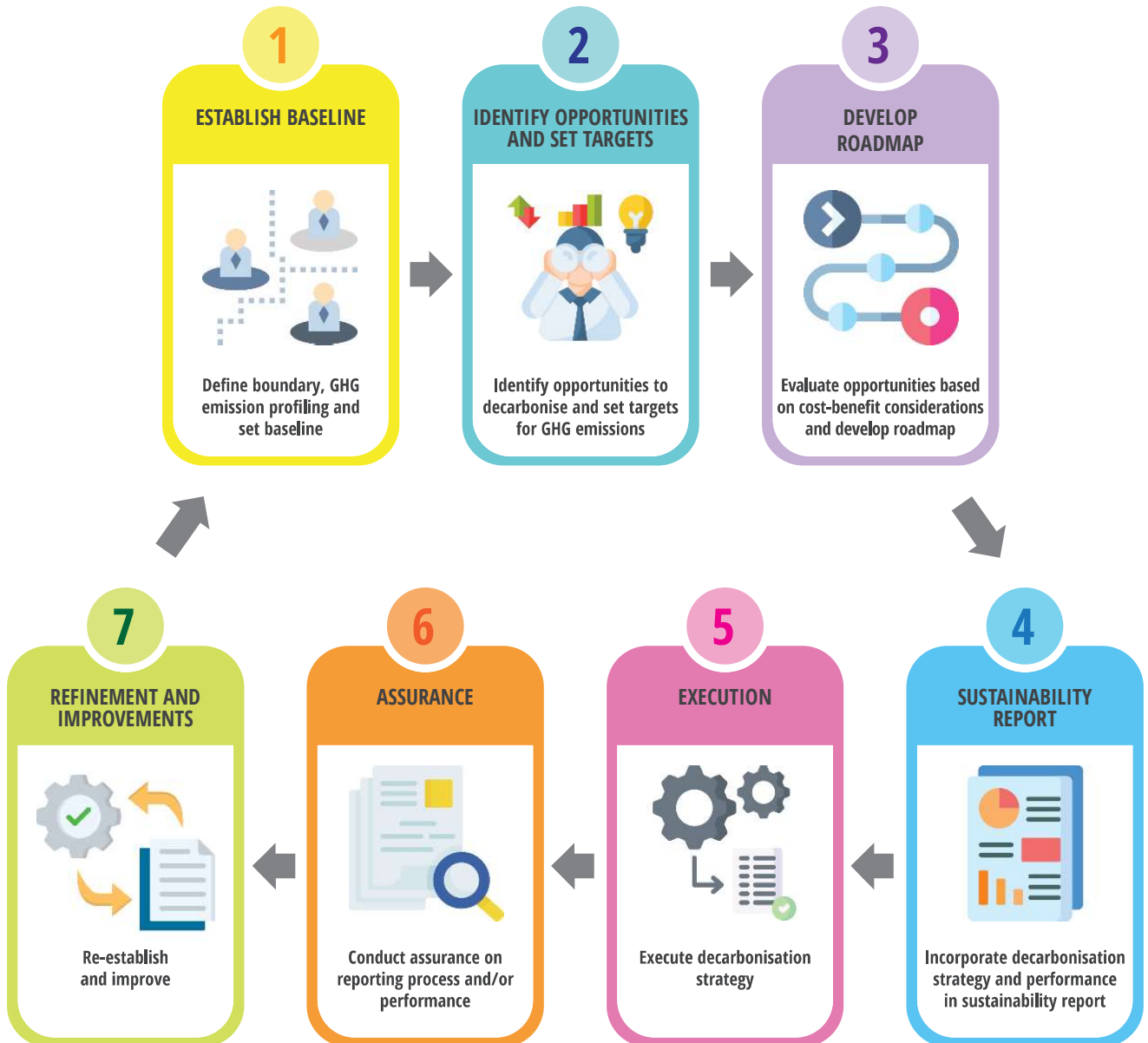
We are dependent on energy resources in the following areas:

- Fuel for operating our motor vehicles and equipment;
- Electricity for our office essentials such as lighting, equipment and air-conditioning; and
- Solar energy for our base camp consumption which includes the labour quarters and on-site office.

SUSTAINABILITY REPORT

Decarbonisation Approach

To conserve energy and manage our GHG emissions, we set up a seven (7) steps continuous circular process as follows:



On a yearly basis, we update our GHG emissions profile for our Scope 1, 2 and 3 GHG emissions based on defined organisational boundaries. We also conduct a GHG emissions profiling exercise whenever there are significant changes in our business models and work processes.

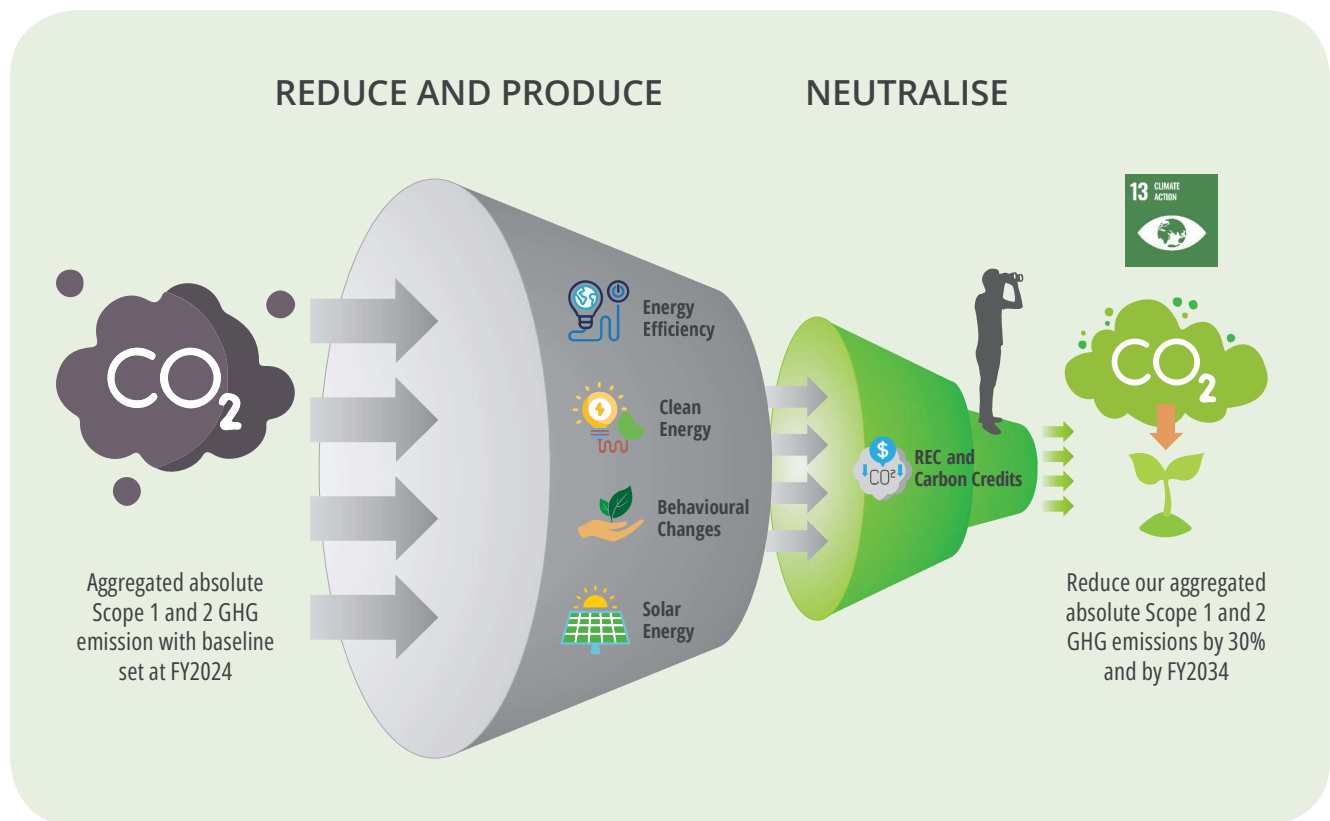
SUSTAINABILITY REPORT

We track and monitor our Scope 1, 2 and certain categories of Scope 3 GHG emissions closely and are developing mechanisms to track our other categories of our Scope 3 GHG emissions, where relevant and practicable. We also developed a climate change transition plan and will refine and improve the plan as we progressively implement it, by considering changes in business operations, environment and market trends. Progress updates and performance will be provided in our future sustainability reports with assurance on the reporting process covered by an internal review.

We measure our GHG emissions in alignment with the GHG Protocol: A Corporate Accounting and Reporting Standard (2004). We adopted the operational control approach as a basis to determine GHG emissions data consolidation boundaries across our entities. This approach has been selected as it allows us to manage emissions from our operations where we have practical control to introduce relevant measures and implement operating policies. We assessed that we have operational control over all reporting entities covered in this Report.

Climate Change Transition Plan

Our climate change transition plan steers us on our decarbonisation journey. Under this plan, we commit to reduce our aggregated absolute Scope 1 and 2 GHG emissions by 30% by FY2034, with FY2024 as our baseline. Our climate change transition plan is focused on three (3) strategic levers of reduce, produce and neutralise as follows:



SUSTAINABILITY REPORT

Details of the strategic levers adopted in our climate change transition plan and focus areas are as follows:

Lever	Focus Area	Action Plan
Reduce	Energy efficiency – Lighting, cooling and equipment	Our action plans on this front include: - Adopting energy-efficient fixtures and fittings, such as light-emitting diode lighting; and - Routine maintenance of filters for air-conditioning systems to reduce air flow resistance.
	Clean energy – Cleaner-energy Vehicle (“CEV”)	Aligned with the National Energy Policy, National Automotive Policy and Low Carbon Mobility Blueprint and focus areas of adopting low GHG emissions vehicles or electric vehicles, we developed a CEV transition plan to convert 50% of internal combustion vehicles to CEVs by FY2035, with a goal of achieving 100% conversion by FY2050, subject to market conditions and technological advancements.
	Clean energy - Grid	We constantly explore opportunities to use clean and/or renewable energy drawn from the power grids in the locations that we operate in.
	Behavioural changes	Our action plans on this front include: - Better planning of delivery schedules to optimise delivery routes and reduce GHG emissions; and - Adoption of greener work practices such as switching off appliances when not in use and enabling power saving modes.
Produce	Solar energy	Our office located in the Licensed Area is entirely powered by six (6) standalone solar panels on the rooftop, which generates solar energy for consumption. In FY2025, the electricity generated from solar panels powered 100% of our camp's energy consumption (FY2024: 100%).
Neutralise	- Renewable energy certificates (“REC”) - Carbon credits	We plan to explore the use of REC and carbon credits to offset unavoidable residual GHG emissions when the relevant markets mature.
	Carbon sink	As at July 2025, Jawala maintained its position as a strong net carbon sink with forests continuing to serve as Jawala's principal fixed carbon asset and a cornerstone of our climate mitigation strategy. During the Reporting Period, the net fixation amounted to 3.32 million tCO ₂ e (FY2024: 3.48 million tCO ₂ e).

SUSTAINABILITY REPORT

Performance

Key statistics on energy consumption and GHG emissions during the Reporting Period are as follows:

(i) Energy Consumption

Sustainability Metric	FY2025		FY2024	
	GJ	%	GJ	%
Diesel consumption (fleet ¹²)	2,189	70	2,699	75
Petrol consumption (non-fleet ¹³)	304	10	366	10
Purchased electricity consumption	61	2	55	1
Electricity generated by solar panels consumption	562	18	493	14
Total energy consumption	3,116	100	3,613	100

(ii) Energy Consumption Intensity

Sustainability Metric	Unit of Measurement	FY2025	FY2024
Diesel consumption intensity	GJ/ Revenue RM million	215	331
Petrol consumption intensity	GJ/ Revenue RM million	30	45
Electricity consumption intensity	GJ/ Revenue RM million	6	7
Electricity generated from solar panels intensity	GJ/ Revenue RM million	55	60

(iii) GHG Emissions

Sustainability Metric	Unit of Measurement	FY2025	FY2024 ¹
Direct GHG emissions (Scope 1) ¹⁴	tCO ₂ e	2,241	2,562
Indirect GHG emissions (Scope 2) ¹⁵	tCO ₂ e	9	8
Aggregated absolute GHG emissions (Scope 1 and 2)	tCO ₂ e	2,250	2,570
GHG emissions intensity	tCO ₂ e/ Revenue RM million	221	315

The decrease in diesel and petrol consumption during the Reporting Period is primarily due to reduced operational and transportation activities at the camp as most major works and activities such as machine operations, transportation and drone operation, requiring higher fuel usage were completed in the previous reporting year. This reduction in fuel usage has also directly contributed to a decline in the corresponding GHG emissions, and a smaller environmental footprint.

¹² Energy consumption (fleet) refers to consumption from motor vehicles such as cars and motorcycles.

¹³ Energy consumption (non-fleet) refers to consumption from stationary machinery and equipment.

¹⁴ The direct GHG emissions from diesel and petrol consumption reported by a reporting entity (Scope 1) are calculated based on the 2006 Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories ("IPCC").

¹⁵ The indirect GHG emissions from the consumption of electricity purchased by a reporting entity (Scope 2) are calculated based on the emissions factors published by the local authority.

SUSTAINABILITY REPORT

During the Reporting Period, we expanded our indirect GHG emissions (Scope 3)¹⁶ to include category 5: Waste generated, category 6: Business travel and category 7: Employee commute as follows:

Sustainability Metric	Coverage	Unit of Measurement	FY2025	FY2024
Category 3: Fuel and energy related activities not included in Scope 1 or 2	Diesel and petrol	tCO ₂ e	1,632	1,521
Category 5: Waste generated	Plastic, paper, tin, glass and organic	tCO ₂ e	1,730	NA ¹⁷
Category 6: Business travel	Group	tCO ₂ e	13	NA ¹⁷
Category 7: Employee commute	HQ-based employees	tCO ₂ e	6	NA ¹⁷

Biodiversity and Conservation

Commitment

We are committed to: (i) conserving biodiversity and ensuring the sustainable use of forest resources within our Licensed Area in the Sapulut Forest Reserve, Sabah, Malaysia; (ii) upholding the requirements of the SFMLA signed with the State Government of Sabah; and (iii) adhering with the principles of the Sabah Timber Legality Assurance System, assuring our stakeholders on our forest management, harvesting, processing, and trade operations.

Our commitment to environmental stewardship is further encapsulated in our Environmental Policy, which outlines our dedication to preserving and conserving the environment during our logging activities. This policy serves as the cornerstone of our operations, requiring strict adherence by both management and employees. Under the Environmental Policy, Jawala is committed to the following principles for our sustainable forest management practices:



- **Compliance:** Adhering to all relevant environmental regulations and standards;
- **Conservation and Awareness:** Engaging in environmental conservation activities and promoting awareness of our environmental commitments among employees and contractors;
- **Knowledge-Based Practices:** Leveraging our understanding of environmental issues to plan and execute the best possible conservation activities, ensuring a sustainable balance of natural resources;
- **Waste Reduction:** Minimising waste production across all our operations;
- **Balanced Development:** Ensuring balanced development across all aspects, including administration, communication, and social engagement;
- **Community Collaboration:** Partnering with local initiatives to enhance environmental quality;
- **Technological Integration:** Applying the latest technology and products in our processes to minimise environmental impact; and
- **Comprehensive Monitoring:** Implementing continuous monitoring to ensure that our practices align with our mission and environmental commitments.

Approach

Our forestry management practices are aligned with the Malaysia's Forest Enactment Act 1968, the SFMLA and the guidelines of the Malaysian National Interpretation for the identification of HCVs, developed by the HCV Malaysia Toolkit Steering Committee (collectively referred to as "**Forestry Regulations**"), and covers area such as: (i) industrial tree plantation development; (ii) timber harvesting; and (iii) silviculture treatment.

¹⁶ The indirect GHG emissions (Scope 3) are calculated using the IPCC, the Malaysian Green Technology and Climate Change Corporation, and International Civil Aviation Organization Carbon Emissions Calculator.

¹⁷ Data is not available as it was not tracked previously.

SUSTAINABILITY REPORT

Independent Third-party HCV Assessment

In line with the Forestry Regulations, we commissioned an independent third-party HCV assessment within the Licensed Area (“**HCV Assessment**”). The concept of HCV is central to responsible forest management, as it helps identify areas that require special protection to preserve rich biodiversity, wilderness, soil, and water resources. Originally developed by the FSC, the HCV framework defines forest areas of outstanding and critical importance. Conservation of HCV areas is also a key component in achieving and maintaining recognised forest management certifications, reinforcing both ecological stewardship and sustainable operational practices.

Based on the HCV Assessment, a total of 3,375 ha is delineated as an HCV area, representing 31% of the total Licensed Area. The results of the HCV Assessment are as follows:

Category	Element	Assessment Outcome
HCV 1: Rare, Threatened, Endangered Plants and Animal Species	Forest areas containing globally, regionally or nationally significant concentrations of biodiversity values, which includes: • HCV 1.1: Protected Areas • HCV 1.2: Threatened and Endangered Species • HCV 1.3: Endemism • HCV 1.4: Critical Temporal use (none identified)	Tree species identified: • 113 species of trees listed under International Union for Conservation of Nature Red List • 41 Species of trees under The Sabah Conservation Wildlife Enactment 1997 Mammal species identified: • 11 species of mammals listed under IUCN Red List • 15 species of mammals listed under the Sabah Conservation Enactment 1997 • 5 species of mammals listed under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (“CITES”) Bird species identified: • 33 species of birds listed under IUCN Red List • 24 species of birds under the Sabah Conservation Wildlife Enactment 1997 • 7 species of birds listed under the CITES
HCV 2: Landscape level Ecosystems and Mosaics	Landscape Level Forest – the Forest area contains a globally, regionally or nationally significant large landscape level forest where significant populations of the wildlife species exist in natural patterns of distribution and abundance.	An assessment is completed, and HCV 2 is deemed not relevant as an ecosystem mosaic that is sufficiently large to support viable populations of naturally occurring species.
HCV 3 & 4: Forest Ecosystems and Services	Ecosystem – the Forest area contains or is part of a rare, threatened or endangered ecosystem, habitats or refugia (“Endangered Ecosystem”) Service or Nature – the Forest area provides basic services of nature in critical situations (“Critical Services Area”) that include: • HCV 4.1: Watershed Protection • HCV 4.2: Erosion Control • HCV 4.3: Barriers to Destructive Fire	The following areas have been identified as an Endangered Ecosystem and/or Critical Services Area: • 1,496 ha of conservation area; • 178 ha of wildlife corridor cum refugia; • 41 ha of salt licks; • 38 ha of green buffer; and • 37 ha of limestone forest.
HCV 5 & 6: Community Needs	• Basic needs for local communities - the Forest area is fundamental to meeting the basic needs of local communities (“Critical Daily Needs”) • Cultural identity of local communities - the Forest area is critical to local communities’ traditional cultural identity	Areas with Critical Daily Needs identified are as follows: • 318 ha of water catchment; • 1,257 ha of riparian reserves; and • 8 ha of basic needs.

We do not conduct any operations within HCV areas. In addition, our employees are required to exercise extra caution when operating near HCV areas to avoid disturbance to the listed species. Employees are also trained on how to deal with any presence of listed species.

SUSTAINABILITY REPORT

Dedicated HCV Team

Since 2022, a dedicated HCV team, led by a Forest Officer, was set up to manage the implementation of HCV-related activities. These activities include:

- Conducting awareness briefing for employees and contractors;
- Installing 'No Hunting' signs at high-risk zones;
- Performing boundary inspections to maintain HCV zones integrity;
- Deploying camera traps to monitor activity of the rare, threatened and endangered ("RTE") species;
- Hosting refresher training on RTE species; and
- Facilitating community dialogues to support cultural preservation and access to clean water.

The HCV Team plays a critical role in the protection of sensitive habitats and species through enforcement, education, monitoring and supporting biodiversity conservation on the ground.

Biodiversity Monitoring

We engage an independent environmental specialist to conduct quarterly site inspections and provide biodiversity-related impact assessments. These visits ensure compliance with conservation standards and environmental performance goals.

Climate-adaptive Biodiversity Management

With increasing climate volatility, we begin to trial drought-resistant tree species and refine our planting schedules and maintenance to adapt to monsoon variability and wildfire risk. By building climate resilience into forestry practice, we help maintain stable habitats and reduce biodiversity loss from extreme weather events.

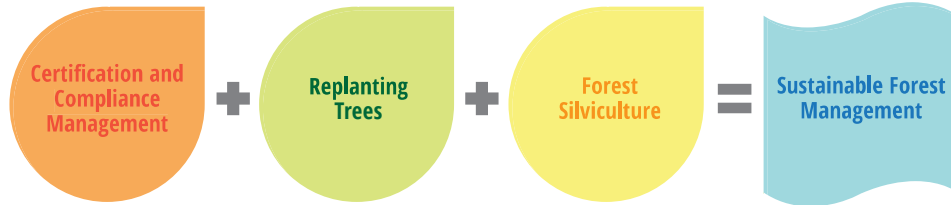
Sustainable Forest Management

Recognising that sustainable forest management is essential to balance the forest's limited capacity for continuous timber yield with the need to safeguard ecological health, biodiversity, and long-term benefits for future generations, we adopted the following sustainable practices:

- Guided by the Forest Management Plan, we manage the Licensed Area with a focus on ecological sustainability and economic viability;
- Deliberately planned forest management and harvesting activities are carried out with mandatory Environmental Impact Assessments and guided by clear operational targets;
- Scheduled replanting, silvicultural treatments and enrichment planting to ensure long-term productivity;
- Reforestation efforts prioritising on the native Laran species, using mother trees sourced within the concession area to support genetic resilience;
- Identify and address potential threats, including pests and diseases such as termites, borers, gall rust, and animal attacks, which may hinder the effectiveness of our replanting efforts;
- Upgrade and maintain effective drainage systems to prevent waterlog;
- Develop and regularly update emergency responses plan in case of emergencies such as forest fires;
- Invest in shade structures or protective coverings for young and vulnerable plants; and
- Research and plant tree species that are more resistant to drought conditions.

SUSTAINABILITY REPORT

We measure the overall performance of our sustainable forest management based on three (3) KPIs:



Performance

Key statistics on our biodiversity and conservation management efforts are as follows:

Sustainability Metric	Unit of Measurement	FY2025	FY2024
Number of seedlings produced	Number	867,306	839,823
Number of seedlings replanted	Number	317,320	322,927
Area replanted for forest regeneration	ha	589	520
Area under silvicultural treatment	ha	2,476	2,035

SOCIAL

Occupational Safety and Health

Commitment

We are committed to ensuring a safe and healthy work environment for all employees.

Approach

We view OSH as a core priority, and it is embedded in every aspect of our operations. In alignment with the OSH Act 1994, we implemented the following practices to mitigate workplace incidents, ensure regulatory compliance and promote a culture of safety:

- A comprehensive OSH policy outlining the safety-related practices across our sites including: (i) use of safety equipment; (ii) safety supervision by the Safety and Health Officer; (iii) safety briefings and inspections; and (iv) specific guidelines on maintaining a workplace free from drugs and alcohol;
- A smoking policy to provide a smoke-free workplace for all entrants to our workplaces including employees, contractors and visitors;
- A safety and health management system (“**SHMS**”) is implemented to identify, assess, manage and report on OSH risk in compliance with relevant safety and health laws and regulations through a Hazard Identification, Risk Assessment, and Risk Control (“**HIRARC**”) process;
- The OSH Committee is led by the OSH Chairman and supported by six (6) employer representatives and a further five (5) employee representatives to oversee the SHMS. By including employees’ participation within the OSH Committee, this ensures that operational-level concerns are considered and that employees’ interests are represented during the HIRARC assessment processes;
- The OSH Committee convenes quarterly to: (i) review the safety performance; (ii) monitor the effectiveness of safety controls; and (iii) discuss any areas of improvement based on accident statistics and HIRARC outcomes;
- To prevent recurrence of accidents, all incidents are thoroughly investigated to identify the root cause. Where necessary, corrective actions are taken, and further improvements to existing processes and controls are developed. The progress of the action plans is regularly reported to the OSH Committee until the progress is fully implemented or issue resolved;
- Due to the remote location of the Group’s forest management operations, a clinic staffed by qualified medical personnel is maintained at our camps to provide timely medical treatments where needed; and
- Comprehensive OSH trainings are performed periodically to ensure that all employees are equipped with the necessary knowledge to protect themselves. In addition, our Safety and Health Officer conducts briefings for all new contractors and their workers, on the latest OSH Policy requirements, to ensure full awareness and compliance.

SUSTAINABILITY REPORT

To further foster a strong culture of safety where employees are empowered and supported, we encourage employees to prioritise their personal safety, and to remove themselves from any potentially dangerous situations without fear of reprisal. Any workplace safety or health concerns should be communicated to the management or representatives from the OSH Committee. This open and proactive approach ensures that safety is a shared responsibility, and an integral part of our daily operations.

Performance

Key statistics on our work-related injuries and ill health cases are as follows:

Sustainability Metric	Unit of Measurement	FY2025	FY2024
Total manhours worked	Hours	203,528	259,584
Recordable work injury rate	Incident per manpower hour	-	-
Workplace fatalities	Number	-	-
High consequence work-related injuries	Number	-	-
Recordable work-related injuries	Number	-	-
Recordable work-related ill health cases	Number	-	-

Employee Development and Retention

Commitment

We are committed to supporting the personal and professional development of our employees by providing continuous training and development opportunities that equip them with the skills needed to meet both current and future demands.

Approach

Comprehensive Employee Benefits

We offer a wide range of employee benefits in a clear and transparent manner, with details outlined in our Employee Handbook. Eligible full-time employees receive various benefits including paid leave, maternity and paternity leave (collectively referred to as “**Parental Leave**”), medical benefits, medical insurance, reimbursement for business entertainment, mobile phone and meal allowances.

Training and Development

Training and development programmes are central to our succession planning, helping to build a strong talent pipeline that supports the long-term management and sustainability of our business. By investing in the ongoing development of our workforce, we ensure that employees are well-prepared to take on future leadership roles and meet evolving business needs.

Employee Performance Appraisal

Regular performance appraisals are conducted for all employees to evaluate their achievements, identify training needs and development opportunities and discuss on career progression. These appraisals also serve as a valuable forum for employees to provide feedback and suggest improvements to management practices and operational processes.

SUSTAINABILITY REPORT

Performance

Key statistics on employee new hire and turnover are as follows:

New Hire¹⁸

Sustainability Metric	FY2025		FY2024	
	Number of New Hire	Rate of New Hire	Number of New Hire	Rate of New Hire
Overall new hire	38	37%	26	23%
Gender				
Male	31	41%	17	22% ¹
Female	7	26%	9	26%
Age				
Below 30	23	46%	22	42% ¹
30 to 50	14	29%	4	7%
Above 50	1	20%	-	-%

Turnover¹⁹

Sustainability Metric	FY2025		FY2024	
	Number of Turnover	Rate of Turnover	Number of Turnover	Rate of Turnover
Overall turnover	48	47%	41	36%
Gender				
Male	34	45%	32	41% ¹
Female	14	52%	9	26%
Age				
Below 30	26	52%	24	46% ¹
30 to 50	21	44%	16	29% ¹
Above 50	1	20%	1	17% ¹

Within the industrial tree plantation sector, the working conditions are challenging due to adverse weathers and physically demanding job scopes (“**Challenging Working Conditions**”) and such factors impact employee retention unfavourably. The Challenging Working Conditions contributed to a higher rate of employee movement during the Reporting Period.

¹⁸ New hire related statistics are calculated based on confirmed new hires over total full-time employees by gender and age.

¹⁹ Turnover related statistics are calculated based on turnover of confirmed employees over total full-time employees by age group and gender.

SUSTAINABILITY REPORT

Key statistics on employee training hours are as follows:

Training and Development

Sustainability Metric	FY2025	FY2024
Overall		
Total training hours	152	197
Average training hours per employee	1.48	1.74 ¹
Male		
Total training hours	98	138
Average training hours per employee	1.29	1.59 ¹
Female		
Total training hours	54	59
Average training hours per employee	2.00	1.64 ¹
Management		
Total training hours	12	21
Average training hours per employee	4.00	7.00
Non-management		
Total training hours	140	176
Average training hours per employee	1.40	1.60

During the Reporting Period, the nature of key training and development programmes conducted includes: (i) artificial intelligence; (ii) forestry management; (iii) legal and compliance; and (iv) supplier management.

The decrease in training hours during the Reporting Period was mainly due to the increase in operational demands and seasonal work cycles, which limited employees' availability for extended training sessions. In addition, greater emphasis on meeting customers' requirements during peak seasons constrained the scheduling of training programmes. Nevertheless, we continue to prioritise targeted and role-specific training to ensure employees receive the necessary skills and knowledge for safe and efficient operations.

Employee Performance Appraisal

Key statistics on the employees that undergo performance appraisal as follows:

Sustainability Metric	FY2025	FY2024
Overall	94%	96%
Gender		
Male	96%	99%
Female	89%	89%
Employee Category		
Management	33%	33%
Non-management	96%	97%

SUSTAINABILITY REPORT

Workplace Diversity and Equality

Commitment

We are committed to fostering a diverse, inclusive, and equitable work environment that reflects the local communities we serve and supports the well-being of all our employees while upholding the highest standards of human rights.

Approach

Aligned with the Employment Act, Sabah Labour Ordinance, our employment practices are rooted in fairness, merit, and non-discrimination, with all decisions regarding recruitment, training, development, and promotion based solely on qualifications and performance, regardless of race, gender, age, or ethnicity.

We strictly prohibit forced or child labour. Employees are encouraged to exercise their rights, including freedom of association and collective bargaining. While no employees are currently covered by collective bargaining agreements, we ensure that all employees are treated with dignity, and in full compliance with applicable laws and regulations.

Performance

As at 31 July 2025, the Group has a total of 103 full-time employees²⁰ (FY2024: 113 employees¹)

During the Reporting Period, there were zero (0) substantiated incidents of unlawful discrimination against employees (FY2024: zero incidents) and zero (0) incidents of human rights violations (FY2024: zero incidents).

Key statistics on employee diversity as follows:

(i) Gender Diversity

On gender diversity, we view diversity on the Board level as an essential element in supporting sustainable development with one (1) (FY2024: one (1)) female Board members or 17% (FY2024: 17%) female representation on the Board.

Sustainability Metric	FY2025		FY2024	
	Male	Female	Male	Female
Overall	74%	26%	69%	31%
Management	67%	33%	67%	33%
Non-management	74%	26%	69%	31%

(ii) Age Diversity

Sustainability Metric	FY2025			FY2024		
	Below 30	30 – 50	Above 50	Below 30	30 – 50	Above 50
Overall	49%	47%	4%	46%	49%	5%
Management	-%	33%	67%	-%	33%	67%
Non-management	50%	47%	3%	47%	49%	4%

(iii) Educational Diversity

Sustainability Metric	FY2025		FY2024	
	Tertiary	Non-tertiary	Tertiary	Non-tertiary
Overall	84%	16%	87%	13%

Due to the remote nature of the industrial tree plantation sector, most of our employees work at the camp, and are predominantly male.

²⁰ During the Reporting Period, the Group did not engage any temporary staff and individuals on non-guaranteed hours contracts.

SUSTAINABILITY REPORT

Community Investment

Commitment

We are committed to supporting the development of the local communities within and around the Licensed Area, ensuring that our operations do not have an adverse impact, and enhance the livelihood and the quality of life in a sustainable and meaningful way.

Approach

We established effective channels of communication and designated representatives to facilitate dialogue with the local communities. These channels allow us to understand the concerns of the local communities regarding our operations and help us identify opportunities to support their development needs.

Our approach is anchored in five (5) strategic focus areas: (i) expanding employment opportunities to foster economic resilience; (ii) investing in infrastructure to improve living conditions; (iii) supporting education to empower future generations; (iv) promoting cultural and community engagement to strengthen social cohesion; and (v) advancing healthcare initiatives to ensure the well-being of the local community. Through these efforts, we aim to create an enduring positive impact on the local communities, that addresses their immediate needs and contributes to their long-term growth and resilience.

Expanding Employment Opportunities to foster economic resilience

We create employment opportunities for the local members of the Sapulut and Nabawan communities, areas surrounding the Licensed Area (“**Local Communities of Sapulut and Nabawan**”). By prioritising local hiring, we support economic empowerment, reduce dependency on foreign labour and foster stronger relationships with the local communities, contributing to their long-term social and economic resilience.

Investing in Infrastructure to improve living conditions

We develop infrastructure in the local communities, to enhance both the functionality and the quality of life within the Local Communities of Sapulut and Nabawan. The developments include: (i) renovation of the school canteen; (ii) site levelling; (iii) culvert and drainage repairs; (iv) gravelling works; (v) construction of a designated waste disposal facility; and (vi) supply clean gravity water.



SUSTAINABILITY REPORT

Promoting cultural and community engagement to strengthen social cohesion

We donated a total of RM 5,100 to the local churches and educational institution, to support their cultural and recreational initiatives, including Christmas celebrations and the acquisition of musical instruments. These contributions enrich the local community life, foster social cohesion, and help to nurture local talent and strengthen the sense of belonging within the community.



Advancing healthcare initiatives to ensure the well-being of the local community

We supported the Paediatrics Department of Hospital Keningau, Sabah, Malaysia and sponsored the Autism Awareness Day. These initiatives aimed to raise awareness, promote understanding, and encourage inclusivity for children with autism and their families. Through backing healthcare programmes and awareness campaigns, we seek to improve community well-being, enhance access to essential health services, and foster a more informed and inclusive society.



Performance

During the Reporting Period, key statistics on our community engagement are as follows:

Topic	Sustainability Metric	FY2025	FY2024
Giving	Community investment (RM)	58,437	46,790

Expanding Employment Opportunities to foster economic resilience

During the Reporting Period, we provided employment opportunities to 60 members of the local communities (FY2024: 78 members of the local communities).

SUSTAINABILITY REPORT

GOVERNANCE

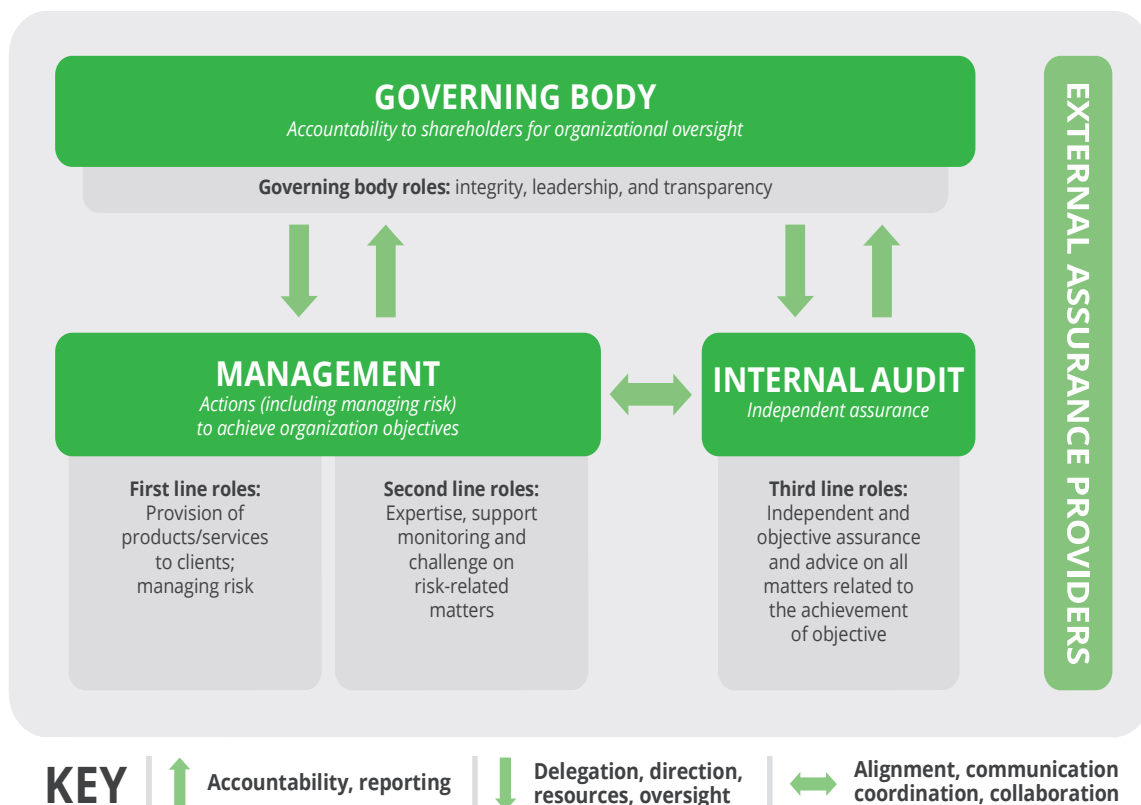
Robust Corporate Governance

Commitment

We are committed to upholding strong corporate governance and maintaining the highest standards of integrity, accountability and transparency.

Approach

Being a reputable public-listed company in forestry management, maintaining public trust is of utmost priority. Accordingly, we aligned our corporate governance and risk management approach with the Three Lines Model issued by the Institute of Internal Auditors (“IIA”). The Three Lines Model serves to identify structures and processes that best assist the achievement of organisational objectives and facilitate strong governance and risk management. Under the Three Lines Model, the roles and responsibilities of governing body, management (first- and second-line roles), internal audit (third-line roles) and the relationship among them are defined as follows:



Source: Three Lines Model of the IIA

SUSTAINABILITY REPORT

Our policies and commitments for enforcing anti-corruption and ethical business practices are as follows:

- A code of conduct that outlines expectations for employees and the consequences for any violations of rules or standards not met. Additionally, clear and fair grievance procedures are detailed in the employee handbook;
- A Conflict-of-Interest Policy is established to safeguard against situations where personal interests may conflict with professional responsibilities, with clear procedures for the disclosure and resolution of any potential conflicts;
- An Anti-Bribery and Anti-Corruption Policy (“**ABAC Policy**”) that provides clear guidance for ethical business conduct by establishing a zero-tolerance stance towards bribery and corruption;
- A whistleblowing policy that provides a secure and impartial channel for reporting any potential misconduct, wrongdoing or breaches of the code, including corruption and bribery. Any individual can raise concerns without fear of retaliation or victimisation, directly to the Chairman of the Audit Committee, an independent director, reinforcing the integrity of the mechanisms. Our Whistleblowing Policy is publicly available on our corporate website at <https://jawalainc.com>; and
- A finance manual to ensure that assets are safeguarded, financial statements are prepared in accordance with generally accepted accounting principles and finances are managed with responsible stewardship.

Performance

Key statistics relating to corporate governance are as follows:

Sustainability Metric	Unit of Measurement	FY2025	FY2024
Number of reported incidents of serious offence ⁶	Number	-	-
Number of incidents of non-compliance with laws and regulations ⁷ for which significant fines and/or non-monetary sanctions were incurred	Number	-	-
Number of fines or penalties arising from non-compliance with environmental laws and regulations or the SFMLA	Number	-	-
Directors, employees and business partners, whereby ABAC Policy has been communicated to	%	100	100
	Number	124	148
Anti-corruption training conducted for employees	%	100	100
	Number	103	113 ¹

SUSTAINABILITY REPORT

TARGETS AND PROGRESS

To measure our ongoing sustainability performance and drive continuous improvement, we developed a set of targets related to our material Sustainability Factors. Our progress against these targets is reviewed and reported on an annual basis with details as follows:

Legend	Progress Tracking
ooo	New target
●●●	Target achieved
●●o	On track to meet target
●oo	Not on track requires review

S/N	Material Sustainability Factor	Target ²¹	Performance in FY2025
Economic			
1	Sustainable Business Performance	<u>Short-term</u> Maintain or improve our financial performance subjected to market conditions	ooo We set a new short-term target for Sustainable Business Performance
Environmental			
2	Water Conservation	<u>Short-term</u> Set a water conservation target by FY2029	ooo We set a new short-term target for Water Conservation
3	Responsible Waste Management	<u>Medium-term</u> Reduce 30% of total waste by FY2034, with FY2024 as our baseline	ooo We set a new target for Responsible Waste Management
4	Energy and GHG Emissions Management	<u>Short-term</u> Reduce 3% of Scope 1 and 2 GHG emissions intensity, with FY2024 as our baseline <u>Medium-term</u> Reduce aggregated absolute Scope 1 and 2 GHG emissions by 30% by FY2034, with FY2024 as our baseline	●●● We reduced the Scope 1 and 2 GHG emissions intensity by 30% ooo We set a new medium-term target for Energy and GHG Emissions Management
5	Biodiversity and Conservation	<u>Short-term</u> - Improve or maintain the forest generation replant area to 900 ha - Improve or maintain the seedling production to 800,000 seedlings - Improve seedlings replanted to 480,000 seedlings - Improve or maintain the silviculture treatment at 90% <u>Medium-term</u> Engaged at least two (2) forest rangers to support on sustainability-related matters	●●● We improved the forest regeneration replant area to 589 ha as compared to previous year but still fall short of the targeted 900 ha due to an insufficient number of planters and machinery available ●●● We improved the seedling production to 867,306 seedlings ●oo We replanted 317,320 seedlings, lesser than the target set, due to an insufficient number of planters and machinery available ●●● We maintained the silviculture treatment at above 90%. Moving forward, this sustainability metric will be removed ooo We set a new medium-term target for Biodiversity and Conservation

²¹ Time horizons for target setting are (1) short-term: within 4 years (until FY2029); (2) medium-term: between 5 to 20 years (FY2030 and FY2045); (3) long-term: more than 20 years (FY2046 onwards); and (4) ongoing: encompassing short, medium and long-term.

SUSTAINABILITY REPORT

S/N	Material Sustainability Factor	Target ²¹	Performance in FY2025
Social			
6	Occupational Safety and Health	<u>Ongoing and long-term</u> Maintain zero incidents of workplace fatalities, high consequence work-related injuries and recordable work-related ill health cases	○○○ We set a new target for Occupational Safety and Health. ●●● We maintained zero major incidents for last year's short-term target which has since been revised to align with the reporting framework.
7	Employee Development and Retention	<u>Short-term</u> Maintain or improve training hours	○○○ We set a new target for Employee Development and Retention.
8	Workplace Diversity and Equality	<u>Ongoing and long-term</u> - Maintain at least one (1) female Board member - Maintain zero incidents of unlawful discrimination against employees <u>Short-term</u> Achieve gender diversity ratio of 29.8% female and 70.2% male	●●● We maintained at least one (1) female Board member. ○○○ We set a new target for Workplace Diversity and Equality. ●○○ The gender diversity ratio is 26% female to 74% male. Due to the remote nature of the industrial tree plantation sector, most of our employees work at the camp, and are predominantly male. Moving forward, this sustainability metric will be removed.
9	Community Investment	<u>Ongoing and long-term</u> Continue to engage in community projects	○○○ We set a new target for Community Investments.
Governance			
10	Robust Corporate Governance	<u>Ongoing and long-term</u> - Maintain zero fines or penalties arising from non-compliance with environmental laws and regulations or the SFMLA - Maintain zero incidents of serious offence - Maintain zero incidents of non-compliance with any applicable laws and regulations that resulted in a significant fine or non-monetary sanction	●●● There were zero incidents of non-compliance with the SFMLA. ○○○ We set new ongoing and long-term targets for Robust Corporate Governance. ●●● There were no confirmed incidents of corruption for last years' short-term target, which has since been removed.

For the material Sustainability Factors identified in this Report, the Board, SC and ESG Body have considered the relevance and usefulness of setting related targets in the short, medium and long term-horizon. As the historical data trends for certain material Sustainability Factors have yet to stabilise, we have not set the related medium and long-term targets and will disclose such targets in our future sustainability reports when the data trends have stabilised and subject to market trends.

SUSTAINABILITY REPORT

SUPPORTING THE TCFD

We are committed to supporting the recommendations by the TCFD and disclosed our climate-related financial disclosures in the following key areas as recommended by the TCFD:

Governance

- a. Describe board's oversight of climate-related risks and opportunities.*
- b. Describe management's role in assessing and managing climate-related risks and opportunities.*

Refer to the section above 'Sustainability Governance Structure' on details on our governance structure.

Strategy

- a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.*
- b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.*

We recognise that climate change poses different types of risks to our business. The Group's assessment on the potential implications of the climate-related risks was undertaken based on the Network of Central Banks and Supervisors for Greening the Financial System ("NGFS") range of climate scenarios:

Scenario	Description
Orderly (Net Zero 2050)	Reaching net-zero global CO ₂ emissions by 2050 will require an ambitious transition across all sectors of the economy. Scenarios tend to emphasise the importance of decarbonising the electricity supply, increasing electricity use, increasing energy efficiency, and developing new technologies to tackle hard-to-abate emissions. Transition risks to the economy could result from higher emissions costs, and changes in business and consumer preferences. Physical risks would be minimised.
Hot house world (Current policies)	While many countries have started to introduce climate policies, they are not yet sufficient to achieve official commitments and targets. If no further measures are introduced, 3 °C or more of warming could occur by 2100. This would likely result in deteriorating living conditions in many parts of the world and lead to some irreversible impacts like sea-level rise. Physical risks to the economy could result from disruption to ecosystems, health, infrastructure and supply chains.

SUSTAINABILITY REPORT

We selected NGFS' orderly and hot house world scenarios for the purpose of our qualitative climate scenario analysis. The impact of the climate-related risks is analysed on group-wide activities in the short-term (within 4 years, until FY2029), medium-term (between 5 to 20 years, between FY2030 and FY2045) and long-term (more than 20 years, FY2046 onwards). Based on the above-mentioned scenarios, the climate-related risks and opportunities identified by the Group during a climate-related risk assessment exercise include the following:

Physical Risk

Increased Severity of Extreme Weather Events			
Climate-related Risk	Extreme weather events²² may adversely affect our forestry operations and lead to forest degradation, reduced tree growth rates, and lower timber yields, resulting in financial losses and adverse productivity impacts. Additionally, rising temperatures and more frequent heatwaves caused by climate change are expected to increase operational costs through higher cooling and energy expenditures, while also reducing labour productivity due to heat-related health risks. We remain vigilant in monitoring the impact of climate change on our operations, mindful of the alarming estimated global cost of USD 16 million per hour²³ arising from climate-related damage.		
Significance of Financial Impact ²⁴	Short-term	Medium-term	Long-term
	Scenario: Orderly		
	●	●	●
	Scenario: Hot house world		
	●	●	●
Mitigation Measure	We put in place a climate change transition plan to steer us on our decarbonisation journey. You may refer to section 'Water Conservation', Responsible Waste Management', 'Energy and GHG Emissions Management', and 'Biodiversity and Conservation' for further details.		
Climate-related Opportunity	The increasing severity of extreme weather events underscores the need to strengthen resilient forestry practices, such as cultivating drought-resistant species and improving the overall forest health to safeguard long-term productivity. Resilient forests not only enhance carbon sequestration, but it also enables us to participate in carbon credit markets and create opportunities for innovative resource use, including converting damaged timber into biomass energy or other value-added products. In addition, by supporting community resilience through initiatives such as flood mitigation and fire prevention and fire prevention programmes, we reinforce our role as a trusted steward of natural resources while fostering strong stakeholder relationships.		

²² Relevant extreme weather events include heavy rainfall, increased forest fires, rising temperatures and prolonged droughts.

²³ Source: <https://www.weforum.org/agenda/2023/10/climate-loss-and-damage-cost-16-million-per-hour/>

²⁴ Significance of financial impact is determined based on the risk appetite established in accordance with the Group's ERM framework.

SUSTAINABILITY REPORT

Transition Risk

Enhanced GHG Emissions Reporting Obligations			
Description	With rising concerns over the effects of climate change, key stakeholders such as the Regulators and Shareholders are requiring reporting of climate-related information. Failure to comply with enhanced GHG emissions reporting obligations may lead to adverse impacts on the Group's reputation and financial performance.		
	These new requirements necessitate the investment of manpower resource in more comprehensive data collection, analysis, and reporting processes, greater involvement from management, and additional costs for consultants and employee training.		
Significance of Financial Impact ²⁴	Short-term	Medium-term	Long-term
	Scenario: Orderly		
	●	●	●
	Scenario: Hot house world		
Mitigation Measure	●	●	●
	To strengthen our sustainability governance structure, we establish a SC and ESG body for managing and monitoring our material Sustainability Factors, including working with the various business units and corporate functions to ensure that these are integrated into our day-to-day operations.		
Climate-related Opportunity	In addition, we established terms of reference for component parties involved in the sustainability reporting process, for clarity and accountability purposes.		
	Enhanced GHG reporting enables us to identify energy inefficiencies and operational hotspots, creating opportunities to improve efficiency, reduce waste, and lower costs. At the same time, it strengthens supply chain resilience through closer collaboration with suppliers and customers, while enhancing stakeholder confidence and investor trust by demonstrating transparency and responsible business practices.		

Legend

● Minor ● Moderate ● Major

Based on the scenarios above, we will continue to formulate adaptation and mitigation plans and allocate resources towards transitioning to a low or net zero carbon operations, through optimal business strategy and effective financial planning. We strive to minimise climate risks associated with our business and will seize opportunities such as expanding collaboration and partnership with key stakeholders to innovate and develop low carbon goods and services for the market.

c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

The resilience of an organisation's strategy is dependent on its ability to adapt and thrive in the face of changing circumstances and emerging risks. Climate scenario analysis plays a key role in providing insights into the potential extent of the climate-related risks and opportunities for our business.

Through our climate scenario analysis, we concluded that under hot house world scenario (>3°C warming), unmitigated risks of increased severity of extreme weather events may lead to moderate and major financial impacts in the medium and long-term. Under the orderly scenario (<2°C warming), the climate-related risks identified are not expected to result in significant financial impacts in the short, medium, or long term. To address the risks and capitalise on opportunities associated with climate change, we will continuously refine our strategy to remain resilient throughout our sustainability journey.

SUSTAINABILITY REPORT

Risk Management

- a. Describe the organization's processes for identifying and assessing climate-related risks.*
- b. Describe the organization's processes for managing climate-related risks.*
- c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.*

We recognise that effective risk management is key to addressing climate change. Our process of identifying and assessing climate-related risks is rooted in a structured and comprehensive approach, which incorporates both qualitative research and expert consultations. To ensure a robust understanding of the risks we face, we began with in-depth background research that examined historical climate data and projected climate patterns specific to the regions where we operate. This research provided crucial insights into potential climate-related challenges such as temperature increases, heavy rainfall, and the increased risk of forest fires.

To embed our climate risk identification process within our broader business practices, we adopted the ERM framework for performing climate risk assessment. We also engaged external consultants to conduct a detailed assessment of climate-related risks, through which we identify the most relevant risks for our forestry operations and provided recommendations for mitigation.

The risk assessment is presented to the Company's senior management at the camp for their concurrence and input. Their experience with past climate impacts is instrumental in refining the risk assessment to reflect operational realities. Following this, the assessment findings are escalated to the Board for review. Climate-related risks are managed through our established ERM processes and tools, ensuring they are addressed with the same rigor as financial and operational risks. After identifying the major climate-related risks, Jawala devised concrete strategies to mitigate these risks effectively.

Metrics and Targets

- a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.*

We track, measure and report on our environmental performance, including energy, GHG emissions, water and waste management, as well as biodiversity and conservation and disclose related metrics in our sustainability reports. Monitoring and reporting these metrics help us in identifying areas with material climate-related risks and enabling us to be more targeted in our efforts.

- b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.*

To support the climate change agenda, we disclosed our direct (Scope 1) and indirect (Scope 2 and 3) GHG emissions in this Report and set climate-related targets such as those related to GHG emissions, water, waste management as well as biodiversity and conservation.

Our disclosure on indirect GHG emissions (Scope 3) in this Report includes fuel- and energy-related activities not included in Scope 1 or 2 (category 3), waste generated (category 5), business travel (category 6) and employee commute (category 7).

- c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.*

As a commitment towards mitigating climate change, we set climate-related targets related to GHG emissions, water, and waste management. For further details, refer to section 'Targets and Progress'.

INDUSTRY-BASED GUIDANCE ON IMPLEMENTING CLIMATE-RELATED DISCLOSURE METRICS

The sustainability disclosure metrics are based on the IFRS Sustainability Disclosure Standard (“**SDS**”) industry-based guidance for implementing climate-related disclosure (Volume 41 – Forestry Management). The details are as follows:

Sustainability Disclosure Topics and Metrics

Topic	Code	Sustainability Metric	Unit of Measurement	FY2025 ²⁵
Ecosystem Services & Impacts	RR-FM-160a.1	Area of forestland certified to a third-party forest management standard; percentage certified to each standard	ha %	Refer to section ‘Biodiversity and Conservation’
	RR-FM-160a.2	Area of forestland with protected conservation status	ha	
	RR-FM-160a.3	Area of forestland in endangered species habitat	ha	
	RR-FM-160a.4	Description of approach to optimising opportunities from ecosystem services provided by forestlands	-	
Climate Change Adaptation	RR-FM-450a.1	Description of strategy to manage opportunities for and risks to forest management and timber production presented by climate change	-	Refer to the section ‘Supporting the TCFD’

Activity Metrics

Code	Activity Metric	Unit of Measurement	FY2025
RR-FM-000.A	Area of forestland owned, leased, and/or managed by the entity	ha	The Group is in the process of refining our data collection methodologies to ensure the accuracy and reliability of data, and will disclose the data when the mechanism is more mature and stable.
RR-FM-000.B	Aggregate standing timber inventory	Cu M	
RR-FM-000.C	Timber harvest volume	Cu M	

²⁵ We applied the transition relief under IFRS S2(C3) to not disclose comparative information as this is the first Reporting Period in which we apply IFRS SDS.

GRI CONTENT INDEX

Statement of use	Jawala Inc has reported the information cited in this GRI content index for the period 1 August 2024 to 31 July 2025 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI Standard	Disclosure	Location
General Disclosure		
GRI 2: General Disclosures 2021	2-1 Organisational details	Page 1, Corporate Profile Page 2, Corporate Information
	2-2 Entities included in the organisation's sustainability reporting	Page 61, Reporting Framework
	2-3 Reporting period, frequency and contact point	Page 61, Reporting Framework
	2-4 Restatements of information	Page 74, Energy and GHG Management Page 80-81, Employee Development and Retention
	2-5 External assurance	Page 61, Reporting Framework
	2-6 Activities, value chain and other business relationships	Page 60, Our Business
	2-7 Employees	Page 82, Workplace and Diversity and Equality
	2-8 Workers who are not employees	We engage 15 contractors responsible for landscaping, planting, and maintenance activities.
	2-9 Governance structure and composition	Page 64-65, Sustainability Governance Structure
	2-10 Nomination and selection of the highest governance body	Page 28-31, Corporate Governance Report
	2-11 Chair of the highest governance body	Page 6, Board of Directors
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 18-23, Corporate Governance Report Page 64-65, Sustainability Governance Structure
	2-13 Delegation of responsibility for managing impacts	Page 21, Corporate Governance Report
	2-14 Role of the highest governance body in sustainability reporting	Page 26-27, Corporate Governance Report Page 64-65, Sustainability Governance Structure
	2-15 Conflicts of interest	Page 19, Corporate Governance Report Page 85-86, Robust Corporate Governance
	2-16 Communication of critical concerns	Page 43, Corporate Governance Report Page 85-86, Robust Corporate Governance
	2-17 Collective knowledge of the highest governance body	Page 24-25, Corporate Governance Report Page 64-65, Sustainability Governance Structure
	2-18 Evaluation of the performance of the highest governance body	Page 32, Corporate Governance Report
	2-19 Remuneration policies	Page 33-38, Corporate Governance Report
	2-20 Process to determine remuneration	Page 33-38, Corporate Governance Report
	2-21 Annual total compensation ratio	Not disclosed due to confidentiality constraints.
	2-22 Statement on sustainable development strategy	Page 57, Board Statement
	2-23 Policy commitments	Page 63, Policy, Practice and Performance Reporting Page 75-78, Biodiversity and Conservation Page 78-79, Occupational Safety and Health Page 79-81, Employee Development and Retention Page 82, Workplace Diversity and Equality Page 85-86, Robust Corporate Governance

GRI CONTENT INDEX

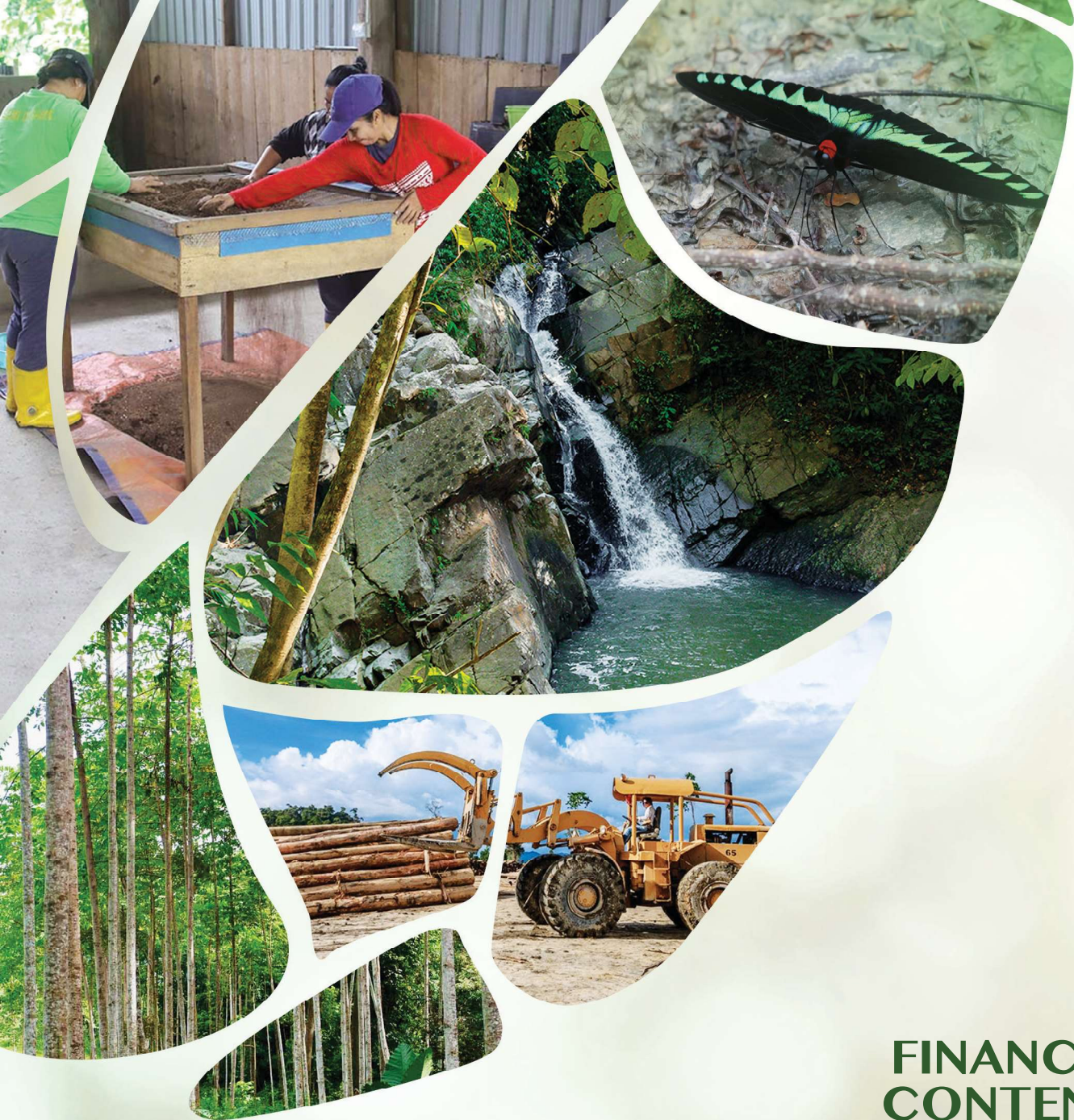
GRI Standard	Disclosure	Location
	2-24 Embedding policy commitments	Page 63, Policy, Practice and Performance Reporting Page 75-78, Biodiversity and Conservation Page 78-79, Occupational Safety and Health Page 79-81, Employee Development and Retention Page 82, Workplace Diversity and Equality Page 85-86, Robust Corporate Governance
	2-25 Processes to remediate negative impacts	Page 43, Corporate Governance Report Page 85-86, Robust Corporate Governance
	2-26 Mechanisms for seeking advice and raising concerns	Page 43, Corporate Governance Report Page 85-86, Robust Corporate Governance
	2-27 Compliance with laws and regulations	Page 85-86, Robust Corporate Governance
	2-28 Membership associations	Page 66, Membership Association
	2-29 Approach to stakeholder engagement	Page 62, Stakeholders' Engagement
	2-30 Collective bargaining agreements	Not applicable
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 63-66, Policy, Practice and Performance Reporting Page 67, Material Sustainability Factors
	3-2 List of material topics	Page 67, Material Sustainability Factors
	3-3 Management of material topics	Page 68-86, Material Sustainability Factors
Sustainable Business Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 68, Sustainability Business Performance
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 68, Sustainability Business Performance
	201-2 Financial implications and other risks and opportunities due to climate change	Page 89-92, Supporting TCFD
	201-3 Defined benefit plan obligations and other retirement plans	Page 129, Employee Compensation
	201-4 Financial assistance received from government	Not available
Robust Corporate Governance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 85-86, Robust Corporate Governance
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 85-86, Robust Corporate Governance
	205-2 Communication and training about anti-corruption policies and procedures	Page 85-86, Robust Corporate Governance
	205-3 Confirmed incidents of corruption and actions taken	Page 85-86, Robust Corporate Governance
Energy and GHG Emissions Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 70-75, Energy and GHG Emissions Management
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Page 70-75, Energy and GHG Emissions Management
	302-2 Energy consumption outside of the organization	Page 70-75, Energy and GHG Emissions Management
	302-3 Energy intensity	Page 70-75, Energy and GHG Emissions Management
	302-4 Reduction of energy consumption	Page 70-75, Energy and GHG Emissions Management
	302-5 Reductions in energy requirements of products and services	Page 70-75, Energy and GHG Emissions Management

GRI CONTENT INDEX

GRI Standard	Disclosure	Location
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 70-75, Energy and GHG Emissions Management
	305-2 Energy indirect (Scope 2) GHG emissions	Page 70-75, Energy and GHG Emissions Management
	305-3 Other indirect (Scope 3) GHG emissions	Page 70-75, Energy and GHG Emissions Management
	305-4 GHG emissions intensity	Page 70-75, Energy and GHG Emissions Management
	305-5 Reduction of GHG emissions	Page 70-75, Energy and GHG Emissions Management
	305-6 Emissions of ozone-depleting substances (ODS)	Disclosure is not applicable as we do not emit a material amount of these emissions through our products, services and operations.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Disclosure is not applicable as we do not emit a material amount of these emissions through our products, services and operations.
Water Conservation		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 68-69, Water Conservation
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 68-69, Water Conservation
	303-2 Management of water discharge-related impacts	Disclosure is not applicable as we do discharge a material amount of wastewater or effluents in our operations.
	303-3 Water withdrawal	Page 68-69, Water Conservation
	303-4 Water discharge	Disclosure is not applicable as we do discharge a material amount of wastewater or effluents in our operations.
	303-5 Water consumption	Page 68-69, Water Conservation
Biodiversity and Conservation		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 75-78, Biodiversity and Conservation
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Page 75-78, Biodiversity and Conservation
	304-2 Significant impacts of activities, products and services on biodiversity	Page 75-78, Biodiversity and Conservation
	304-3 Habitats protected or restored	Page 75-78, Biodiversity and Conservation
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Page 75-78, Biodiversity and Conservation
Responsible Waste Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 69-70, Responsible Waste Management
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 69-70, Responsible Waste Management
	306-2 Management of significant waste-related impacts	Page 69-70, Responsible Waste Management
	306-3 Waste generated	Page 69-70, Responsible Waste Management
	306-4 Waste diverted from disposal	Moving forward, we plan to develop a tracking mechanism and report on our waste diverted from disposal wherever practicable.
	306-5 Waste directed to disposal	Moving forward, we plan to develop a tracking mechanism and report on our waste directed to disposal wherever practicable.

GRI CONTENT INDEX

GRI Standard	Disclosure	Location
Employee Development and Retention		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 79-81, Employee Development and Retention
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 79-81, Employee Development and Retention
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 79-81, Employee Development and Retention
	401-3 Parental leave	Page 79-81, Employee Development and Retention
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 79-81, Employee Development and Retention
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 79-81, Employee Development and Retention
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 79-81, Employee Development and Retention
Occupational Safety and Health		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 78-79, Occupational Safety and Health
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 78-79, Occupational Safety and Health
	403-2 Hazard identification, risk assessment, and incident investigation	Page 78-79, Occupational Safety and Health
	403-3 Occupational health services	Page 78-79, Occupational Safety and Health
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 78-79, Occupational Safety and Health
	403-5 Worker training on occupational health and safety	Page 78-79, Occupational Safety and Health
	403-6 Promotion of worker health	Page 78-79, Occupational Safety and Health
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 78-79, Occupational Safety and Health
	403-8 Workers covered by an occupational health and safety management system	Page 78-79, Occupational Safety and Health
	403-9 Work-related injuries	Page 78-79, Occupational Safety and Health
	403-10 Work-related ill health	Page 78-79, Occupational Safety and Health
Workplace Diversity and Equality		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 82, Workplace Diversity and Equality
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 82, Workplace Diversity and Equality
	405-2 Ratio of basic salary and remuneration of women to men	Information is not provided due to confidentiality constraints.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 82, Workplace Diversity and Equality
Community Investment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 83-84, Community Investment
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Page 83-84, Community Investment
	413-2 Operations with significant actual and potential negative impacts on local communities	Page 68-69, Water Conservation Page 69-70, Responsible Waste Management Page 70-75, Energy and GHG Emissions Management Page 75-78, Biodiversity and Conservation Page 83-84, Community Investment



FINANCIAL CONTENTS

99	Directors' Statement
104	Independent Auditor's Report
108	Consolidated Statement of Comprehensive Income
109	Statement of Financial Position - Group
110	Statement of Financial Position - Company
111	Consolidated Statement of Changes In Equity
112	Consolidated Statement of Cash Flows
114	Notes to the Financial Statements

DIRECTORS' STATEMENT

For the financial year ended 31 July 2025

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 2025 and the statement of financial position of the Company as at 31 July 2025.

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 108 to 148 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 2025 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")
 Muaz Bin Jema Anton Khan
 Lee Yong Soon
 Leow Ming Fong @ Leow Min Fong ("Leow Ming Fong")
 Dato' Mary Lim Thiam Suan

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 31.07.2025	As at 31.07.2024	As at 31.07.2025	As at 31.07.2024
Jawala Inc.				
(No. of ordinary shares)				
Datuk Jema Anton Khan ^{(1) (2)}	-	-	100,000,000	100,000,000
Muaz Bin Jema Anton Khan ⁽²⁾	-	-	-	-
Immediate and ultimate holding corporation				
- Jawala Corporation Sdn. Bhd.				
(No. of ordinary shares)				
Datuk Jema Anton Khan ^{(1) (2)}	3,000,000	3,000,000	-	-
Muaz Bin Jema Anton Khan ⁽²⁾	1,500,000	1,500,000	-	-

DIRECTORS' STATEMENT

For the financial year ended 31 July 2025

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, 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 2025 were the same as those as at 31 July 2025.

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.

DIRECTORS' STATEMENT

For the financial year ended 31 July 2025

Share options (continued)

THE JAWALA EMPLOYEE SHARE OPTION SCHEME (continued)

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.

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.

DIRECTORS' STATEMENT

For the financial year ended 31 July 2025

Performance share plan (continued)

THE JAWALA PERFORMANCE SHARE PLAN (continued)

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;
- (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 2025.

Audit Committee

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

Leow Ming Fong (Chairman)
Lee Yong Soon
Dato' Mary Lim Thiam Suan

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 2025 before their submission to the Board of Directors.

DIRECTORS' STATEMENT

For the financial year ended 31 July 2025

Audit Committee (continued)

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.

Independent auditor

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

On behalf of the directors

Datuk Jema Anton Khan
Director

29 October 2025

Abdul Rahman Khan Bin Hakim Khan
Director

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 consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 July 2025, 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 108 to 148.

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 2025 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
Going concern The Group incurred a net loss of RM3,473,375 (2024: RM2,684,370) or RM5,327,965 (2024: RM8,454,615) excluding the fair value gain on biological assets and had net cash used in operating activities of RM1,378,907 (2024: RM6,914,314) for the financial year ended 31 July 2025. In addition, the Group's cash and bank balances decreased from RM8,909,814 in prior year to RM2,436,197 as at 31 July 2025. While the above matters highlight conditions that could affect the Group's cash flows and operations, the financial statements of the Group have been 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. 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.	We reviewed, evaluated and discussed with management on their going concern assessment and the key assumptions used in the 16-month cash flow forecast. 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. We reviewed the appropriateness and adequacy of the disclosures related to going concern in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of Jawala Inc.

Key Audit Matters (continued)

Key audit matter	How our audit addressed the matter
Valuation of biological assets As at 31 July 2025, biological assets of the Group amounted to RM52.5 million (2024: RM42.2 million) representing approximately 77% (2024: 61%) of the total assets of the Group. 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. Judgement is exercised by the directors and management in determining the appropriateness of valuation methods and the key assumptions used in valuation. Due to the valuation involving significant management judgement and uncertainty in estimation, we have considered this to be a key audit matter.	We performed the following audit procedures to address the relevant risk assertions for biological assets: - Assessed the key inputs and data used in the valuation, and corroborating the evidence and comparing to the market available data; - Obtained forestry appraisal report and assessed the appropriateness of the sampling basis used by the forester. - Assessed the appropriateness of the discount rate applied in the valuation; - Reviewed the adequacy of the disclosures in relation to the valuation of biological assets in the financial statements; - Checked the mathematical computation of the discounted cash flow calculations; - Assessed the competence, capabilities and objectivity of the independent professional valuer and independent forester, including consideration of their qualifications and experience.

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.

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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

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.

INDEPENDENT AUDITOR'S REPORT

To the Members of Jawala Inc.

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

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 Chew Wei Jim.

PKF-CAP LLP

Public Accountants
and Chartered Accountants

Singapore

29 October 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 July 2025

		Group	
	Note	2025 RM	2024 RM
Revenue	5	10,184,330	8,152,797
Cost of sales	8	(6,940,967)	(5,504,299)
Gross profit		3,243,363	2,648,498
Other income	6	133,591	279,921
Other gains/(losses)			
- Reversal/(Loss) allowance on financial assets	7	267,682	(1,407,089)
- Fair value gain on biological assets	7	1,854,590	5,770,245
- Others	7	(151)	(728)
Expenses			
- Distribution	8	(1,837,311)	(1,236,540)
- Administrative	8	(7,348,293)	(8,414,307)
- Finance	10	(637,177)	(94,701)
Loss before income tax		(4,323,706)	(2,454,701)
Income tax credit/(expense)	11	850,331	(229,669)
Total comprehensive loss, representing net loss for the financial year		(3,473,375)	(2,684,370)
Total comprehensive loss and net loss for the financial year attributable to:			
Equity holders of the Company		(2,610,451)	(2,094,664)
Non-controlling interests	16	(862,924)	(589,706)
		(3,473,375)	(2,684,370)
Loss per share for loss attributable to equity holders of the Company			
(Sen per share)			
Basic and diluted	12	(2.20)	(1.77)

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

STATEMENT OF FINANCIAL POSITION GROUP

As at 31 July 2025

	Note	2025 RM	2024 RM
ASSETS			
Current assets			
Cash and bank balances	13	2,436,197	8,909,814
Trade and other receivables	14	4,778,614	6,570,340
Income tax recoverable		404,408	1,701,986
Inventories	15	316,414	1,479,638
		7,935,633	18,661,778
Non-current assets			
Other receivables	14	1,597,623	1,490,744
Property, plant and equipment	17	4,736,582	4,932,940
Right-of-use assets	18(a)	830,986	999,793
Biological assets	19	52,458,000	42,200,000
Intangible asset	20	450,000	455,000
		60,073,191	50,078,477
Total assets		68,008,824	68,740,255
LIABILITIES			
Current liabilities			
Trade and other payables	21	2,658,440	3,145,896
Borrowings	22	4,586,673	1,286,879
		7,245,113	4,432,775
Non-current liabilities			
Borrowings	22	17,257,547	16,477,610
Deferred income tax liabilities	23	2,613,844	3,464,175
		19,871,391	19,941,785
Total liabilities		27,116,504	24,374,560
NET ASSETS		40,892,320	44,365,695
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	24	15,207,073	15,207,073
Retained earnings		16,508,028	16,523,535
Strategic reserve	25(a)	-	2,594,944
		31,715,101	34,325,552
Non-controlling interests	16	9,177,219	10,040,143
TOTAL EQUITY		40,892,320	44,365,695

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

STATEMENT OF FINANCIAL POSITION COMPANY

As at 31 July 2025

	Note	2025 RM	2024 RM
ASSETS			
Current assets			
Cash and bank balances	13	993,501	4,133,674
Trade and other receivables	14	1,577,893	37,027
		2,571,394	4,170,701
Non-current assets			
Other receivable	14	8,068,676	7,627,503
Investment in a subsidiary corporation	16	2,350,000	2,350,000
		10,418,676	9,977,503
Total assets		12,990,070	14,148,204
LIABILITIES			
Current liabilities			
Trade and other payables	21	289,635	865,190
NET ASSETS		12,700,435	13,283,014
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	24	15,207,073	15,207,073
Accumulated losses	25(b)	(2,506,638)	(1,924,059)
TOTAL EQUITY		12,700,435	13,283,014

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 July 2025

	Attributable to equity holders of the Company				Non-controlling interests	Total equity
	Share capital	Retained earnings	Strategic reserve	Total		
	RM	RM	RM	RM	RM	RM
2025						
Beginning of financial year	15,207,073	16,523,535	2,594,944	34,325,552	10,040,143	44,365,695
Total comprehensive loss for the financial year	-	(2,610,451)	-	(2,610,451)	(862,924)	(3,473,375)
Transfer between retained earnings and strategic reserve	-	2,594,944	(2,594,944)	-	-	-
End of financial year	15,207,073	16,508,028	-	31,715,101	9,177,219	40,892,320
2024						
Beginning of financial year	15,207,073	10,757,371	10,455,772	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)
Transfer between retained earnings and strategic reserve	-	7,860,828	(7,860,828)	-	-	-
End of financial year	15,207,073	16,523,535	2,594,944	34,325,552	10,040,143	44,365,695

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 July 2025

	Note	Group 2025 RM	2024 RM
Cash flows from operating activities			
Net loss		(3,473,375)	(2,684,370)
- Interest income	6	(120,700)	(248,483)
- Fair value gain on biological assets	7	(1,854,590)	(5,770,245)
- (Reversal)/Loss allowance on trade receivables	7	(267,682)	1,407,089
- Deposit written off		-	40,000
- Depreciation of property, plant and equipment	8	557,168	529,082
- Amortisation of intangible assets	8	5,000	5,000
- Depreciation of right-of-use assets	8	107,145	126,081
- Interest expense	10	637,177	94,701
- Income tax (credit)/expense	11	(850,331)	229,669
- Property, plant and equipment written off		-	914
- Gain on lease termination		-	(17,583)
		(5,260,188)	(6,288,145)
Changes in working capital:			
- Inventories		1,163,224	(912,877)
- Trade and other receivables		1,907,935	(1,118,226)
- Trade and other payables		(487,456)	1,404,934
Cash used in operations		(2,676,485)	(6,914,314)
Income tax refunded, net		1,297,578	-
Net cash used in operating activities		(1,378,907)	(6,914,314)
Cash flows from investing activities			
Additions to property, plant and equipment	17	(607,670)	(1,575,719)
Additions to biological assets		(8,094,888)	(10,541,691)
Interest income received		165,294	288,512
Net cash used in investing activities		(8,537,264)	(11,828,898)
Cash flows from financing activities			
Principal payment of lease liabilities		(152,295)	(210,125)
Proceeds from borrowings		3,684,083	8,474,943
Interest paid		(81,234)	(94,701)
Principal repayment of borrowings		(8,000)	(16,000)
Net cash provided by financing activities		3,442,554	8,154,117
Net decrease in cash and cash equivalent		(6,473,617)	(10,589,095)
Cash and cash equivalent			
Beginning of financial year		7,909,814	18,498,909
End of financial year	13	1,436,197	7,909,814

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 July 2025

Reconciliation of liabilities arising from financing activities

	1 August 2024 RM	Proceeds from borrowings RM	Principal and interest payments RM	Non-cash changes			31 July 2025 RM
				Additions RM	Lease termination RM	Interest expense RM	
Borrowings	16,544,183	3,684,083	(9,156)	-	-	557,099	20,776,209
Lease liabilities	1,220,306	-	(232,373)	-	-	80,078	1,068,011
	17,764,489	3,684,083	(241,529)	-	-	637,177	21,844,220

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

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 2024, 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 2025

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:

		Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-21	Lack of Exchangeability	1 January 2025
Amendments to SFRS(I) 9 and SFRS(I) 7	Disclosures: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvement to FRSs Volume 11		1 January 2026
Amendments to SFRS(I) 1-18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to SFRS(I) 1-19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to SFRS(I) 1-10 and SFRS(I) 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 2025

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

2. Material Accounting Policy Information (continued)

2.4 Group accounting (continued)

(a) *Subsidiary corporations (continued)*

(ii) *Acquisitions (continued)*

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 2025

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 2025

2. Material Accounting Policy Information (continued)

2.6 Intangible asset

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 asset is 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 which represent planted industrial timber trees, are stated at cost for immature plantations as at the financial year end. Mature biological assets are stated at fair value using future net cash flows, discounted at an appropriate discount rate. The cash flows are based on the yield and market prices of logs, less costs to sell and the estimated tax payable at the current rates. Estimated market prices are obtained from observable market prices, contracted prices or estimated future prices. The costs to sell include the incremental selling costs, including royalties payable to Sabah authorities, estimated extraction costs 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 any 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

2. Material Accounting Policy Information (continued)

2.10 Impairment of non-financial assets (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

2. Material Accounting Policy Information (continued)

2.11 Financial assets (continued)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

2. Material Accounting Policy Information (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

2. Material Accounting Policy Information (continued)

2.16 Leases (continued)

When the Group is the lessee (continued)

(b) Lease liabilities (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

2. Material Accounting Policy Information (continued)

2.18 Income taxes (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

2. Material Accounting Policy Information (continued)

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 and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

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

Expected Credit Losses (continued)

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 of mature timber plantations is estimated with reference to an external independent professional valuer using the present value of expected future net cash flows from the biological assets. Determining the present value of expected future net cash flows requires the use of assumptions and estimates relating to harvesting plan, harvest yield per hectare, sale prices, extraction costs and discount rate. For immature timber plantations, costs are considered to approximate fair value when minimal biological transformation has occurred since the initial cost was incurred. 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.

Leases for plantation land

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 2025, potential future (undiscounted) cash outflows of approximately RM5,521,500 (2024: 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 RM3,473,375 (2024: RM2,684,370) or RM5,327,965 (2024: RM8,454,615) excluding the fair value gain on biological assets, and had net cash used in operating activities of RM1,378,907 (2024: RM6,914,314). In addition, the Group's cash and bank balances decreased from RM8,909,814 in prior year to RM2,436,197 as at 31 July 2025.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

4. Going concern (continued)

While the above matters highlight conditions that could affect the Group's cash flows and operations, 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 positive net current assets and net assets as well as cash and cash equivalents of RM1,436,197 (2024: RM7,909,814) as at the financial year end;
2. Subsequent to the end of the financial year, the Group received claims amounting to RM6,137,631 related to plantation costs incurred, from the Forest Plantation Development Sdn. Bhd. ("FPD") as part of the ongoing loan package. There remains an undrawn balance of approximately RM19.7 million from the FPD to the Group for drawdown in due course to support ongoing forest development activities;
3. Subsequent to end of the financial year, the Group received temporary cash advances from deemed shareholder and shareholder amounting to RM1,000,000 and RM400,000 respectively. The total amount of RM1,400,000 is interest free and repayable in full as soon as the cash flow of the Group permits; and
4. Management has also planned 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 the use of the going concern assumption to prepare the Group's financial statements remains appropriate.

5. Revenue

	Group	
	2025 RM	2024 RM
Sale of logs/industrial tree plantation	10,184,330	8,152,797

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

6. Other income

	Group	
	2025 RM	2024 RM
Interest income from bank deposits	120,700	248,483
Others	12,891	31,438
	133,591	279,921

7. Other gains/(losses)

	Group	
	2025 RM	2024 RM
Fair value gain on biological assets (Note 19)	1,854,590	5,770,245
Reversal/(Loss) allowance on trade receivables (Note 26(b)(i))	267,682	(1,407,089)
Loss on foreign exchange, net	(151)	(728)
	2,122,121	4,362,428

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

8. Expenses by nature

	Group	
	2025	2024
	RM	RM
<u>Cost of sales</u>		
Extraction costs	3,167,043	3,527,133
Royalty fees	1,771,692	2,050,544
Fuel and oil	122,456	308,184
Conservation fee	51,032	47,728
Hiring charges	651,773	461,473
Others	13,747	22,114
Change in inventories	1,163,224	(912,877)
	6,940,967	5,504,299
<u>Distribution expenses</u>		
Hauling charges	1,394,840	895,761
Loader fees	213,128	196,604
Barging	229,343	144,175
	1,837,311	1,236,540
<u>Administrative expenses</u>		
Amortisation of intangible assets (Note 20)	5,000	5,000
Auditors' remuneration paid/payable to:		
- Auditor of the Company	177,714	186,300
- Other auditor	85,000	85,000
Other fees paid/payable to:		
- Other auditor	16,000	16,000
Depreciation of property, plant and equipment (Note 17)	557,168	529,082
Depreciation of right-of-use assets (Note 18(a))	107,145	126,081
Directors' fees	355,788	359,166
Directors' remuneration	339,112	380,993
Donations	98,418	94,568
Employee compensation (Note 9)	3,256,097	3,616,373
Professional fees	637,539	933,141
Rental expenses on short-term leases (Note 18(c))	52,800	18,000
Repair and maintenance	373,004	393,333
Travelling and transportation	273,213	390,245
Advertisement	3,374	202,593
Insurance	281,684	241,637
Entertainment	110,010	147,169
Others	619,227	689,626
	7,348,293	8,414,307
Total costs of sales, distribution and administrative expenses	16,126,571	15,155,146

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

9. Employee compensation

	Group	
	2025 RM	2024 RM
Wages and salaries	2,794,781	3,134,125
Employer's contribution to defined contributions plan	347,462	386,103
Other short-term benefits	113,854	96,145
	3,256,097	3,616,373

10. Finance expense

	Group	
	2025 RM	2024 RM
Interest expense		
- Borrowings	557,099	397,896
- Lease liabilities (Note 18(b))	80,078	93,270
	637,177	491,166
Less: Amount capitalised as biological assets	-	(396,465)
Amount recognised in profit or loss	637,177	94,701

The above borrowings were specifically for the development of biological assets. In prior year, interest expenses incurred on these borrowings were capitalised and included in biological assets (Note 19).

11. Income tax (credit)/expense

	Group	
	2025 RM	2024 RM
Income tax (credit)/expense attributable to loss is made up of:		
Deferred income tax (Note 23)		
- Current year provision	(739,926)	355,430
- Overprovision in prior financial year	(110,405)	(125,761)
	(850,331)	229,669

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

11. Income tax (credit)/expense (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	
	2025 RM	2024 RM
Loss before income tax	(4,323,706)	(2,454,701)
Tax calculated at tax rate of 0% (2024: 0%)	-	-
Effects of:		
- different tax rate in other jurisdiction	(897,870)	(419,004)
- income not subject to tax	(52,800)	-
- expenses not deductible for tax purposes	205,289	626,988
- overprovision of deferred income tax in prior financial year	(110,405)	(125,761)
- others	5,455	147,446
Income tax (credit)/expense	(850,331)	229,669

In accordance with Labuan Business Activity Tax Act 1990, the Company is not subjected to tax and therefore shall not be charged to tax for the year of assessment.

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.

	2025	2024
<u>Numerator</u>		
Net loss attributable to equity holder of the Company (RM)	(2,610,451)	(2,094,664)
<u>Denominator</u>		
Weighted average number of ordinary shares ('000)	118,474	118,474
Basic and diluted earnings per share (Sen per share) ⁽¹⁾	(2.20)	(1.77)

⁽¹⁾ The basic and fully diluted earnings per share are the same as there were no dilutive ordinary shares in issue as at 31 July 2025 and 2024.

13. Cash and bank balances

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash at bank	1,202,656	2,347,329	993,492	772,188
Cash on hand	10,595	10,224	9	9
Short-term bank deposits	1,222,946	6,552,261	-	3,361,477
	2,436,197	8,909,814	993,501	4,133,674

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

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	
	2025 RM	2024 RM
Cash and bank balances	2,436,197	8,909,814
Less: Bank deposits pledged	(1,000,000)	(1,000,000)
Cash and cash equivalents per consolidated statement of cash flows	<u>1,436,197</u>	<u>7,909,814</u>

Bank deposits pledged are in relation to the banker's guarantee required for the license as described in Note 20. In prior year, 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	
	2025 RM	2024 RM	2025 RM	2024 RM
Current				
Trade receivables				
- Non-related parties	5,978,264	7,796,421	-	-
Less: Allowance for impairment (Note 26(b)(i))	(1,389,716)	(1,657,398)	-	-
	<u>4,588,548</u>	<u>6,139,023</u>	<u>-</u>	<u>-</u>
Other receivables				
- Related parties	49,800	140,644	-	-
- Related corporation	16,595	16,595	-	-
- Subsidiary	-	-	1,557,149	-
- Non-related parties	93,180	189,088	-	15,008
	<u>159,575</u>	<u>346,327</u>	<u>1,557,149</u>	<u>15,008</u>
Deposits	29,440	29,440	-	-
Prepayments	1,051	55,550	20,744	22,019
	<u>4,778,614</u>	<u>6,570,340</u>	<u>1,577,893</u>	<u>37,027</u>
Non-current				
Retention sum on royalty fees (Note 1)	1,444,222	1,444,222	-	-
Other receivables – Non-related party	153,401	46,522	-	-
- Subsidiary corporation	-	-	8,068,676	7,627,503
	<u>1,597,623</u>	<u>1,490,744</u>	<u>8,068,676</u>	<u>7,627,503</u>
	<u>6,376,237</u>	<u>8,061,084</u>	<u>9,646,569</u>	<u>7,664,530</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

14. Trade and other receivables (continued)

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.

Non-current other receivables from subsidiary corporation are unsecured and subject to a variable interest rate of 7.60% (2024: 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	
	2025 RM	2024 RM	2025 %	2024 %
Company				
Other receivables				
– subsidiary corporation	8,068,676	7,627,503	7.60	7.85

15. Inventories

	Group	
	2025 RM	2024 RM
At cost		
Logs in transit to customers	277,623	648,328
Finished goods	–	811,403
Others	38,791	19,907
	316,414	1,479,638

The cost of inventories recognised as an expense and included in “cost of sales” amounted to RM6,101,959 (2024: RM4,664,800).

16. Investment in a subsidiary corporation

	Company	
	2025 RM	2024 RM
Equity investment at cost		
Beginning and end of financial year	2,350,000	2,350,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

16. Investment in a subsidiary corporation (continued)

The Group had the following subsidiary corporation as at 31 July 2025 and 2024:

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	
			2025 %	2024 %	2025 %	2024 %
Jawala Plantation Industries Sdn. Bhd. ^(a)	Harvesting, distributing, processing and sales of logs/ industrial tree plantation	Malaysia	70	70	30	30

^(a) Audited by PKF, Malaysia for local statutory purpose.

Carrying value of non-controlling interests

	2025 RM	2024 RM
Jawala Plantation Industries Sdn. Bhd.	9,177,219	10,040,143

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

	2025 RM	2024 RM
Current		
Assets	6,921,388	14,933,928
Liabilities	(8,512,626)	(4,010,437)
Total net current (liabilities)/assets	(1,591,238)	10,923,491
Non-current		
Assets	60,073,190	50,078,477
Liabilities	(27,940,067)	(27,569,288)
Total net non-current assets	32,133,123	22,509,189
Net assets	30,541,885	33,432,680

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

16. Investment in a subsidiary corporation (continued)

Summarised statement of comprehensive income

	2025 RM	2024 RM
Revenue	10,184,330	8,152,797
Loss before income tax	(3,741,125)	(1,745,847)
Income tax credit/(expense)	850,331	(229,669)
Total comprehensive loss, representing net loss	(2,890,794)	(1,975,516)
Total comprehensive loss and net loss allocated to non-controlling interests	(862,924)	(589,706)

Summarised statement of cash flows

	2025 RM	2024 RM
<u>Cash flows from operating activities</u>		
Cash used in operations	559,385	(6,075,932)
Income tax refunded	1,297,578	-
Net cash generated from/(used in) operating activities	1,856,963	(6,075,932)
Net cash used in investing activities	(8,632,961)	(11,960,681)
Net cash generated from financing activities	3,442,554	8,154,116
Net decrease in cash and cash equivalents	(3,333,444)	(9,882,497)
Cash and cash equivalents		
Beginning of financial year	3,776,140	13,658,637
End of financial year	442,696	3,776,140

The above cash and cash equivalents excluded bank deposits of RM1,000,000 (2024: 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 2025

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
Group						
2025						
<i>Cost</i>						
Beginning of financial year	283,381	449,075	601,107	6,059,052	695,000	8,087,615
Additions	20,269	10,909	-	576,492	-	607,670
End of financial year	303,650	459,984	601,107	6,635,544	695,000	8,695,285
<i>Accumulated depreciation</i>						
Beginning of financial year	98,599	365,485	572,114	2,111,527	6,950	3,154,675
Depreciation charge (Note 8)	29,952	57,786	19,594	435,936	13,900	557,168
Depreciation capitalised	-	-	2,000	244,860	-	246,860
End of financial year	128,551	423,271	593,708	2,792,323	20,850	3,958,703
Net book value						
End of financial year	175,099	36,713	7,399	3,843,221	674,150	4,736,582
2024						
<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	283,381	449,075	601,107	6,059,052	695,000	8,087,615
<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	98,599	365,485	572,114	2,111,527	6,950	3,154,675
Net book value						
End of financial year	184,782	83,590	28,993	3,947,525	688,050	4,932,940

Depreciation charge relating to property, plant and equipment used in plantation (reforestation) development activities during the financial year of RM246,860 (2024: RM198,456) is capitalised and included in biological assets (Note 19).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

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
2025			
Cost			
Beginning and end of financial year	936,357	1,070,460	2,006,817
Accumulated depreciation			
Beginning of financial year	316,403	690,621	1,007,024
Depreciation charge (Note 8)	34,852	72,293	107,145
Depreciation capitalised	–	61,662	61,662
End of financial year	351,255	824,576	1,175,831
Carrying amount			
End of financial year	585,102	245,884	830,986
2024			
Cost			
Beginning of financial year	1,043,505	1,070,460	2,113,965
Lease termination	(107,148)	–	(107,148)
End of financial year	936,357	1,070,460	2,006,817
Accumulated depreciation			
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	316,403	690,621	1,007,024
Carrying amount			
End of financial year	619,954	379,839	999,793

(b) Interest expense

	2025 RM	2024 RM
Interest expense on lease liabilities (Note 10)	80,078	93,270

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

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

- (c) Lease expense not capitalised in lease liabilities

	2025 RM	2024 RM
Lease expense – short-term leases (Note 8)	52,800	18,000

- (d) Total cash outflow for leases in 2025 was RM285,173 (2024: RM321,395).

- (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	
	2025 RM	2024 RM
Beginning of financial year	42,200,000	25,200,000
Additions	8,415,493	11,250,055
Harvested	(12,083)	(20,300)
Changes in fair value of biological assets (Note 7)	1,854,590	5,770,245
End of financial year	52,458,000	42,200,000

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 2025 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 their competency and qualification relevant to the scope of work.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

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 ³ : RM380 (2024: RM400)	The higher the selling price, the higher the fair value
		(ii)	Discount rate of 16% (2024: 16%)	The higher the discount rate, the lower the fair value
		(iii)	Estimated yield per hectare: 140m ³ /ha (2024: 147 m ³ /ha)	The higher the yield rate, the higher the fair value

During the current financial year, the Group reviewed its estimation approach for determining the carrying amount of immature plantations. In prior year, immature plantations were measured at fair value, determined by using discounted future net cash flow models under the income approach.

Management reassessed the valuation methodology and concluded that cost, which reflects the accumulated cost components of the plantations, approximates fair value. The change reflects management's assessment that cost better approximates fair value due to minimal biological transformation and the immaterial effect of biological changes on prices.

As a result of this change in accounting estimate, the carrying amount of immature plantations decreased by RM 3,642,000 for the current financial year. The effect on future periods cannot be quantified practicably, as it will depend on future biological growth and market price movements.

20. Intangible asset

	Group	
	2025 RM	2024 RM
Acquired timber rights		
Cost		
Beginning and end of financial year	500,000	500,000
Accumulated amortisation		
Beginning of financial year	45,000	40,000
Amortisation charge (Note 8)	5,000	5,000
End of financial year	50,000	45,000
Net book value		
End of financial year	450,000	455,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

20. Intangible asset (continued)

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.

21. Trade and other payables

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Trade payables - Non-related parties	1,039,766	760,527	-	-
Other payables				
- Non-related parties	651,544	950,371	77,346	66,206
- Related parties	109,990	150,834	-	-
- Ultimate holding corporation	357,373	7,954	-	-
- Subsidiary corporation	-	-	-	442,851
- Related corporation	11,345	11,345	-	-
	1,130,252	1,120,504	77,346	509,057
Accruals for operating expenses	488,422	1,264,865	212,289	356,133
	2,658,440	3,145,896	289,635	865,190

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

22. Borrowings

	Group	
	2025	2024
	RM	RM
Current		
Lease liabilities	116,429	152,293
Borrowings	4,470,244	1,134,586
	4,586,673	1,286,879
Non-current		
Lease liabilities	951,582	1,068,013
Borrowings	16,305,965	15,409,597
	17,257,547	16,477,610
Total borrowings	21,844,220	17,764,489

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, 2024 and 2025 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

22. Borrowings (continued)

(a) Security granted

The borrowings of the Group are secured over (i) corporate guarantee issued by immediate and ultimate holding corporation, Jawala Corporation Sdn. Bhd. and (ii) 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.

(b) Fair value of non-current borrowings

The carrying amounts of non-current borrowings as at 31 July 2025 approximates its fair values as it is subject to interest rates close to market rate of interests which is determined from the cash flow analyses, discounted at market borrowing rates of 3% (2024: 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	
	2025	2024
	RM	RM
Deferred income tax assets		
Unabsorbed capital allowance	(853,425)	(632,758)
Unutilised tax loss carry forward	(9,084,328)	(6,084,252)
Other	(46,997)	(44,976)
	(9,984,750)	(6,761,986)
Deferred income tax liabilities		
Biological assets	12,224,143	9,836,268
Accelerated tax depreciation	374,451	389,893
	12,598,594	10,226,161
Net deferred tax liabilities	2,613,844	3,464,175

Movement in deferred income tax account is as follows:

	Group	
	2025	2024
	RM	RM
Beginning of financial year	3,464,175	3,234,506
Income tax (credit)/expense (Note 11)	(850,331)	229,669
End of financial year	2,613,844	3,464,175

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

24. Share capital

	Group and Company	
	No. of ordinary shares	Amount RM
2025 and 2024		
Beginning and end of financial year	118,474,000	15,207,073

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 earnings and strategic reserve

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 reserve 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 reserve of the Group is as follows:

	Group	
	2025 RM	2024 RM
Beginning of financial year	2,594,944	10,455,772
Utilisation	(2,594,944)	(7,860,828)
End of financial year	-	2,594,944

During the financial year, RM2,594,944 (2024: RM7,860,828) was utilised from strategic reserve for planting activities.

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

	Company	
	2025 RM	2024 RM
Beginning of financial year	(1,924,059)	(1,215,204)
Net loss for the year	(582,579)	(708,855)
End of financial year	(2,506,638)	(1,924,059)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

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 RM80,687 (2024: RM76,275) 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 2025

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	
	2025 RM	2024 RM
Corporate guarantee provided to a related party on hire purchase facility	646,704	1,121,728

Concentration of credit risk relating to trade receivables is limited due to the Group's varied customers. The Group's top 3 (2024: 3) most significant customers account for individual balances represented between 15% to 48% (2024: 13% to 42%) of the trade receivables as at 31 July 2025. 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	
	2025 RM	2024 RM
At beginning of financial year	1,657,398	250,309
(Reversal)/Loss allowance recognised in profit or loss	(267,682)	1,407,089
At end of financial year (Note 14)	1,389,716	1,657,398

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

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
Group						
31 July 2025						
Expected loss rate	0%	0%	0%	0%	53%	
Trade receivables	1,129,963	591,096	498,819	1,151,903	2,606,483	5,978,264
Loss allowance	-	-	-	-	(1,389,716)	(1,389,716)
31 July 2024						
Expected loss rate	3%	0%	0%	0%	42%	
Trade receivables	1,873,489	925,168	1,151,483	-	3,846,281	7,796,421
Loss allowance	(56,725)	-	-	-	(1,600,673)	(1,657,398)

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

26. Financial risk management (continued)

Financial risk factors (continued)

(b) Credit risk (continued)

(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.

(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
Group			
At 31 July 2025			
Trade and other payables	2,658,440	-	-
Borrowings	4,586,673	16,833,259	4,771,747
Financial guarantee contract	397,224	249,480	-
	7,642,337	17,082,739	4,771,747
At 31 July 2024			
Trade and other payables	3,145,896	-	-
Borrowings	1,286,879	16,014,223	4,884,087
Financial guarantee contract	475,024	646,704	-
	4,907,799	16,660,927	4,884,087
Company			
At 31 July 2025			
Trade and other payables	289,635	-	-
At 31 July 2024			
Trade and other payables	865,190	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

26. Financial risk management (continued)

Financial risk factors (continued)

(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. There were no changes made to the objectives, policies and processes during the financial years ended 31 July 2025 and 31 July 2024.

The Group and the Company do not have any externally imposed capital requirements for the financial years ended 31 July 2025 and 2024.

(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:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) 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
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The carrying amount of current financial assets measured at fair value is as follows.

	Level 3	
	2025 RM	2024 RM
<u>Group</u>		
Asset		
Biological assets	52,458,000	42,200,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

26. Financial risk management (continued)

Financial risk factors (continued)

(f) Financial instruments by category

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

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Financial assets				
<u>At amortised cost</u>				
Cash and bank balances	2,436,197	8,909,814	993,501	4,133,674
Trade and other receivables	4,777,563	6,514,790	1,557,149	15,008
Other receivables - non-current	153,401	46,522	8,068,676	7,627,503
	7,367,161	15,471,126	10,619,326	11,776,185
Financial liabilities				
<u>At amortised cost</u>				
Trade and other payables	2,658,440	3,145,896	289,635	865,190
Lease Liabilities	1,068,011	1,220,306	-	-
Borrowings	20,776,209	16,544,183	-	-
	24,502,660	20,910,385	289,635	865,190

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	
	2025	2024
	RM	RM
Rental expense on short-term lease charged by immediate holding corporation	-	(2,000)
Rental expense on short-term lease charged by related parties	(12,000)	(12,000)
Expenses incurred in biological assets charged by related parties	(2,722,527)	(2,685,106)
Purchases made from related parties	-	(207,291)
Rental income on short-term lease received from related parties	-	3,000

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2025

27. Significant related party transactions (continued)

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2025 RM	2024 RM
Directors of the Company		
Directors' fees		
- Company	319,788	323,166
- Subsidiary	36,000	36,000
Wages and salaries		
- Company	60,000	67,500
- Subsidiary	240,000	270,000
Defined contributions plan		
- Company	8,959	9,934
- Subsidiary	30,153	33,559
	694,900	740,159
Other key management personnel		
Wages and salaries		
- Subsidiary	433,200	472,850
Defined contributions plan		
- Subsidiary	54,205	58,643
	487,405	531,493

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 2025 and 2024 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 29 October 2025.

SHAREHOLDERS' INFORMATION

As at 10 October 2025

Number of Issued Shares	:	118,474,000
Issued and Fully Paid Up Capital	:	RM15,207,073 or SGD4,686,020
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 2025

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0.00
100 - 1,000	45	41.29	39,200	0.03
1,001 - 10,000	47	43.12	172,700	0.15
10,001 - 1,000,000	14	12.84	1,822,400	1.54
1,000,001 AND ABOVE	3	2.75	116,439,700	98.28
TOTAL	109	100.00	118,474,000	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 10 OCTOBER 2025

NO.	NAME	NO. OF SHARES	%
1	JAWALA CORPORATION SDN. BHD.	100,000,000	84.41
2	UOB KAY HIAN PRIVATE LTD	14,439,700	12.19
3	DB NOMINEES (SINGAPORE) PTE LTD	2,000,000	1.69
4	PHILLIP SECURITIES PTE LTD	378,300	0.32
5	CITIBANK NOMINEES SINGAPORE PTE LTD	368,400	0.31
6	OU YANG YAN TE	157,500	0.13
7	LEONG SOAY YUET	140,000	0.12
8	YUNG LAY KIANG	140,000	0.12
9	TAN LAY CHING	130,000	0.11
10	GAN PEI LING OR CHEE HAN HWA	113,000	0.10
11	YEO KHEE SENG BENNY	110,000	0.09
12	OCBC SECURITIES PRIVATE LIMITED	100,000	0.08
13	TAN PENG KHOON	70,000	0.06
14	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	40,100	0.03
15	CHEW AH BA	35,000	0.03
16	HSBC (SINGAPORE) NOMINEES PTE LTD	20,100	0.02
17	TAN HUI YIN	20,000	0.02
18	CHEE KENG LOO @ CHEE KUM YOKE	10,000	0.01
19	LAI LYE HENG	8,000	0.01
20	CHEE SWEE SENG SEBASTIAN	6,000	0.01
TOTAL		118,286,100	99.86

SHAREHOLDERS' INFORMATION

As at 10 October 2025

SUBSTANTIAL SHAREHOLDERS AS AT 10 OCTOBER 2025 (as recorded in the Register of Substantial Shareholders)

Name	Direct Interest	%	Deemed Interest	%
Jawala Corporation Sdn. Bhd. ⁽¹⁾	100,000,000	84.4	–	–
Tan Sri Abdul Majid Khan ⁽²⁾	–	–	100,000,000	84.4
Datuk Jema Khan ⁽³⁾	–	–	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 all 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 2025. 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 **Friday, 28 November 2025** at **2.00 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 2025, together with the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect Datuk Jema Anton Khan, 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 Abdul Rahman Khan Bin Hakim Khan, a Director retiring pursuant to Article 98 of the Articles of Association of the Company. **(Resolution 3)**

[Explanatory Note (ii)]
4. To approve Directors’ fees of RM319,200 (equivalent to SGD96,727) payable by the Company for the financial year ending 31 July 2026, to be paid half yearly in arrears (FY2025: RM321,600 (equivalent to SGD94,588)). **(Resolution 4)**

[Explanatory Note (iii)]
5. To re-appoint PKF-CAP LLP as auditors of the Company, and to authorise the Directors to fix their remuneration. **(Resolution 5)**

[Explanatory Note (iv)]
6. 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:-

7. **Authority to Allot and Issue Shares** **(Resolution 6)**

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
- (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

NOTICE OF ANNUAL GENERAL MEETING

- (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 (v)]

NOTICE OF ANNUAL GENERAL MEETING

8. **Authority to grant awards and issue shares under the Jawala Performance Share Plan** (Resolution 7)

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 (vi)]

9. **Authority to grant options and issue shares under the Jawala Employee Share Option Scheme** (Resolution 8)

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 (vi)]

By Order of the Board

Jason Chen
Chew Pei Tsing
Company Secretaries

Singapore
6 November 2025

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Resolution 2 is to re-elect Datuk Jema Anton Khan ("**Datuk Jema**") who will be retiring under Article 98 of the Articles of Association ("**Articles**") of the Company.

Datuk Jema will, upon re-election as a Director, remain as Chairman and Non-Independent Non-Executive Director.

Detailed information of Datuk Jema (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 at the AGM" in the Company's Annual Report.

- (ii) Resolution 3 is to re-elect Mr Abdul Rahman Khan Bin Hakim Khan ("**Mr Rahman**") who will be retiring under Article 98 of the Articles.

Mr Rahman will, upon re-election as a Director, remain as an Executive Director and Chief Executive Officer of the Company.

Detailed information of Mr Rahman (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 at the AGM" in the Company's Annual Report.

- (iii) Resolution 4 is to approve the payment of Directors' fees during the financial year ending 31 July 2026 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 changes in the number of Directors for the financial year ending 31 July 2026 ("**FY2026**"). Should any Director hold office for only part of FY2026 and not the whole of FY2026, the Directors' fees payable to him/her will be appropriately pro-rated.
- (iv) Resolution 5 is to approve the re-appointment of PKF-CAP LLP as auditors of the Company, and to authorise the Directors to fix their remuneration.
- (v) Resolution 6, 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.
- (vi) Resolutions 7 and 8, 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:

- The AGM will be held, in a wholly physical format, at **Rose Room I, York Hotel, 21 Mount Elizabeth, Singapore 228516** on **Friday, 28 November 2025** at **2.00 p.m.** **There will be no option for Shareholders to participate virtually.**
- The Company's Annual Report for the financial year ended 31 July 2025, Sustainability Report, Notice of AGM and the accompanying proxy form will be published on the Company's website at <https://jawalainc.com/2025-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 and receive it prior to the AGM should request the same via email to srs.requestform@boardroomlimited.com or by completing the Request Form which was sent to you on **6 November 2025** 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 Monday, 17 November 2025.**

- 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.**

NOTICE OF ANNUAL GENERAL MEETING

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/2025-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 in the proxy form, 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 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.
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 Tuesday, 18 November 2025** 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 Monday, 17 November 2025**:
 - (a) by email, to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.teamE@boardroomlimited.com; or
 - (b) 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/2025-annual-general-meeting/>, by **Friday, 21 November 2025**.
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/2025-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**,

in each case, **no later than 2.00 p.m., on 25 November 2025** (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. 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 must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may 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 seventy-two (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 Friday, 28 November 2025 at 2.00 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**
Ordinary Business				
1.	To receive and adopt Directors' Statement and Audited Financial Statements for the financial year ended 31 July 2025, together with the Auditors' Report thereon.			
2.	To re-elect Datuk Jema Anton Khan as a Director of the Company.			
3.	To re-elect Mr Abdul Rahman Khan Bin Hakim Khan as a Director of the Company.			
4.	To approve Directors' fees for the financial year ending 31 July 2026, to be paid half yearly in arrears.			
5.	To re-appoint PKF-CAP LLP as auditors of the Company, and to authorise the Directors to fix their remuneration.			
Special Business				
6.	To authorise the Directors to allot and issue shares.			
7.	To authorise the Directors to grant awards and issue shares under the Jawala Performance Share Plan.			
8.	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.

IMPORTANT: PLEASE READ NOTES OVERLEAF

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

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



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 Friday, 28 November 2025 at 2.00 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 81SF 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 2025 may be accessed on SGXNet at <https://www.sgx.com/securities/company-announcements> or the Company's corporate website at <https://jawalainc.com/2025-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 or by completing the Request Form which was sent to you on **6 November 2025** 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 Monday, 17 November 2025.**

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 Tuesday, 18 November 2025** 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 Monday, 17 November 2025**:
 - (a) by email, to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.teamE@boardroomlimited.com; or
 - (b) 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.
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).Any question without these identification details will not be entertained.
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,in each case, **no later than 2.00 p.m., on 25 November 2025** (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.
16. 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 seventy-two (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 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 **6 November 2025**.



JAWALA INC.

(Company Registration No: LL13922)
(Incorporated in Labuan on 8 August 2017)

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