




Rare, Threatened,  
Endangered Plants



Rare, Threatened,  
Endangered Animal Species  
(MAMMALS)



Rare, Threatened,  
Endangered Animal Species  
(BIRDS)



Forest Ecosystem  
and Services



Community  
Needs



# REPLANTING SABAH'S FOREST FOR FUTURE GENERATIONS



Annual Report  
2024

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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 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

Listed on the Catalyst 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 salvage logging are sold to customers for the production of sawn-timber, veneer, plywood and other timber products.

## GROUP STRUCTURE & DEFINITIONS

**Jawala Inc.**

**70%**

**Jawala Plantation Industries Sdn. Bhd.**

**Name of Company**

**Principal Activities**

Jawala Inc. (the “Company”)

Investment Holding

Jawala Plantation Industries Sdn. Bhd.  
 (“JPISB”)

Harvesting, distributing, processing and sales of logs/Industrial tree plantation

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Datuk Jema Anton Khan** ("Datuk Jema Khan")  
*Chairman*

**Abdul Rahman Khan Bin Hakim Khan**  
("Mr. Rahman Khan")  
*Chief Executive Officer and Executive Director*

**Muaz Bin Jema Khan** ("Mr. Muaz")  
*Non-Independent Non-Executive Director*

**Lee Yong Soon** ("Mr. Lee Yong Soon")  
*Lead Independent Director*

**Leow Ming Fong @ Leow Min Fong**  
("Mr. Leow Ming Fong")  
*Independent Director*

**Faridah Binti Mohd. Fuad Stephens**  
("Ms. Faridah")  
*Independent Director*

**Dato' Mary Lim Thiam Suan** ("Dato' Mary")  
*Proposed Independent Director*

### AUDIT COMMITTEE

**Leow Ming Fong @ Leow Min Fong** - *Chairman*  
**Lee Yong Soon**  
**Faridah Binti Mohd. Fuad Stephens**

### NOMINATING COMMITTEE

**Lee Yong Soon** - *Chairman*  
**Faridah Binti Mohd. Fuad Stephens**  
**Leow Ming Fong @ Leow Min Fong**

### REMUNERATION COMMITTEE

**Faridah Binti Mohd. Fuad Stephens** - *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**  
8 Anthony Road,  
#01-01,  
Singapore 229957

### 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:  
**Lee Eng Kian**  
(Appointed since the financial year  
ended 31 July 2024)

### 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

A tall, slender tree with a wide canopy stands prominently in a lush forest. The tree's trunk is straight and light-colored, tapering slightly towards the top. The canopy is composed of many smaller branches with green leaves. In the foreground, a green plastic net is stretched across the ground, supported by wooden stakes. The background is filled with other trees of various heights and shades of green, under a bright blue sky with scattered white clouds. The sun is visible through the trees on the left side of the frame.

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

# CHAIRMAN'S MESSAGE



**DATUK JEMA KHAN**  
Chairman



## 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 2024 ("FY2024").

The Group currently manages a Licensed Area comprising a Commercial Forest Reserve (Class II) of approximately 11,043 hectares in the Sapulut Forest Reserve in Sabah, Malaysia, until 31 December 2115. The Group's objective is "Replanting Sabah's Forest for Future Generations" and it represents a commitment to sustainable plantation development.

The Malaysian economy recorded a reduction in Gross Domestic Product ("GDP") of 3.7% in 2023 compared to 8.7% in 2022 mainly due to slower global trade, the global tech downcycle, geopolitical tensions and tighter monetary policies.

The Department of Statistics, Sabah show that the total volume of timber exported from January to June 2024 was 227,427 m<sup>3</sup> valued at RM506 million. However, the recent strengthening of the MYR to USD will pose immediate risks to the margin of the industry. The New Minimum Wage policy will continue to escalate costs further. The ongoing conflicts in the Middle East and Ukraine also continue to pose risks to the shipping costs of our customers. On the other hand, the recent interest rate reduction by the US Federal Reserve is a positive step in stimulating housing starts in the USA. The USA plywood market is a major market for Sabah.

### FINANCIAL PERFORMANCE

Our revenue is derived principally from the sales of logs in Malaysia.

For the financial year under review, total revenue decreased by RM3.1 million, or 27% in FY2024 compared to FY2023 mainly due to the Group's decision to delay its logging and production operations in response to the weak prices and demand in the timber market in the first half of FY2024.

Loss after tax in FY2024 amounted to RM2.7 million compared to loss after tax of RM0.9 million in FY2023.

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 amounting to RM 42.2 million as at 31 July 2024 is reflected in the financial statements accordingly.

Cash and bank balances were the most significant component of current assets and amounted to approximately RM8.9 million as at 31 July 2024 compared to RM19.5 million as at 31 July 2023, due to negative cash flow from operating activities and additions to property, plant and equipment and biological assets.

### DIVIDEND

No dividend has been declared or recommended for FY2024 after taking into consideration the loss recorded by the Group and the strategic reserves requirement.

### GOVERNANCE AND SUSTAINABILITY

The Group manages a business that is greatly associated with the natural environment. Acknowledging the need to ensure the sustainability of our business as well as the natural environment, the Group established an objective that promises a responsible business model where we place sustainability and the future generation at the forefront of our business.

We were pleased that our subsidiary, Jawala Plantation Industries Sdn. Bhd. was awarded World Outstanding ESG

# CHAIRMAN'S MESSAGE

Leadership Impact Excellence Award from KSI Strategic Institute for Asia Pacific. It will encourage our management and staff to keep up with the good work.

The Board also understands that the Group is accountable and responsible for its business actions, and it is committed to providing adequate and reliable information to the stakeholders of the Group, allowing them to make informed decisions and assessments about our business. This commitment extends beyond our responsibility to provide timely information to shareholders as a company listed on the Catalist of Singapore Exchange Securities Trading Limited ("SGX-ST").

In recent years, global communities, including governments and businesses, have ramped up efforts to combat climate change through various initiatives such as the establishment of greenhouse gas ("GHG") reporting mechanisms, carbon pricing mechanisms, and carbon trading markets. In Singapore, SGX has also enhanced the climate reporting requirements for listed companies. This year, the Board also reports on the Group's progress towards mandatory climate reporting based on the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD Recommendations").

During the financial year under review, Jawala donated a total amount of RM46,790 towards various community initiatives aimed at supporting local development and welfare.

The Group successfully met the conditions of its Annual Work Plan 2023 and all environmental impact assessment requirements. On this note, I am pleased to advise that the Sabah Forestry Department has certified that the Group is in compliance with all requirements under the Timber Legality Assurance Scheme for industrial timber plantations and the Compliance Certificate 2024 was received.

The Group's main focus on industrial tree plantations in Malaysia, had successfully achieved a seedling production of 839,823 with total of 322,927 seedlings planted in FY2024. The total area planted during FY2024 was 520 hectares resulting in approximately 3,363 hectares planted as at 31 July 2024. Our planting progress has been delayed in FY2024 as we were facing a shortage of machinery and manpower for maintenance and planting activities. As the Group increases its planting activities, the total biological assets as at 31 July 2024 after fair valuation amounted to RM42.2 million, an increase of approximately RM17 million from FY2023.

## GOING FORWARD

Moving forward, the Group will continue to focus on the plantation development activities and we are pleased to announce that with our successful trial harvest in FY2023 barring any unforeseen bad market circumstances, we intend to harvest 181 hectares of compartment 7 which is our first planted compartment in April 2018 consisting of 47 hectares of Albizia and 134 hectares of Laran.

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.

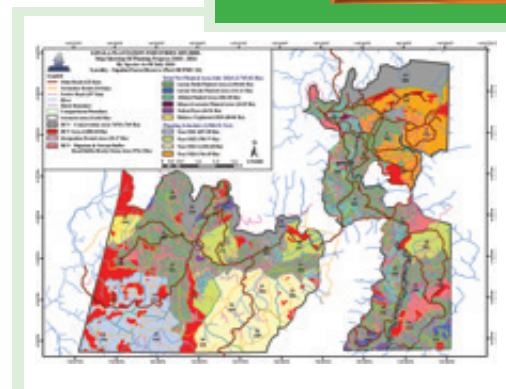
## THANK YOU

On behalf of the Board, I would like to express our heartfelt thanks and best wishes to Ms. Faridah Binti Mohd Fuad Stephens, who will be retiring as a Director of the Company upon conclusion of the Annual General Meeting for her invaluable advice and contributions to the Board and the Group.

Further, I would like to thank my fellow colleagues on the Board, management team and employees who have remained committed to the Group's business strategy amidst the various micro and macroeconomic challenges. 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.

Lastly, I would express my gratitude to the Sabah Forestry Department, various government agencies and regulatory authorities for their continued trust and confidence in us.

**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 2014. 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. Muaz Jema Khan** was appointed as the Non-Independent Non-Executive Director on 28 November 2023.

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**  
*Lead Independent Director*

**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 26 November 2021. 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*

**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 currently serves as an Independent Non-Executive Director of Hap Seng Consolidated Bhd. which is listed on Bursa Malaysia. He also sits on the board of three Cambodian companies, Canadia Bank PLC, Sovannaphum Life Assurance PLC and Dara Insurance 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 Association of Certified Public Accountants.



**MS. FARIDAH BINTI MOHD. FUAD STEPHENS**  
*Independent Director*

**Ms. Faridah Binti Mohd. Fuad Stephens** was appointed to the Board as Independent Non-Executive Director on 27 April 2018 and was last re-elected as Director on 26 November 2021. Ms. Faridah obtained her Bachelor of Arts from Monash University in December 1984 and a LLB Bachelor of Laws from the University of London in August 1989. Following which, she began her career as a journalist in Berita Publishing Sdn. Bhd. from October 1990 to January 1993. Thereafter, she joined The Writers' Publishing House Sdn. Bhd. from October 1993 till September 2015 and served as the Managing Director. Ms. Faridah 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



**DATO' MARY LIM THIAM SUAN**  
*Proposed Independent Director*

**Justice Dato' Mary Lim Thiam Suan** retired Federal Court Judge read law at the University of Leeds, UK and graduated with Bachelor of Laws (Hons). She has been admitted to Lincoln's Inn as a Barrister-at-law and is presently an Honorary Bencher of Lincoln's Inn. In 1993 she obtained her Master of Laws degree from the University of Western Australia. Prior to her elevation to the High Court of Malaya where she sat in the New Commercial Court, Dato' Mary served in various capacities at the Attorney General's Chambers of Malaysia. These include as Federal Counsel, Senior Federal Counsel, Senior Assistant Parliamentary Draftsman, Legal Advisor to the State of Negeri Sembilan, Deputy Head of Civil Division and Commissioner of Law Revision and Law Reform. Dato' Mary was the first judge of the Construction Court in Kuala Lumpur until her elevation to the Court of Appeal. She recently retired as a Judge of the Federal Court of Malaysia.

# 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.



**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 2024



23 October 2023

## ***Seminar on Aggressive Industrial Forest Plantation R&D Programme (AIFRP)***

Our CEO, Mr. Rahman Khan, as one of the speakers of the Seminar on Aggressive Industrial Forest Plantation R&D Programme (AIFRP), giving his views on developing a sustainable forest plantation.



16 December 2023

## ***Swedish University of Agriculture and Sciences' visit to our camp.***



2 November 2023

## ***Biodiversity Observation for Land and Ecosystem Health (BOLEH) method***

Kyoto University Japan's visit for the Procedures & Results of the Biodiversity Observation for Land and Ecosystem Health (BOLEH) method.



## ***Sarawak Timber Industry Development Corporation's (PUSAKA) visit to our camp.***



6 September 2023



# MAJOR EVENTS DURING THE FINANCIAL YEAR 2024



29 February 2024

**Forest Department Sarawak's visit to our camp.**



6 March 2024

**Forest Research Centre (FRC), Forest Industrial Trade (FIT) and Pejabat Perhutanan Wilayah**

The Study of Converting Weight to Volume for Selected Forest Plantation Species by Forest Research Centre (FRC), Forest Industrial Trade (FIT) and Pejabat Perhutanan Wilayah at JPISB campsite.



25 June 2024

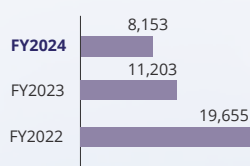
**JPISB was awarded World Outstanding ESG Leadership Impact Excellence Award.**



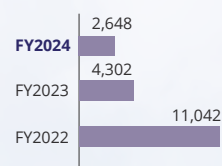
# FINANCIAL HIGHLIGHTS

INCOME STATEMENT (RM'000)	FY2024	FY2023	FY2022
Revenue	8,153	11,203	19,655
Gross profit	2,648	4,302	11,042
Gross profit margin (%)	32%	38%	56%
(Loss)/Profit before income tax	(2,455)	(969)	2,392
(Loss)/Profit after income tax	(2,684)	(897)	1,271
<b>(Loss)/Profit attributable to:</b>			
Equity holders of the Company	(2,095)	(856)	708
Non-controlling interests	(590)	(41)	563
<b>(Loss)/Earnings per share:</b>			
Basic and diluted (sen)	(1.8)	(0.7)	0.6
BALANCE SHEET (RM'000)	31 July 2024	31 July 2023	31 July 2022
Current assets	18,662	28,754	40,170
Non-current assets	50,078	32,459	19,470
Current liabilities	4,433	1,977	3,989
Non-current liabilities	19,942	12,186	7,704
<b>Total Equity</b>	<b>44,366</b>	<b>47,050</b>	<b>47,947</b>
CASH FLOWS (RM'000)	FY2024	FY2023	FY2022
Cash flows (used in)/provided by operating activities	(6,914)	(5,588)	2,516
Cash flows used in investing activities	(11,829)	(7,791)	(5,282)
Cash flows provided by/(used in) financing activities	8,154	3,857	(2,177)
Cash and cash equivalents at the end of the year	7,910	18,499	28,022

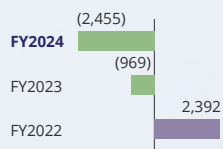
## REVENUE (RM'000)



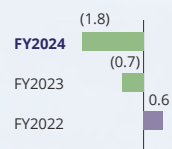
## GROSS PROFIT (RM'000)



## (LOSS)/PROFIT BEFORE INCOME TAX (RM'000)



## (LOSS)/EARNINGS PER SHARE (Sen)





# FINANCIAL PERFORMANCE AND OPERATIONAL REVIEW



## REVENUE

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

Revenue decreased by RM3.1 million, or 27% in FY2024 compared to FY2023 mainly due to the Group's decision to delay its logging and production operations in response to the weak prices and demand in the timber market in the first half of FY2024.

## COST OF SALES AND GROSS PROFITS

The decrease in cost of sales by RM1.4 million, or 20% in FY2024 compared to FY2023 was mainly attributed to the decrease in sales volume as explained above.

The gross profit decreased by RM1.7 million, or 38% in FY2024 compared to FY2023 mainly due to the decrease in revenue. The gross profit margin decreased from 38% in FY2023 to 32% in FY2024 mainly due to lower average selling price of logs per m<sup>3</sup> obtained in FY2024.

## OTHER INCOME

Other income comprised mainly of interest income from fixed deposits. Other income decreased by RM335,000, or 54% in FY2024 compared to FY2023 mainly due to uplift of our fixed deposits for utilisation of planting and maintenance activities.

## OTHER GAINS/(LOSSES)

Other gains/(losses) comprised of unrealised fair value gain recognised on biological assets during the financial year, impairment (loss allowance) on trade receivables and loss on foreign exchange.

## DISTRIBUTION EXPENSES

Distribution expenses comprised of transportation expenses incurred for transporting our logs and industrial tree plantation to customers in Tawau, Sandakan and Keningau. Distribution expenses increased by approximately RM0.2 million or 21% mainly due to increase in demand from

customers that need transportation of logs during the financial year.

## 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 RM0.5 million, or 5% in FY2024 compared to FY2023 mainly due to decrease in employee compensation.

## LOSS AFTER TAX

As a result of the foregoing, loss after tax in FY2024 amounted to RM2.7 million compared to loss after tax of RM0.9 million in FY2023.

## CURRENT ASSETS

Cash and bank balances were the most significant component of current assets and amounted to approximately RM8.9 million, or 48% of current assets.

Trade and other receivables amounted to approximately RM6.5 million, or 35% of current assets. Trade receivables amounted to approximately RM6.1 million, or 33% of current assets. Other receivables amounted to approximately RM0.4 million or 2% of current assets. Trade receivables increased by approximately RM0.1 million, or 2% in FY2024 mainly attributed to sales generated before the financial year end and not due for payment. Other receivables decreased by RM547,000 in FY2024 mainly due to settlement of outstanding amount from non-related parties and related parties.

The income tax recoverable amounting to RM1.7 million, or 9% of current assets, is related to the income tax instalments prepaid and now refundable from the Inland Revenue Board.

Inventories amounted to approximately RM1.5 million, or 8% of current assets and is mainly related to logs held at central stumping. Inventories increased by approximately RM0.9 million in FY2024 compared to FY2023 mainly due to logging activities before year end which was included in the inventories during the financial year.

# FINANCIAL PERFORMANCE AND OPERATIONAL REVIEW

## NON-CURRENT ASSETS

Other receivables amounted to approximately RM1.5 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. Other receivables increased by approximately RM47,000, or 3% in FY2024 compared to FY2023 is mainly due to the retention sum paid to SFD during the financial year.

Property, plant and equipment, amounted to approximately RM4.9 million, or 10% of non-current assets comprised mainly motor vehicles, plantation infrastructure, office equipment, and furniture and fittings. Property, plant and equipment increased in FY2024 mainly due to addition of plantation infrastructure and commercial office unit amounting to approximately RM1.6 million.

Right-of-use ("ROU") asset amounted to RM1.0 million, or 2% of non-current assets. The decrease in right-of-use asset by RM0.3 million, or 21% in FY2024 compared to FY2023 is mainly due to the depreciation and cessation of several right-of-use assets during the year.

Biological assets amounted to approximately RM42.2 million, or 84% 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 RM17 million, or 67% 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 RM3.1 million, or 71% of current liabilities comprising mainly of trade payables of approximately RM0.8 million and other payables amounting to RM2.4 million. Trade payables increased by approximately RM0.4 million in FY2024 compared to FY2023 mainly due to the increase in logging production during the second half of FY2024. Other payables increased by approximately RM1.0 million, or 68% in FY2024 compared to FY2023 mainly due to increase in accruals for operating expenses in FY2024.

Lease liabilities amounting to approximately RM152,000, or 3% 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 RM0.08 million or 36% in FY2024 compared to FY2023 mainly due to repayment of lease liabilities.

Borrowings amounted to RM1.1 million, or 26% 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 RM1.1 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 RM194,000 or 15% in FY2024 compared to FY2023 mainly due to repayment of lease liabilities.

Borrowings amounted to RM15.4 million, or 77% 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 RM3.5 million or 17% of non-current liabilities is relatively stable as compared to FY2023.

## NET CASH USED IN OPERATING ACTIVITIES

Net cash used in operating activities amounted to approximately RM6.9 million in FY2024 mainly due to net loss recognised during the year and the adjustments on fair value gain on biological assets.

## NET CASH USED IN INVESTING ACTIVITIES

Net cash used in investing activities of approximately RM11.8 million in FY2024 is related to the additions to plantation infrastructure and biological assets.

## NET CASH FROM FINANCING ACTIVITIES

Net cash provided by financing activities of approximately RM8.2 million is mainly due to drawdown of the loan facility from Forest Plantation Development Sdn. Bhd. ("FPD") in FY2024.

Overall, the Group's cash and cash equivalents position remains healthy at approximately RM7.9 million as at 31 July 2024.



# 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, 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 for the financial year ended 31 July 2024 (“**FY2024**”), 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 FY2024, 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	Non-Independent Non-Executive Chairman
Mr. Abdul Rahman Khan Bin Hakim Khan	Executive Director and Chief Executive Officer
Mr. Muaz Bin Jema Anton Khan	Non-Independent Non-Executive Director
Mr. Lee Yong Soon	Lead Independent Director
Mr. Leow Ming Fong @ Leow Min Fong	Independent Director
Ms. Faridah Binti Mohd. Fuad Stephens	Independent Director

### **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 review and oversee Management’s performance and affairs of the Group;
- (b) to ensure that the necessary financial and human resources are available for the Group to meet its objectives;
- (c) to oversee the process for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- (d) to establish a framework of prudent and effective controls to assess and manage risks including safeguarding the Group’s assets and Shareholders’ interests;
- (e) 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;
- (f) to set the Group’s values and standards (including ethical standards), and ensure that obligations to Shareholders and other stakeholders are understood and met;
- (g) to consider sustainability issues, e.g., environmental and social factors, in the formulation of its strategies; and
- (h) 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.

# CORPORATE GOVERNANCE REPORT

## ***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.

## **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.

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 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.



# CORPORATE GOVERNANCE REPORT

During the financial year:

- the external auditor, PKF-CAP LLP, and internal auditor, Tricor 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 seminars on sustainability, ESG initiatives awareness, cybersecurity and amendments to the listing requirements; and
- 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.

### **Provision 1.4 - Delegation of Authority to Board Committees**

To facilitate effective Management, 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 2024, 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.

### **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

# CORPORATE GOVERNANCE REPORT

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 FY2024, the Board met four (4) times, with the year-end meeting focusing on annual budget and strategic issues.

The attendance of each Director at the Board and Board Committee meetings during FY2024 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 Meetings held	No. of meetings attended	No. of Meetings held	No. of meetings 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*
Nadja Binti Jema Khan <sup>(a)</sup>	2	-	2	-	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	4	4	4	4	1	1	1	1
Muaz Bin Jema Anton Khan <sup>(b)</sup>	4	4	4	4*	1	1*	1	1*

\* by invitation

(a) Ms. Nadja Binti Jema Khan ("**Ms. Nadja**") ceased to be a Director with effect from 28 November 2023.

(b) Mr. Muaz Bin Jema Anton Khan ("**Mr. Muaz**") ceased as an Alternate to Ms. Nadja on 28 November 2023 and was appointed to the Board as a Non-Independent Non-Executive Director on 28 November 2023.



# CORPORATE GOVERNANCE REPORT

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.

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 Chairmen 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.



# CORPORATE GOVERNANCE REPORT

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.

For FY2024, 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, Ms. Faridah Binti Mohd. Fuad Stephens ("**Ms. Faridah**"), Mr. Leow Ming Fong @ Leow Min Fong and Mr. Lee Yong Soon, 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.

## **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 as set out in the financial statements. 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.

# CORPORATE GOVERNANCE REPORT

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 9 of this report.

Ms. Faridah has expressed her desire to retire at the conclusion of the AGM on 25 November 2024. The Board had recommended the appointment of Dato' Mary Lim Thiam Suan ("**Dato' Mary**") as a Director in place of Ms. Faridah, subject to the approval of Shareholders at the AGM. If approved, the Board of Directors shall comprise of six (6) members, of whom three (3) are Independent Directors.

## **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, has a good balance of Directors who have extensive business, financial, accounting and management experience, and whom as a group, is capable of providing the core competencies, necessary to meet the Group's objectives.



# CORPORATE GOVERNANCE REPORT

## 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.

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, 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 recognition of the importance and value of gender diversity in the composition of the Board, the Company undertakes to have at least one female representation on the Board at all times. As at the date of this report, the Board has one (1) female Director.

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	4	67%
• Legal or Corporate Governance	6	100%
• Relevant Industry knowledge or experience	3	50%
• Strategic Planning Experience	3	50%
• Customer based experience or knowledge	2	33%

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 will recommend appropriate revisions to the Board for consideration and approval. 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 regard for the benefits of diversity (including gender diversity) on the Board.

# CORPORATE GOVERNANCE REPORT

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.  The NC had with the Board's concurrence, recommended the appointment of Dato' Mary as an Independent Director at the forthcoming AGM (" <b>2024 AGM</b> "), in place of Ms. Faridah, who has expressed her intention to retire.
(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.

## **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. Where necessary, the Company would coordinate 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 Chairman and Mr. Abdul Rahman Khan Bin Hakim Khan ("**Mr. Rahman**") 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.

# CORPORATE GOVERNANCE REPORT

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;
- (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, 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, 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.

# 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 a 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 (Chairman)	Lead Independent Director
Mr. Leow Ming Fong @ Leow Min Fong	Independent Director
Ms. Faridah Binti Mohd. Fuad Stephens	Independent Director

The NC had convened one (1) scheduled meeting in FY2024, 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.

### **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.

# CORPORATE GOVERNANCE REPORT

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.

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 Catalyst 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 the above Directors are also required to retire from office at least once in every three years. Shareholders will be provided with relevant information of 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 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.

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 the Management.

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

- (a) Mr. Lee Yong Soon ("**Mr. Lee**") - Article 98 of the Articles;
  - (b) Ms. Faridah Bt Mohd. Fuad Stephens ("**Ms. Faridah**") - Article 98 of the Articles; and
  - (c) Mr. Muaz Bin Jema Khan ("**Mr. Muaz**") - Article 102 of the Articles.
- (each a "**Retiring Director**" and together the "**Retiring Directors**").

Ms. Faridah has expressed her intention to retire at the conclusion of the forthcoming AGM ("**Retirement**"). The Board, in conjunction with the NC's review of the composition and skillset of the Board, has recommended the appointment of Dato' Mary as an Independent Non-Executive Director in place of Ms. Faridah ("**Appointment**"). Such recommendation was based on the NC's assessment of Dato' Mary's independence, that is, whether the proposed Director has business relationships with the Company, its related corporations, its substantial shareholders or its officers, and considering her professional experience, educational background as well as the board diversity target of the Company. Her appointment will be proposed for approval by Shareholders at the forthcoming AGM. Dato' Mary will, upon appointment as a Director, serve as an Independent Non-Executive Director, Chairman of the RC and a member of each of the NC and AC respectively. Detailed information on Dato' Mary can be found in the "Board of Directors" and "Additional Information on Directors Seeking Re-election/Appointment at the AGM" section of this Annual Report.

After consideration of Retiring Directors' overall contribution and performance, and taking into consideration the Retirement, the NC had recommended to the Board that Mr. Muaz and Mr. Lee be nominated for re-election at the forthcoming AGM pursuant to Articles 102 and 98 of the Company's Articles respectively. 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). It was noted for records that Mr. Lee, being Chairman of the NC, had abstained from voting on any resolutions in respect of the assessment of his re-election as a Director.

# CORPORATE GOVERNANCE REPORT

Both Mr. Lee and Mr. Muaz have expressed their willingness to be re-elected as a Director of the Company at the forthcoming AGM, and upon re-election:

- (a) Mr. Lee shall remain as a Lead Independent Non-Executive Director, Chairman of the NC and a member of the AC and RC respectively; and
- (b) Mr. Muaz shall remain as a Non-Independent Non-Executive Director of the Company.

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

Subject to Shareholders’ approval to the proposed appointment of Dato’ Mary, the Board will retain its original composition at the conclusion of the 2024 AGM, and shall comprise a total of six (6) Directors, three (3) of whom are independent.

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.

## **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 Catalyst 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 Catalyst 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 Catalyst 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 FY2024, 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 Ms. Faridah Binti Mohd Fuad Stephens 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.



# CORPORATE GOVERNANCE REPORT

## **Provision 4.5 – Commitments of Directors sitting on Multiple Directorships**

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.

### ***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 assessment of 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.

# CORPORATE GOVERNANCE REPORT

The performance assessment is administered on a confidential basis by the Company Secretary, and 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 FY2024.

## 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 a 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, with the main objective to attract, reward, motivate and retain a talented and high performing workforce in order to achieve the Group's business objectives as well as to motivate Directors to provide good stewardship to the Group.

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

Ms. Faridah Binti Mohd. Fuad Stephens (Chairman)	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 is commensurate 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.

## 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 review 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 FY2024.

## **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 ("**Initial Term**") 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.

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-terms 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.

# CORPORATE GOVERNANCE REPORT

## **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 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 in page 36 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 FY2024 are as follows:

Names	Salary	Performance Bonus	Directors' Fees	Total
	%	%	%	%
<b>Directors</b>				
<b>Below SGD250,000 (equivalent to approximately MYR850,000)</b>				
Datuk Jema Khan	–	–	100	100
Abdul Rahman Khan Bin Hakim Khan	89	11	–	100
Muaz Bin Jema Anton Khan**	–	–	100	100
Nadja Binti Jema Khan*	–	–	100	100
Faridah Binti Mohd. Fuad Stephens	–	–	100	100
Leow Ming Fong @ Leow Min Fong	–	–	100	100
Lee Yong Soon	–	–	100	100
<b>Key Management Personnel</b>				
<b>Below SGD250,000 (equivalent to approximately MYR850,000)</b>				
Evelyn Ting	89	11	–	100
Maxy Bin Self	89	11	–	100

\* Ms. Nadja Binti Jema Khan retired as Non-Independent Non-Executive Director on 28 November 2023

\*\* Mr. Muaz Bin Jema Anton Khan was appointed as Non-Independent Non-Executive Director on 28 November 2023

Save for the Executive Director, the Company has two (2) top key management personnel (who are not Directors or CEO) as at 31 July 2024.

After reviewing the industry practice and analyzing the advantages and disadvantages in relation to the disclosure of remuneration of each Director and key management personnel, the Company is of the view that such disclosure would be prejudicial to its business interest given the commercial sensitivity and confidential nature of remuneration packages. The Board is of the view that this level of disclosure in bands of SGD250,000 is both sufficient and adequate.

There were no termination, retirement and post-employment benefits granted to Directors and key management personnel in FY2024.

### Aggregate remuneration for key management personnel

The aggregate remuneration paid to the above key management personnel (who are not Directors or CEO) in FY2024 was SGD156,322 (equivalent to approximately MYR531,493).

# 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 340,000) during FY2024 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.

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.

# CORPORATE GOVERNANCE REPORT

## (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 Tricor Axcelasia Sdn Bhd ("**Tricor 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.

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 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.

# CORPORATE GOVERNANCE REPORT

## **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 FY2024, 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 FY2024 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 FY2024 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 FY2024.

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 (Chairman)	Independent Director
Mr. Lee Yong Soon	Lead Independent Director
Ms. Faridah Binti Mohd. Fuad Stephens	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



# CORPORATE GOVERNANCE REPORT

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;
- (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 Catalyst 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 Catalyst 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 or Executive 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 FY2024.

# 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. All members of the AC (including the AC Chairman) 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 FY2024. 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 FY2024.

The total fees in respect of audit and non-audit fees paid to the external auditor (including its associate firms) for FY2024 are disclosed in the table below:

<b>External Auditor's Fees for FY2024</b>	<b>S\$'000</b>	<b>% of Total Fees</b>
Total Audit Fees	54	100
Total Non-Audit Fees	-	-
<b>Total Fees Paid</b>	<b>54</b>	<b>100</b>

# 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 FY2024***

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 Tricor Axcelasia as its internal auditor to ensure the adequacy and sufficiency of internal controls procedures within the Group. Tricor Axcelasia, which was a subsidiary of Tricor Group, possesses vast experience in providing internal audits, risk management services and advisory services in the region. Subsequent to 30 September 2024, Tricor Axcelasia was acquired by another party and is no longer under Tricor Group.

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 Puan Noor Lilah. She has over 20 years of experience in providing risk-based audit, enterprise risk management, corporate governance and business continuity management advisory. Puan Noor Lilah is a certified business continuity practitioner from Business Continuity Institute and lead auditor for ISO 9000. She is also an Associate member of Institute of Internal Auditors of Malaysia.

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

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

- (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 has 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 carries 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 are tabled for discussion at AC meetings, and the timeliness and progress of implementing the corrective or improvement actions are measured and reported.

# CORPORATE GOVERNANCE REPORT

## ***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 FY2024, 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 Tricor Axcelasia to perform its function. After having reviewed Tricor Axcelasia's plans, reports and remedial actions implemented by the Management to address any internal control inadequacies identified, the AC is satisfied that Tricor 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 FY2024 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.

## **(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.

# CORPORATE GOVERNANCE REPORT

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.

## ***Conduct of General Meetings***

The Company's forthcoming AGM in respect of FY2024 (**AGM 2024**) is scheduled to be held on 25 November 2024 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 2024 of the Company, which may be accessed at the Company's corporate website at <https://jawalainc.com/2024-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 AGMs. 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. Where the resolutions are "bundled", the Company 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 auditors 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 2023 AGM except for Ms. Nadja, 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.

# CORPORATE GOVERNANCE REPORT

## **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 proxy voting in absentia by mail, email or facsimile, until all relevant issues on security and integrity on such mode of communication are satisfactorily resolved.

## **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 FY2024 after taking into consideration loss recorded by the Group and the strategic reserves requirements. 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.

## **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.

# CORPORATE GOVERNANCE REPORT

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](http://www.jawalainc.com) to communicate and engage with its stakeholders.

### **APPOINTMENT OF AUDITORS (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 FY2024, 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 FY2024 or if not then subsisting, entered into since the end of the previous financial year.

### **CONFIRMATION OF ADEQUACY OF INTERNAL CONTROLS (Rule 1204(10) of the Catalyst 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.

# CORPORATE GOVERNANCE REPORT

## **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 2024.

## **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 FY2024.



## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION/APPOINTMENT AT THE AGM

Mr. Lee Yong Soon ("**Mr. Lee**") will be retiring by rotation under Article 98 and Mr. Muaz Bin Jema Anton Khan ("**Mr. Muaz**") will be retiring under Article 102 of the Articles of Association of the Company respectively at the forthcoming Annual General Meeting of the Company to be convened on 25 November 2024 ("**AGM**") (collectively the "Retiring Directors" and each a "**Retiring Director**").

As Ms. Faridah Binti Mohd. Fuad Stephens ("**Ms. Faridah**") has expressed her intention to retire at the conclusion of the AGM, the Board had, at the recommendation of the Nominating Committee, proposed the appointment of Dato' Mary Lim Thiam Suan ("**Dato' Mary**") at the AGM as an Independent Non-Executive Director ("**Proposed Director**"). The information of the Retiring Directors and that of Dato' Mary as set out in Appendix 7F to the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**") as required under Rule 720(5) of the Catalist Rules, are set out below:

Name of Retiring Director/ Proposed Director	Mr. Lee Yong Soon	Mr. Muaz Bin Jema Anton Khan	Dato' Mary Lim Thiam Suan
Date of Appointment	27 April 2018	28 November 2023	25 November 2024
Date of last re-appointment	26 November 2021	N.A.	N.A.
Age	75	34	67
Country of principal residence	Singapore	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. The Board of Directors, having considered among others, the recommendation of the Nominating Committee and the qualifications, work experience and competencies of Mr. Lee, is of the view that Mr. Lee is suitable to continue to assume his responsibilities as a Lead Independent Non-Executive Director of the Company, the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee.	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. The Board of Directors, having considered among others, the recommendation of the Nominating Committee and the qualifications, work experience and competencies of Mr. Muaz, is of the view that Mr. Muaz is suitable to be re-elected as a Non-Independent Non-Executive Director of the Company.	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. The Board of Directors, having reviewed the qualifications and experience of Dato' Mary, and on the recommendation of the Nominating Committee, is of the view that Dato' Mary is suitable to be appointed as an Independent Non-Executive Director of the Company, the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> <li>• Lead Independent Non-Executive Director</li> <li>• Chairman of Nominating Committee</li> <li>• Member of Audit Committee</li> <li>• Member of Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Non-Independent Non-Executive Director</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Non-Executive Director</li> <li>• Chairman of Remuneration Committee</li> <li>• Member of Audit Committee</li> <li>• Member of Nominating Committee</li> </ul>

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION/APPOINTMENT AT THE AGM

Name of Retiring Director/ Proposed Director	Mr. Lee Yong Soon	Mr. Muaz Bin Jema Anton Khan	Dato' Mary Lim Thiam Suan
Professional qualifications	<ul style="list-style-type: none"> <li>Fellow of the Association of International Accountants of the United Kingdom</li> <li>Associate and Chartered Secretary of The Chartered Governance Institute of Australia</li> <li>Member of the Singapore Institute of Directors</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Science (Honours) in Human Genetics, University College London</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Laws (Hons), University of Leeds, United Kingdom</li> <li>Master of Laws, University of Western Australia</li> </ul>
Working experience and occupation(s) during the past 10 years	<p>1999 – 2014</p> <ul style="list-style-type: none"> <li>Financial Controller of Keppel FELS Ltd</li> </ul> <p>2016 – 2019</p> <ul style="list-style-type: none"> <li>Advisory and oversight role as an independent non-executive director of Wong Fong Industries Ltd.</li> </ul>	<p>2013 – Present</p> <ul style="list-style-type: none"> <li>Jaycorp Berhad – Executive Director</li> </ul> <p>2013 – 2024</p> <ul style="list-style-type: none"> <li>Eternal Meteor Sdn. Bhd. – Co-Founder and Non-Executive Chairman</li> </ul>	<p>2009 - 2016</p> <ul style="list-style-type: none"> <li>Judge of the High Court of Malaya</li> </ul> <p>2016 - 2020</p> <ul style="list-style-type: none"> <li>Judge of the Court of Appeal, Malaysia</li> </ul> <p>2020 – 2024</p> <ul style="list-style-type: none"> <li>Federal Court Judge of Malaysia</li> </ul>
Shareholding interest in the listed issuer and its subsidiaries	None	None	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	None	<p>Yes</p> <ul style="list-style-type: none"> <li>(i) Son of Datuk Jema Khan, Non-Executive Non-Independent Chairman</li> <li>(ii) Second Cousin of Mr. Abdul Rahman Khan Bin Hakim Khan, CEO and Executive Director</li> <li>(iii) Grandson of Tan Sri Abdul Majid Khan, Substantial Shareholder</li> </ul>	None
Conflict of interest (including any competing business)	None	None	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION/APPOINTMENT AT THE AGM

Name of Retiring Director/ Proposed Director	Mr. Lee Yong Soon	Mr. Muaz Bin Jema Anton Khan	Dato' Mary Lim Thiam Suan
Other principal commitments including directorship			
Past (for the last 5 years)	None	<ul style="list-style-type: none"> <li>• Digital Furniture Sdn Bhd</li> <li>• Digital Dorm Sdn Bhd</li> <li>• Jaycorp Engineering &amp; Construction Sdn Bhd</li> <li>• Eternal Meteor Sdn Bhd</li> </ul>	<ul style="list-style-type: none"> <li>• Judge of the Court of Appeal, Malaysia</li> <li>• Federal Court Judge of Malaysia</li> </ul>
Present	None	<ul style="list-style-type: none"> <li>• Jaycorp Berhad</li> <li>• Yeo Aik Wood Sdn Bhd</li> <li>• Bongawan Solo Sdn Bhd</li> <li>• Jaycorp Green Energy Sdn Bhd</li> <li>• Instyle Sofa Sdn Bhd</li> </ul>	<ul style="list-style-type: none"> <li>• Chairperson of the Protem Committee of the AIAC Court of Arbitration</li> <li>• Director of Asian International Arbitration Centre</li> </ul>
(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	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	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION/APPOINTMENT AT THE AGM

Name of Retiring Director/ Proposed Director	Mr. Lee Yong Soon	Mr. Muaz Bin Jema Anton Khan	Dato' Mary Lim Thiam Suan
(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	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	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	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	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	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION/APPOINTMENT AT THE AGM

Name of Retiring Director/ Proposed Director	Mr. Lee Yong Soon	Mr. Muaz Bin Jema Anton Khan	Dato' Mary Lim Thiam Suan
(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	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	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	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	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	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION/APPOINTMENT AT THE AGM

Name of Retiring Director/ Proposed Director	Mr. Lee Yong Soon	Mr. Muaz Bin Jema Anton Khan	Dato' Mary Lim Thiam Suan
(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	No
<p>Any prior experience as a director of an issuer listed on the Exchange?</p> <p>If yes, please provide details of prior experience.</p> <p>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.</p> <p>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).</p>	Not applicable	Not applicable	<p>No</p> <p>Subject to Shareholders' approval on her appointment, Dato' Mary will be attending training on the roles and responsibilities of a Director of a Listed Issuer as prescribed by the Exchange.</p>



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# SUSTAINABILITY REPORT

## ABOUT THIS REPORT

This Sustainability Report 2024 presents the sustainability progress of Jawala Inc. (“Jawala”, the “Company”, “we”, and “us”) and its subsidiaries (the “Group”) for the financial year ended (“FYE”) 31 July 2024. This report highlights our commitments, sustainability strategies, efforts, and performance against the Group’s material environmental, social, and governance (“ESG”) factors.

We continue to focus on sustainable forest management practices and the cultivation of industrial tree plantations in Sabah, Malaysia. Our approach is aligned with our long-term objectives and reflects our dedication to responsible resource management, community engagement, and environmental stewardship.

In this report, we provide detailed insights into our initiatives, achievements, and challenges over the past year. We also outline our future targets and strategies to enhance our sustainability performance. Our commitment to transparency and accountability remains steadfast as we strive to create value for our stakeholders while preserving the environment for future generations.

## INTRODUCTION

Jawala operates as a forest resource company focusing on industrial tree plantations in Malaysia’s Sabah state. We specialize 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 Group’s primary focus is on the cultivation of industrial tree plantations through the implementation of sustainable forest management practices in Sabah, Malaysia. Our main business activities include the management of forestry resources, planting and extraction of logs, managing the planting and silvicultural treatments of natural and plantation forests, as well as felling, cutting, collecting, removing, and converting trees into forest produce such as logs and timber within the Sapulut Forest Reserve, Sabah (the “Licensed Area”).

Currently, we manage a Licensed Area comprising a Commercial Forest Reserve (Class II) of approximately 11,043 hectares. This license is valid until 31 December 2115, with a potential for a 100-year extension at the discretion of Sabah’s Chief Minister. Our operations and sustainability practices are geared towards creating a balance between economic growth, environmental stewardship, and social responsibility.





## BOARD STATEMENT

*Dear Stakeholders of Jawala,*

We are delighted to present Jawala's Sustainability Report for 2024, marking the sixth edition of our annual sustainability disclosures. Jawala's operations are deeply intertwined with the natural environment, and we are committed to ensuring the sustainability of both our business and the ecosystems in which we operate. Our objective of "Replanting Sabah's Forest For Future Generations" underscores our dedication to a sustainable and responsible business model that prioritizes the needs of future generations.

The Board recognizes its responsibility to be accountable for Jawala's business practices and to provide our stakeholders with accurate and reliable information. This commitment ensures that stakeholders can make well-informed decisions regarding our business. As a listed entity on the Catalist of Singapore Exchange Securities Trading Limited ("SGX-ST"), we uphold our obligation to deliver timely and comprehensive disclosures to our shareholders.

In response to the escalating global efforts to address climate change, Jawala has made significant strides this year. We have undertaken a comprehensive climate risk assessment and aligned our climate risk register with our Enterprise Risk Process (ERP), aligning with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Furthermore, we have refreshed our materiality assessment this year to include the recommendation of SASB and GRI. After this refresh, our material topics are more aligned with the internationally accepted standards.

While we take pride in the progress made during the financial year under review, we recognize that continuous improvement is essential. We remain focused on enhancing the sustainability of our operations, contributing positively to society, and protecting the natural environment. Moving forward, we will continue to refine our emissions reporting system and integrate sustainability considerations into our business strategy, ensuring alignment with TCFD recommendations.

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.*

## REPORTING PRINCIPLES

This report is prepared in line with the sustainability reporting requirements of SGX-ST and with reference to the GRI Standards. We have also taken into consideration elements of the TCFD Recommendations in the preparation of this report.

The Global Reporting Initiative ("GRI") is an independent, international organisation that helps businesses and other organisations take responsibility for their impacts by providing them with a global common language to communicate those impacts. The Group has chosen to adopt the GRI Standards as it enables organisations to report their sustainability impacts in a structured manner, from the disclosure of governance structures, management systems, policies, measures, targets, performance, to forward-looking measures. We believe that by adopting the GRI Standards, Jawala would be better positioned to address the information needs of the Group's broader stakeholders, particularly in relation to the Group's significant economic, environmental, and social impacts.

### Reporting Period and Scope

The report covers the Group's sustainability practices for Jawala and its sole principal subsidiary, Jawala Plantation Industries Sdn Bhd ("JPISB"), and relevant information for the period 1 August 2023 to 31 July 2024 for the Group's operations at the Licensed Area.

### Internal Review

This report has been reviewed by the Group's internal auditors, who conducted the internal review in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors. The key FY2024 ESG performances disclosed in the **Key Sustainability Highlights - Targets and Achievements** section of this report have also been audited by our internal auditors.

This report has not undergone independent external assurance. We may consider seeking external assurance for our future sustainability reports when such need arises.

# SUSTAINABILITY REPORT

## Contact Point

Any questions regarding this Sustainability Report, Jawala Group's sustainability strategies, policies, and initiatives can be directed to our email at [info@jawalainc.com](mailto:info@jawalainc.com) or to the following address:

H-7-10, Block H  
Aeropod Commercial Square  
Tanjung Aru, Keapayan  
88100 Kota Kinabalu, Sabah

## KEY SUSTAINABILITY HIGHLIGHTS - TARGETS AND ACHIEVEMENTS

Jawala has identified a set of ESG key performance indicators ("KPIs") to measure the Group's progress with respect to our most material ESG factors. The Group's achievements against the FY2024 targets are summarised as follows:

ESG Factors <sup>1</sup>	Historical Performance		FY2024 Targets	FY2024 Achievement
	FY2022 Achievement	FY2023 Achievement		
<b>Environmental Impact Assessment and Mitigation</b>	<ul style="list-style-type: none"> <li>Forest silviculture – 87% treated areas</li> <li>Replanted – 798.63 ha</li> </ul>	<ul style="list-style-type: none"> <li>Forest silviculture – 45% treated areas</li> <li>Replanted – 540.75 ha</li> </ul>	<ul style="list-style-type: none"> <li>Forest silviculture – 90% treated areas</li> <li>To be replanted – 1,200 ha</li> </ul>	<ul style="list-style-type: none"> <li>Forest silviculture – 91% treated areas</li> <li>Replanted area for forest regeneration – 520 ha**</li> </ul>
<b>Compliance with SFMLA</b>	<ul style="list-style-type: none"> <li>Complied</li> </ul>	<ul style="list-style-type: none"> <li>Complied</li> </ul>	<ul style="list-style-type: none"> <li>Complied</li> </ul>	<ul style="list-style-type: none"> <li>Complied</li> </ul>
<b>Nursery and Seedling Production</b>	<ul style="list-style-type: none"> <li>Seedling production – 360,000</li> <li>Planted – 298,800 seedlings</li> </ul>	<ul style="list-style-type: none"> <li>Seedling production – 568,130</li> <li>Planted – 205,659</li> </ul>	<ul style="list-style-type: none"> <li>Target seedling production – 700,000</li> <li>To be planted – 600,000</li> </ul>	<ul style="list-style-type: none"> <li>Seedling production – 839,823</li> <li>Planted – 322,927**</li> </ul>
<b>Workforce Diversity</b>	<ul style="list-style-type: none"> <li>Board – 33% Female</li> <li>Employee Gender – 28% F: 72% M</li> </ul>	<ul style="list-style-type: none"> <li>Board – 33% Female</li> <li>Employee Gender – 26% F: 74% M</li> </ul>	<ul style="list-style-type: none"> <li>Board – At least 1 Female Director</li> <li>Employee Gender – 35% F: 65% M</li> </ul>	<ul style="list-style-type: none"> <li>Board – 1 Female Director</li> <li>Employee Gender – 29.8% F: 70.2% M</li> </ul>
<b>Health and Safety</b>	<ul style="list-style-type: none"> <li>LTI* – No major incident</li> </ul>	<ul style="list-style-type: none"> <li>LTI* – No major incident</li> </ul>	<ul style="list-style-type: none"> <li>LTI* – No major incident</li> </ul>	<ul style="list-style-type: none"> <li>LTI* – No major incident</li> </ul>

### Legend:

F – Female

M – Male

Ha – hectares

\* LTI: Lost Time due to Injury defined as a major incident involving fatality or injuries to workers requiring hospitalisation and workers to stop work for more than 4 days.

\*\* Only 43% replanting achievement against FY2024 target. We are facing a shortage of machinery and manpower for maintenance and planting activities. This has caused major delays in our planting progress.

<sup>1</sup> As per material factors of FY2023 (past year) materiality assessment

# SUSTAINABILITY REPORT

## Our Targets

This year, we have refreshed our material topics to ensure they align more closely with our evolving business priorities and stakeholder expectations. Moving forward, we will begin tracking performance based on these updated material topics, allowing for more targeted and effective sustainability management. In preparation for this, we have already started setting specific performance targets for some material topics, which will help us drive continuous improvement and ensure accountability across all areas of our operations.

Material Topic	FY2025 Targets
Biodiversity	Sustainable Forest Management <ul style="list-style-type: none"> <li>• Forest silviculture – 90% treated areas</li> <li>• Replanted area for forest regeneration – 900 hectares</li> </ul> Nursery and Seedling Production <ul style="list-style-type: none"> <li>• Target seedling production – 800,000</li> <li>• To be planted – 480,000</li> </ul>
Management of Legal and Regulatory Environment	No incidents of non-compliance with SFMLA
Occupational Health and Safety	No major incidents related to health and safety of employees
Anti-Corruption	No confirmed incidents of corruption
Employment	<ul style="list-style-type: none"> <li>• Board – At least 1 Female Director</li> <li>• Employee Gender – 29.8% F: 70.2% M</li> </ul>
Carbon Emission	<ul style="list-style-type: none"> <li>• Reduce 3% of carbon emissions intensity using FY2024 as baseline</li> </ul>

# SUSTAINABILITY REPORT

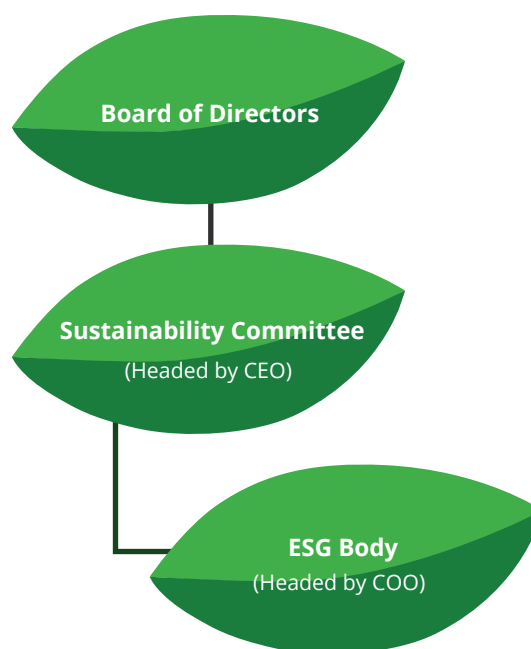
## OUR SUSTAINABILITY GOVERNANCE

At Jawala Inc., sustainability governance is a critical component of our corporate strategy, reflecting our commitment to integrating environmental, social, and governance (ESG) considerations into all aspects of our operations. The Board of Directors, led by the Chairman, plays a central role in guiding and overseeing these efforts. On 14 March 2024, during a Board meeting, the Terms of Reference for the Sustainability Reporting Structure were approved, marking a significant advancement in our sustainability governance framework.

The Board holds ultimate responsibility for the long-term success of Jawala, including the integration of sustainability into our strategic objectives. This responsibility extends to approving the Group's business strategies and policies, particularly those addressing material ESG factors, including climate-related risks and opportunities. The Board meets at least two times in a year to ensure that these ESG factors are not only identified and prioritized but are also monitored and managed through established processes. Annually, the Board reviews the Group's key ESG performances, as detailed in the **Key Sustainability Highlights – Targets and Achievements** section of this report.

To support the Board in these endeavors, a Sustainability Committee (SC) and an ESG Body have been established. The SC, chaired by the Chief Executive Officer (CEO), is tasked with leading the development of sustainability policies and strategies, addressing climate-related impacts, and ensuring compliance with ESG regulatory requirements. The SC is supported by senior management executives, experts, and advisors who collaborate to evaluate ESG performance and enhance the organization's capabilities in this area.

The ESG Body, headed by the Chief Operating Officer (COO), is responsible for the day-to-day implementation and monitoring of the Group's ESG Strategic Action Plan. Comprising senior management personnel from various departments, including forest operations, reforestation, health and safety, human resources, and finance/admin, as well as a dedicated Sustainability Officer, the ESG Body drives the development and execution of sustainability-related policies, procedures, and management plans.



As part of our commitment to climate action, the Board has undertaken a comprehensive review of Jawala's corporate governance structure, aligning it with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This review has led to enhancements in our governance framework, particularly in addressing climate-related risks and opportunities within the Group's strategies and operations. The Sustainability Committee is now actively engaged in developing action plans to build resilience and ensure the sustainability of Jawala's business model, with a specific focus on the financial impacts associated with climate-related risks and opportunities across the short, medium, and long term.

This governance structure underscores Jawala's dedication to embedding sustainability at the core of our business, ensuring that our ESG initiatives are not only robust and comprehensive but also aligned with global best practices. The collective efforts of the Board, the Sustainability Committee, and the ESG Body ensure that Jawala remains at the forefront of sustainable forest management, continually striving to meet and exceed our ESG commitments.

## STAKEHOLDERS' ENGAGEMENT

Stakeholders' engagement is important to Jawala's value creation for stakeholders as it enables the Group to understand what matters to stakeholders and allows us to communicate with stakeholders on important matters. Various means of communication are established to suit different stakeholders' engagement needs, including channels that allow two-way communications with stakeholders. We also leverage our stakeholders' engagement processes to inform our materiality assessment and address sustainability issues.

We identify and group stakeholders including those on whom our operations have significant impacts, those with a vested interest in our sustainability performance, and those who have significant influence on our activities. Our stakeholders' engagement strategies and approaches also take into consideration the stakeholders' influence on our business and how our business affects them.

Jawala's stakeholders' engagement activities carried out during FY2024, broken down into stakeholder groups, means of communication, frequency and areas of interest, are summarised in the following table:

Stakeholders	Means of communication	Frequency	Areas of interest
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>Annual and general meetings</li> <li>Corporate websites</li> <li>SGX-ST announcements</li> </ul>	Annual Ad hoc	<ul style="list-style-type: none"> <li>Financial position</li> <li>Transparency and Business Ethics</li> <li>Corporate Governance</li> </ul>
<b>Government and Regulators</b>	<ul style="list-style-type: none"> <li>Consultations and seminars organised by regulatory bodies</li> <li>Advice and information from professionals e.g., sponsors and regular liaison with the Sabah Forestry Department to comply with their requirements</li> </ul>	Ad hoc	<ul style="list-style-type: none"> <li>Compliance with regulatory and act</li> <li>Sustainable forest management</li> </ul>
<b>Customers</b>	Meetings and feedback	Annual	<ul style="list-style-type: none"> <li>Product quality</li> <li>Product certification</li> <li>Sustainable forest management</li> </ul>
<b>Suppliers</b>	Suppliers' assessment and feedback	Annual	<ul style="list-style-type: none"> <li>Supplier assessment</li> <li>Jawala's company policies and commitments to sustainable forest management</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Regular communication and engagement activities</li> <li>Training</li> <li>Regular staff performance assessment</li> </ul>	Ad hoc	<ul style="list-style-type: none"> <li>Health and safety</li> <li>Career development</li> <li>Business ethics</li> </ul>
<b>Local Community</b>	Regular communication and engagement activities	Ad hoc	Corporate Social Responsibility

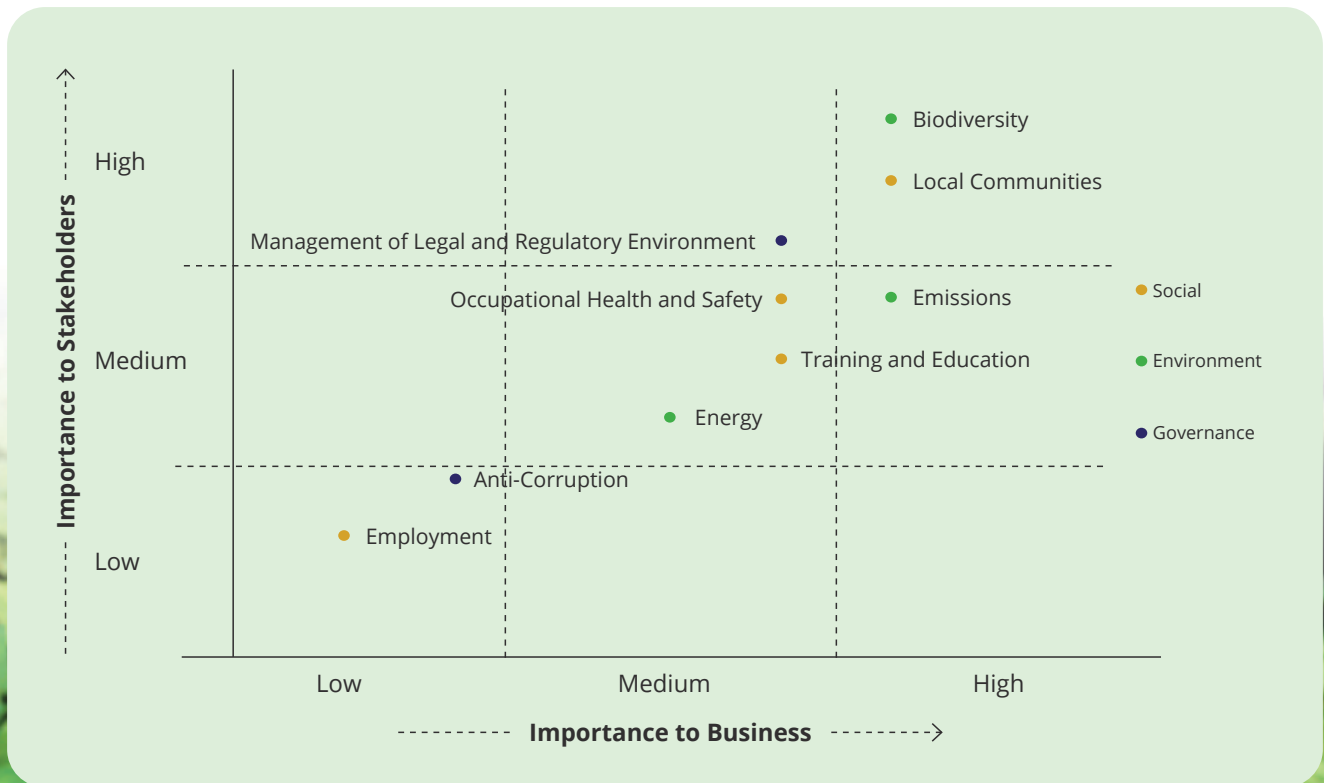
# SUSTAINABILITY REPORT

## MATERIAL SUSTAINABILITY MATTERS

In FY2024, Jawala undertook a comprehensive refresh of its material topics to ensure alignment with evolving industry standards and stakeholder expectations. This year’s materiality assessment was grounded in the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) frameworks, reflecting our commitment to best practices in sustainability reporting.

The assessment process began with the management team shortlisting nine key topics that are critical to our business operations and stakeholder interests. These topics were selected based on their relevance to both our internal strategies and external impacts. Following the shortlisting, an in-depth assessment was carried out to prioritize these topics according to their significance to our business and their potential impact on our stakeholders.

The outcome of this assessment has enabled us to focus our sustainability efforts on the areas that matter most to our business and our stakeholders. By continuously refining our materiality assessment process, we aim to enhance our responsiveness to emerging sustainability challenges and opportunities, ensuring that our sustainability strategy remains robust and relevant.



Details of Jawala’s material ESG factors are provided in the following section:

Material Topics	Associated GRI or SASB Topics
Biodiversity	<ul style="list-style-type: none"> <li>SASB – Ecological Impacts (Ecosystem Services and Impact)</li> <li>GRI 304 – Biodiversity 2016</li> </ul>
Local Communities	<ul style="list-style-type: none"> <li>SASB - Human Rights &amp; Community Relations (Rights of Indigenous Peoples)</li> <li>GRI 413 – Local Communities 2016</li> </ul>
Emissions	<ul style="list-style-type: none"> <li>SASB – Physical Impacts of Climate Change (Climate Change Adaptation)</li> <li>GRI 305 – Emissions 2016</li> </ul>
Management of Legal and Regulatory Environment	<ul style="list-style-type: none"> <li>GRI 2-27: Compliance with laws and regulations</li> </ul>
Occupational Health and Safety	<ul style="list-style-type: none"> <li>GRI 403: Occupational Health and Safety 2018</li> </ul>
Training and Education	<ul style="list-style-type: none"> <li>GRI 404: Training and Education 2016</li> </ul>
Energy	<ul style="list-style-type: none"> <li>SASB – Physical Impacts of Climate Change (Climate Change Adaptation)</li> </ul>
Anti-Corruption	<ul style="list-style-type: none"> <li>GRI 205: Anti-corruption 2016</li> </ul>
Employment	<ul style="list-style-type: none"> <li>GRI 401: Employment 2016</li> </ul>



## ENVIRONMENT

### Biodiversity and Conservation





In forest management, the concept of High Conservation Value (“HCV”) is important for identifying parts of the forest that need to be safeguarded to protect the rich biodiversity, wilderness, soil, and water resources. The HCV concept was originally developed by the Forest Stewardship Council (“FSC”) to help define forest areas of outstanding and critical importance. HCV conservation is also an important element in forest management certifications.

Jawala commissioned an independent assessment of HCV forests within the Licensed Area in accordance with the guidelines of the Malaysian National Interpretation for the Identification of HCVs developed by the HCV Malaysia Toolkit Steering Committee. The HCV assessment identified 3,375 ha which is delineated as an HCV area, representing 31% of the total licensed area of 11,043 ha.

The 6 categories of HCV forests are as follows:

Category	Description		Assessment Outcome
<b>HCV 1: Rare, Threatened Endangered Plants and Animal Species</b>	Biodiversity value which includes: <ul style="list-style-type: none"> <li>HCV 1.1: Protected Areas</li> <li>HCV 1.2: Threatened and Endangered Species</li> <li>HCV 1.3: Endemism; and</li> <li>HCV 1.4: Critical Temporal use</li> </ul>		Trees <ul style="list-style-type: none"> <li>113 species of trees listed under IUCN Red List</li> <li>41 Species of trees listed under The Sabah Conservation Wildlife Enactment 1997</li> </ul>
			Mammals <ul style="list-style-type: none"> <li>11 species of mammals listed under IUCN Red List</li> <li>15 species of mammals listed under The Sabah Conservation Enactment 1997</li> <li>5 species of mammals listed under CITES</li> </ul>

# SUSTAINABILITY REPORT

Category	Description		Assessment Outcome
			<p>Birds</p> <ul style="list-style-type: none"> <li>• 33 species of birds listed under IUCN Red List</li> <li>• 24 species of birds under The Sabah Conservation Wildlife Enactment 1997</li> <li>• 7 species of birds listed under CITES</li> </ul>
<b>HCV 2: Landscape-level Ecosystems and Mosaics</b>	Landscape Level Forest – the Forest area contains or is part of a globally, regionally or nationally significant large landscape level forest where significant populations of most if not all naturally occurring wildlife species exist in natural patterns of distribution and abundance.		HCV 2 includes ecosystems and ecosystem mosaics that are sufficiently large to support viable populations of the naturally occurring species and environmental values in such ecosystems
<b>HCV 3 &amp; 4: Forest Ecosystem and Services</b>	<ul style="list-style-type: none"> <li>• Ecosystem – the Forest area contains or is part of a threatened or endangered ecosystem</li> <li>• Service of Nature – the Forest area provides basic services of nature in critical situations that include:               <ul style="list-style-type: none"> <li>o HCV 4.1: Watershed Protection</li> <li>o HCV 4.2: Erosion Control</li> <li>o HCV 4.3: Barriers to Destructive Fire</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>• 1,496 ha conservation area</li> <li>• 178 ha wildlife corridor cum refugia</li> <li>• 41 ha salt licks</li> <li>• 38 ha green buffer</li> <li>• 37 ha limestone forest</li> </ul>
<b>HCV 5 &amp; 6: Community Needs</b>	<ul style="list-style-type: none"> <li>• Basic needs for local communities where the Forest area is fundamental to meeting the basic needs of local communities</li> <li>• Cultural identity of local communities where the Forest area is critical to local communities' traditional cultural identity</li> </ul>		<ul style="list-style-type: none"> <li>• 318 Ha water catchment</li> <li>• 1,257 ha riparian reserves</li> <li>• 8 ha basic needs</li> </ul>

Note:

IUCN – International Union for Conservation of Nature

CITES – the Convention on International Trade in Endangered Species of Wild Fauna and Flora

We do not operate in the HCV areas. In addition, our workers are required to exercise caution when operating near HCV areas to avoid harming listed species. Workers are also educated on how to deal with any presence of listed species.



In 2022, a HCV Unit was created to monitor and manage the development of the HCVs. This unit, led by a Forest Officer and supported by a team of three, has undertaken several key actions. They conducted awareness briefings for contractors and their workers on the significance of HCVs and installed “No Hunting” signs at the security gate and other key locations. The unit’s monitoring activities included physical inspections to ensure the integrity of the HCV boundaries. Camera traps have documented sightings of rare, threatened, and endangered (RTE) species within the forest area, including wildlife corridors and riparian zones. A refresher training on RTE flora and fauna will be organized for the fourth quarter of 2024. Additionally, the Unit has regularly engaged with local communities to address their basic needs, such as water supply and donations, as well as to support cultural preservation efforts, including maintaining cultural landscapes and traditional dances. These indicators are compiled and reported in this report.

## Sustainable Forest Management

Guided by our mission of “Replanting Sabah’s Forests for Future Generations”, Jawala remains steadfast in our commitment to sustainable forest management. This holistic approach ensures that our forestry activities deliver balanced value across economic, environmental, and social dimensions, benefiting all our stakeholders. By embracing sustainable practices, we aim to harmonize the often-competing needs of business, the environment, and local communities, while maintaining the integrity of forest ecosystems in both the short and long term.

Our commitment to environmental stewardship is encapsulated in our Environmental Policy, which outlines our dedication to preserving and conserving the environment during all logging activities. This policy serves as the cornerstone of our operations, requiring strict adherence by both management and employees. Through the principles embedded in this policy, we strive to achieve our broader sustainability objectives.

Under the Environmental Policy, Jawala is committed to the following principles in 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:** Minimizing 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 minimize environmental impact.
- **Comprehensive Monitoring:** Implementing continuous monitoring to ensure that our practices align with our mission and environmental commitments.

Furthermore, Jawala is committed to upholding the requirements of the Sustainable Forest Management License Agreement (SFMLA), which we have signed with the State Government of Sabah. This commitment is also reflected in our adherence to the accompanying Forest Management Plan. Additionally, we comply with the principles of the Sabah Timber Legality Assurance System (TLAS), providing assurance to our stakeholders regarding our forest management, harvesting, processing, and trade operations.

These commitments are deeply ingrained in our operating policies and procedures and are subject to regular in-house monitoring. To further reinforce our environmental efforts, we work closely with an appointed environmental consultant who provides ongoing support to our management and operations.

# SUSTAINABILITY REPORT

## Jawala's Sustainable Forest Management Practices

Guided by the Forest Management Plan, Jawala manages the Licensed Area on an ecologically sustainable and economically substantiated basis. All our forest management and harvesting operations are subject to rigorous planning, where Environmental Impact Assessment is required to be conducted. Internal goals and action plans are devised to provide clear directions to management and operations. Our sustainable forest management approach entails activities including planting, regenerating, harvesting, silvicultural treatments of residual stand, and forest protection.

Jawala recognises the limitations of the capacity of the forest to produce a sustainable flow of timber products. In this regard, our operation model aims to enable sustainable forest development and harvesting through schedule replanting, placing emphasis on various sustainable practices including silvicultural treatment and enrichment planting.

### Silviculture Treatment

Silviculture treatment is a critical component of our forest management programs, aimed at eliminating competing vegetation and woody vines that hinder the growth of future crop trees. This treatment is essential for enhancing the growth of commercial tree species, ensuring a continued supply of timber for the long term.

As of 31 July 2024, Jawala successfully achieved silviculture treatment across 91% of our targeted areas, a significant improvement from the 45% achieved in the previous financial year.

### Replanting

Replanting is a vital component of our sustainable forest management strategy, ensuring the regeneration of forests and the continuity of timber resources. During the financial year, Jawala successfully replanted 520 hectares of forest, focusing on the Laran species. This represents a slight decrease from the 540.75 hectares replanted in FY2023. The replanting efforts included the planting of seedlings sourced from selected mother trees within our concession areas, contributing to the biodiversity and resilience of the forest ecosystem. This fell short of the targeted 1,200 hectares as we are facing a shortage of machinery and manpower for maintenance and planting activities.

In order to extend the survivability and longevity of replanted trees, Jawala had identified potential threats and the types of pest and disease on the planted compartment such as termites, borer, gall rust, and animal attacks which potentially slow down the effectiveness of our replanting efforts. Prevention strategies and measures are further developed, including regulated chemical treatment and installation of blinking lights.

In our harvesting activities, we aim to minimise environmental impacts by adopting best practices for logging and extraction of logs.

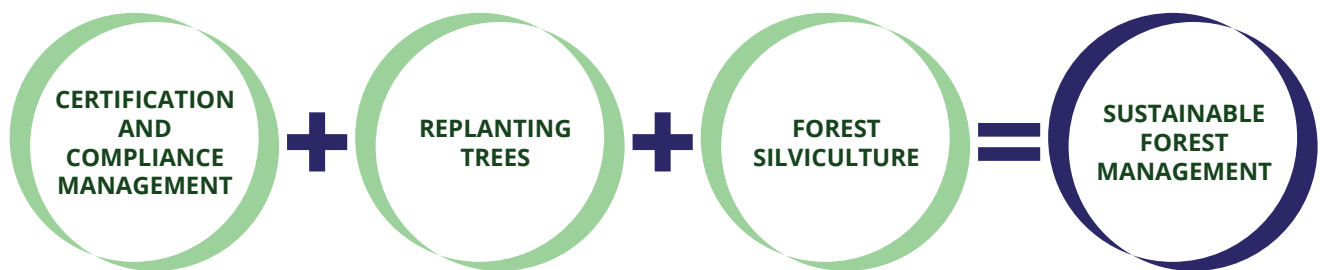


# SUSTAINABILITY REPORT

We also observe the rules and regulations within the riparian reserve, and we carry out precautionary measures and controls to protect the forest from fire, encroachment, and poaching. We adopt the following policies with regard to the preservation and conservation of forest ecosystems.



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



<ul style="list-style-type: none"> <li>Two (2) certifications (FY2023: 2 certifications) of compliance for Sabah Timber Legality Assurance Scheme and the SFMLA</li> </ul>	<ul style="list-style-type: none"> <li>Replanted 520 ha (FY2023: 540.75 ha) with Laran species</li> <li>Replanted 322,927 seedlings (FY2023: 205,659)</li> </ul>	<ul style="list-style-type: none"> <li>Achieved 91% (FY2023: 45%) of the silviculturally treated area</li> </ul>

During the financial year under review, we maintained all relevant certifications and there were no fines or penalties arising from non-compliance with environmental laws and regulations or the SFMLA (FY2023: 0 fines or penalties). Environmental compliance audits are conducted by independent parties once every four months.

We have also successfully maintained the Sabah TLAS Compliance Certificate from the Sabah Forestry Department. The certificate is subject to annual renewal and was last renewed on 8 January 2024. The summaries of TLAS Audit Reports are published on our corporate website at <https://jawalainc.com/>.

In 2023, JPISB won the top spot out of 84 forest companies for Best Model Forest Plantation awarded by the Ministry of Plantation Industries and Commodities (MPIC). MPIC is responsible for overseeing the development of the agri-commodity plantations and industries in Malaysia.

The award recognizes various aspects of sustainability that includes legality compliance, nursery techniques, plantation performance, R&D and profitability.



# SUSTAINABILITY REPORT

## Emissions

In FY2024, Jawala continued its efforts to manage and reduce greenhouse gas emissions as part of its broader environmental stewardship strategy. The company closely monitors both Scope 1 and Scope 2 emissions, with a focus on minimizing the carbon footprint associated with its operations. The table below provides an overview of Jawala's emissions for the financial year.

Emissions Profile <sup>2</sup>	FY2024
Scope 1 (tCO <sub>2</sub> e)	200.83
Scope 2 (tCO <sub>2</sub> e)	11.67
Total Emissions (tCO <sub>2</sub> e) <sup>3</sup>	212.50
Emission Intensity (tCO <sub>2</sub> e/ million MYR of revenue)	26.06
Scope 3 emissions (from supply chain diesel and petrol consumption) (tCO <sub>2</sub> e)	1,521



<sup>2</sup> Emission factors align with LCOS Personal Carbon Footprint and are sourced from DEFRA (2023) and Grid Emission factor for Peninsular Malaysia for year 2021 by Energy Commission

<sup>3</sup> Scope 3 emissions are excluded from the Total Emissions as the full disclosure of Scope 3 is not available. The Group plans to further refine and categorise Scope 3 emissions in accordance with the GHG Protocol's recommended categories.

## Energy Management

Stationary energy consumption is anticipated to stabilize in FY2025 due to the slow-down in staff/workers housing developments. Meanwhile, mobile energy consumption is projected to decline as salvage harvesting operations cease by end of 2024. However, mobile energy consumption may vary based on the extent of forest plantation development.

In mobile energy, the primary source of CO<sub>2</sub> emissions was from the combustion of diesel or petrol in vehicles, and maintenance of machinery, which represent our Scope 1 emissions.

Fuel Consumption in Litres (Scope 1 emission in tCO <sub>2</sub> e)	FY2024
Diesel	73,837 (172.78)
Petrol	11,175 (28.05)

We use purchased electricity primarily for our headquarters (“HQ”) operations. At our camps, we generate solar-based electricity from solar panels, which power the lighting at our base camps, offices, and labor quarters. We installed these solar panels in 2017. In FY2024, JPISB utilized a total of 416,813 kWh of electricity, which would have resulted in approximately 316 tCO<sub>2</sub>e of emissions if it was powered by diesel. However, since the electricity is sourced entirely from solar power, there were no CO<sub>2</sub> emissions from stationary energy.

	FY2024
Purchased Electricity (kWh)	15,392
Electricity from Solar panels (kWh)	416,813
Total Electricity Consumption (kWh)	432,205

This year’s study of emissions also included assessment of the fuel consumption of our supply chain partners, specifically focusing on third-party contractors, as part of our efforts to better understand our Scope 3 emissions. Through this exercise, we collected data and estimated emissions related to these activities. Moving forward, we plan to expand this initiative to further refine and categorize our Scope 3 emissions in accordance with the GHG Protocol’s recommended categories. This marks an important step in our ongoing journey to enhance our emissions management and strengthen our climate-related disclosures.

Supply Chain Fuel Consumption in Litres (Scope 3 emissions in tCO <sub>2</sub> e)	FY2024
Diesel	549,760 (1,502)
Petrol	8,000 (19)

## Climate Change Mitigation

The Task Force on Climate-related Financial Disclosures (TCFD) was established to help organizations disclose climate-related financial risks and opportunities. TCFD provides a framework structured around four key pillars: Governance, Strategy, Risk Management, and Metrics & Targets. These pillars guide organizations in providing clear, comprehensive, and high-quality information on the impacts of climate change on their business. At Jawala, we recognize the importance of this framework as part of our commitment to sustainable forest management. We are dedicated to integrating TCFD recommendations into our overall sustainability strategy, ensuring that we effectively manage climate risks and capitalize on climate-related opportunities.

## Governance

Sustainability governance at Jawala is overseen by our Board of Directors, which plays a critical role in shaping and guiding our climate strategy. The Board is actively involved in reviewing and approving our sustainability goals, including climate-related objectives. Our sustainability governance structure includes a Sustainability Committee that reports directly to the Board, ensuring that climate risks and opportunities are integrated into our strategic decision-making processes. The Board’s oversight is crucial in driving our commitment to align with global sustainability standards, including TCFD recommendations. For further details on our governance structure, please refer to the “Our Sustainability Governance” section.

# SUSTAINABILITY REPORT

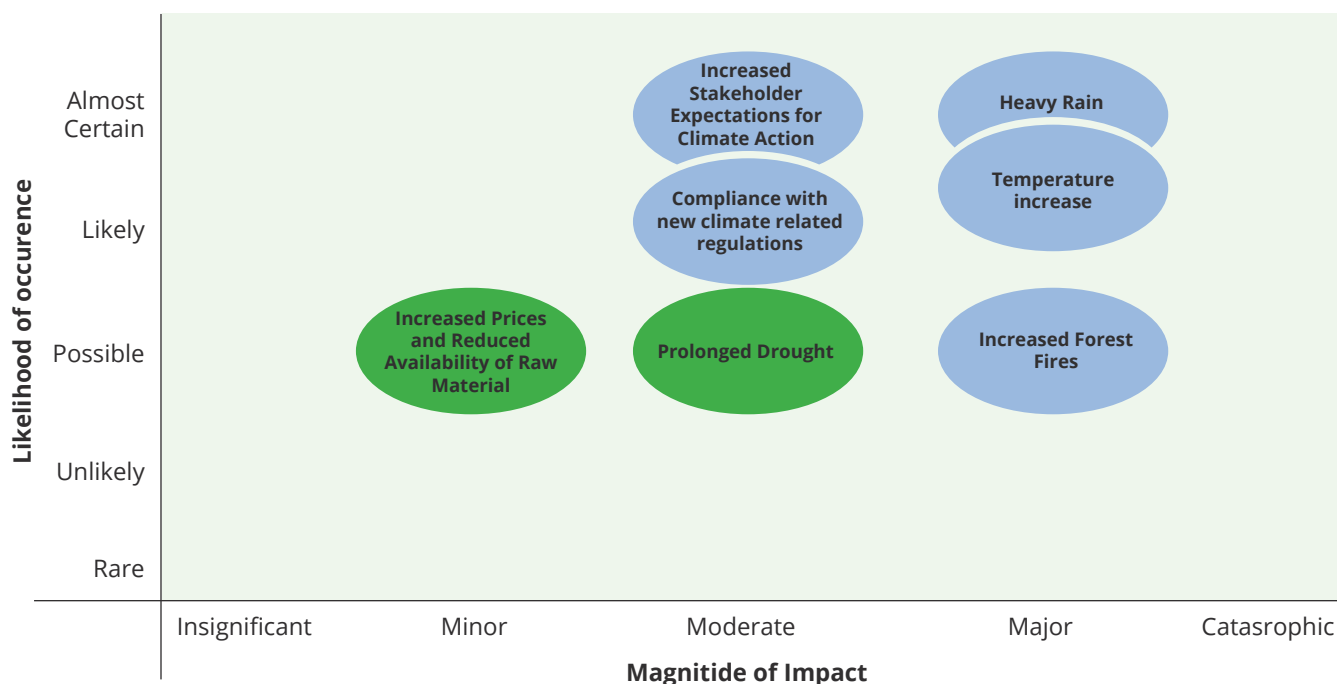
## Strategy

Climate change presents both risks and opportunities for our operations. In line with the TCFD's Strategy pillar, we have conducted an assessment to understand how various climate-related factors could impact our business in the short, medium, and long term. As part of this, we performed a comprehensive risk assessment to identify relevant climate risks, employing scenario analysis based on frameworks from the Intergovernmental Panel on Climate Change (IPCC).

To model the likelihood and impact of these risks, we applied a business-as-usual scenario (RCP8.5), which considers the consequences of severe temperature increases, prolonged dry spells, and heightened forest fire risks. We utilized this scenario in a qualitative manner, focusing on three time horizons: short term (0–2 years), medium term (3–5 years), and long term (6–30 years). In Sabah, Malaysia, average precipitation is projected to rise by 4.6% in 2025, 8% by 2050, and 15.8% by 2100. Similarly, median temperatures are expected to increase by 0.6°C by 2025, 1.5°C by 2050, and as much as 4°C by 2100.

The results of the assessment are: -

Risks	Likelihood	Magnitude of Impact	Time Horizon	Risk Rating
Temperature Increase	Likely (4 out of 5)	Major (4 out of 5)	Medium Term (3 - 5 years)	High
Heavy Rain	Likely (4 out of 5)	Major (4 out of 5)	Medium Term (3 - 5 years)	High
Prolonged Drought	Possible (3 out of 5)	Moderate (3 out of 5)	Long Term (6 - 30 years)	Medium
Increased Forest Fires	Possible (3 out of 5)	Major (4 out of 5)	Medium Term (3 - 5 years)	High
Increased Stakeholder Expectations for Climate Action	Likely (4 out of 5)	Moderate (3 out of 5)	Short Term (0 - 2 years)	High
Increased Prices and Reduced Availability of Raw Materials	Possible (3 out of 5)	Minor (2 out of 5)	Short Term (0 - 2 years)	Medium
Compliance with new climate related regulations	Likely (4 out of 5)	Moderate (3 out of 5)	Medium Term (3 - 5 years)	High



A comprehensive summary of our risk assessment is as follows: -

Risks		Impact	Opportunities	
Physical Risks	Acute Risks	Heavy Rain	<ul style="list-style-type: none"> <li>Productivity losses due to slow down of plantation activities</li> <li>Soil erosion, reducing soil fertility and stability</li> <li>Damage to infrastructure such as roads, bridges, and drainage systems</li> <li>Delays in transporting timber to markets</li> </ul>	<ul style="list-style-type: none"> <li>Robust disease monitoring and management plans to address issues related to excess moisture</li> <li>Upgrade and maintain effective drainage systems to prevent waterlogging</li> <li>Invest in resilient infrastructure capable of withstanding heavy rains</li> </ul>
		Increased Forest Fires	<ul style="list-style-type: none"> <li>Financial and productivity losses from destruction of large forest area</li> <li>Investment in post-fire reforestation and soil rehabilitation efforts</li> <li>Health risks to employees and communities</li> </ul>	<ul style="list-style-type: none"> <li>Implement advanced fire detection systems and establish firebreaks</li> <li>Develop and regularly update emergency response plans</li> <li>Engage with local communities to raise awareness about fire risks</li> </ul>
	Chronic Risks	Temperature Increase	<ul style="list-style-type: none"> <li>Reduction in tree growth rate, leading to lower yield</li> <li>Increased plant susceptibility to diseases and pests</li> <li>Increased costs due to additional irrigation (water) requirements</li> </ul>	<ul style="list-style-type: none"> <li>Invest in shade structures or protective coverings for young or vulnerable plants</li> <li>Conduct regular monitoring and climate modeling to predict and prepare for extreme temperature events.</li> <li>Develop and use advanced irrigation techniques to manage water usage efficiently.</li> </ul>
		Prolonged Drought	<ul style="list-style-type: none"> <li>Reduced tree growth and survival rates, leading to lower timber yields</li> <li>Delay in tree maturity and harvesting schedules, disrupting cash flow</li> <li>Increased irrigation, significantly raising operational expenses</li> <li>Increased susceptibility of plantations to wildfires</li> </ul>	<ul style="list-style-type: none"> <li>Invest in alternative water sources, such as rainwater harvesting and recycled wastewater</li> <li>Implement advanced irrigation technologies like drip or subsurface irrigation</li> <li>Research and plant tree species that are more resistant to drought conditions</li> <li>Develop and implement comprehensive fire prevention and response plans</li> </ul>

# SUSTAINABILITY REPORT

Risks			Impact	Opportunities
Transition Risks	Policy and Legal	Compliance with new climate related regulations	<ul style="list-style-type: none"> <li>• Introduction of carbon taxes or emissions trading systems can result in higher operating costs</li> <li>• Additional costs due to requirements to changes business practices, such as adopting more sustainable forestry management techniques</li> <li>• Failure to comply with new regulations could damage Jawala's reputation</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a dedicated team to monitor regulatory developments and ensure timely compliance with new laws.</li> <li>• Implementing sustainability initiatives</li> <li>• Invest in energy-efficient technologies and practices to reduce overall energy consumption</li> <li>• Implement sustainable forestry practices to enhance carbon sequestration, such as agroforestry, reforestation, and improved forest management.</li> </ul>
	Market	Increased Prices and Reduced Availability of Raw Materials	<ul style="list-style-type: none"> <li>• Natural disasters, geopolitical tensions, or other disruptions can lead to reduced availability of essential inputs such as fertilizers, pesticides, and equipment</li> <li>• Growing demand for agricultural inputs due to global population growth and industrial expansion can drive prices up</li> <li>• Rising fuel prices and transportation disruptions can increase the cost of delivering raw materials</li> </ul>	<ul style="list-style-type: none"> <li>• Establish relationships with multiple suppliers to reduce dependence on any single source and mitigate supply chain disruptions</li> <li>• Explore opportunities for local sourcing of raw materials to reduce transportation costs and dependency on global supply chains</li> <li>• Research and develop alternative materials or organic substitutes that can replace traditional fertilizers and pesticides, potentially reducing costs and dependence on scarce resources</li> </ul>
	Reputation	Increased Stakeholder Expectations for Climate Action	<ul style="list-style-type: none"> <li>• Increasing inquiries from customers about climate actions and sustainability practices</li> <li>• Lack of readiness to increasing market demand for comprehensive sustainability reporting, including Scope 3 emissions</li> <li>• Growing investor preference for companies with strong ESG performance, including climate action</li> </ul>	<ul style="list-style-type: none"> <li>• Proactively engage with customers and other stakeholders to understand their expectations and concerns regarding climate action</li> <li>• Enhance transparency and reporting on climate-related initiatives and performance to build trust and credibility with stakeholders</li> <li>• Collaborate with industry peers, NGOs, and other stakeholders to collectively address climate challenges and demonstrate leadership</li> </ul>



## **Risk Management**

At Jawala, effective risk management is central 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 align our climate risk identification process with our broader business practices, we applied existing ERM structures to the climate risk assessment. Going forward, this alignment will allow us to seamlessly integrate identified climate risks into our overall risk management system (ERM). Furthermore, Jawala appointed two separate external consultants to conduct a detailed assessment of climate-related risks. Their expertise helped identify the most relevant risks for our forestry operations and provided recommendations for mitigation.

The initial assessment was then presented to Jawala's senior management staff in the Basecamp for their concurrence and further input. Senior management's experience with past climate impacts was invaluable in refining the risk assessment to reflect operational realities. After senior management's review, the assessment findings were brought to the Board. We utilised our established ERM processes and tools to manage ESG risks. Instead of creating new systems, we leverage our current ERM methodologies to assess and address ESG risks, ensuring they are treated with the same rigor as financial or operational risks. We aim to formalise this process and to integrate the risk assessment process in the ERM framework.

After identifying the major climate-related risks, Jawala devised concrete strategies to mitigate these risks effectively. Some mitigation strategies for major risks are:

- **Temperature Increase:** To address rising temperatures, which can stress forest ecosystems and hinder tree growth, we implemented adaptive silviculture treatments in natural forest areas. Additionally, we are exploring innovative technologies that enhance forest resilience, such as monitoring plantations and climate modelling to prepare for the extreme temperature events. We are also researching to plant tree species that are more resistant to high temperature and drought conditions.
- **Heavy Rain:** Intense rainfall can disrupt plantation activities, leading to productivity losses. It may also cause soil erosion, reduce soil fertility, and damage infrastructure like roads and bridges, resulting in higher maintenance and repair costs. Flooded or damaged roads could delay timber transport to markets, affecting cash flow and customer satisfaction. To address this, we have implemented improved drainage systems and would be adopting advanced sustainable forestry practices to enhance soil and water retention in our plantations.
- **Increased Forest Fires:** With the increasing threat of forest fires due to prolonged dry spells and higher temperatures, we have strengthened our fire prevention strategies. To strengthen preventive measures, we have established firebreaks, conducted regular fire prevention training, and collaborated with local authorities for rapid fire detection and response. We have also formed appropriate teams for emergency response.

## **Metrics and Targets**

In alignment with the TCFD's Metrics & Targets pillar, we are committed to disclosing our performance across key sustainability metrics. This year, we are reporting on our greenhouse gas emissions, energy consumption, and biodiversity conservation efforts, among others. Specifically, our metrics include:

- **Emissions:** We disclose our Scope 1 and Scope 2 emissions. We have started collecting data to efficiently report Scope 3 emissions in coming years.
- **Energy Use:** We report on the energy consumption from both renewable and non-renewable sources, highlighting our progress in reducing reliance on fossil fuels.
- **Biodiversity:** Our efforts to conserve biodiversity within our Licensed Area will be detailed, including initiatives to protect High Conservation Value (HCV) forests.

# SUSTAINABILITY REPORT

## Waste Generation and Management

Biomass waste from our harvesting activities is a significant byproduct of our forest management operations. In line with our sustainable forest management strategy, we aim to optimize the use of biomass waste, fostering a circular economy within our operations. Depending on the type, biomass waste can be repurposed as fertilizer, fuel, or wood material.

Scheduled wastes, including used diesel and lubricants from our camp equipment, are managed in strict compliance with local laws and regulations. The handling, storage, labelling, and disposal of these wastes are conducted according to the Environmental Quality (Scheduled Wastes) Regulations 2005. We strictly prohibit the disposal of scheduled waste into waterways.

Jawala is also committed to exploring effective waste segregation and recycling methods to further promote responsible business practices.

Annual solid waste generated based on extrapolation of only two months baseline data was 4.75t/yr. With total employees of 114 person, the daily per capita solid waste generated was only 0.0001 t/person/day: significantly lower than the national average of 1.17 kg/person/day. This is translated to a CO<sub>2</sub> emission of 2,361 tCO<sub>2</sub>e for Scope 1. The waste composition includes 34% food, 31% plastic, 19% paper, 14% tin, and 2% glass. Solid waste generation is expected to stabilize by 2024, due to the stabilization of employment rates and staff housing developments.

## Water Consumption

Our operations are situated in areas that are not water-stressed, and according to the Environmental Impact Assessment Report, there are no significant risks related to water withdrawal in the Licensed Area. We source water from natural streams near our base camps and ensure sufficient processing for the consumption of employees residing there. The water catchment area is located within the High Conservation Value (HCV) forests of our plantation, also serving as a vital water source for the surrounding community.

	FY2024
Total water consumption (Megaliter)	105.20
Water Intensity (Megaliter/ million MYR of revenue)	12.90

## SOCIAL

### Employees

At Jawala, our employees are the cornerstone of our business operations and sustainability endeavors. We are committed to fostering a work environment that embraces diversity, promotes equal opportunity, and ensures the well-being of all our staff. Our employment practices are guided by principles of fairness, merit, and non-discrimination, ensuring that decisions related to recruitment, training, development, and promotions are based solely on qualifications and performance, without regard to race, gender, age, or ethnicity.

We strictly prohibit any form of forced or child labor within our operations and uphold the highest standards of human rights. Employees are encouraged to exercise their rights, including freedom of association and collective bargaining. While none of our employees are currently covered by collective bargaining agreements, we remain vigilant in ensuring that all are treated with dignity and in full compliance with applicable laws and regulations.

In FY2024, we are proud to report that there were no substantiated incidents of discrimination or human rights violations within the Jawala Group, reflecting our unwavering commitment to maintaining an inclusive and respectful workplace.

## Employee Diversity

We are committed to fostering a diverse and inclusive workforce that reflects the communities we operate in. As at 31 July 2024, Jawala has 114 employees (FY2023: 130 employees), measured based on headcount. All our employees are full-time employees where 113 are permanent employees and 1 is contract-based employee. There are no significant operations of the Group which are carried out by workers who are not employees or contractors. 98% of our workforce are locals and only 2% of our workforce are foreign employees as we place priority on employing local employees, i.e. Malaysians.

The breakdown of our Senior Management employees based on gender and age group are as follows:

		FY2023	FY2024
Senior Management	Male	2	2
	Female	1	1
	<30	0	0
	30-50	2	1
	>50	1	2
	Local (Malaysian)	3	3
	Foreign (Non-Malaysian)	0	0

Whereas the breakdown for our employees is as follow: -

Total (and percentage) of employees by Gender		FY2023	FY2024
HQ-based employees	Male	4 (3%)	3 (2%)
	Female	7 (5%)	7 (6%)
Camp-based employees	Male	92 (71%)	77 (68%)
	Female	27 (21%)	27 (24%)

Total (and percentage) of employees by Age		FY2023	FY2024
HQ-based employees	<30	2 (2%)	2 (2%)
	30-50	5 (4%)	5 (4%)
	>50	4 (3%)	3 (2%)
Camp-based employees	<30	63 (48%)	53 (47%)
	30-50	51 (39%)	49 (43%)
	>50	5 (4%)	2 (2%)

Number (and percentage) of local and foreign workers		FY2023	FY2024
HQ-based employees	Local (Malaysians)	11 (8%)	10 (9%)
	Foreign (non-Malaysians)	0 (0%)	0 (0%)
Camp-based employees	Local (Malaysians)	117 (90%)	102 (89%)
	Foreign (non-Malaysians)	2 (2%)	2 (2%)

Due to the remote nature of the logging and timber industries, our camp-based workforce is predominantly male. On the other hand, we are able to achieve a better diversity for our HQ-based workforce where our administrative and management functions are located.

## Employee Retention, Turnover and Hire

During the year, employee turnover of the Group was recorded at 41, mainly among camp-based employees due to the nature of our business operations. The Group's workforce remained resilient as the Group was able to fill in vacant positions with new hires. All new hires and turnover based on gender and age group reported below are employees based in Malaysia.

# SUSTAINABILITY REPORT

Total (and Rate of <sup>4</sup> ) employee turnover	FY2023	FY2024
Male	9 (9%)	32 (40%)
Female	3 (9%)	9 (26%)
<30	8 (12%)	24 (44%)
30-50	4 (7%)	16 (30%)
>50	0 (0%)	1 (20%)
Total	12 (9%)	41 (36%)

Our employee turnover increased from 12 to 41 during the year. The increase in turnover is primarily due to the completion of the ESG data collection initiatives, for which we had hired a significant number of contract workers. Once the initial groundwork was completed, many of these contract workers left the company, contributing to the higher turnover rate.

Total (and Rate of <sup>5</sup> ) new hires	FY2023	FY2024
Male	38 (40%)	17 (21%)
Female	11 (32%)	9 (26%)
<30	33 (51%)	22 (40%)
30-50	16 (29%)	4 (7%)
>50	0 (0%)	0 (0%)
Total	49 (38%)	26 (23%)

Our new hires decreased from 49 to 26. This reduction is due to hiring extra manpower for the implementation of the ESG data collection initiatives in FY2023. With the groundwork now in place, the need for additional hires has significantly reduced.

## Employee Retention

Jawala recognises the hard work and contribution of all employees to our achievement and ensures that our workforce is offered competitive benefits to motivate them and increase productivity. Our employees' benefits include:

Types of benefits	Description
Leaves	Annual Leave, Emergency Leave, Medical Leave, Marriage Leave, Compassionate Leave, Maternity Leave, Paternity Leave
Medical	General consultation and medicine
Insurance	Group Hospital and Surgical Insurance and All Benefits Personal Accident Insurance
Allowances	Outstation/Overseas allowances, Meal allowance, Hardship allowances
Others	Business Travel and Claims, Reimbursement for Travel and Accommodation, Local Travel Reimbursement, Accommodation costs, Mobile Phone and Broadband, Visa Fee Reimbursement

## Training and Education

Our commitment to the personal and professional development of employees is a key priority. We provide ongoing training and development opportunities to ensure that our team has the necessary skills for both current and future needs. These initiatives are central to our succession planning, establishing a strong talent pipeline to support long-term business management.

Regular performance appraisals are conducted for all employees to assess their achievements, identify training needs, and discuss career growth. Additionally, these appraisals offer a platform for employees to provide feedback and suggest improvements to management practices and operational processes.

During FY2024, the Group provided a total of 197 training hours (FY2023: 108 training hours) to employees, through internally facilitated trainings and trainings provided by external providers.

<sup>4</sup> Rate of Employee Turnover = Total employee turnover in category/ Total employees in category

<sup>5</sup> Rate of new hires = Total new hires in category/ Total employees in category

Total (and average <sup>6</sup> ) training hours by gender	FY2023	FY2024
Male	48 (0.5)	138 (1.72)
Female	60 (1.76)	59 (1.73)
Total	108 (0.83)	197 (1.73)

Total (and average <sup>6</sup> ) training hours by employee category	FY2023	FY2024
HQ-based employees	62 (5.63)	66.5 (6.65)
Camp-based employees	46 (0.39)	130.5 (1.25)

Amongst others, trainings provided to employees during FY2024 includes the following topics:

- Climate Reporting Fundamentals for Listed Companies
- 2024 Budget Seminar
- ESG Framework for Timber Companies and How to Set Up: Strategy and Management
- HR Conference 2024: Trends, Challenges & Employment Law Updates
- ESG Initiatives Awareness Forum
- Climate Risk Workshop
- ACMF-ISSB Virtual Technical Training on the IFRS Sustainability Disclosure Standards for Corporate Preparers
- ESG Essentials: Navigating Implementation in the Timber Industry (Borneo Region)
- Environmental, Social, Corporate Governance (ESG) Initiatives Awareness Forum
- Sabah Sustainability Accelerator Program 2024
- Occupational Safety & Health Coordinator (OSH-C)
- Forest Fire Prevention & Control Training (Latihan Pencegahan dan Pengawasan Kebakaran Hutan)
- Re-Application of Herbicide for Commercial Trial and Calibration Training
- Briefing on Anti-Bribery & Anti-Corruption Policy (multiple sessions)

## Occupational Safety and Health

Occupational safety and health are paramount priorities at Jawala. We are committed to ensuring a safe and healthy work environment for all employees, which is formalized in our Occupational Safety and Health (“OSH”) Policy. This policy governs all operations, including those involving employees and contractors, and includes specific guidelines on maintaining a workplace free from drugs and alcohol.

Guided by the OSH Policy, Jawala has implemented a safety and health management system (“SHMS”). This system provides a structured and systematic approach to identifying, assessing, managing, and reporting occupational safety and health risks. The SHMS supports compliance with relevant safety and health laws and regulations and facilitates a risk-based approach to managing these risks through a Hazard Identification, Risk Assessment, and Risk Control (“HIRARC”) process.

Oversight of the SHMS is provided by the OSH Committee, led by an OSH Chairman and comprising six employer representatives and five employee representatives, including the Safety and Health Officer. Employee participation on this committee ensures that operational-level concerns are considered and that employee interests are represented during the HIRARC assessment processes. The OSH Committee convenes quarterly to review safety performance, monitor the effectiveness of safety controls, and discuss any necessary improvements based on accident statistics or HIRARC outcomes. Any accidents are thoroughly investigated to identify their causes and determine if further improvements to existing processes and controls are needed. Progress on any action plans for process improvements is regularly updated to the OSH Committee until they are fully implemented or resolved.

Employees are encouraged to prioritize their safety and to remove themselves from dangerous situations without fear of reprisal. They are also encouraged to raise concerns regarding workplace safety or health issues through their representatives on the OSH Committee or their supervisors. Given the remote location of the Group’s Forest management operations, a clinic staffed by qualified medical personnel is available at our camps to provide timely medical treatment. Additionally, we offer annual medical checks to monitor employees’ health.

<sup>6</sup> Average training hours = Total training hours in category/Total employees in category

# SUSTAINABILITY REPORT

Key measures related to OSH implemented by the Group include:

- Review of safety and health policy and procedures;
- Provision of personal protective equipment;
- Safety supervision at campsite by the Safety and Health Officer;
- Weekly Safety Toolbox Briefing; and
- Safety inspection activities

In addition to these measures, we provide safety and health training to ensure employees have the necessary knowledge to protect themselves and others while complying with the Group's safety protocols. Our Safety and Health Officer also briefs all contractors on the latest OSH Policy and manual, ensuring that new contractors and their workers are fully informed upon engagement.

In FY2024, Jawala successfully met its target of having no major incidents, underscoring our commitment to occupational health and safety. Our safety performance is summarised as follows:

		FY2022	FY2023	FY2024
Total hours worked (manhours)		249,600	257,088	259,584
Fatalities	Number	0	0	0
	Rate	0	0	0
High-consequence injuries	Number	0	0	0
	Rate	0	0	0
Recordable injuries	Number	0	0	0
	Rate	0	0	0
Number of recordable work-related ill health cases	Number	0	0	0
	Rate	0	0	0

We continue to target having no major incidents related to health and safety of the employees.

## Local Communities

Jawala Inc. is deeply committed to the well-being of the local communities in and around our Licensed Area. Recognizing our responsibilities, we ensure that our operations do not have significant negative environmental or social impacts on these communities and their livelihoods. To uphold this commitment, we regularly conduct environmental impact assessments in compliance with applicable laws and regulations. The findings from these assessments are publicly disclosed on our corporate website, demonstrating our transparency and dedication to responsible practices.

The local community is one of our key stakeholder groups, and we have established effective channels of communication and designated representatives to facilitate dialogue. These channels allow us to understand the concerns of the local population regarding our operations, if any, and help us identify opportunities to support their development needs.



## Community Development Within/ Around The Licensed Area

As part of our community development efforts within and around the Licensed Area, Jawala provides employment opportunities to approximately 78 local residents from the Sapulut and Nabawan Districts of Sabah. Beyond employment, we are committed to enhancing the quality of life for these communities through various Corporate Social Responsibility (CSR) initiatives. These programs are designed to improve living standards, promote education, and increase access to basic necessities, among other areas.

From time to time, Jawala establishes Corporate Social Responsibility (“CSR”) programmes that aim to enrich the local community in various areas such as living standards, education, access to basic necessities, and others.

During the financial year under review, Jawala donated a total amount of RM46,790 towards various community initiatives aimed at supporting local development and welfare. This included a significant contribution of RM17,661.20 for the installation of a water pipe in Kg. Kuku Amas, providing essential infrastructure to the community. Additionally, RM4,812 was donated to SK Simatuoh for a study visit to Kota Kinabalu, enhancing students’ educational experiences. Further support was extended for community events and well-being, such as a RM2,000 donation for Kampung Tonomon’s family day event, and RM2,000 for the purchase of sports attire for SK Simatuoh’s sports day, encouraging youth participation in sports. These contributions reflect Jawala’s commitment to improving the quality of life and fostering strong community ties in the regions where it operates.

	FY2023	FY2024
Investment in local communities (MYR)	25,841	46,790

Over the years, we have supported the local community in various areas, such as infrastructure development, construction of accommodation and facilities, cultural celebrations, and others. Where we can, we will continue to support and enrich the lives of the local communities to foster a better shared future and ecosystem.

## GOVERNANCE

At Jawala, we prioritize strong governance practices to ensure the sustainability and long-term success of our business. Our Board of Directors is committed to maintaining a diverse and independent leadership team. Currently, our Board exhibits a balanced representation in terms of gender, age, and ethnicity.

Number (and percentage) of total directors		FY2023	FY2024
Board of Directors	Male	4 (67%)	5 (83%)
	Female	2 (33%)	1 (17%)
	<30	0 (0%)	0 (0%)
	30-50	2 (33%)	1 (17%)
	>50	4 (67%)	5 (83%)
	Local (Malaysian)	5 (83%)	5 (83%)
	Foreign (non-Malaysian)	1 (17%)	1 (17%)
	Independent	3 (50%)	3 (50%)
	Non-Independent	3 (50%)	3 (50%)



# SUSTAINABILITY REPORT

At Jawala, we believe that robust corporate governance is vital for sustainable business success. Under the leadership of the Board, we are dedicated to maintaining high standards of governance, adhering to the best practices set forth by the Code of Corporate Governance 2018. These practices emphasize accountability, transparency, and sustainability in all aspects of our operations.

To strengthen our governance framework, we have established an Enterprise Risk Management (ERM) system. This system provides a structured approach for identifying, assessing, managing, and reporting risks, thereby supporting our internal control mechanisms and protecting the Group's assets.

Recognizing the increasing importance of climate-related risks, we have aligned climate risks identification with our ERM system. This will allow for a seamless integration in the future and ensure that our risk management framework addresses the evolving challenges posed by climate change. For a detailed overview of our corporate governance practices and risk management system, please refer to the Corporate Governance Report.

## ***Management of Legal and Regulatory Environment***

Jawala is steadfast in its commitment to complying with all relevant laws and regulations that govern our business operations. This commitment ensures that our activities are conducted with the highest level of integrity and in accordance with the legal frameworks that apply to us. The key laws and regulations that we adhere to include, but are not limited to:

- Companies Act
- Listing Rules of SGX – Catalist Rules
- Forest Enactment 1968
- Malaysian Anti-Corruption Commission (“MACC”)
- Employment Act – Sabah Labour Ordinance
- SFMLA Requirements
- Occupational Safety and Health Act 1994
- Wildlife Conservation Enactment 1997
- Personal Data Protection Act (“PDPA”)

Our dedication to regulatory compliance is demonstrated by our track record. During FY2024, we recorded no incidents of non-compliance, continuing our clean record from the previous year (FY2023: zero incidents). Additionally, there were no fines or penalties imposed on the Group arising from any violation of applicable laws and regulations. We target to continue to have no incidents of non-compliance.

## ***Ethics and Integrity***

Upholding the highest standards of business ethics is at the core of Jawala's operations. We have implemented a Professional Business Code of Ethics (“Code”), which outlines our expectations for ethical conduct in various aspects of our business. This Code covers critical areas such as:

- Anti-bribery and Anti-corruption
- Managing Conflicts of Interest
- Avoidance of Abuse of Power
- Prevention of Insider Trading
- Respect for Human Rights
- Environmental Preservation

The Code is applicable across all of Jawala's operations, extending to all directors and employees. To ensure widespread adherence, the Code is made accessible to all, and new employees receive comprehensive briefings on its contents, aligning their conduct with Jawala's ethical standards.

To maintain transparency and avoid conflicts of interest, all directors are required to annually declare and sign off on any direct or indirect interests they may have with the Group, including any interested party transactions. Similarly, employees are obliged to declare any significant conflict of interest situations to the Group CEO in writing. These situations include any financial relationships, whether direct or indirect, through a family member or relative, with any of our suppliers, clients, business associates, or service organizations.



## Anti-Corruption

The Board of Jawala has established a zero-tolerance stance on bribery and corruption, which is formalized through our Anti-Bribery and Anti-Corruption (“ABAC”) Policy. This policy applies not only to Jawala’s operations, employees, and directors but also extends to our business associates, such as service providers and contractors, ensuring they refrain from engaging in corrupt activities while performing services on behalf of Jawala.

Our ABAC Policy adopts a risk-based approach to managing corruption risks. All of the Group’s operations, including both HQ-based and camp-based operations, have been rigorously assessed for corruption risk. The policy provides clear guidance on managing high-risk transactions, such as gifts, entertainment, and hospitality, and strictly prohibits any facilitation payments within Jawala’s operations. To further safeguard business integrity, Jawala has implemented controls like segregation of duties, avoidance of conflicts of interest, and delegation of limits for approval and review functions.

To ensure comprehensive understanding and compliance, all employees are informed and trained on Jawala’s ABAC Policy, with specific emphasis during the orientation of new employees. Moreover, our anti-corruption stance is communicated to key business partners, particularly plantation contractors, who are required to acknowledge and commit to the ABAC Policy by signing off upon the engagement of their services.

Jawala’s ABAC Policy is publicly available on our corporate website at <https://jawalainc.com/>.

As of 31 July 2024, Jawala’s ABAC Policy communication and training to directors, employees, and business partners are summarised as follows:

Number (and Percentage) of employees communicated on ABAC Policy	FY2023	FY2024
Directors		
Board of Directors	6 (100%)	6 (100%)
Employees		
HQ-based	11 (100%)	10 (100%)
Camp-based	119 (100%)	104 (100%)
Contractors/ Business Partners		
Plantation contractors	17 (100%)	28 (100%)

Number (and Percentage) of employees attended training/ briefing on ABAC Policy	FY2023	FY2024
Directors		
Board of Directors	6 (100%)	6 (100%)
Employees		
HQ-based	11 (100%)	10 (100%)
Camp-based	119 (100%)	104 (100%)

During the financial year under review, there were no confirmed incidents of corruption recorded or reported to the Group. We target to continue this performance and to have no confirmed incidents of corruption.

Jawala has established a robust whistleblowing mechanism under the Whistleblowing Policy, which is approved by the Board. This policy provides a secure and objective channel for reporting any actual or suspected misconduct, wrongdoings, or serious violations of the Code, including corrupt activities and bribery. The whistleblowing mechanism ensures that genuine whistleblowers can make reports without fear of reprisal or victimization, with objectivity and confidentiality being the fundamental principles of this process. Additionally, the mechanism includes a direct reporting channel to the independent Audit Committee Chairman.

The Whistleblowing Policy is also publicly accessible on our corporate website at <https://jawalainc.com/>.

# TCFD SUMMARY

Section	Recommendation	Page Reference / comments
<b>Governance</b>	a. Describe board's oversight of climate-related risks and opportunities	Page 67
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	Page 67
<b>Strategy</b>	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Page 68
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Page 68
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Page 68
<b>Risk management</b>	a. Describe the organization's processes for identifying and assessing climate-related risks.	Page 71
	b. Describe the organization's processes for managing climate-related risks	Page 71
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Page 71
<b>Metrics and targets</b>	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Page 71
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Page 71
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Page 71

# GRI CONTENT INDEX

<b>Statement of use</b>	Jawala Inc has reported the information cited in this GRI content index for the period 1 August 2023 to 31 July 2024 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Location/content</b>
<b>GRI 2: General Disclosures</b>	2-1 Organizational details	Page 1, Corporate Profile, Annual Report
	2-2 Entities included in the organization's sustainability reporting	Page 55, Reporting Period and Scope, Sustainability Report
	2-3 Reporting period, frequency and contact point	Page 55, Reporting Period and Scope, Sustainability Report Page 56, Contact Point, Sustainability Report
	2-4 Restatements of Information	No restatement of information
	2-5 External assurance	Page 55, Internal Review, Sustainability Report
	2-6 Activities, value chain and other business relationships	Page 1, Corporate Profile, Annual Report
	2-7 Employees	Page 72-73, Employees – Employee Diversity, Sustainability Report
	2-8 Workers who are not employees	Page 72-73, Employees – Employee Diversity, Sustainability Report; Page 74, Employee Benefits, Sustainability Report
	2-9 Governance structure and composition	Page 6-9, Board of Directors, Annual Report
	2-10 Nomination and selection of the highest governance body	Page 28-30, Corporate Governance Report, Annual Report
	2-11 Chair of the highest governance body	Page 6-9, Board of Directors, Annual Report
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 26-27, Corporate Governance Report, Annual Report; Page 58, Our Sustainability Governance, Sustainability Report
	2-13 Delegation of responsibility for managing impacts	Page 20, Corporate Governance Report, Annual Report
	2-14 Role of the highest governance body in sustainability reporting	Page 58, Our Sustainability Governance, Sustainability Report
	2-15 Conflicts of interest	Page 19, Corporate Governance Report, Annual Report
	2-16 Communication of critical concerns	Page 78-79, Ethics and Integrity, Sustainability Report Page 44-45, Corporate Governance Report, Annual Report
	2-17 Collective knowledge of the highest governance body	Page 25, Corporate Governance Report, Annual Report Page 58, Our Sustainability Governance, Sustainability Report
	2-18 Evaluation of the performance of the highest governance body	Page 31-32, Corporate Governance Report, Annual Report
	2-19 Remuneration policies	Page 35, Corporate Governance Report, Annual Report
	2-20 Process to determine remuneration	Page 32-35, Corporate Governance Report, Annual Report

# GRI CONTENT INDEX

GRI Standard	Disclosure	Location/content
<b>GRI 2: General Disclosures</b>	2-21 Annual total compensation ratio	This disclosure is withheld due to competitive business confidentiality.
	2-22 Statement on sustainable development strategy	Page 58, Our Sustainability Governance, Sustainability Report
	2-23 Policy commitments	Page 78-79, Ethics and Integrity, Sustainability Report
	2-24 Embedding policy commitments	Page 78-79, Ethics and Integrity, Sustainability Report
	2-25 Processes to remediate negative impacts	Page 78-79, Ethics and Integrity, Sustainability Report Page 59, Stakeholder Engagement, Sustainability Report
	2-26 Mechanisms for seeking advice and raising concerns	Page 78-79, Ethics and Integrity, Sustainability Report
	2-27 Compliance with laws and regulations	Page 63, Sustainable Forest Management, Sustainability Report Page 78, Management of Legal and Regulatory Environment, Sustainability Report
	2-28 Membership associations	None
	2-29 Approach to stakeholder engagement	Page 59, Stakeholder Engagement, Sustainability Report
	2-30 Collective bargaining agreements	Page 72, Employees, Sustainability Report
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Page 60, Material Sustainability Matters, Sustainability Report
	3-2 List of material topics	Page 60, Material Sustainability Matters, Sustainability Report
<b>GOVERNANCE</b>		
<b>Legal Compliance and Corporate Governance</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 78, Management of Legal and Regulatory Environment, Sustainability Report Page 78, Ethics and Integrity, Sustainability Report
<b>GRI 205: Anti-Corruption 2016</b>	205-1 Operations assessed for risks related to corruption	Page 78-79, Ethics and Integrity – Anti-Corruption, Sustainability Report
	205-2 Communication and training about anti-corruption policies and procedures	Page 78-79, Ethics and Integrity – Anti-Corruption, Sustainability Report
	205-3 Confirmed incidents of corruption and actions taken	Page 78-79, Ethics and Integrity – Anti-Corruption, Sustainability Report

GRI Standard	Disclosure	Location/content
<b>ENVIRONMENTAL</b>		
<b>Compliance with SFMLA Environmental Impact Assessment and Mitigation Research and Development</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 63, Sustainable Forest Management, Sustainability Report Page 67, Energy Management, Sustainability Report Page 72, Waste Generation and Management, Sustainability Report Page 72, Water Consumption, Sustainability Report Page 61-63, Biodiversity and Conversation, Sustainability Report Page 67, Climate Change Mitigation, Sustainability Report
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption with the organisation	Page 67, Energy Management, Sustainability Report
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Page 72, Water Consumption, Sustainability Report
	303-2 Management of water discharge – related impacts	Page 72, Water Consumption, Sustainability Report
<b>GRI 304: Biodiversity 2016</b>	304-1 Operation sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Page 61-63, Biodiversity and Conversation, Sustainability Report
	304-2 Significant impacts of activities, products and services on biodiversity	Page 61-63, Biodiversity and Conversation, Sustainability Report
	304-3 Habitats protected or restored	Page 61-63, Biodiversity and Conversation, Sustainability Report
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Page 61-63, Biodiversity and Conversation, Sustainability Report
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Page 66, Emissions, Sustainability Report
	305-2 Energy Indirect (Scope 2) GHG emissions	Page 66, Emissions, Sustainability Report
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant wate-related impacts	Page 72, Waste Generation and Management, Sustainability Report
	306-2 Management of significant waste-related impacts	Page 72, Waste Generation and Management, Sustainability Report

# GRI CONTENT INDEX

GRI Standard	Disclosure	Location/content
<b>SOCIAL</b>		
<b>Workforce Diversity</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 72, Employees, Sustainability Report
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Page 73-74, Employees – Employee Retention, Turnover and Hire, Sustainability Report
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Page 73, Employees – Employee Diversity, Sustainability Report
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	Page 72, Employees, Sustainability Report
<b>Health and Safety</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 75-76, Occupational Safety and Health, Sustainability Report
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Page 75-76, Occupational Safety and Health, Sustainability Report
	403-2 Hazard identification, risk assessment, and incident investigation	Page 75-76, Occupational Safety and Health, Sustainability Report
	403-3 Occupational health services	Page 75-76, Occupational Safety and Health, Sustainability Report
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 75-76, Occupational Safety and Health, Sustainability Report
	403-5 Worker training on occupational health and safety	Page 74-75, Training and Education, Sustainability Report
	403-6 Promotion of worker health	Page 75-76, Occupational Safety and Health, Sustainability Report
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 75-76, Occupational Safety and Health, Sustainability Report
	403-9 Work-related injuries	Page 75-76, Occupational Safety and Health, Sustainability Report
	403-10 Work-related ill health	Page 75-76, Occupational Safety and Health, Sustainability Report

# GRI CONTENT INDEX

GRI Standard	Disclosure	Location/content
<b>Training &amp; Staff Development</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 74-75, Training and Education, Sustainability Report
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Page 74-75, Training and Education, Sustainability Report
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 74-75, Training and Education, Sustainability Report
<b>Community Development</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 76-77, Local Communities, Sustainability Report
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Page 76-77, Local Communities, Sustainability Report

# FINANCIAL CONTENTS

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**96** Consolidated Statement of Comprehensive Income

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**97** Statement of Financial Position - Group  
**98** Statement of Financial Position - Company

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**99** Consolidated Statement of Changes In Equity  
**100** Consolidated Statement of Cash Flows  
**102** Notes to the Financial Statements





# DIRECTORS' STATEMENT

For the financial year ended 31 July 2024

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

In the opinion of the directors,

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

## Directors

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

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

## Arrangements to enable directors to acquire shares and debentures

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

## Directors' interests in shares or debentures

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

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

# DIRECTORS' STATEMENT

For the financial year ended 31 July 2024

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

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

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

## Share options

### THE JAWALA EMPLOYEE SHARE OPTION SCHEME

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

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

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

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

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

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

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

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

# DIRECTORS' STATEMENT

For the financial year ended 31 July 2024

## Share options (continued)

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

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

There were no options being exercised during the financial year.

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

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

## Performance share plan

### THE JAWALA PERFORMANCE SHARE PLAN

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

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

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

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

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

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

# DIRECTORS' STATEMENT

For the financial year ended 31 July 2024

## Performance share plan(continued)

### THE JAWALA PERFORMANCE SHARE PLAN (continued)

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

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

## Audit Committee

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

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

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

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

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

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

# DIRECTORS' STATEMENT

For the financial year ended 31 July 2024

## **Independent auditor**

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

On behalf of the directors

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Datuk Jema Anton Khan  
*Director*

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Abdul Rahman Khan Bin Hakim Khan  
*Director*

25 October 2024

# INDEPENDENT AUDITOR'S REPORT

To The Members of Jawala Inc.

## Report on the Audit of the Financial Statements

### Opinion

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

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

### Basis for Opinion

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

### Key Audit Matters

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

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

# INDEPENDENT AUDITOR'S REPORT

To The Members of Jawala Inc.

## Key Audit Matters (continued)

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

## Other information

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

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

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

## Other Matter

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

# INDEPENDENT AUDITOR'S REPORT

To The Members of Jawala Inc.

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

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

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

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

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

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

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

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



# INDEPENDENT AUDITOR'S REPORT

To The Members of Jawala Inc.

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

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

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

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

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

### **PKF-CAP LLP**

Public Accountants and  
Chartered Accountants

Singapore

25 October 2024

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 July 2024

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

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

# STATEMENT OF FINANCIAL POSITION GROUP

As at 31 July 2024

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

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

# STATEMENT OF FINANCIAL POSITION COMPANY

As at 31 July 2024

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

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 July 2024

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

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 July 2024

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

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 July 2024

## Reconciliation of liabilities arising from financing activities

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

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

## 1. Corporate information

### 1.1 The Company

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

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

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

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

## 2. Material Accounting Policy Information

### 2.1 Basis of preparation

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

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

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

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

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



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 2. Material Accounting Policy Information (continued)

### 2.1 Basis of preparation (continued)

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

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

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

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

### 2.2 Revenue recognition

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

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

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

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

#### (b) *Interest income*

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 2. Material Accounting Policy Information (continued)

### 2.3 Government grants

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

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

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

### 2.4 Group accounting

#### (a) *Subsidiary corporations*

##### (i) *Consolidation*

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

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

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

##### (ii) *Acquisitions*

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

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

Acquisition-related costs are expensed as incurred.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 2. Material Accounting Policy Information (continued)

### 2.4 Group accounting (continued)

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

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

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

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

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

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

##### (iii) *Disposals*

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 2. Material Accounting Policy Information (continued)

### 2.5 Property, plant and equipment

#### (a) Measurement

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

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

##### (ii) Components of costs

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

#### (b) Depreciation

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

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

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

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

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

#### (c) Subsequent expenditure

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

#### (d) Disposal

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 2. Material Accounting Policy Information (continued)

### 2.6 Intangible assets

#### *Acquired timber rights*

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

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

### 2.7 Borrowing costs

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

### 2.8 Biological assets

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

### 2.9 Investment in a subsidiary corporation

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

### 2.10 Impairment of non-financial assets

#### *Intangible asset*

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

#### *Investment in a subsidiary corporation*

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 2. Material Accounting Policy Information (continued)

### 2.11 Financial assets

The Group classifies its financial assets as amortised cost.

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

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

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

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

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

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

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

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

#### (iii) *Impairment*

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

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

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

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

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

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

### 2.12 Offsetting of financial instruments

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 2. Material Accounting Policy Information (continued)

### 2.13 Borrowings

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

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

### 2.14 Trade and other payables

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

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

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

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

### 2.16 Leases

*When the Group is the lessee*

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

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

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

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

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

#### (b) *Lease liabilities*

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 2. Material Accounting Policy Information (continued)

### 2.16 Leases (continued)

*When the Group is the lessee (continued)*

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

Lease payments include the following:

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

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

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

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

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

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

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

### 2.17 Inventories

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



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 2. Material Accounting Policy Information (continued)

### 2.18 Income taxes

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

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

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

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

Deferred income tax is measured:

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

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

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

### 2.19 Provisions

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 2. Material Accounting Policy Information (continued)

### 2.20 Employee compensation

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

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

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

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

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

### 2.21 Currency translation

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

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

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

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

### 2.22 Segment reporting

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

### 2.23 Cash and cash equivalents

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

### 2.24 Share capital

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

### 2.25 Dividends to Company's shareholders

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 2. Material Accounting Policy Information (continued)

### 2.26 Cash and cash equivalent

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

## 3. Critical accounting estimates, assumptions and judgements

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

### *Expected Credit Losses*

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

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

### *Impairment of non-financial assets*

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

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

### *Fair value of biological assets*

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

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

### *Lease Terms*

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

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

## 4. Going concern

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 5. Revenue

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

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

## 6. Other income

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

## 7. Other gains and losses

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 8. Expenses by nature

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 9. Employee compensation

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

## 10. Finance expense

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

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

## 11. Income tax expense/(credit)

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

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

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

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

## 12. Earnings per share

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

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

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

## 13. Cash and bank balances

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



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 13. Cash and bank balances (continued)

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

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

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

## 14. Trade and other receivables

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

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

### Note 1

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 14. Trade and other receivables (continued)

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

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

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

## 15. Inventories

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

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

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

## 16. Investment in a subsidiary corporation

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

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

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

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

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

*Carrying value of non-controlling interests*

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

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

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

*Summarised statement of financial position*

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

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

*Summarised statement of comprehensive income*

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

*Summarised statement of cash flows*

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 17. Property, plant and equipment

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 18. Leases – the Group as a lessee

*Nature of the Group's leasing activities*

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

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

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

### (b) Interest expense

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

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

- (c) Lease expense not capitalised in lease liabilities

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

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

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

### *Extension options*

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

## 19. Biological assets

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

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

### *Fair value of biological assets*

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 19. Biological assets (continued)

### *Fair value information*

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

### **Level 3 Fair value**

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

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

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

## 20. Intangible assets

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

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

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



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 21. Trade and other payables

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

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

## 22. Borrowings

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

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

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

### (a) Security granted

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 22. Borrowings (continued)

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

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

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

## 23. Deferred income taxes

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

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

Movement in deferred income tax account is as follows:

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 24. Share capital

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

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

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

## 25. Retained profits

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

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 26. Financial risk management

### *Financial risk factors*

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

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

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

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

(a) *Market risk*

(i) *Currency risk*

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

(ii) *Price risk*

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 26. Financial risk management (continued)

### Financial risk factors (continued)

#### (b) Credit risk

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

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

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

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

#### (i) Trade receivables

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

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

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

The movements in credit loss allowance are as follows:

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 26. Financial risk management (continued)

### Financial risk factors (continued)

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

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

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

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

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

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

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

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

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

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

##### (iv) Financial guarantee contracts

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 26. Financial risk management (continued)

### Financial risk factors (continued)

#### (c) Liquidity risk

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

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

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

#### (d) Capital risk

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 26. Financial risk management (continued)

### Financial risk factors (continued)

#### (e) Fair value measurements

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

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

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

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

#### (f) Financial instruments by category

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

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



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## 27. Significant related party transactions

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

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

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

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

### (b) Key management personnel compensation

Key management personnel compensation is as follows:

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2024

## **28. Segment information**

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

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

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

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

# SHAREHOLDERS' INFORMATION

As at 10 October 2024

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

## DISTRIBUTION OF SHAREHOLDINGS AS AT 10 OCTOBER 2024

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

## TWENTY LARGEST SHAREHOLDERS AS AT 10 OCTOBER 2024

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

# SHAREHOLDERS' INFORMATION

As at 10 October 2024

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

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

### Notes:

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

## SHAREHOLDINGS HELD IN HANDS OF PUBLIC

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

# NOTICE OF ANNUAL GENERAL MEETING

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

## As Ordinary Business

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

## As Special Business

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

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

# NOTICE OF ANNUAL GENERAL MEETING

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

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

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

provided that:-

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

*[Explanatory Note (vii)]*

# NOTICE OF ANNUAL GENERAL MEETING

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

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

*[Explanatory Note (viii)]*

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

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

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

*[Explanatory Note (viii)]*

By Order of the Board

Jason Chen  
Chew Pei Tsing  
Company Secretaries

Singapore  
8 November 2024

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:

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

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

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

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

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

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

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

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

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

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

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

## Important Notes:

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

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



# NOTICE OF ANNUAL GENERAL MEETING

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

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

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

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

# NOTICE OF ANNUAL GENERAL MEETING

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

\* A relevant intermediary is:

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

## Personal data privacy:

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

# JAWALA INC.

Company Registration No. LL13922  
(Incorporated in Labuan)

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

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

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

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

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

and/or\* (delete as appropriate)

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

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

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

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

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

\* Delete where inapplicable

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

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

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

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



**Notes: -**

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

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

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

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

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

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

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

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

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

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

\* A relevant intermediary is:

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

**PERSONAL DATA PRIVACY**

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



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

**Kota Kinabalu Office**

H-7-10, Block H, Aeropod Commercial Square,  
Tanjung Aru, Kepayan, 88100  
Kota Kinabalu, Sabah, MALAYSIA  
Tel: +6-088-252 323  
Fax: +6-088-385 725

**Kuala Lumpur Office**

Lot 17-02, 17th Floor, Menara KH, Jalan Sultan Ismail, 50250  
Kuala Lumpur, MALAYSIA  
Tel: 60-3-21419700 / 21419707 / 21419708  
Fax: 60-3-21427396

**Email: [info@jawalainc.com](mailto:info@jawalainc.com)**