JAWALA INC.
(Incorporated in Labuan on 8 August 2017)
(Company Registration No. LL13922)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS AND FULL YEAR ENDED 31 JULY 2026

This announcement has been reviewed by UOB Kay Hian Private Limited (the "**Sponsor**").

This announcement 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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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

Background

The Company was incorporated in Labuan on 8 August 2017 in Labuan, Malaysia under the Labuan Companies Act as a company limited by shares under the name "Jawala Inc.".

The Company is a forest resource company based in Malaysia with a focus on industrial tree plantations situated in Sabah. The Company's main business is the management of forestry resources, and the planting and extraction of timber. The Company with its subsidiary corporation (the "Group") focus on the cultivation of industrial tree plantations through the implementation of sustainable forest management practices.

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Group					
		6 months ended			12 months ended		
	Note	31 July 2026 (Unaudited) RM'000	31 July 2025 (Unaudited) RM'000	Increase/ (Decrease) %	FY2026 (Unaudited) RM'000	FY2025 (Audited) RM'000	Increase/ (Decrease) %
Revenue	4	4,034	2,670	51	6,283	10,184	(38)
Cost of sales		(2,558)	(1,971)	30	(4,147)	(6,941)	(40)
Gross profit		1,476	699	NM	2,136	3,243	(34)
Other income		31	29	7	61	134	(54)
Other (losses)/gains							
- Fair value (loss)/ gain on biological assets		(4,055)	1,855	(319)	(4,055)	1,855	(319)
-(Impairment)/Reversal of impairment loss on financial assets		(598)	523	(214)	(468)	268	(275)
- Gain on foreign exchange		3	-	100	8	-	NM
Expenses							
- Distribution		(860)	(509)	69	(1,292)	(1,838)	(30)
- Administrative		(3,762)	(3,726)	1	(6,983)	(7,350)	(5)
- Finance		(447)	(328)	36	(826)	(637)	30
Loss before income tax	6	(8,212)	(1,457)	NM	(11,419)	(4,325)	NM
Income tax credit	7	1,293	359	260	1,877	850	121
Total comprehensive loss, representing net loss		(6,919)	(1,098)	NM	(9,542)	(3,475)	NM
Total comprehensive loss and net loss attributable to:							
Equity holders of the Company		(4,972)	(876)	NM	(6,927)	(2,612)	NM
Non-controlling interests		(1,947)	(222)	NM	(2,615)	(863)	NM
		(6,919)	(1,098)	NM	(9,542)	(3,475)	NM
Loss per share for attributable to equity holders of the Company (Sen per share)	16						
Basic and diluted		(4.20)	(0.74)		(5.85)	(2.20)	

NM – Not Meaningful

B. CONDENSED INTERIM BALANCE SHEET

	Note	Group		Company	
		As at 31 July 2026 (Unaudited) RM'000	As at 31 July 2025 (Audited) RM'000	As at 31 July 2026 (Unaudited) RM'000	As at 31 July 2025 (Audited) RM'000
ASSETS					
Current assets					
Cash and bank balances	8	1,423	2,436	61	994
Trade and other receivables	9	3,003	4,779	1,557	1,578
Income tax recoverable		-	404	-	-
Inventories		365	316	-	-
Total current assets		4,791	7,935	1,618	2,572
Non-current assets					
Other receivables	9	1,608	1,598	8,497	8,069
Investment in subsidiary		-	-	2,350	2,350
Property, plant and equipment	10	4,134	4,737	-	-
Right-of-use assets		873	831	-	-
Biological assets	11	52,300	52,458	-	-
Intangible asset	12	445	450	-	-
Total non-current assets		59,360	60,074	10,847	10,419
Total assets		64,151	68,009	12,465	12,991
LIABILITIES					
Current liabilities					
Trade and other payables	13	3,338	2,658	546	291
Borrowings	14	3,754	4,587	-	-
Total current liabilities		7,092	7,245	546	291
Non-current liabilities					
Borrowings	14	24,948	17,258	-	-
Deferred income tax liabilities		761	2,614	-	-
Total non-current liabilities		25,709	19,872	-	-
Total liabilities		32,801	27,117	546	291
NET ASSETS		31,350	40,892	11,919	12,700
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	15	15,207	15,207	15,207	15,207
Retained profits/ (Accumulated losses)		9,581	16,508	(3,288)	(2,507)
		24,788	31,715	11,919	12,700
Non-controlling interests		6,562	9,177	-	-
TOTAL EQUITY		31,350	40,892	11,919	12,700

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group

	Share capital RM'000	Retained profits RM'000	Strategic reserve RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
FY2026 (Unaudited)						
At 1 August 2025	15,207	16,508	-	31,715	9,177	40,892
Loss and total comprehensive loss for the financial year	-	(6,927)	-	(6,927)	(2,615)	(9,542)
At 31 July 2026	**15,207**	**9,581**	**-**	**24,788**	**6,562**	**31,350**
FY2025 (Audited)						
At 1 August 2024	15,207	16,525	2,595	34,327	10,040	44,367
Loss and total comprehensive loss for the financial year	-	(2,612)	-	(2,612)	(863)	(3,475)
Transfer between retained profits and strategic reserve	-	2,595	(2,595)	-	-	-
At 31 July 2025	**15,207**	**16,508**	**-**	**31,715**	**9,177**	**40,892**

Company

	Share capital RM'000	Accumulated loss RM'000	Total RM'000
FY2026 (Unaudited)			
At 1 August 2025	15,207	(2,507)	12,700
Loss and total comprehensive loss for the financial year	-	(781)	(781)
At 31 July 2026	**15,207**	**(3,288)**	**11,919**
FY2025 (Audited)			
At 1 August 2024	15,207	(1,924)	13,283
Loss and total comprehensive loss for the financial year	-	(583)	(583)
At 31 July 2025	**15,207**	**(2,507)**	**12,700**

D. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Group FY2026 (Unaudited) RM'000	FY2025 (Audited) RM'000
Cash flows from operating activities			
Net loss		(9,542)	(3,475)
Adjustments for:			
- Impairment/(Reversal) of impairment loss on financial assets		468	(268)
- Depreciation of property, plant and equipment		531	557
- Amortisation of intangible asset		5	5
- Depreciation of right-of-use assets		120	107
- Fair value loss/(gain) on biological assets		4,055	(1,855)
- Interest income		(29)	(121)
- Interest expense		826	637
- Income tax credit		(1,877)	(850)
Operating cash flows before working capital changes		(5,443)	(5,263)
Changes in working capital:			
- Inventories		(49)	1,164
- Trade and other receivables		1,296	1,908
- Trade and other payables		657	(487)
Cash used in operations		(3,539)	(2,678)
Income tax refunded		428	1,298
Net cash used in operating activities		(3,111)	(1,380)
Cash flows from investing activities			
Additions to property, plant and equipment		(195)	(608)
Additions to biological assets		(3,602)	(8,094)
Interest received		31	165
Net cash used in investing activities		(3,766)	(8,537)
Cash flows from financing activities			
Principal payment of lease liabilities		(144)	(152)
Proceeds from borrowings		6,138	3,684
Interest paid		(90)	(81)
Principal repayment of borrowings		(40)	(8)
Net cash provided by financing activities		5,864	3,443
Net decrease in cash and cash equivalents		(1,013)	(6,474)
Cash and cash equivalents			
Beginning of financial year		1,436	7,910
End of the financial year	8	**423**	**1,436**

E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. Corporate information

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 harvesting, distributing, processing and sales of logs.

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

2 Basis of preparation

The condensed interim financial statements for the six months and full year ended 31 July 2026 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Committee (ASC). The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 July 2025.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Ringgit Malaysia which is the Company's functional currency. All financial information presented in Ringgit Malaysia has been rounded to the nearest thousand (RM'000), unless otherwise indicated.

Under the going concern basis of accounting, the financial statements are prepared on the assumption that the entity is a going concern and will continue its operations for the foreseeable future.

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

2 Basis of preparation (continued)

2.2. Use of judgements and estimates (continued)

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.

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.

Fair value of biological assets

Biological assets are measured at fair value less costs to sell at the reporting date, with changes in fair values being recognised in profit or loss. The fair value of mature timber plantations is estimated with reference to an independent professional valuer using the present value of expected net cash flows from the biological assets. Determining the present value of expected net cash flows requires the use of assumptions and estimates relating to growth, harvesting plan, harvest yield per hectare, sale prices and costs, and also choosing a suitable discount rate in order to calculate the present value of those net cash flows. For immature timber plantations, costs are considered to approximate fair value when minimal biological transformation has occurred since the initial cost was incurred.

Going concern

At each reporting date, the Group diligently evaluates the presence of any indications that may suggest a going concern issue. This evaluation is centered around a comprehensive assessment that includes the examination of a fifteen-month projected budget, projected cash flow, rigorous sensitivity analysis to ascertain the potential impact on cash flows resulting from changes in key assumptions, and a thorough going concern analysis supported by detailed explanations.

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.

2 Basis of preparation (continued)

2.2. Use of judgements and estimates (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 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).

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

4. Segment and revenue information

The Group operates predominantly in only one business segment, which is the timber segment, namely the 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 2026 and 2025 were derived and are based in Malaysia respectively.

	6 months ended		**12 months ended**	
	31 July 2026 (Unaudited) RM'000	31 July 2025 (Unaudited) RM'000	FY2026 (Unaudited) RM'000	FY2025 (Audited) RM'000
Sale of logs/industrial tree plantation	4,034	2,670	6,283	10,184

All the sale is derived from Malaysia and recognised at a point in time.

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 July 2026 and 31 July 2025:

5. **Financial assets and financial liabilities (Continued)**

	Group		Company	
	As at 31 July 2026 (Unaudited) RM'000	As at 31 July 2025 (Audited) RM'000	As at 31 July 2026 (Unaudited) RM'000	As at 31 July 2025 (Audited) RM'000
Financial assets at amortised cost:				
Cash and bank balances	1,423	2,436	61	994
Trade and other receivables	2,936	4,778	1,557	1,557
Other receivables – non-current	164	154	8,497	8,069
Financial liabilities at amortised cost:				
Trade and other payables	3,338	2,658	546	291
Lease Liabilities	1,113	1,069	-	-
Borrowings	27,589	20,776	-	-

6. **Loss before taxation**

6.1 **Significant items**

	6 months ended		12 months ended	
	31 July 2026 (Unaudited) RM'000	31 July 2025 (Unaudited) RM'000	FY2026 (Unaudited) RM'000	FY 2025 (Audited) RM'000
Income				
Interest income	13	23	29	121
Other income	18	6	32	13
Expenses				
Finance expenses:				
Interest expense				
- Advance from ultimate holding company	23	-	23	-
- Borrowings	380	289	722	557
- Lease Liabilities	44	39	81	80
	447	328	826	637
Impairment/(Reversal) of impairment loss on financial assets	598	(523)	468	(268)
Amortisation of intangible asset	3	3	5	5
Depreciation of property, plant and equipment	259	278	531	557
Depreciation of right-of-use assets	76	45	120	107
Employee compensation	1,681	1,624	3,253	3,256

6. Loss before taxation (continued)

6.2 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 between the parties:

(a) Sale and purchases of goods and services

	Group	
	FY 2026 (Unaudited) RM'000	FY 2025 (Audited) RM'000
Rental expense on short-term lease charged by related parties	(5)	(12)
Expenses incurred in biological assets charged by related parties	(1,937)	(2,723)
Interest expenses on loan from ultimate holding corporation	(23)	-

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	FY 2026 (Unaudited) RM'000	FY 2025 (Audited) RM'000
Directors of the Company		
Director fee		
- Company	316	320
- Subsidiary	36	36
Wages and salaries		
- Company	60	60
- Subsidiary	240	240
Defined contributions plan		
- Company	9	9
- Subsidiary	30	30
	691	695

6. Loss before taxation (continued)

6.2 Related party transactions (continued)

(c) Key management personnel compensation (continued)

	Group	
	FY 2026 (Unaudited) RM'000	FY 2025 (Audited) RM'000
Other key management personnel		
Wages and salaries		
- Company	50	-
- Subsidiary	563	433
Defined contributions plan		
- Company	3	-
- Subsidiary	60	54
	676	487

7. Income tax credit

The Group calculates the year income tax expense using the Labuan tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are:

	6 months ended		12 months ended	
	31 July 2026 (Unaudited) RM'000	31 July 2025 (Unaudited) RM'000	FY2026 (Unaudited) RM'000	FY2025 (Audited) RM'000
Tax expense attributable to profit is made up of:				
Deferred income tax				
- Current year provision	(1,853)	(249)	(1,853)	(740)
- Overprovision in prior financial year	-	(110)	(24)	(110)
- Origination and reversal of temporary differences	560	-	-	-
	(1,293)	(359)	(1,877)	(850)

8. Cash and bank balances

	Group		Company	
	As at 31 July 2026 (Unaudited) RM'000	As at 31 July 2025 (Audited) RM'000	As at 31 July 2026 (Unaudited) RM'000	As at 31 July 2025 (Audited) RM'000
Cash at bank	162	1,203	61	994
Cash on hand	7	10	-	-
Short-term bank deposits	1,254	1,223	-	-
Cash and cash equivalents per Group balance sheet	1,423	2,436	61	994
Less: Bank deposits pledged (Note 12)	(1,000)	(1,000)	-	-
Cash and cash equivalents per consolidated statement of cash flow	423	1,436	61	994

8. Cash and bank balances (continued)

Bank deposits pledged are in relation to the banker's guarantee required for the license as described in Note 12.

9. Trade and other receivables

	Group		Company	
	As at 31 July 2026 (Unaudited) RM'000	As at 31 July 2025 (Audited) RM'000	As at 31 July 2026 (Unaudited) RM'000	As at 31 July 2025 (Audited) RM'000
Current				
Trade receivables				
- Non-related parties	4,111	5,978	-	-
Less: Allowance for impairment	(1,858)	(1,390)	-	-
	2,253	4,588	-	-
Other receivables				
- Subsidiary corporation	-	-	1,557	1,557
- Related parties	-	50	-	-
- Related corporation	-	17	-	-
- Non-related parties	400	93	-	-
Deposits	283	30	-	-
Prepayments	67	1	-	21
	750	191	1,557	1,578
	3,003	4,779	1,557	1,578
Non-current				
Other receivables				
- Retention sum on royalty fees (Note 1)	1,444	1,444	-	-
- Non-related party	164	154	-	-
- Subsidiary corporation	-	-	8,497	8,069
	1,608	1,598	8,497	8,069
Total trade and other receivables	4,611	6,377	10,054	9,647

Management has examined the recoverability of trade receivables and determined that no further impairment is necessary based on the regular communication with the debtors.

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

Non-current other receivables from subsidiary corporation are unsecured and subject to a variable interest rate of 7.60% (2025: 7.60%). Advances amounting RM5.64 million, including all accrued and unpaid interest, will mature and are repayable upon maturity on 19 June 2029.

9. Trade and other receivables (continued)

Note 1

The amount pertains 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 payable 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. As at the balance sheet date, the Group has considered the collectability of retention sum included in other receivables and concluded that the loss allowance is not required.

10. Property, plant and equipment

During the full year ended 31 July 2026, the Group acquired assets amounting to RM195,013 (2025: RM607,670).

The depreciation charge relating to property, plant and equipment used in plantation (reforestation) development activities during the financial year of RM267,009 (2025: RM246,860) is capitalised and included in biological assets (Note 11).

11. Biological assets

	Group	
	As at 31 July 2026 (Unaudited) RM'000	As at 31 July 2025 (Audited) RM'000
Beginning of financial year	52,458	42,200
Additions	4,411	8,415
Harvested	(514)	(12)
Changes in fair value of biological assets	(4,055)	1,855
End of financial year	52,300	52,458

Biological assets represent the forest planting expenditure incurred under the license as described in Note 12 below.

Biological assets are measured at fair value less costs to sell at the reporting date. The fair value is estimated with reference to an independent professional valuer using the present value of expected net cash flows from the biological assets. The costs to sell include the incremental selling costs, including royalty payable to authority and estimated costs of transport to market. Changes in fair value of biological assets are recognised in profit or loss.

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 2026 based on the information provided and the assessment report of the plantation issued by an external independent forester. The Valuer 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.

11. 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 m3: RM340 (2025: RM380)	The higher the selling price, the higher the fair value
		(ii) Discount rate of 16% (2025: 16%)	The higher the discount rate, the lower the fair value
		(iii) Estimated yield per hectare: 160 m3/ha (2025: 140 m3/ha)	The higher the yield rate, the higher the fair value

12. Intangible asset

	Group	
	As at 31 July 2026 (Unaudited) RM'000	As at 31 July 2025 (Audited) RM'000
<u>Acquired timber rights</u>		
Cost		
Beginning and end of financial year	500	500
Accumulated amortisation		
Beginning of financial year	50	45
Amortisation charge (Note 6)	5	5
End of financial year	55	50
Net book value		
End of financial year	**445**	**450**

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. In accordance with the License, a banker's guarantee for the sum of RM1.0 million was taken up by the Group (Note 8).

13. Trade and other payables

	Group		Company	
	As at 31 July 2026 (Unaudited) RM'000	As at 31 July 2025 (Audited) RM'000	As at 31 July 2026 (Unaudited) RM'000	As at 31 July 2025 (Audited) RM'000
Trade payables				
- Non-related parties	200	1,040	-	-
Other payables				
- Non-related parties	1,001	652	168	77
- Related parties	-	110	-	-
- Ultimate holding corporation	1,374	357	-	-
- Related corporation	11	11	-	-
Accruals for operating expenses	752	488	378	214
	3,338	2,658	546	291

Other payables to related corporation is unsecured, interest free and repayable on demand.

Other payables to ultimate holding corporation is unsecured and bears interest rate at Malaysian Base Lending Rate (BLR) + 2% per annum. The effective interest rate is 8.40% (2025: nil) per annum.

14. Borrowings

	Group	
	As at 31 July 2026 (Unaudited) RM'000	As at 31 July 2025 (Audited) RM'000
Current		
Lease liabilities	151	117
Borrowings	3,603	4,470
	3,754	4,587
Non-current		
Lease liabilities	962	952
Borrowings	23,986	16,306
	24,948	17,258
	28,702	21,845

14. Borrowings (continued)

(a) *Lease liabilities*

	Group	
	As at 31 July 2026 (Unaudited) RM'000	As at 31 July 2025 (Audited) RM'000
Amount repayable within one year or on demand		
Secured	91	117
Unsecured	60	-
	151	117
Amount repayable after one year		
Secured	237	328
Unsecured	725	624
	962	952
Total lease liabilities	1,113	1,069

(b) Borrowings

	Group	
	As at 31 July 2026 (Unaudited) RM'000	As at 31 July 2025 (Audited) RM'000
Amount repayable within one year or on demand		
Secured	3,603	4,470
Amount repayable after one year		
Secured	23,986	16,306
	27,589	20,776

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.

Details of collateral

The Group's borrowings consist of obligations under finance leases and facility obtained from Forest Plantation Development Sdn Bhd ("FPD") to partly finance the plantation activities in the Group's licensed area of the Sapulut Forest Reserve in Sabah.

The obligations under finance leases are secured and guaranteed by a charge over the respective leased motor vehicles.

The facility obtained from FPD is secured by the corporate guarantee of the immediate and ultimate holding corporation, deed of assignment of the licensed area of approximately 6,762 hectares issued by the State Authority of Sabah in favour of the lender and a power of attorney in favour of the lender.

15. Share capital

	Group		Company	
	No. of ordinary shares '000	**Amount RM'000**	**No. of ordinary shares '000**	**Amount RM'000**
2026				
Beginning and end of financial year	118,474	15,207	118,474	15,207
2025				
Beginning and end of financial year	118,474	15,207	118,474	15,207

There was no change in the Company's share capital since 31 January 2026.

The Company did not have any convertible securities, treasury shares and subsidiary holdings as at 31 July 2026 and 31 July 2025.

16. Loss per share ("LPS")

	Group			
	6 months ended		**12 months ended**	
	31 July 2026 (Unaudited) RM'000	31 July 2025 (Unaudited) RM'000	FY2026 (Unaudited) RM'000	FY2025 (Audited) RM'000
<u>Numerator</u>				
Net loss attributable to equity holder of the Company (RM'000)	(4,972)	(876)	(6,927)	(2,612)
<u>Denominator</u>				
Weighted average number of ordinary shares ('000)	118,474	118,474	118,474	118,474
Basic and diluted LPS (Sen per share)[1]	(4.20)	(0.74)	(5.85)	(2.20)

Note:

(1) The basic and fully diluted LPS were the same as there were no dilutive ordinary shares in issue as at 31 July 2026 and 31 July 2025.

17. Net asset value

	Group		Company	
	As at 31 July 2026 (Unaudited) RM	As at 31 July 2025 (Audited) RM	As at 31 July 2026 (Unaudited) RM	As at 31 July 2025 (Audited) RM
Net asset value attributable to owners of the Company per ordinary share (RM)	0.21	0.27	0.10	0.11

18. Subsequent event

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. OTHER INFORMATION REQUESTED BY LISTING RULE APPENDIX 7C

1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

2. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

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

2A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

3. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Review of Group's performance for FY2026 as compared to FY2025

Revenue

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

Revenue increased by RM1.4 million, or 51% in the second half of FY2026 compared to the second half of FY2025, primarily due to an increase in ITP harvesting activities in the second half of FY2026.

Despite the increase in revenue in the second half of FY2026, revenue for FY2026 decreased by RM3.9 million, or 38% compared to FY2025, mainly due to lower logging activities in the first half of FY2026.

Cost of sales and gross profits

The increase in cost of sales by RM0.6 million, or 30% in the second half of FY2026 compared to the second half of FY2025 was mainly attributed to the increase in sales volume as explained above. The Group recorded a gross profit of RM1.5 million in the second half of FY2026, compared to RM0.7 million in the second half of FY2025, primarily due to the increase in revenue.

The decrease in cost of sales by RM2.8 million, or 40% in FY2026 compared to FY2025 was mainly attributed to a decrease in sales volume as explained above. The gross profit decreased by RM1.1 million, or 34% in FY2026 compared to FY2025 mainly due to a decrease in revenue. The gross profit margin increased to 34% in FY2026, compared to 32% in FY2025.

Other income

Other income comprised mainly of interest income from fixed deposits. Other income decreased by RM73,000 or 54% in FY2026 compared to FY2025 mainly due to uplift of our fixed deposits for utilisation of planting and maintenance activities.

Fair value (loss)/gain on biological assets

The Company recorded a fair value loss on its biological assets during the year. The material write-down in the valuation of the biological assets was primarily attributable to the increase in harvesting and haulage costs arising from the fuel price crisis.

(Impairment)/Reversal of impairment loss on financial assets

The Group recorded an impairment loss on trade receivables in FY2026 due to expected credit losses arising from amounts due from certain debtor during the financial year.

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 decreased by approximately RM0.5 million or 30% in FY2026 mainly due to decrease in sales to these customers.

Distribution expenses increased by RM0.4 million or 69% in the second half of FY2026 compared to the second half of FY2025, primarily due to an increase in sales to these customers.

Administrative expenses

Administrative expenses comprised mainly of employee compensation, depreciation, listing expenses, professional fees, repair and maintenance as well as travelling expenses. Administrative expenses decreased by approximately RM0.4 million, or 5% in FY2026 compared to FY2025 mainly due to decrease in employee compensation, repair and maintenance, SST expenses, donation as well as entertainment during the year.

Finance expense

Finance expenses comprised mainly of hire purchase interest on motor vehicles, interest on operating lease liabilities, FPD loan interest expense and interest to ultimate holding corporation. Finance expenses increased by approximately RM0.2 million in FY2026, mainly due to additional FPD loan drawdowns during the year.

Loss after tax

As a result of the foregoing, loss after tax in FY2026 amounted to RM9.5 million compared to loss after tax of RM3.5 million in FY2025.

CONSOLIDATED STATEMENT OF BALANCE SHEET

Review of the Group's financial position as at 31 July 2026 as compared to 31 July 2025

Current assets

Cash and bank balances amounted to approximately RM1.4 million, or 30% of current assets.

Trade and other receivables amounted to approximately RM3 million, or 63% of current assets. Trade receivables amounted to approximately RM2.3 million, or 47% of current assets. Other receivables amounted to approximately RM0.8 million or 16% of current assets. Trade receivables decreased by approximately RM2.3million, or 51% in FY2026 mainly attributed to lower sales during the year. Other receivables increased by RM0.6 million in FY2026 mainly due to slower collections from non-related parties and an increase in deposits.

The income tax recoverable decreased to nil following the full refund by the Inland Revenue Board.

Inventories amounted to approximately RM0.4 million, or 8% of current assets and is mainly related to logs held of central and stumping stock in transit during the year. Inventories increased by approximately RM49,000 in FY2026 mainly due to increased logging activities before the financial year.

Non-current assets

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

Property, plant and equipment amounted to approximately RM4.1 million, or 7% of non-current assets comprised mainly motor vehicles, plantation infrastructure, office equipment, and furniture and fittings. Property, plant and equipment decreased by RM0.6 million, or 13% in FY2026 mainly due to depreciation during the year.

Right-of-use ("ROU") asset amounted to RM0.9 million, or 1% of non-current assets. The increase in right-of-use asset by RM42,000, or 5% in FY2026 is mainly due to the additions of ROU assets during the year.

Biological assets amounted to approximately RM52 million, or 88% 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 decreased by approximately RM158,000 mainly due to the material write-down in the valuation of the biological assets, primarily attributable to the increase in harvesting and haulage costs arising from the fuel price crisis.

Intangible assets amounted to approximately RM0.4 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 RM3.3 million, or 47% of current liabilities. This comprised mainly of trade payables of approximately RM0.2 million and other payables and amount due to ultimate holding company of approximately RM3.1 million. Trade payables decreased by approximately RM0.8 million in FY2026 mainly due to the settlement of payables during the year. Other payables increased by approximately RM2 million, or 94% in FY2026 mainly due to increase in accruals for operating expenses.

Lease liabilities amounting to RM0.2 million or 2% of current liabilities, comprised of the current portion of the finance leases for motor vehicles as well as the lease liabilities as a result of the adoption of SFRS(I) 16 Leases. Current lease liabilities increased by approximately RM34,000 or 29% in FY2026 mainly due to addition of lease during the year.

Borrowings amounted to RM3.6 million, or 51% of current liabilities. The Group recorded a net current liability position as at 31 July 2026 as the current liabilities exceeded the current assets by RM2.3 million. The Board is however confident that the Group will be able to meet its obligations as and when they fall due with the increase in orders received from customers which has a consequent effect on production and sales leading to positive cash flow. We also intend to utilize the FPD loan facility for our plantation costs which will help to ensure that cash flow is eased. Finally, should there be any cash flow deficit, the Company will drawdown funds from its ultimate holding Company.

Non-current liabilities

Lease liabilities amounted to RM1 million, or 4% 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 increased by RM10,000 or 1% in FY2026 mainly due to addition of lease during the year.

Borrowings amounted to RM24 million, or 93% 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 RM0.8 million or 3% of non-current liabilities.

REVIEW OF THE GROUP’S CASH FLOW STATEMENT

Net cash used in operating activities amounted to approximately RM3 million in FY2026 mainly due to net loss recognised during the year and adjustments for the fair value loss on biological assets and loss allowance on trade receivables, partly offset by changes in working capital.

Net cash used in investing activities of approximately RM4 million in FY2026 is mainly related to the additions to plantation infrastructure and biological assets.

Net cash provided by financing activities of approximately RM6 million is mainly due to drawdown of the loan facility from Forest Plantation Development Sdn. Bhd. (“FPD”) in FY2026.

4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group’s results for the financial year ended 31 July 2026 is consistent with the profit guidance announcement released by the Company on 15 September 2026.

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Department of Statistics, Sabah shows that exports of timber products from Sabah for January to June 2026 recorded a slight decrease of 0.5% in volume while value increased by 5% against January to June 2025. The export statistics show that the total volume from January to June 2026 was 184,037 m^3 valued at RM404 million. The ongoing conflicts in the Middle East are expected to put pressure on businesses through higher fuel, freight and shipping costs. The recent surge in global oil prices and marine fuel costs may increase operating and logistics expenses, while continued uncertainty in global trade and demand may affect export competitiveness.

During the HY2026, the Company delayed logging operations due to poor market and weather conditions. The adverse market conditions continued to prevail until around April 2026 resulting in the Company recording a reduction in sales by 38% compared to the previous corresponding period. The on-going US-Iran war has continued to cause a direct impact on the timber industry due to the escalating diesel and machinery spare part prices.

The Company has engaged new contractors to harvest ITP on an aggressive scale so that the production of ITP of 5,000 m^3 per month could be achieved. This new production capacity will put the Company back into profitable track and positive cash flow.

The Company will ensure that adequate working capital is maintained with the production of 5,000 m^3 of ITP per month coupled with collection department closely monitoring payments by customers. With these in place, funding can be internally generated. The Company will also continue to take advantage of FPD loan facility which comes at a competitive interest rate of 3%, for its planting and maintenance activities.

6. Dividend

If a decision regarding dividend has been made:-

(a) Whether an interim (final) dividend has been declared (recommended); and

No dividend has been declared or recommended for current financial year reported on.

(b) Amount per share (cents) and previous corresponding period (cents).

Not applicable. No dividend has been declared or recommended for FY2026 and FY2025.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable as there is no dividend declared/ recommended for FY2026.

(d) The date the dividend is payable.

Not applicable as there is no dividend declared/ recommended for FY2026.

(e) The date on which Registrable Transfer receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable as there is no dividend declared/ recommended for FY2026.

7. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared/ recommended for FY2026 after taking into consideration loss recorded by the Group.

8. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a general mandate from shareholders for interested person transactions.

The Company does not have disclosable interested person transaction for FY2026.

9. Confirmation pursuant to Rule 720(1) of the Catalist Rules

The Company confirms that it has procured the undertakings from all its Directors and executive officers in the required format.

10. Changes in the composition of the Group

Not applicable. The Company did not acquire or dispose shares in any companies in FY2026.

11. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by operating segments.

Not applicable as the Group operates predominantly in only one business segment. Please refer to paragraph 3 above on the review of the Group's performance.

12. A breakdown of sales as follows:-

	Group FY2026 RM'000	Group FY2025 RM'000	Increase/ (Decrease) %
Sales reported for first half year	2,249	7,514	(70)
Net loss for the first half year	(2,623)	(2,377)	10
Sales reported for second half year	4,034	2,670	51
Net loss for second half year	(6,919)	(1,098)	NM

NM – Not Meaningful

13. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

No dividend has been declared or recommended for FY2026 and FY2025.

14. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(10) of the Catalist Rules, the Company confirms that, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or the chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Jema Anton Khan
Chairman
29 September 2026