Securities Investors Association (Singapore)
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www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Jawala Inc.

Stock code: 1J7

Meeting details:
Date: 27 November 2026
Time: 2.00 p.m.
Venue: Rose Room I, York Hotel, 21 Mount Elizabeth, Singapore 228516

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Q1. For the financial year ended 31 July 2026, the group generated revenue of RM6.28 million, a decline of 38% from RM10.2 million in FY2025. This was primarily attributable to management's decision to delay logging operations amid weak market conditions during the first half of the financial year.

The group recorded a loss of RM(9.5) million in FY2026 and has been loss-making for the past four years, with losses increasing over this period and aggregate losses totalling RM(16.6) million over the past four years.

FINANCIAL HIGHLIGHTS

INCOME STATEMENT (RM'000)	FY2026	FY2025	FY2024	FY2023	FY2022
Revenue	6,283	10,184	8,153	11,203	19,655
Gross profit	2,137	3,243	2,648	4,302	11,042
Gross profit margin (%)	34%	32%	32%	38%	56%
(Loss)/Profit before income tax	(11,419)	(4,324)	(2,455)	(969)	2,392
(Loss)/Profit after income tax	(9,542)	(3,473)	(2,684)	(897)	1,271
(Loss)/Profit attributable to:					
Equity holders of the Company	(6,927)	(2,610)	(2,095)	(856)	708
Non-controlling interests	(2,615)	(863)	(590)	(41)	563

(Compiled from company annual reports)

The group's average selling price declined from RM580/m^3 in FY2018 to RM340/m^3 in FY2026. Over the same period, revenue fell by approximately 84%, from RM39.93 million in FY2018 to RM6.28 million in FY2026. This represents a substantial contraction in the scale and profitability of the business since listing.

(i) Can management identify the main factors behind the sustained decline in revenue, including the respective impact of lower selling prices, logging volumes and operational constraints? What are the group's specific priorities for increasing revenue in FY2027?

When it was first listed, the gross profit margin was 66% in FY2018.

(ii) What concrete measures is management taking to restore margins, and how much of the deterioration is attributable to lower average selling prices versus higher production and logging costs?

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Employee compensation remained relatively unchanged at RM3.25 million in FY2026, compared with RM3.45 million in FY2018, despite revenue declining from RM39.93 million to RM6.28 million.

(iii) Why has employee compensation remained relatively stable despite the significant contraction in the scale of the business? Have there been significant changes in headcount, remuneration and operational requirements (harvesting versus replanting)?

Q2. The group recorded a fair value loss on its biological assets[1] during the year. The material write-down was primarily attributable to higher harvesting and haulage costs arising from the fuel price crisis. As noted in the key audit matter (KAM), as at 31 July 2026, the group's biological assets amounted to RM52.3 million (2025: RM52.5 million), representing approximately 82% (2025: 77%) of the group's total assets. The biological assets are measured at fair value, with changes in fair value recognised in profit or loss. The valuation is based on the discounted cash flow method, using assumptions determined with reference to an independent professional valuer.

19. Biological assets (continued)

Level 3 Fair value

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

Description	Valuation technique	Significant unobservable inputs		Relationship of unobservable inputs to fair value
Planted trees	Discounted Cash Flows	(i)	Log selling price per m^3: 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 m^3/ha (2025: 140 m^3/ha)	The higher the yield rate, the higher the fair value
		(iv)	Harvesting period of 6 years (2025: 5 years)	The longer the harvesting period, the lower the fair value
		(v)	Extraction and hauling costs per m^3: RM133 (2025: RM105)	The higher the costs, the lower the fair value

There has been no change to the valuation technique during the financial year.

(Source: company annual report)

[1] The "valuation of biological assets" is a KAM highlighted by the independent auditors in their report on the audit of the financial statements. Key audit matters are those matters that, in the professional judgement of the Independent Auditor, were of most significance in the audit of the financial statements of the current period.

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(i) **Can the audit committee provide a sensitivity analysis of the level 3 fair value of the biological assets from the key assumptions, including average selling price, estimated yield per hectare, harvesting year, and extraction and haulage costs?**

(ii) **In particular, what proportion of the group's total operating costs is attributable to energy (diesel) costs?**

Q3. The group has renewed its certification under the Sabah Timber Legality Assurance System (TLAS), reflecting its continued commitment to legal and responsible forest management.

(i) **Could management explain the group's harvesting and replanting practices, including how harvested areas are cleared and prepared for regeneration? Specifically, does the group use any form of controlled burning, and how does it monitor and prevent fires or hotspots within its concession areas to mitigate the risk of forest fires, deforestation or uncontrolled land clearing arising from its operations?**

(ii) **Separately, to what extent have the El Niño conditions affected the group's forestry operations, particularly in terms of tree growth, seedling survival, fire risk and timber yields?**

(iii) **Where does management see the greatest opportunity to deploy artificial intelligence across the group's operations, particularly in silviculture, forest management, enrichment planting and seedling research? What specific use cases are being prioritised, and how does management assess their expected returns in terms of improved yields, lower operating costs or more effective forest monitoring?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

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