

FOREVER SABAH BERHAD

Company Number: 201601001385 (1172311-D)

(Incorporated in Malaysia, Limited by Guarantee)

These financial statements and reports of the company with
~~Qualified~~ / Unqualified Auditors' Report for the financial
year end **31 December 2025** were tabled at AGM held
on..... **30 JUN 2026**



.....
Director / ~~Secretary~~
Cynthia Clare Ong Gaik Suan

Financial Statements

Year Ended 31 December 2025

Company Number: 201601001385 (1172311-D)

FOREVER SABAH BERHAD
(Incorporated in Malaysia)

AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

DIRECTORS

Anne @ Elizabeth B. Lasimbang
Anton Ngui Tze Vun
Cynthia Clare Ong Gaik Suan
Darrel Arthur Webber
Frederick Kugan
Junaidi Payne @ John Brian Payne
Robert Cyril Ong Kim Leong
Yee I-Lann Maria
Yong Ri Lin

SECRETARY

Lo Lie Meng (MACS01410)

REGISTERED OFFICE

Metro Town, Unit L-1-7, Block L,
First Floor, Lot 7, Jalan Lintas,
88300 Kota Kinabalu, Sabah.

AUDITORS

DMC

BANKER

RHB Bank Bhd.

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Company Number: 201601001385 (1172311-D)

FOREVER SABAH BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the company for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The company engaged in non-profit activities that facilitate projects, partnerships and exchanges that promote sustainable ecological co-existence, organizing and funding educational and charitable assistance to groups and individuals.

There has been no significant change in the nature of this activity during the year under review.

	2025
	RM
Balance brought forward	1,045,037
Surplus for the year	594,469
Surplus carried forward	<u>1,639,506</u>

In the opinion of the directors, the results of the operations of the company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIRECTORS

The names of the directors of the company in office from the date of the last report to the date of this report are as follows:

Anne @ Elizabeth B. Lasimbang
Anton Ngui Tze Vun
Cynthia Clare Ong Gaik Suan
Darrel Arthur Webber
Frederick Kugan
Junaidi Payne @ John Brian Payne
Robert Cyril Ong Kim Leong
Yee I-Lann Maria
Yong Ri Lin

The company is a company limited by guarantee and thus has no shares in which the directors could have an interest.

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the company is a party, whereby directors might acquire benefits by means of the acquisition of debentures of the company or any other body corporate.

FOREVER SABAH BERHAD
(Incorporated in Malaysia)

DIRECTORS - CONTD

No director has received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements or the fixed salary of a full time employee of the company) by reason of a contract made by the company or a related corporation with any director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest.

ISSUE OF DEBENTURES

The company did not issue any debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES AND DEBENTURES

No options were granted to any person to take up debentures of the company during the year.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the company were prepared, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that no known bad debts had been written-off and that no provision for doubtful debts was necessary; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in respect of these financial statements inadequate to any substantial extent; or
 - (ii) the values attributed to current assets in the financial statements of the company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances, which have arisen which render adherence to the existing method of valuation of asset or liabilities of the company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the company that would render any amount stated in this financial statements misleading.

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OTHER STATUTORY INFORMATION - CONTD

- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the company which has arisen since the end of the financial year which secures the liabilities of any person; or
 - (ii) any contingent liability in respect of the company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent liability or other liabilities has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the liability of the company to meet its obligations when they fall due;
 - (ii) the results of the operation of the company during the year were not substantially affected by any item, transaction or event of a material and unusual nature.
 - (iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of the operations of the company for the financial year in which this report is made.

AUDITORS' REMUNERATIONS

The total amount paid to or receivable by the auditors as remuneration for their services as auditors are as follows:

	2025
	RM
Statutory Audit	<u>5,500</u>

Company Number: 201601001385 (1172311-D)

FOREVER SABAH BERHAD
(Incorporated in Malaysia)

AUDITORS

The auditors, Messrs DMC, have indicated their willingness to accept reappointment in accordance with Section 267(4) of the Companies Act, 2016.

On behalf of the Board of Directors in accordance with a resolution of the directors,



Cynthia Clare Ong Gaik Suan,
Director.



Anne @ Elizabeth B. Lasimbang,
Director.

Kota Kinabalu.

Date: 15 JUN 2026

FOREVER SABAH BERHAD

**STATEMENT BY DIRECTORS PURSUANT TO
SECTION 251(2) OF THE COMPANIES ACT, 2016**

The directors of Forever Sabah Berhad, state that, in their opinion, the financial statements of the company set out on pages 10 to 41 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the company as at 31 December 2025 and of their financial performance and cash flows of the company for the financial year then ended.

Approved by the board and signed on behalf of the directors,



Cynthia Clare Ong Gaik Suan,
Director.
Kota Kinabalu.

Date: 15 JUN 2026



Anne @ Elizabeth B. Lasimbang,
Director.

**STATUTORY DECLARATION PURSUANT TO
SECTION 251(1) OF THE COMPANIES ACT, 2016**

I, Cynthia Clare Ong Gaik Suan (NRIC No. 650423-12-5708), being the director primarily responsible for the financial management of Forever Sabah Berhad, do solemnly and sincerely declare that the financial statements set out on pages 10 to 41 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the above-named Cynthia Clare Ong
Gaik Suan, at Kota Kinabalu in the
State of Sabah on 15 JUN 2026



Cynthia Clare Ong Gaik Suan




DATUK SAMAN BIN GULAM
460829-12-5081
TEL: 088-210 086
H/P: 012-825 2974
No.16, Jalan Haji Yaakub, Kg Air,
88000 Kota Kinabalu, Sabah

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

FOREVER SABAH BERHAD

Company Number: 201601001385 (1172311-D)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Forever Sabah Berhad, which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity' fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 40.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirement of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the company are responsible for the other information. The other information comprises the Statement by Directors but does not include the financial statements of the company and our auditors' report thereon.

Our opinion on the financial statements of the company does not cover the Statement by Directors and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the company, our responsibility is to read the Statement by Directors and, in doing so, consider whether the Statement by Directors is materially inconsistent with the financial statements of the company or our knowledge obtained in the audit or otherwise appears to be materially misstated. Based on the work we have performed, we have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

FOREVER SABAH BERHAD

Company Number: 201601001385 (1172311-D)

Responsibilities of the Directors for the Financial Statements

The directors of the company are responsible for the preparation of financial statements of the company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The directors are also responsible for such internal controls as the directors determine is necessary to enable the preparation of financial statements of the company that are free from material misstatement, whether due to fraud or error. In preparing the financial statements of the company, the directors are responsible for assessing the company'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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing, 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 approved standards on auditing in Malaysia and International Standards on Auditing, 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 of the company, 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 controls.
- 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the company 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 auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

FOREVER SABAH BERHAD

Company Number: 201601001385 (1172311-D)

Auditors' Responsibilities for the Audit of the Financial Statements - Contd

- Evaluate the overall presentation, structure and content of the financial statements of the company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. 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 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 company for the current year and are therefore the key audit matters. We describe these matters in our auditors' 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



DMC

AF: 002060

Chartered Accountants
Kota Kinabalu.



CHU TET CHUNG, DESMOND
01819/04/2028 (J)

Partner.

Date: **15 JUN 2026**

FOREVER SABAH BERHAD**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025**

	NOTE	2025 RM	2024 RM
GRANTS & CONTRIBUTIONS RECEIVED			
Grants and donations		-	192,249
Individual and business contribution		-	5,785
Miscellaneous revenue		10,506	10,800
		<u>10,506</u>	<u>208,834</u>
PROJECT SURPLUS/(DEFICIT)			
Certified Sustainable Palm Oil (CSPO)	4	318,153	(66,527)
Forests	5	-	(28,067)
Forever Sabah Institute (FSI)	6	(24,009)	62,221
Jurisdictional Certification of Sustainable Palm Oil (JCSPO) Secretariat	7	(113,147)	(88,974)
Organic Agriculture	8	(1,293)	(13,620)
Sabah Renewable Energy Rural Electrification Roadmap	9	(62,267)	139,228
Spaces	10	(5,000)	158
Human Elephant Harmony	11	12,305	(64,841)
Segama Wetlands	12	47,495	20,460
Payment for Ecosystem Services (PES)	13	-	-
Sabah Border Economy Study	14	-	507,668
Art & Culture Project	15	-	-
Sabah Marine Vision	16	495,135	-
Sabah Climate Futures	17	31,727	-
Sabah Green Grid	18	(207,958)	-
Sabah Biogas	19	58,601	-
		<u>549,742</u>	<u>467,706</u>
LESS: ADMINISTRATIVE EXPENSES	20	(51,714)	(73,776)

The notes from pages 15 to 41 form an integral part of the financial statements.

FOREVER SABAH BERHAD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025**

	NOTE	2025 RM	2024 RM
ADD: OTHER INCOME			
Fixed deposit interest earned		26,019	3,403
Foreign exchange gain		14,303	83,241
Other income		79	-
LESS: FINANCE COST		(369)	(2,114)
LESS: STAFF COST		45,903	(221,673)
SURPLUS BEFORE TAX	21	<u>594,469</u>	<u>465,621</u>
Income tax expense	22	-	-
SURPLUS FOR THE YEAR		<u><u>594,469</u></u>	<u><u>465,621</u></u>

The notes from pages 15 to 41 form an integral part of the financial statements.

FOREVER SABAH BERHAD

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025**

	NOTE	2025 RM	2024 RM
NON-CURRENT ASSETS			
Property, plant and equipment	23	<u>11,490</u>	<u>9,344</u>
CURRENT ASSETS			
Receivables	24	339,438	414,936
Cash and cash equivalents	25	2,772,823	1,007,910
Deposits & prepayments	26	<u>4,163</u>	<u>4,421</u>
		<u>3,116,424</u>	<u>1,427,267</u>
TOTAL ASSETS		<u>3,127,914</u>	<u>1,436,611</u>
ACCUMULATED FUNDS			
Balance brought forward		1,045,037	579,416
Surplus for the year		<u>594,469</u>	<u>465,621</u>
Balance Carried Forward		<u>1,639,506</u>	<u>1,045,037</u>
CURRENT LIABILITIES			
Payables	27	<u>1,488,408</u>	<u>391,574</u>
		<u>1,488,408</u>	<u>391,574</u>
TOTAL EQUITY & LIABILITIES		<u>3,127,914</u>	<u>1,436,611</u>

The notes from pages 15 to 41 form an integral part of the financial statements.

Company Number: 201601001385 (1172311-D)

FOREVER SABAH BERHAD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Accumulated Funds RM	Total RM
As at 31 December 2023	579,416	579,416
Surplus for the year	465,621	465,621
As at 31 December 2024	1,045,037	1,045,037
Surplus for the year	594,469	594,469
As at 31 December 2025	1,639,506	1,639,506

FOREVER SABAH BERHAD

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025**

	2025	2024
	RM	RM
Cash flows from operating activities		
Surplus before tax	594,469	465,621
Adjustments :		
Depreciation of property, plant and equipment	3,981	3,451
Interest income	(26,019)	(3,403)
Operating surplus before working capital changes	572,431	465,669
Decrease/(Increase) in receivables	75,498	(173,528)
Decrease in deposit and prepayments	258	53,390
Increase/(Decrease) in payables	1,096,834	(62,228)
Cash generated from operations	1,745,021	283,303
Interest received	26,019	3,403
Net cash generated from operations	1,771,040	286,706
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,127)	-
Net cash used in investing activities	(6,127)	-
Net increase in cash and cash equivalents	1,764,913	286,706
Cash and cash equivalent at the beginning of the year	1,007,910	721,204
Cash and cash equivalent at the end of the year	2,772,823	1,007,910
Analysis of Cash & Cash Equivalents		
Cash in hand	-	266
Cash at bank	2,305,770	401,539
Fixed deposits	467,053	606,105
	2,772,823	1,007,910

FOREVER SABAH BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2025

1. CORPORATE INFORMATION

The company engaged in non-profit activities that facilitate projects, partnerships and exchanges that promote sustainable ecological co-existence, organizing and funding educational and charitable assistance to groups and individuals.

There has been no significant change in the nature of this activity during the year under review.

The company's registered office and principal place of business is located at Metro Town, Unit L-1-7, Block L, First Floor, Lot 7, Jalan Lintas, 88300 Kota Kinabalu, Sabah.

The number of employees in the company at the end of the financial year were 8 (2024: 8).

The financial statements were authorised for issue by the board of directors in accordance with a resolution of the directors on **15 JUN 2026**

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards ('MFRS'), International Financial Reporting Standards and the provisions of the Companies Act, 2016.

The financial statements have been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

FOREVER SABAH BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2025

2. SIGNIFICANT ACCOUNTING POLICIES - CONTD

2.1 Basis of preparation - Contd

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period.

The principal accounting policies adopted are set out below.

2.2 Adoption of new and revised standards

During the financial year, the company have adopted the following new MFRS, new interpretation and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

		Effective dates for the financial periods beginning on or after
Amendments to MFRS 16	Leases - Lease Liability In a Sales and Leaseback	1 January 2025
Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non- Current	1 January 2025
Amendments to MFRS 101	Presentation of Financial Statements - Non- Current Liabilities with Covenants	1 January 2025
Amendments to MFRS 107	Supplier Finance Arrangements - Statement of Cash Flows and MFRS 7 Financial Instruments Disclosures	1 January 2025

FOREVER SABAH BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2025

2. SIGNIFICANT ACCOUNTING POLICIES – CONTD'

2.2 Adoption of new and revised standards - Contd

The adoption of the new MFRS, new interpretation and amendments to MFRSs did not have any significant impact on the financial statements of the company.

2.3 Standards issued but not yet effective

The following are accounting standards, interpretation and amendments to the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the company.

The Company have not yet adopted the following new accounting pronouncements that have been issued as at the date of authorization of these financial statements but are not yet effective for the Company:

		Effective dates for the financial periods beginning on or after
Amendments to MFRS 121	Lack of Exchangeability - The Effects of Changes in Foreign Exchange Rates	1 January 2026
Amendments to MFRS 9 and MFRS 7	Amendments of the Classification and Measurement of Financial Instruments	1 January 2027
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2027
Amendments to MFRS 18	Presentation and Disclosure in Financial Instruments	1 January 2028
Amendments to MFRS 19	Subsidiaries without Public Accountability Disclosures	1 January 2028
Amendments to MFRS 10	Investments in Associates and Joint Ventures - Sale or Contribution of Assets	Deferred
Consolidated Financial Statements and MFRS 128	between an Investor and its Associate or Joint Venture	

In the opinion of the directors, these MFRSs do not have significant impact on the financial statement in future period.

FOREVER SABAH BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2025

2. SIGNIFICANT ACCOUNTING POLICIES – CONTD'

2.4 Property, plant and equipment

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. Cost also may include transfers from equity of any gain or loss on qualifying hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" or "other expenses" respectively in profit or loss.

(b) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the company, and its cost can be measured reliably. The carrying amount of the replaced component is de-recognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(c) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term.

FOREVER SABAH BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2025

2. SIGNIFICANT ACCOUNTING POLICIES – CONTD'

2.4 Property, plant and equipment – contd'

(c) Depreciation - Contd

Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative years are as follows:

Furniture and fittings	10 years
Office equipment	10 years
Computer equipment	5 years

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

2.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on the future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

2.6 Receivables

Receivables generally arise from transactions outside the usual operating activities of the company. If collection is expected in one year or less (or in the normal operating cycle of the business is longer), they are classified as current assets. If not, they are presented as non-current assets.

Cash flows are included in the statement of cash flows on a gross basis. After recognition, receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.7 Cash and cash equivalents

For the purpose of the statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk changes in value.

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2. SIGNIFICANT ACCOUNTING POLICIES – CONTD'

2.8 Payables

Payables represent liabilities for goods or services provided to the company prior to the end of financial year which are unpaid. Payables are classified as current liabilities unless payment is not due within 12 months after the reporting period. If not, they are presented as non-current liabilities.

Cash flows are included in the statement of cash flows on a gross basis.

Payables are subsequently measured at amortised cost using the effective interest method.

2.9 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where the company expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

2.10 Contingent assets and liabilities

The company does not recognise contingent assets and liabilities other than those arising from business combination, but discloses its existence in the financial statements. A contingent liability is possible obligation that arises from past event whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

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2. SIGNIFICANT ACCOUNTING POLICIES – CONTD'

2.10 Contingent assets and liabilities - Contd

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company. The company does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

2.11 Revenue and Other Income

(a) Revenue

Revenue is measured at the fair value of the consideration received or receivable net of discount and rebate on an accrual basis. Revenue is recognised to the extent that it is probable that economic benefits associated with the transaction will flow to the company.

(b) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(c) Government and other grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the company will comply with the conditions associated with the grant and are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the company for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same period in which the expenses are recognised. Grants that compensate the company for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset.

(d) Donation

Donations received are recognised on receipt basis.

2.12 Financial Instruments

(a) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the company becomes a party to the contractual provisions of the instrument. A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

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NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2025

2. SIGNIFICANT ACCOUNTING POLICIES – CONTD'

2.12 Financial Instruments – Contd'

- (b) Financial instrument categorises and subsequent measurement.

The company categorise financial instruments as follows:

Financial Assets

- i) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Other financial assets classified as fair value through profit or loss is subsequently measured at their fair values with the gain or loss recognised in profit or loss.

- ii) Held-to-maturity investments

Held-to-maturity investments category comprises debt instruments that are quoted in an active market the company has the positive intention and ability to hold them to maturity. Financial assets categorised as held to maturity investments are subsequently measured at amortised cost using the effective interest method.

- iii) Loans and receivables

Loans and receivables category comprises debts instruments that are not quoted in an active market. Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

- iv) Available-for-sale financial assets

Available-for-sale category comprises investments in equity and debt securities instruments that are not held for trading.

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2. SIGNIFICANT ACCOUNTING POLICIES – CONTD'

2.12 Financial Instruments – Contd'

- (b) Financial instrument categorises and subsequent measurement. – contd'

Financial Assets – Contd'

- iv) Available-for-sale financial assets – contd'

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss.

On de-recognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

Financial Liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit and loss.

Fair value through profit and loss category comprises of financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

- (c) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and de-recognised, as applicable, using trade date accounting. Trade date accounting refers to:

- i) the recognition of an asset to be received and the liability to pay for it on the trade date, and

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2. SIGNIFICANT ACCOUNTING POLICIES – CONTD'

2.12 Financial Instruments – Contd'

(c) Regular way purchase or sale of financial assets – contd'

- ii) de-recognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(d) De-recognition

A financial asset or part of it is de-recognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On de-recognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit and loss.

A financial liability or part of it is de-recognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On de-recognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit and loss.

2.13 Employee Benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) State plans

The company's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

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3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the company's result and financial position are tested for sensitivity to changes in the underlying parameters. There are no critical accounting estimates and judgements made by the director during the year.

3.1 Estimation Uncertainty

(a) Measurement of a Provision

The company uses a "best estimate" as the basis for measuring a provision. Management evaluates the estimates based on the company's historical experiences and other inputs or assumptions, current developments and future events that are reasonably possible under the particular circumstances.

In the case when a provision relates to large population of customers (such as warranty provision), a probability weighted estimate of the outflows required to settle the obligation is used. In the case of a single estimate (such as a provision for environmental restoration costs), a referenced contractor's price or market price is used as the best estimate. If an obligation is to be settled over time, the expected outflows are discounted at a rate that takes into account the time value of money and the risk that the actual account might differ from the estimate made. The actual outcome may differ from the estimate made and this may have a significant effect on the company's financial position and the results.

(b) Useful Lives of Depreciable Assets

Property, plant and equipment and right-of-use assets are depreciated on a straight-line basis over their estimated useful lives. Management estimated the useful lives of property, plant and equipment and right-of-use assets to be within 3 to 52 years and reviews the useful lives of depreciable assets at end of each reporting period. At 31 December 2025, management assesses that the useful lives represent the expected utility of the assets to the company. Actual results, however, may vary due to change in the expected level of usage and technological developments, which resulting the adjustment to the company's assets. The carrying amount of the company's property, plant and equipment and right-of-use assets at the end of the reporting period is disclosed in Note 23 to the financial statements.

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NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2025

4. CERTIFIED SUSTAINABLE PALM OIL (CSPO)

The project supports local smallholders in adopting more sustainable agricultural practices and increasing their readiness for certification by 2025.

	2025	2024
	RM	RM
Corporate contribution	-	-
Grants received	704,950	349,296
Government funds	-	-
Miscellaneous income	21,049	12,539
	<u>725,999</u>	<u>361,835</u>
Less: Project Expenses		
Accommodation	15,015	11,864
Contractors fees	196,072	259,145
Equipment and supplies	15,503	5,400
Fees and allowances	17,129	5,572
Food and meals	35,353	39,052
Miscellaneous charges	760	1,594
Office	16,597	7,745
Printing and stationery	3,346	6,305
Service fees	65,991	30,326
Training and workshops	3,211	11,817
Transportation	38,869	49,542
	<u>407,846</u>	<u>428,362</u>
Surplus/(Deficit) from project	<u>318,153</u>	<u>(66,527)</u>

5. FORESTS

The focus of this project is to improve the resilience and sustainability of Sabah's forested landscapes through four key areas: avoiding deforestation, forest restoration, re-establishing forest connectivity and further expanding Sabah's network of fully protected forests.

	2025	2024
	RM	RM
Grants received	<u>-</u>	<u>38,009</u>

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NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2025

5. FORESTS – CONTD

	2025	2024
	RM	RM
Less: Project Expenses - Contd		
Accommodation	-	3,882
Construction cost	-	-
Contractors fees	-	18,596
Equipment and supplies	-	11,997
Fees and allowances	-	6,020
Food and meals	-	8,194
Miscellaneous charges	-	2,113
Office	-	6,524
Printing and stationery	-	1,158
Training and workshops	-	867
Transportation	-	6,725
	<u>-</u>	<u>66,076</u>
Deficit from project	<u>-</u>	<u>(28,067)</u>

6. FOREVER SABAH INSTITUTE (FSI)

The Forever Sabah Institute (FSI), working in a network of allied hubs, facilitates innovative, experiential, grounded and change-inspired learning across the organic web of Forever Sabah to share knowledge, skills and practices to catalyse transformative processes.

	2025	2024
	RM	RM
Grants received	699,006	765,133
Program service fees	<u>36,000</u>	<u>35,490</u>
	<u>735,006</u>	<u>800,623</u>
Less: Project Expenses		
Accommodation	27,480	43,399
Construction cost	-	-
Contractors fees	532,525	440,562
Equipment and supplies	9,533	22,353
Fees and allowances	3,860	450
Food and meals	70,250	81,319

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6. FOREVER SABAH INSTITUTE (FSI) - CONTD

	2025	2024
	RM	RM
Less: Project Expenses - Contd		
Foreign exchange loss	6,927	-
Miscellaneous charges	11,196	714
Office	20,551	16,664
Printing and stationery	1,544	1,817
Service fees	21,229	47,831
Training and workshops	18,255	44,565
Transportation	35,665	38,728
	<u>759,015</u>	<u>738,402</u>
 (Deficit)/Surplus from project	 <u>(24,009)</u>	 <u>62,221</u>

7. JURIDICTIONAL CERTIFICATION OF SUSTAINABLE PALM OIL (JCSPO) SECRETARIAT

The JC Secretariat programme aims to set up an institutional establishment for Sabah's Jurisdictional Certified Sustainable Palm Oil (JCSPO), to enable Sabah to achieve state-wide certified sustainable palm oil by 2025.

	2025	2024
	RM	RM
Grants received	337,500	264,629
Miscellaneous income	54,000	31,500
	<u>391,500</u>	<u>296,129</u>
Less: Project Expenses		
Accommodation	1,385	701
Contractors fees	413,827	297,041
Equipment and supplies	1,099	26,414
Fees and allowances	2,943	145
Food and meals	9,638	3,132

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7. JURIDICTIONAL CERTIFICATION OF SUSTAINABLE PALM OIL (JCSPO) SECRETARIAT – CONTD

	2025 RM	2024 RM
Less: Project Expenses - Contd		
Miscellaneous charges	9	1,777
Office	45,186	42,553
Printing and stationary	1,229	1,832
Service fees	15,191	3,885
Training and workshops	100	3,960
Transportation	14,040	3,663
	<u>504,647</u>	<u>385,103</u>
Deficit from project	<u>(113,147)</u>	<u>(88,974)</u>

8. ORGANIC AGRICULTURE

This programme assist farmers in the Tuaran district to revitalize their abandoned paddy fields, and support rice production using sustainable methods.

	2025 RM	2024 RM
Grants received	<u>-</u>	<u>41,425</u>
Less: Project Expenses		
Contractors fees	-	52,800
Equipment and supplies	1,185	1,320
Miscellaneous charges	108	1
Transportation	-	924
	<u>1,293</u>	<u>55,045</u>
Deficit from project	<u>(1,293)</u>	<u>(13,620)</u>

9. SABAH RENEWABLE ENERGY RURAL ELECTRIFICATION ROADMAP

This project is a multi-stakeholder initiative that charts a course for energy access for all in Sabah. The roadmap provides the tools, data and approaches required to optimize renewable energy deployment in Sabah, and connects climate changes mitigation with energy justice, local economies and environmental stewardship. This encompasses activities such as policy development and advocacy related to the roadmap.

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9. SABAH RENEWABLE ENERGY RURAL ELECTRIFICATION ROADMAP - CONTD

	2025	2024
	RM	RM
Grants received	700,801	651,863
Miscellaneous income	3,127	-
	<u>703,928</u>	<u>651,863</u>
Less: Project Expenses		
Accommodation	11,187	3,556
Construction and start up costs	171,750	137,400
Contractors fees	324,045	291,299
Equipment and supplies	50,934	6,541
Fees and allowances	2,868	3,960
Food and meals	13,509	10,692
Grants and disbursements	-	1,827
Miscellaneous charges	182	158
Office	12,043	11,973
Printing and stationery	1,433	2,413
Service fees	97,215	7,959
Training and workshops	18,013	12,090
Transportation	64,666	13,396
	<u>767,845</u>	<u>503,264</u>
Less: Admin Expenses		
Repair & maintenance	-	7,083
Website and related expenses	-	1,287
	<u>-</u>	<u>8,370</u>
Less: Staff Costs		
Staff training	-	1,001
	<u>-</u>	<u>1,001</u>
Add: Other Income		
Foreign exchange gain	1,650	-
	<u>1,650</u>	<u>-</u>
(Deficit)/Surplus from project	<u>(62,267)</u>	<u>139,228</u>

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10. SPACES

This project utilises spatial planning for biodiversity conservation, sustainable economic development and society, adopting a holistic approach to better land utilisation for Sabah.

	2025	2024
	RM	RM
Programme service fees	-	5,000
Less: Project Expenses		
Contractors fees	-	2,952
Equipment and supplies	-	1,019
Service fees	5,000	-
	<u>5,000</u>	<u>3,971</u>
Less: Staff Costs		
Payroll expenses	-	871
	<u>-</u>	<u>871</u>
(Deficit)/Surplus from project	<u>(5,000)</u>	<u>158</u>

11. HUMAN ELEPHANT HARMONY

This programme seeks to build harmony between the people of four Telupid villages and elephants, in a multi-use landscape through the implementation of a community ranger team, identification of an elephant use zone and research on elephant feeding behaviour and interactions with humans.

	2025	2024
	RM	RM
Grant received	264,100	293,239
Government funds	4,040	-
	<u>268,140</u>	<u>293,239</u>
Less: Project Expenses		
Accommodation	209	1,423
Construction and start up costs	-	44,738
Contractors fees	221,100	250,200

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11. HUMAN ELEPHANT HARMONY – CONTD

	2025	2024
	RM	RM
Fees and allowances	9,934	3,220
Equipment and supplies	12,839	16,234
Food and meals	1,286	9,903
Miscellaneous charges	2,658	3,018
Office	1,024	1,622
Printing and stationery	529	1,802
Service fees	1,409	649
Training and workshops	100	1,319
Transportation	4,747	23,952
	<u>255,835</u>	<u>358,080</u>
Surplus/(Deficit) from project	<u>12,305</u>	<u>(64,841)</u>

12. SEGAMA WETLANDS

The Segama Wetlands project addresses riparian biodiversity and water quality management in the Segama and Kinabatangan Deltas in Sabah.

	2025	2024
	RM	RM
Grant received	<u>508,628</u>	<u>174,000</u>
Less: Project Expenses		
Accommodation	20,949	10,074
Contractors fees	338,356	92,610
Equipment and supplies	20,288	188
Fees and allowances	7,653	1,536
Food and meals	20,713	20,765
Miscellaneous charges	480	822
Office	6,074	157
Printing and stationery	532	1,646

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12. SEGAMA WETLANDS - CONTD

	2025	2024
	RM	RM
Service fees	11,230	5,083
Training and workshops	4,590	2,144
Transportation	30,268	18,515
	<u>461,133</u>	<u>153,540</u>
(Deficit)/Surplus from project	<u>47,495</u>	<u>20,460</u>

13. PAYMENT FOR ECOSYSTEM SERVICES (PES)

This project aims to strengthen the livelihoods rooted in watershed stewardship in the face of coronavirus pandemic in three indigenous communities within the Babagon Catchment, Sabah.

	2025	2024
	RM	RM
Grant received	70,318	49,816
Miscellaneous income	84,209	137,909
	<u>154,527</u>	<u>187,725</u>
Less: Project Expenses		
Contractors fees	152,238	175,516
Food and meals	-	8,450
Miscellaneous charges	1,989	2,080
Service fees	300	-
Transportation	-	1,679
	<u>154,527</u>	<u>187,725</u>
Surplus/(Deficit) from project	<u>-</u>	<u>-</u>

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14. SABAH BORDER ECONOMY STUDY

The objective of the study is to prepare a comprehensive economic development plan for the Sabah-Kalimantan and Sabah-Sarawak border area.

	2025 RM	2024 RM
Miscellaneous revenue	-	990,796
Less: Project Expenses		
Accommodation	-	2,369
Contractors fees	-	470,031
Food and meals	-	3,004
Training and workshops	-	900
Transportation	-	3,018
	-	479,322
Less: Admin Expenses		
Repair & maintenance	-	3,668
	-	3,668
Less: Finance Cost		
Bank charges	-	138
	-	138
Surplus from project	-	507,668

15. ART & CULTURE PROJECT

The project aims to foster UK-Malaysia arts partnerships that address climate adaptation through Indigenous collaboration, creative exchange, and sustainable advocacy.

	2025 RM	2024 RM
Grants received	-	31,973

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15. ART & CULTURE PROJECT - CONTD

	2025	2024
	RM	RM
Miscellaneous income	-	1,882
	<u>-</u>	<u>33,855</u>
Less: Project Expenses		
Accommodation	-	1,140
Contractors fees	-	15,930
Equipment and supplies	-	500
Fees and allowances	-	1,440
Food and meals	-	5,896
Miscellaneous charges	-	270
Service fees	-	4,490
Training and workshops	-	410
Transportation	-	3,779
	<u>-</u>	<u>33,855</u>
Surplus/(Deficit) from project	<u>-</u>	<u>-</u>

16. SABAH MARINE VISION

The project aims to strengthen marine stewardship in Sabah through improved mapping of marine and coastal ecosystems, stakeholder participation, marine spatial planning, protection of coastal and marine areas, and community-based fisheries management.

	2025	2024
	RM	RM
Grant received	584,914	-
Less: Project Expenses		
Contractors fees	78,261	-
Food and meals	290	-
Miscellaneous charges	41	-
Office	6,228	-
Training and workshops	3,600	-
Transportation	1,359	-
	<u>89,779</u>	<u>-</u>
Surplus from project	<u>495,135</u>	<u>-</u>

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17. SABAH CLIMATE FUTURES

This project uses climate-risk assessment and spatial analysis to support evidence-based adaptation, resilient development and informed decision-making in Sabah.

	2025	2024
	RM	RM
Grant received	<u>223,677</u>	<u>-</u>
Less: Project Expenses		
Contractors fees	189,726	-
Equipment and supplies	2,181	-
Miscellaneous charges	43	-
	<u>191,950</u>	<u>-</u>
Surplus from project	<u><u>31,727</u></u>	<u><u>-</u></u>

18. SABAH GREEN GRID

The Sabah Green Grid project aims to develop grid infrastructure connecting clusters of oil palm mills to support waste-to-energy generation and renewable energy development in Sabah. The project also involves relevant stakeholders, including local communities, indigenous peoples, regulators and mill operators, in project planning and implementation.

	2025	2024
	RM	RM
Grant received	<u>-</u>	<u>-</u>
Less: Project Expenses		
Accommodation	2,015	-
Contractors fees	197,102	-
Food and meals	144	-
Miscellaneous charges	1	-
Training and workshops	3,240	-
Transportation	5,456	-
	<u>207,958</u>	<u>-</u>
Deficit from project	<u><u>(207,958)</u></u>	<u><u>-</u></u>

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19. SABAH BIOGAS

The project is a scoping study by the Sabah RE2 Consortium looking at the feasibility of palm oil mill effluent (POME)-based mini-grids to serve the energy needs of rural unelectrified communities.

	2025 RM	2024 RM
Grants received	137,039	-
	<u>137,039</u>	<u>-</u>
Less: Project Expenses		
Contractors fees	76,332	-
Equipment and supplies	452	-
Food and meals	1,253	-
Miscellaneous charges	41	-
Service fees	60	-
Training and workshops	300	-
	<u>78,438</u>	<u>-</u>
Surplus from project	<u>58,601</u>	<u>-</u>

20. ADMINISTRATIVE EXPENSES

	2025 RM	2024 RM
Attestation fee	100	100
Depreciation of property, plant and equipment	3,981	3,451
Donation	600	660
Electricity and water	330	145
Equipment and supplies	-	14,405
Filing fee	550	200
Insurance	2,098	1,946
License fee	25	247
Membership fee	1,000	1,000
Balance c/d	<u>8,684</u>	<u>22,154</u>

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NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2025

20. ADMINISTRATIVE EXPENSES - CONTD

	2025	2024
	RM	RM
Balance b/d	8,684	22,154
Penalty & fines	-	375
Postage and courier	(105)	339
Printing and stationery	1,950	3,485
Professional services	10,960	11,550
Rental expenses - office	4,467	1,698
Repair & maintenance	3,154	2,981
Service fees	-	486
Staff amenities	2,563	1,170
Stamp duty	10	216
Subscription fees	1,804	1,588
Sundry expenses	3,573	1,078
Telephone expenses	4,331	2,567
Transportation	-	746
Travel and meetings	4,783	18,554
Website and related expenses	5,540	4,789
	<u>51,714</u>	<u>73,776</u>

21. SURPLUS BEFORE TAX

	2025	2024
	RM	RM
This is arrived at after charging:-		
Auditors' remuneration		
- current year provision	5,500	5,500
- undertaken up in prior year	-	500
Depreciation of fixed assets	3,981	3,451
Rental expenses	<u>4,467</u>	<u>1,698</u>
And crediting:-		
Interest income	<u>26,019</u>	<u>3,403</u>

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NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2025

22. INCOME TAX EXPENSE

	2025 RM	2024 RM
Malaysian Income Tax		
- Current year provision	-	-

23. PROPERTY, PLANT AND EQUIPMENT

	Furniture & Fittings RM	Office Equipment RM	Computer Equipment RM	TOTAL RM
At Cost:-				
Additions	-	3,298	2,829	6,127
As at 31.12.2024	3,480	879	15,075	19,434
As at 31.12.2025	3,480	4,177	17,904	25,561
Accumulated Depreciation:-				
Charge for 2024	348	88	3,015	3,451
Charge for the year	348	335	3,298	3,981
As at 31.12.2024	1,882	491	7,717	10,090
As at 31.12.2025	2,230	826	11,015	14,071
Net Book Value:-				
As at 31.12.2025	1,250	3,351	6,889	11,490
As at 31.12.2024	1,598	388	7,358	9,344

24. RECEIVABLES

	2025 RM	2024 RM
Trade receivables	138,472	6,017
Other receivables	2,340	7,079
Amount due from affiliated companies	4,197	14,946
Grant receivables	194,429	386,894
	339,438	414,936

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NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2025

25. CASH & CASH EQUIVALENTS

The company's cash management policy is to use cash and bank balances to manage cash flows to ensure sufficient liquidity to meet the company's obligations. The components of cash and equivalents consist of:

	2025	2024
	RM	RM
Cash at bank	2,305,770	401,539
Cash in hand	-	266
Fixed deposits	467,053	606,105
	<u>2,772,823</u>	<u>1,007,910</u>

26. DEPOSITS & PREPAYMENTS

	2025	2024
	RM	RM
Deposits & prepayments	<u>4,163</u>	<u>4,421</u>

27. PAYABLES

	2025	2024
	RM	RM
Trade creditors	18,449	16,427
Other payables	98,687	316
Amount due to affiliated companies	222,623	85,272
Accruals	75,658	133,934
Deferred income	1,072,991	155,625
	<u>1,488,408</u>	<u>391,574</u>

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NOTES TO THE FINANCIAL STATEMENT – 31 DECEMBER 2025

28. FINANCIAL INSTRUMENTS

(a) Financial Risk

The company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the company businesses whilst managing its interest rate, liquidity and credit risks. The company operates within clearly defined guidelines that are approved by the Board and the company's policy is to not engage in speculative transactions.

(b) Credit Risk

Credit risks, or the risk of counter parties defaulting, are controlled by the application of credit approvals, limit and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the company's associations to business partner with high creditworthiness. Trade receivables are monitored on an ongoing basis via company management reporting procedures.

The company does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

(c) Liquidity Risk

The company actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the company maintains sufficient levels of cash to meet its working capital requirement. The company strives to maintain available banking facilities of a reasonable level to its overall debt position.

(d) Fair Value

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. It is not practical for the company to determine the fair values as at balance sheet date.