

ADVANCING SUSTAINABILITY DYNAMICS

ANNUAL REPORT 2023





Advancing Sustainability Dynamics

We continuously strive to fully unlock our business potential in a balanced manner by

embracing responsible business practices premised on sustainable policies to improve efficiencies and

focusing on both aspects of value creation and sustainable development

to embed a culture with deeply imbued conscience towards the environment, society and economy, driving long-term growth and delivering value to our stakeholders.

The digital version of
Jaya Tiasa Holdings Berhad
Annual Report 2023
is available at our website.

Go to www.jayatiasa.net or
scan the QR code to view.



63rd

Annual General Meeting

Thursday
30 November 2023
10.00 a.m.

Fully Virtual Meeting via
online meeting platform at
<https://meeting.boardroomlimited.my>
(Domain Registration No. with MYNIC-
D6A357657)

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Proxy Form

Mission

To cultivate a responsible business culture with deeply imbued conscience towards the environment, society and corporate accountability contributing to the growth of the nation



Vision

To be Malaysia's acclaimed enterprise in sustainable palm oil and wood based industry

Core Values

At Jaya Tiasa, we are guided by a set of core values in everything we do. These values form an integral part of our culture and are the key drivers towards delivering long-term success.



Integrity

Embed professionalism, accountability, transparency and corporate ethics in all levels of our business operations



Innovation

Being resilient in adopting sustainable solutions to meet the evolving economy



Team work

Strong and highly motivated collaborative spirit in pursuing our goals with due recognition for achievement



Commitment

Uphold responsibility towards our stakeholders, environment and society by inculcating best practices in all our business pursuits

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI DATO' SRI MOHAMAD FUZI BIN HARUN

Independent Non-Executive Chairman

DATO' JIN KEE MOU

Chief Executive Officer

MR TIONG CHIONG HEE

Executive Director

MS CLARA TIONG SIEW EE

Executive Director

DATO' SRI DR TIONG IK KING

Non-Independent Non-Executive Director

MDM TIONG CHOON

Non-Independent Non-Executive Director

DATO' WONG LEE YUN

Non-Independent Non-Executive Director

MR YONG VOON KAR

Independent Non-Executive Director

TUAN HAJI IKHWAN BIN ZAIDEL

Independent Non-Executive Director

AUDIT COMMITTEE

MR YONG VOON KAR* (Chairman)

DATO' WONG LEE YUN

TUAN HAJI IKHWAN BIN ZAIDEL*

NOMINATION COMMITTEE

MR YONG VOON KAR* (Chairman)

MDM TIONG CHOON

TUAN HAJI IKHWAN BIN ZAIDEL*

REMUNERATION COMMITTEE

DATO' WONG LEE YUN (Chairperson)

MR YONG VOON KAR*

TUAN HAJI IKHWAN BIN ZAIDEL*

*Independent Non-Executive Director

REGISTERED OFFICE

No.1-9, Pusat Suria Permata
Lorong Upper Lanang 10A
96000 Sibu, Sarawak
Tel : 084-213255
Fax : 084-213855
Email : inquiry@jayatiasa.net

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7890 4700
Fax : 03-7890 4670
Email : brs.helpdesk@boardroomlimited.com

COMPANY SECRETARY

MS NGU UNG HUONG
MAICSA 7010077
SSM PC No. 201908002438

AUDITORS

Messrs Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad
Stock Name : JTIASA
Stock Code : 4383

WEBSITE

www.jayatiasa.net

CORPORATE STRUCTURE



OIL PALM

OIL PALM PLANTATION

- 100%** Eastern Eden Sdn Bhd

- 100%** Erajaya Synergy Sdn Bhd

- 100%** Poh Zhen Sdn Bhd

- 100%** Simalau Plantation Sdn Bhd

- 55%** Wealth Houses Development Sdn Bhd

PALM OIL MILL

- 100%** Hariyama Sdn Bhd
(Plantation & Palm Oil Mill)

- 100%** JT Oil Palm Development Sdn Bhd

- 100%** Maxiwealth Holdings Sdn Bhd

- 100%** Maujaya Sdn Bhd

TIMBER

LOGGING

- 88.9%** Curiah Sdn Bhd

- 100%** Mantan Sdn Bhd

WOOD MANUFACTURING

- 100%** Jaya Tiasa Plywood Sdn Bhd

MARKETING

- 100%** Jaya Tiasa Timber Products Sdn Bhd

- 100%** Hak Jaya Sdn Bhd

REFORESTATION

- 100%** Jaya Tiasa Forest Plantation Sdn Bhd

OTHERS

FABRICATION & WORKSHOP SERVICES

- 100%** Rimbunan Hijau Plywood Sdn Bhd

PRODUCTION & TRADING OF COCONUTS

- 100%** Jaya Tiasa R&D Sdn Bhd

INVESTMENT

- 100%** Multi Greenview Sdn Bhd

BIRD NEST

- 100%** Guanaco Sdn Bhd

PRIVATE FLIGHT OPERATION

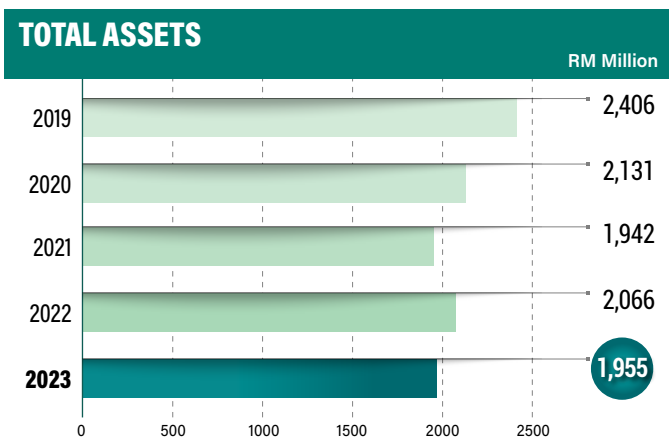
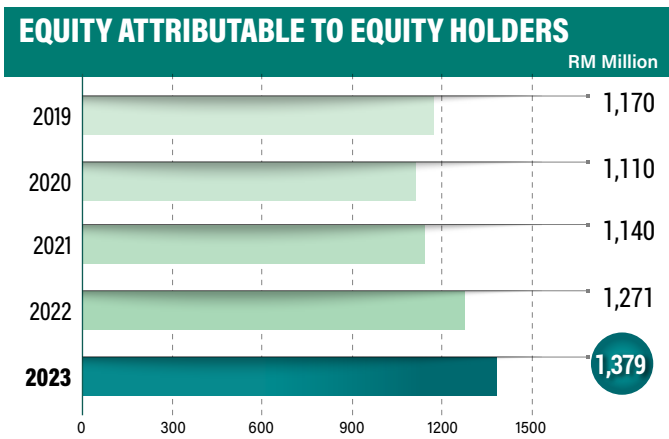
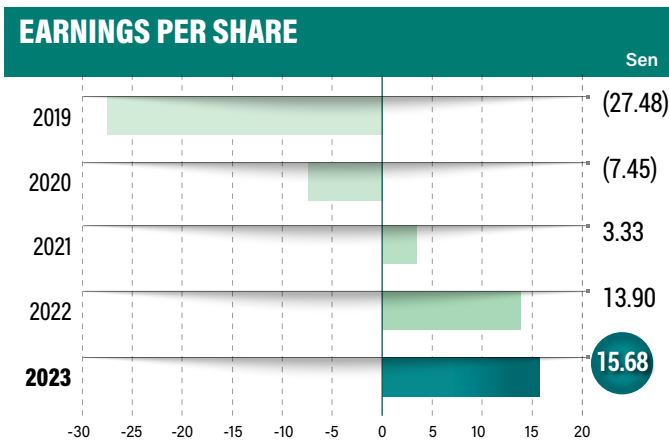
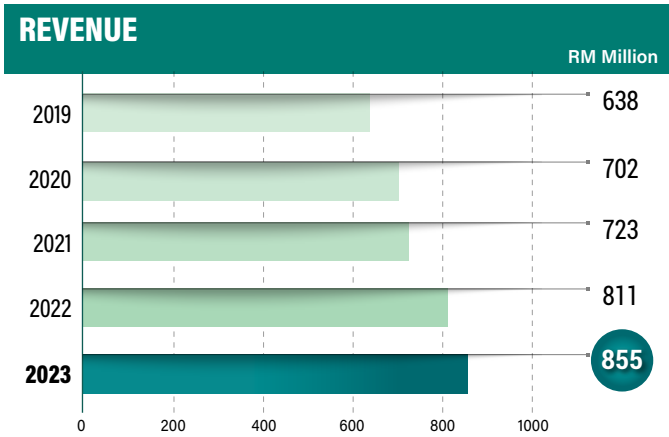
- 100%** Jaya Tiasa Aviation Sdn Bhd

Note: Non-operating or dormant companies are not included.

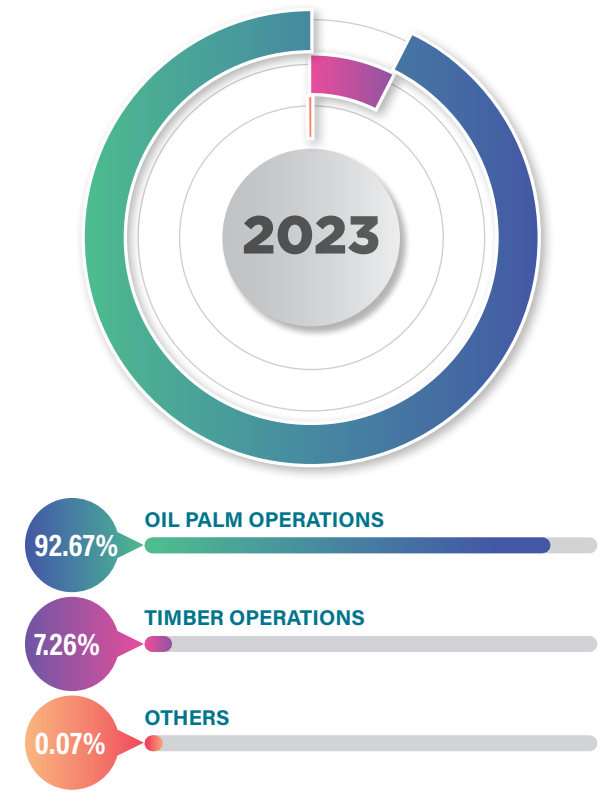
FINANCIAL HIGHLIGHTS

FINANCIAL STATISTICS	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000
PERFORMANCE					
Revenue	854,952	810,770	723,407	701,883	637,744
Profit Before Taxation	166,797	200,558	76,129	(129,572)	(191,011)
Profit After Taxation	151,802	134,413	32,181	(71,950)	(265,263)
Profit Attributable to Equity Holders	151,791	134,556	32,246	(72,092)	(266,036)
EBITDA	326,017	382,072	265,109	97,622	42,873
Equity Attributable to Equity Holders	1,379,011	1,270,930	1,140,200	1,109,847	1,170,045
CORPORATE RATIOS					
Net Earnings Per Share (sen)	15.68	13.90	3.33	(7.45)	(27.48)
Net Assets Per Share Attributable to Equity Holders (RM)	1.42	1.31	1.18	1.15	1.21
Net Tangible Assets Per Share (RM)	1.42	1.31	1.18	1.15	1.21
Return on Equity (%)	11.0	10.6	2.8	(6.5)	(22.7)
Return on Total Assets (%)	7.8	6.5	1.7	(3.4)	(11.1)
Gross Dividend (sen)	3.2	2.8	-	-	-
PROFIT/(LOSS) BEFORE TAX BY BUSINESS SEGMENT					
	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000
Timber Operations and Reforestation	(19,878)	(12,704)	(21,768)	(160,553)	(58,901)
Oil Palm Operations	190,973	223,457	107,869	47,493	(126,835)
Others	(4,298)	(10,195)	(9,972)	(16,512)	(5,275)
	166,797	200,558	76,129	(129,572)	(191,011)

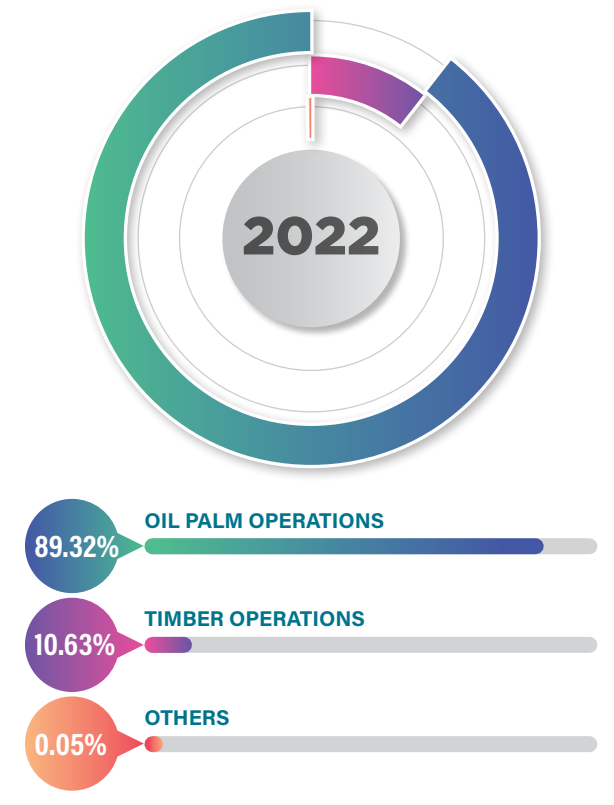
FINANCIAL HIGHLIGHTS



BREAKDOWN OF REVENUE BY SEGMENT



BREAKDOWN OF REVENUE BY SEGMENT



CHAIRMAN'S STATEMENT



Dear Shareholders,

More than a year after Russia launched a full-scale invasion of Ukraine, there is still no sign of abatement. Despite being in the post-pandemic stage, the war has left protracted scars on the global economy which continues to impact the local economy. Nevertheless with the reopening of most economic sectors and improvements in the labour market conditions, I am happy to see that our business operations have displayed commendable resilience to overcome the challenges and stay on course to deliver the performance we have achieved.

On behalf of the Board of Directors of Jaya Tiasa Holdings Berhad, I am pleased to present to you the Annual Report and Audited Financial Statement of the Group for the Financial Year ended 30 June 2023.



ECONOMY OVERVIEW

Amidst the re-emergence of the national economy from the health and economic crisis and the containment efforts to lower the inflation, businesses in the first half of the Financial Year (FY) 2023 continued to be impacted by the higher interest rates, price hikes in commodities, geopolitical conflicts and dull global development including a stalling economy in China just to name a few.

The International Monetary Fund (IMF) projected the global growth and global inflation rates to both fall from an estimated 3.5% and 8.7% respectively in 2022 to 3.0% and 6.8% respectively in 2023.

Bank Negara Malaysia (BNM) projected the sluggish global growth to weigh on Malaysia's exports and the national growth to moderate at 4% to 5% in 2023. The national economy is thus expected to continue to face challenges, particularly on the external front.

Despite such a backdrop, the oil palm industry remains resilient and actually performed better in FY2023 following an increase in demand despite a much lower average Crude Palm Oil (CPO) price of about RM3,900 per MT as compared to the previous financial year.

For the Group, FY2023 can be described as a challenging yet successful year for the Group with the robust global demand against the threats of El-Nino amongst other adverse factors.

FINANCIAL PERFORMANCE OVERVIEW

The Group's financial performance remained strong as the revenue surged 5% from RM 810.8 million to RM 855.0 million for the financial year ended 30 June 2023. The higher revenue was driven by the increase in the sales volume of oil palm products. The Group's Profit Before Tax recorded RM 166.8 million in this reporting year, a drop of 17% from the previous year, mainly attributed to the lower CPO prices. In the same period, the earning per share increased from 13.90 sen to 15.68 sen as compared to the previous year. The shareholders fund increased by 9% from RM 1,271 million to RM 1,379 million and the net tangible assets per share stood at RM 1.42 for the year ended 30 June 2023.

The oil palm division contributed 93% to the Group's total revenue. The average Fresh Fruit Bunch (FFB) selling price decreased by 34% from RM 1,162 per MT to RM 772 per MT while the average CPO price decreased by 11% from RM 4,347 per MT to RM 3,852 per MT. However, the weaker prices were buoyed by 28% higher FFB production which translated to 9% higher revenue than that in the previous financial year.

For the timber division, the past year has been rather challenging with a drop in the log production of 18%. The log prices remained stable with the export log priced at USD 266 per m3 while the overall average log price was at RM 789 per m3, an 8% increase from the previous year.

Further details on the Group's financial performance can be found in the Management Discussion & Analysis section on pages 10 – 15.

CHAIRMAN'S STATEMENT

DIVIDEND

An interim single tier dividend of 1.5 sen per ordinary share amounting to RM14.52 million for FY2023 was paid on 30 March 2023. To further reward our shareholders, the Board subsequently declared a second interim single tier dividend of 1.7 sen amounting to RM16.46 million on 24 August 2023.

For FY2023, the Company made a total dividend payout of 3.2 sen per share amounting to RM30.98 million representing 20.41% of the net profit, higher than the total dividend of 2.8 sen which amounted to RM27.10 million paid out in respect of FY2022 representing 20.14% of the net profit.

Going forward, the Board of Directors remains committed to the Group's dividend policy of paying out not less than 20% of its net profit, subject to not compromising the Group's ability to support its pursuit for long term growth.

SUSTAINABILITY

The Group continuously strives to fully unlock the potential of its business in a balanced manner and remains steadfast in embracing sustainable business practices premised on responsible sustainability policies to improve efficiencies and embed a culture with deeply imbued conscience towards the environment, society and governance.

It pleases me to read concerted efforts being driven by the sustainability team to implement sustainability measures focusing on both aspects of value creation and sustainable development to drive long-term growth and deliver value to our stakeholders.

An overview of our sustainability initiatives is covered under the "Sustainability Statement" section in this annual report from pages 23-52.

GOING FORWARD

With the sluggish global recovery amidst new unexpected developments such as China's continued weak economy from unresolved real estate problems and the recent Fukushima decision and India's rice export ban just to mention a few, the world economic outlook doesn't look promising.

The palm oil industry is expected to face ongoing challenges due to price fluctuations, labour insufficiency, rising costs due to inflation, El-Nino and change in policies in Indonesia, among other emerging issues. However, should El-Nino persist to linger on and affect production output, the CPO prices may end up stronger.

Our Group will remain committed to closely monitor the development of all significant risks and strive to concentrate on fostering growth by improving operational efficiency, enhancing productivity and managing cost effectiveness.

We are optimistic that by combining sustainable practices with ongoing efforts and dedication, our Group will be able to maintain its performance in the upcoming year and ultimately maximize value for shareholders.

APPRECIATION

First and foremost, I would like to thank all my fellow directors for their invaluable guidance, support and contribution during the whole year. I would also like to welcome Tuan Haji Ikhwan Bin Haji Zaidel, our new Board member, who joined us on 1st March 2023.

On behalf of the Board of Directors, I would like to extend my sincere appreciation to all of our valued shareholders, customers, business partners, bankers, government agencies and all other stakeholders for their long-standing collaboration and support to the Group.

Last but not least, I would also like to pay tribute to the management team and staff for their continued dedication, hard work, commitment, and contribution to the Group.

Thank you.

TAN SRI DATO' SRI MOHAMAD FUZI BIN HARUN

Independent Non-Executive Chairman

STATEMENT ON MANAGEMENT DISCUSSION AND ANALYSIS



BUSINESS OVERVIEW

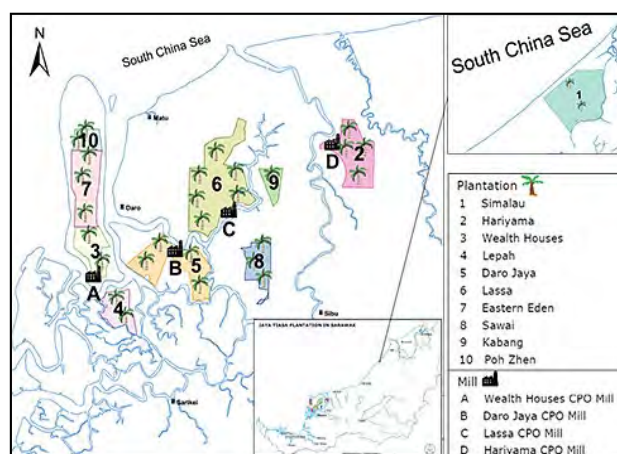
Jaya Tiasa Holdings Berhad commenced operations in 1987 as a downstream wood processing company and has since grown in leaps and bounds following its first establishment. Subsequent to its public listing on the Main Market of Bursa Malaysia in February 1995, the Group began diversification into the oil palm plantation business in 2002 and expanded into palm oil milling with the commissioning of its first Crude Palm Oil (CPO) mill in 2009. Oil palm plantation and milling operations remain our core businesses while the timber division is actively engaging in forest plantation operations and the extraction and trading of logs under the Sustainable Forest Management paradigm.

(A) OIL PALM DIVISION

The Group has ten plantations in the state of Sarawak, covering a total land bank of 83,483 hectares, with a total planted and mature area of 69,589 hectares and four CPO mills, strategically located within the vicinity of our oil palm plantations. All our four CPO mills combined have a total annual processing capacity of 1,782,000 MT of Fresh Fruit Bunch (FFB).

As a credible and responsible organisation committed to the safeguarding of our environment in our oil palm operations, the Group has established itself as a strong proponent of sustainability and believes that implementing sustainable agricultural practices is not just a journey but a responsibility. All our plantations and CPO mills have received the Malaysian Sustainable Palm Oil (MSPO) certification as we continuously assess our estates and mills to maintain our certification status.

No.	Plantation	Land Area (Ha)	Planted Area (Ha)
1	Simalau	5,003	4,866
2	Hariyama	10,600	9,645
3	Wealth Houses	6,000	5,757
4	Lepah	5,149	4,099
5	Daro Jaya	11,681	9,841
6	Lassa	21,300	16,287
7	Eastern Eden	10,000	8,580
8	Sawai	6,050	5,448
9	Kabang	2,700	2,133
10	Poh Zhen	5,000	2,933
Total		83,483	69,589



No.	CPO Mill	Capacity (MT) Per Hour	Capacity (MT) Per Annum
A	Wealth Houses CPO Mill	90	486,000
B	Daro Jaya CPO Mill	60	324,000
C	Lassa CPO Mill	120	648,000
D	Hariyama CPO Mill	60	324,000
Total		330	1,782,000

STATEMENT ON MANAGEMENT DISCUSSION AND ANALYSIS

(B) TIMBER DIVISION

The timber division encompasses the upstream industrial tree planting development activities and logging operations in our respective reforestation and timber concession areas located in the state of Sarawak covering a total expanse of 412,478 hectares.

Under the reforestation sector, the Group is currently managing a total reforestation area of 120,395 hectares. Out of the 75,622 hectares of plantable area, 39,145 hectares in total had been planted up till the closing of this reporting Financial Year (FY) 2023.

LPF	Gross Area (Ha)	Est. Plantable Area (Ha)	Planted to date (Ha)
Total	120,395	75,622	39,145

All our tree planting operations adhere to the Tree Planting Plans approved by Forest Department Sarawak. Similarly, all our logging operations within our three Forest Management Units (FMUs) are being managed according to the Forest Management Certification standards.

OBJECTIVES AND STRATEGIES

In pursuit of a holistic business approach, the Group remains committed to meeting our key operational objectives of upholding the quality and sustainability of our oil palm and timber businesses to create long-term sustainable values and returns for our shareholders and stakeholders. This is achieved through the adoption of the Environmental, Social and Governance (ESG) principles to increase operational efficiencies.

(A) OIL PALM DIVISION

Apart from ensuring environmental compliance with the rules and regulations of the Natural Resources and Environment Board (NREB) of Sarawak and the Department of Environment (DOE) of Sarawak, we have also stepped up our internal compliance to align our ground operations to the ESG principles.

In our endeavour to cut down on the dependency on fossil fuel to reduce carbon emission, we started transitioning to solar power for our in-field lightings in a few estates, an initiative if feasible would be replicated to the remaining estates and for other consumptions.

Pertaining to the installation of clean air emission for boilers mentioned in the last Annual Report, we are pleased to announce that we have commenced with the fabrication of the Electrostatic Precipitator

(ESP) for two (2) of our CPO mills in the second half of FY2023. These two ESP projects are expected to be completed by the end of FY2024. For the third CPO mill, we are awaiting approval of the design of the ESP which was submitted to the DOE at the start of FY2024. Our fourth CPO mill which was the newest of our four mills is already equipped with the wet scrubber technology since its commissioning.

With all our plantations and CPO mills fully certified with MSPO certifications and our CPO mills further attaining MSPO SCCS, we continue to prioritise our operations to combine economic achievements with various operational stimulus by not just integrating sustainability into our business strategy but also factoring in profitability, environmental and social considerations into our business plans to remain competitive and be cost-effective so as to be better equipped to manage the risks in our operations.

(B) TIMBER DIVISION

(i) LOGGING

For our logging operations, the Group is similarly committed to enhancing effective management, conservation and sustainable development of forest biodiversity to preserve a balanced ecosystem amidst our logging activities to ensure the long-term viability of our logging operations while protecting the environment in our FMUs.

As a testament to our commitment towards responsible stewardship of the environment we operate in, we are proud to announce that two

(2) of our FMUs, namely, Penuan-Lebuwai FMU and Baleh-Balui FMU were both awarded the Malaysia Criteria and Indicators for Sustainable Forest Management Certification (MC&I SFM) under the Malaysian Timber Certification Scheme (MTSC) on 18th April 2023, while the remaining Mengiong-Entulu FMU had undergone all the required audits in December 2022 and now awaiting issuance of the same certification. These achievements signify our Group's unrelenting commitment in the sustainability certification journey towards a more sustainable future.

STATEMENT ON MANAGEMENT DISCUSSION AND ANALYSIS



(ii) REFORESTATION

Our commitment to aggressively develop our forest plantations remains to be our ultimate priority in our pursuit to fully plant by the year 2025 with fast-growing tree species such as Eucalyptus Pellita, Eucalyptus Deglupta (Kamarere), Albizia Falcataria (Batai) and Kelampayan not just for sustainable log supply but also to conserve the forest.

As a testimony of our active role-play in the regeneration of our forests, we already completed planting in one of our forest plantations in 2018. Efforts are put in to intensify planting in the remaining forest plantations through increased recruitment drives to bring in more foreign workers to work in the harsh terrain and the deployment of more effective mechanizations to accelerate the work progress.

FINANCIAL PERFORMANCE REVIEW

The Group registered a revenue of RM855.0 million for FY2023, which was a marginal 5% increase year-on-year, underpinned by higher sales volume of oil palm products. The profit before tax came in at RM 166.8 million, representing a drop of 17% from the previous year, mainly attributed to lower CPO prices in this reporting year.

The Group’s total cash flow from the operating activities as at the end of the FY2023 decreased by 8% to RM297.2 million from RM322.6 million recorded in the previous year. During this financial year, we voluntarily repaid RM155 million from the cash surplus to reduce our borrowing in advance. The selling and distribution costs rose by 27% year-on-year in tandem with the increase in sales volume of our FFB products. The net asset per share improved to RM1.42 compared to RM1.31 in FY2022.

(A) OIL PALM DIVISION

The performance of the oil palm division was impacted by the overall challenging conditions affecting the plantation industry. In spite of those, the division’s revenue for FY2023 was better at RM792.3 million, contributing 93% to the Group’s total revenue, which was 9% higher than the previous financial year at RM724.2 million. This improvement can be ascribed to the higher FFB production coupled with a tight and well-managed budget despite the volatility and rising costs of the raw materials.

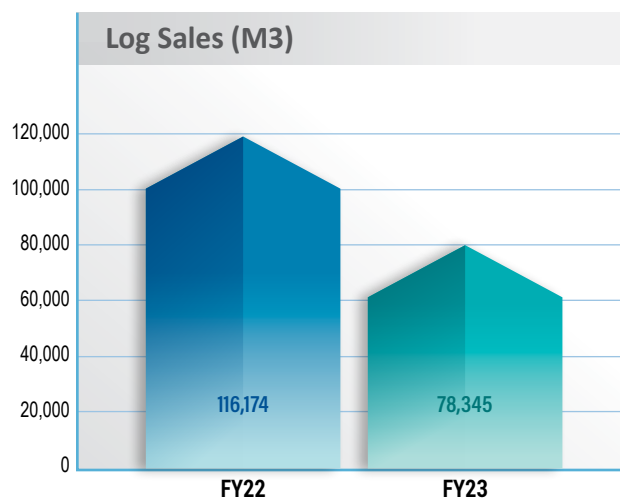
Product	Average Selling Price (RM/MT)		OER / KER (%)	
	FY2023	FY2022	FY2023	FY2022
CPO	3,852	4,347	19.1%	18.5%
PK	2,026	3,390	4.4%	4.1%
FFB	772	1,162		

STATEMENT ON MANAGEMENT DISCUSSION AND ANALYSIS

The division recorded an average realized CPO and Palm Kernel (PK) prices of RM3,852 per MT (FY2022: RM4,347 per MT) and RM2,026 per MT (FY2022: RM3,390 per MT) respectively for the reporting year. The average FFB selling price was RM772 per MT in FY2023 which is 34% lower than the RM1,162 per MT in FY2022.

(B) TIMBER DIVISION

Log sales dropped 27%, contributing 7% to the Group’s total revenue, with a loss before tax of RM19.9 million. The average export price for logs, supported by global demand and favourable exchange rate, was higher at USD266 per M3 from USD231 per M3 in the previous financial year.



OPERATIONAL REVIEW

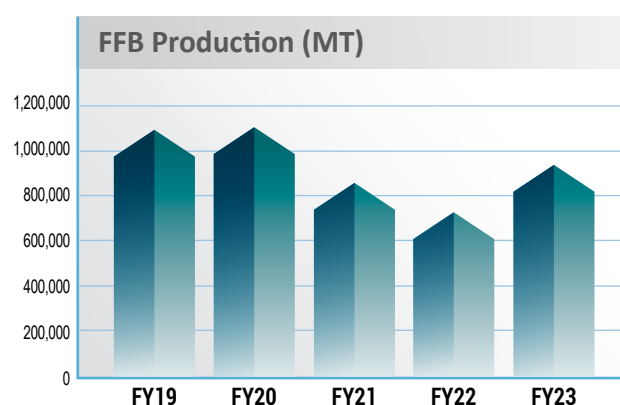
(A) OIL PALM DIVISION

All our palm trees have matured. Out of the Group’s total planted area of 69,589 hectares, about 3% of the palms are more than 18 years of age. The average age of palms is 14 years, which is within the prime production bracket. Efforts and plans are being made to prepare for replanting to replace the ageing palms.

The total FFB production for the group in FY2023 stood at 943,924 MT, which was an impressive 28% increase year-on-year against 737,723 MT in the previous financial year, considering the challenging operational environment and labour shortages even though the workforce has started to improve since the signing of the Memorandum of Understanding (MOU) between Malaysia and Indonesia for the entry and employment of Indonesian workers.

As a way of mechanization to improve on operational efficiency and effectiveness and to stay competitive, this division has embarked on the pilot running of the drone equipped with high resolution cameras for aerial surveillance of the general field and palm health conditions. Over time, the practicality of the drone technology will be extended to all the plantations

for more concise collection of the ground information for better plantation management and to reduce the reliance on manual systems.



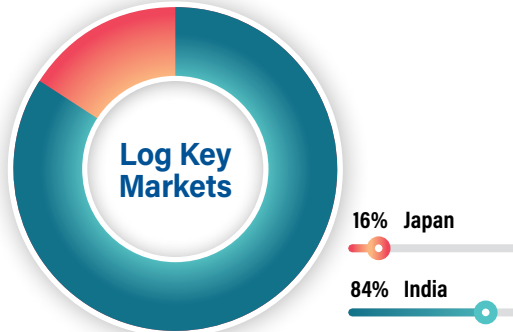
On the milling side, the CPO mills recorded a total production of 182,309 MT of CPO and 42,109 MT of PK in this reporting period, which was an increase of 35% and 39% respectively. Oil Extraction Rate (OER) continued to improve for the third consecutive year to 19.1% from 18.5% in the previous year.

CPO Mill	Capacity (MT per annum)	FY2023		FY2022	
		FFB Input (MT)	Utilization %	FFB Input (MT)	Utilization %
Wealth Houses	486,000	254,666	52%	220,919	45%
Daro Jaya	324,000	189,556	59%	130,692	40%
Lassa	648,000	326,086	50%	248,610	38%
Hariyama	324,000	185,357	57%	132,352	41%
Total	1,782,000	955,665	54%	732,573	41%

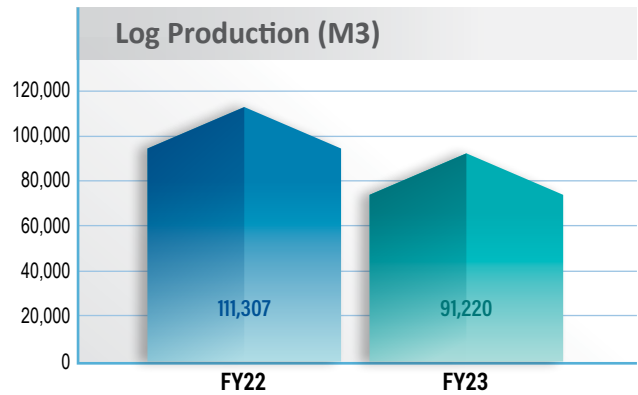
STATEMENT ON MANAGEMENT DISCUSSION AND ANALYSIS

(B) TIMBER DIVISION

(i) LOGGING



India remained our largest buyer in the reporting FY2023, constituting 84% of our logs export market. Our customers were mostly long-time loyal clients who had maintained good relationship with us and trusted in our quality product, the criteria the Group has always sought to cherish to maintain our logs export market.



Log production in FY2023 dropped to 91,220 M3 from 111,307 M3 in the previous year, due to the slow global economic recovery which was aggravated by stiff competition from other regions.

(ii) REFORESTATION

Despite the reopening of the borders and zealous recruitment drives, this sector is still unable to attract sufficient field workers to speed up our planting progress due to the rough terrain working conditions.

To date, a total of 39,145 hectares of forest plantations had been planted. All the new planting in this reporting year totaled up to 2,055,207 of Eucalyptus Pellita (EP) seedlings under the Industrial Tree Planting (ITP) method

with an average survival rate of above 90% at one month old due to the species' versatility.

Area	Species	No. of Seedling	Area (Ha)
LPF0023	EP/AF	843,408	1,431.8
LPF0024	EP/AF	1,211,799	2,058.0
LPF0028	EP/AF	-	-
		2,055,207	3,489.8



Eucalyptus Pellita



Albizia

STATEMENT ON MANAGEMENT DISCUSSION AND ANALYSIS

ANTICIPATED OR KNOWN RISK

According to the Malaysian Palm Oil Council, CPO prices are expected to trade in the range of RM3,700 to RM4,200 per MT during the second half of 2023 and projected to surge above RM4,300 per MT going into 2024 due to the prevailing market uncertainties on the supply of other vegetable oils and our nationwide production remaining below expectations.

Despite such a projection, we anticipate input costs including fertilizer and fuel, which had eased from the previous highs to remain elevated due to several economic hurdles caused by ongoing war, political conflicts, sputtering economy in China, tightened fuel supply and the threats of a lingering El-Nino which will continue to have a direct significant impact on the Group's financial performance.

FORWARD LOOKING

The prospects of a global post-pandemic economic recovery is dimmed by the volatile economic landscape rifted by ongoing wars and adverse political developments posing various challenges such as inflation, tightening monetary policies by the central banks globally, including Malaysia and the surging cost of food, fuel, energy and labour. Nevertheless, the Malaysian economy is forecast to see a moderate growth between 4.7% to 5.0% in 2023 and going into 2024, bolstered by a recovery in tourism and the continued government support to counter the downside risks looming ahead.

We are optimistic about the economy of the palm oil sector although it depends very much on the domestic and global macroeconomic factors that affect the palm oil market, weather conditions, government policy on biodiesel and the seasonal cropping pattern of FFB. Palm oil in itself is an unrivalled versatile source of essential products in food and biodiesel, and in that sense, the outlook for the Group's mainstay Oil Palm division remains bright as the CPO prices are expected to be well supported. Plans are also underway for replanting activities to sustain the Group's palm age profile and to ensure long-term productivity of our oil palm division.

Moving forward, we expect the log prices to remain challenging as the demand for tropical timber products remains unstable. Nevertheless, the Group understands that the long-term viability of our timber segment goes hand-in-hand with the environmental protection and conservation of biological diversity to enhance carbon storage and mitigate climate change and will work towards building a sustainable forest resource base.

Continuous efforts will be taken to improve the management of our operations to enhance sustainability as well as the ESG requirements to ensure long-term resilience of the Group and to better our ESG ratings which will translate to better long term financial performance, increased investor's confidence and reduced risks.

However, prudent measures are in place to manage costs without compromising on the quality.

The inability to attain the optimal manpower in the oil palm plantation division will remain a risk to achieving the desired production output. Similarly, the shortage of labour in our forest plantation division will continue to be a pressing issue as the operation costs and logistics demand continue to stump planting and maintenance works. Nevertheless, the Group has introduced various remuneration schemes which are regularly reviewed to ensure we pay a competitive market rate to retain our workers, a strategy which has a positive impact on our labour force.

With an anticipated higher cost of labour, we will focus on worker recruitment drives to attract the younger generation of the local workforce. We will continue to emphasize on training and improving the skills of our staff and workers as we invest in various training and development programmes so that our employees can consistently improve and stay competent to support their own growth and increase work productivity to meet our business objectives.

Despite inflationary pressures and continued uncertainties and challenges in the global economy, the Group is optimistic and will continue to be cost-conscious and maintain a tight control of our budget to create a healthy financial performance and decent shareholder value. Efforts will also be focused on operational efficiency and mechanization initiatives as well as embracing lifelong learning culture to be more resilient to weather future challenges and disruptions.

DATO' JIN KEE MOU
Chief Executive Officer



DIRECTORS' PROFILE



**TAN SRI DATO' SRI MOHAMAD FUZI
BIN HARUN**

INDEPENDENT NON-EXECUTIVE CHAIRMAN

64 years old
Male
Malaysian

Tan Sri Dato' Sri Mohamad Fuzi Bin Harun was appointed to the Board on 2 March 2020 and re-designated as Non-Executive Chairman on 7 January 2021.

He holds a degree in Bachelor of Arts (Honours) from the University of Malaya, obtained his Master in Anthropology and Sociology from the University of Kebangsaan Malaysia and completed the Advance Management and Leadership Programmes from the SAID Business School at Oxford University, United Kingdom.

Tan Sri Dato' Sri Mohamad Fuzi Bin Harun is a retired Inspector-General of the Royal Malaysia Police (IGP) who had served the Police Force for 35 years.

He joined the Royal Malaysia Police in 1984. He was attached to the Special Branch Department from 1986 to 2014 and served in various capacities, including Deputy Director of the Special Branch and Director of Special Task Force on operation and counter terrorism. He had also served as the Director of the Management Department for more than a year and was subsequently promoted as the Director of Special Branch in July 2015. In September 2017, he was further promoted to IGP, the highest ranking position in the Royal Malaysia Police, until his retirement in May 2019.

Currently, he serves as an Independent Non-Executive Chairman of Tropicana Corporation Berhad, Siab Holdings Berhad and Hiap Teck Venture Berhad. He is also an Independent Non-Executive Director of Ancom Nylex Berhad.



DATO' JIN KEE MOU

CHIEF EXECUTIVE OFFICER

58 years old
Male
Malaysian

Dato' Jin Kee Mou was appointed as the Chief Executive Officer (CEO) (Principal Officer) on 1 July 2021 and joined the Board on 22 September 2021.

Prior to his appointment as CEO of the Company, Dato' Jin Kee Mou was the CEO of Rimbunan Sawit Berhad from July 2015 until the end of 2018 and thereafter, the Chief Operations Officer of Rimbunan Hijau Group based in Sibul Headquarter.

He graduated with a Bachelor of Engineering in Applied, Civil and Computing degree from Monash University, Australia in 1990 and obtained his professional qualification (P.E.) in 1996. He was conferred Darjah Indera Mahkota Pahang (DIMP) which carries the title "Dato'" by the Sultan of Pahang, Malaysia on 24 October 2011.

He has extensive experience and in-depth knowledge in oil palm industries and the engineering profession. He joined Jaya Tiasa Holdings Berhad as an engineer in 1995 and facilitated the engineering and project development. When the Group began diversifying into the oil palm business in 2002, he was entrusted to lead the establishment, development, and operation of the plantations and CPO mills. He had served in various senior positions during which he had acquired extensive experience in the running of the Group's operations.

With the rich experience and familiarity of the many facets of the Group's operations under his belt, Dato' Jin Kee Mou is well-equipped to manage the Group.

DIRECTORS' PROFILE



MR TIONG CHIONG HEE

EXECUTIVE DIRECTOR

50 years old
Male
Malaysian

Mr Tiong Chiong Hee was appointed to the Board on 14 May 1999 and re-designated as Executive Director on 7 January 2021.

He holds a Bachelor of Commerce degree from University of Melbourne, Australia.

Mr Tiong Chiong Hee has vast experience and exposure in oil palm and timber industries. He has been managing a group of private limited companies involving oil palm and timber operations both in Malaysia and overseas over the past 20-plus years as the managing director.

His extensive experience and invaluable knowledge gained over time and familiarity with the regulatory policies and market position has enabled him to address strategic issues relating to the Group's businesses.



MS CLARA TIONG SIEW EE

EXECUTIVE DIRECTOR/CHIEF RISK OFFICER

32 years old
Female
Malaysian

Ms Clara Tiong Siew Ee was appointed to the Board on 7 January 2021 and designated as the Chief Risk Officer of the Group.

She holds a Bachelor of Marketing degree and Masters of Commerce from the Royal Melbourne Institute of Technology, Australia.

Ms Clara Tiong Siew Ee has served in various managerial and senior positions in Oriental Evermore Group of Companies principally engaged in logistics, hospitality and real estate business since 2015. She had also been a Personal Assistant to the Executive Chairman of the Company for the period from 2017 to 2020 handling a wide range of administrative and executive support related tasks.

She also sits on the Board of a group of private limited companies.

DIRECTORS' PROFILE



DATO' SRI DR TIONG IK KING

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

73 years old
Male
Malaysian

Dato' Sri Dr Tiong Ik King joined the Board on 27 March 1995.

He graduated with an M.B.B.S degree from the National University of Singapore in 1975 and subsequently obtained his M.R.C.P. from the Royal College of Physicians, UK in 1977. He was conferred Sri Sultan Ahmad Shah Pahang (SSAP) which carries the title "Dato' Sri" by the Sultan of Pahang, Malaysia on 24 October 2008.

Dato' Sri Dr Tiong Ik King has extensive experience in many industries including media and publishing, information technology, timber, plantation and manufacturing industries.

He currently serves as a Non-Executive Chairman of RH Petrogas Limited, a listed company in Singapore.



MDM TIONG CHOON

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

54 years old
Female
Malaysian

Mdm Tiong Choon was appointed to the Board on 3 May 1999. She is a member of the Nomination Committee of the Company.

She holds a Bachelor of Economics degree from Monash University, Australia.

Mdm Tiong Choon has been with Rimbunan Hijau Group since 1991 and has served in various managerial and senior positions in plantation and hospitality sectors.

She is the Non-Executive Chairman of both Media Chinese International Limited (a listed company in Hong Kong and Malaysia) and One Media Group Limited (a company listed in Hong Kong). She is a Trustee of Yayasan Sin Chew, a foundation that carries out charitable activities and also serves on the Board of Sin Chew Media Corporation Berhad.

DIRECTORS' PROFILE



DATO' WONG LEE YUN

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

70 years old
Female
Malaysian

Dato' Wong Lee Yun was appointed to the Board on 21 June 2007 and re-designated as a Non-Independent Non-Executive Director on 1 March 2023.

She is the Chairperson of the Remuneration Committee and a member of the Audit Committee.

Dato' Wong Lee Yun qualified as an accountant with Ernst & Young in 1978 and is a Member of the Malaysian Institute of Certified Public Accountants.

She has extensive experience in investment banking, finance and strategic planning for large investment projects, acquisition of strategic businesses, fund raising and investor relations. In her 10 years in investment banking, she was a Corporate Finance Manager at Permata Chartered Merchant Bank, and subsequently went on to head the investment banking for Malaysia at Chase Manhattan Bank, now known as JP Morgan. From 1991 to 1996, she was the Director of Finance and Strategy for the Renong Group of Companies. Dato' Wong Lee Yun became the Chief Executive of Jaya Tiasa Holdings Berhad from 1997 to 2000. She was also a Director of Sin Chew Media Corporation Bhd from 2004 to early 2008 and the Chairman for Malaysia for TC Capital, a regional investment bank based in Singapore from 2007 to 2020.

Presently, Dato' Wong Lee Yun is an Independent Non-Executive Director of Export-Import Bank of Malaysia Berhad (Bank), an appointment since 15 July 2020 and also the Chairman of the Audit Committee, member of the Risk Committee and member of the Nomination and Remuneration Committee of the Bank. She also actively invests in businesses and holds directorships in several private limited companies which she founded.



MR YONG VOON KAR

INDEPENDENT NON-EXECUTIVE DIRECTOR

65 years old
Male
Malaysian

Mr Yong Voon Kar was appointed to the Board on 2 January 2020.

He is the Chairman of both the Audit and Nomination Committees and a member of the Remuneration Committee.

He holds a Bachelor of Business Studies degree majoring in Accounting from the Royal Melbourne Institute of Technology, Australia. He has been a Member of the Institute of Chartered Accountants, Australia and New Zealand and is a Member of the Malaysia Institute of Accountants since 1984.

Mr Yong Voon Kar is a Chartered Accountant by profession.

He joined Ernst & Young (EY) Malaysia in 1984 and was admitted as a Partner in 1996 before becoming the Managing Partner of EY East Malaysia office from 2002 until his retirement in 2018. With an extensive experience in assurance, corporate recovery and corporate finance, he had been the lead audit partner of major East and West Malaysia public and non-public listed companies covering a wide range of industries.

Mr Yong Voon Kar had served in various governance and advisory roles in the EY global and regional network from 2008 to 2015. He had also served at EY's highest governance level - the Global Governance/Advisory Council from 2013 to 2015.

Currently, Mr Yong Voon Kar is an Independent Non-Executive Director of KKB Engineering Berhad. He is also a Trustee of Yayasan Sin Chew, a foundation carrying out charitable activities and a director of Global Shepherds Berhad, a company limited by guarantee dedicated to social and charitable causes.

DIRECTORS' PROFILE



TUAN HAJI IKHWAN BIN ZAIDEL

INDEPENDENT NON-EXECUTIVE DIRECTOR

63 years old
Male
Malaysian

Tuan Haji Ikhwan Bin Zaidel was appointed to the Board on 1 March 2023.

He is a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

He holds a Bachelor of Science (Honours) degree majoring in Mathematics and Management Science from the University of Manchester, England.

Tuan Haji Ikhwan Bin Zaidel has served in various senior executive positions in the State Government for more than 20 years before venturing into the private sector. He has extensive knowledge and vast experience in multiple industries including construction, finance, banking, education, aviation and oil and gas.

Currently, he is a Non-Independent Non-Executive Director of Hubline Berhad and sits on the Board of several private limited companies.

ADDITIONAL INFORMATION ON DIRECTORS:

(i) Family Relationship

None of the Directors has any family relationship with any Directors or major shareholders of the Company save as disclosed below:

- Dato' Sri Dr Tiong Ik King is the brother of Tan Sri Datuk Sir Tiong Hiew King (TSTHK), a major shareholder of the Company.
- Mdm Tiong Choon is the daughter of TSTHK.
- Mr Tiong Chiong Hee is the nephew of TSTHK.
- Ms Clara Tiong Siew Ee is the granddaughter of TSTHK.

(ii) Attendance of Directors at Board Meetings

There were four (4) Board Meetings held during the financial year ended 30 June 2023. Details of attendance of each Director at Board Meetings are as set out in the Corporate Governance Overview Statement on page 54 of this Annual Report.

(iii) Securities holdings in the Company and its subsidiaries

The Directors' shareholdings as at 30 September 2023 are as disclosed on page 170 of this Annual Report.

(iv) Conflict of Interest

None of the Directors has been involved in situation which could create a conflict with his/her duties as a director of the Company.

(v) Convictions of Offences

None of the Directors has been convicted of any offence, other than traffic offences within the past five (5) years and there was no public sanction of penalty imposed by the relevant regulatory bodies during the financial year under review.

KEY SENIOR MANAGEMENT

Key Senior Management of Jaya Tiasa Holdings Berhad comprises Dato' Jin Kee Mou, the Chief Executive Officer, Mr Tiong Chiong Hee, the Executive Director and Ms Clara Tiong Siew Ee, the Executive Director/Chief Risk Officer whose profiles are included in the Directors' Profile on pages 16 and 17 of this Annual Report and the Senior Management Personnel as presented on pages 21 and 22 of this Annual Report.

KEY SENIOR MANAGEMENT



DATO' WONG PACK

**CHIEF OPERATIONS OFFICER,
TIMBER OPERATIONS**

63 years old
Male
Malaysian

Dato' Wong Pack graduated with a Bachelor of Economics degree from Monash University in 1984.

Dato' Wong Pack worked in the banking sector prior to joining Jaya Tiasa Holdings Berhad in August 1989. He served as a Factory Operations Manager before his appointment as Chief Operations Officer, Wood Manufacturing Operations of the Group on 1 June 2001. He oversees the timber operations of the Group since 2019.



THOMAS HII KHING SIEW

CHIEF FINANCIAL OFFICER

58 years old
Male
Malaysian

Thomas Hii Khing Siew is a Chartered Accountant and holds a Master of Business Administration (Finance) from University of Leicester, UK. He is also an ASEAN Chartered Professional Accountant, CPA Australia and a Fellow member of the Chartered Tax Institute of Malaysia.

Thomas Hii Khing Siew was trained in an international audit firm prior to joining Jaya Tiasa Holdings Berhad in 1995, and was responsible for the setting up of the internal audit department. Thereafter, he had served in various capacities and functions in the Group, including financial reporting, corporate taxation and finance, risk management and investor relations before his appointment as Chief Financial Officer on 1 January 2011.

KEY SENIOR MANAGEMENT



TEOH KHENG HOCK

**CHIEF OPERATIONS OFFICER,
OIL MILLING OPERATIONS**

65 years old
Male
Malaysian

Teoh Kheng Hock was appointed as Chief Operations Officer, Oil Milling Operations of the Group on 6 October 2016.

Teoh Kheng Hock graduated with a Diploma in Rubber Research Institute of Malaysia and a Diploma in Palm Oil Milling Technology and Management from the Palm Oil Research Institute of Malaysia. He is a competent Steam Engineer and obtained the 1st Grade Steam Engineer Certificate in the year 2003.

He started his career in rubber and latex industry from 1985 to 1996. Subsequently, he joined the palm oil mill industry and held various senior positions in several big companies in Kuala Lumpur and Sabah. He has more than 20 years of experience in the palm oil milling operations.



JENNY WONG NANG HUNG

GENERAL MANAGER

59 years old
Female
Malaysian

Jenny Wong Nang Hung graduated with a Bachelor of Science degree in Computer Science from University of New South Wales in 1986.

Prior to joining Jaya Tiasa Holdings Berhad in March 1999, Jenny Wong worked in two other companies in various capacities including Head of Computer Department and Deputy Registrar. She served in various senior positions in the Group, from a System Analyst Manager to an Assistant General Manager in the Managing Director's Office before her appointment as General Manager in the Chief Executive Officer's Office on 1 January 2015.

Additional Information:

All the Senior Management Personnel have no directorship in public companies, no family relationship with any Director and/or major shareholders of Jaya Tiasa Holdings Berhad, no conflict of interest with Jaya Tiasa Holdings Berhad, have not been convicted of any offence within the past 5 years and have not been imposed any penalty by the relevant regulatory bodies during the financial year 2023.