

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of the Company recognizes the importance of embracing high standards of corporate governance in order to safeguard the interest of stakeholders and enhance shareholder value. The Board considers transparency, accountability, integrity and sustainability as the four pillars of corporate governance. As such, the Board embeds in the Group a culture that is aligned with the values and ethical standards the Group upholds, as key driver towards delivering long-term strategic success.

This Statement provides an overview of the Company’s application of the three (3) Principles of corporate governance set out in the Malaysian Code on Corporate Governance 2017 (“MCCG”):

- Principle A - Board Leadership and Effectiveness
- Principle B - Effective Audit and Risk Management
- Principle C - Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

The details on how the Company has applied the practices in the MCCG, explanation for departure and description of the alternative practices to achieve the intended outcome during the financial year ended 30 June 2021 are disclosed in the Company’s Corporate Governance Report 2021 (“CG Report”) which can be downloaded from the Company’s website at www.jayatiasa.net.

This Statement, which is prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), should be read together with the CG Report.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Board Duties and Responsibilities

The Board is responsible for long-term growth and delivery of sustainable value to its stakeholders. It sets the strategic direction of the Group and provides effective leadership through oversight of management and monitoring the business performance in the Group.

Details of the roles and responsibilities of the Board are set out in the Board Charter which serves as a guide and primary induction document providing prospective and existing

Board Members insights into their responsibilities in discharging their fiduciary and leadership functions. The Board Charter outlines powers that the Board reserves for itself and those that are delegated to the Board Committees and the management. It also sets out the responsibilities of the Chairman, Chief Executive Officer (“CEO”), individual Directors and Non-Executive Directors to enhance accountability. The Board Charter which was last revised on 18 October 2021 is published on the Company’s website at www.jayatiasa.net.

The key responsibilities of the Board include:

- i. Formulating strategic plans and policies;
- ii. Overseeing the conduct of the Group’s businesses;
- iii. Ensuring effective risk management and internal control; and
- iv. Reviewing and approving key matters such as financial results, investments and divestments, acquisitions and disposals, and major capital expenditures.

There is a formal schedule of matters reserved for the Board’s decision to ensure the direction and control of the Company are in its hands. Key matters reserved for the Board include, inter-alia, approval of annual budget, quarterly and annual financial statements for announcement, investment and divestment, as well as monitoring of the Group’s financial and operating performance.

Board Committees

The Board has established Board Committees, namely the Audit Committee, Nomination Committee and Remuneration Committee in fulfilling its ongoing oversight and stewardship role. The Board Committees have the authority to examine specific issues within their respective

CORPORATE GOVERNANCE OVERVIEW STATEMENT

terms of reference approved by the Board. The Chairman of the respective Board Committees reports to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

Chairman and Chief Executive Officer

The roles of the Chairman and Chief Executive Officer (“CEO”) are distinct and separate, and the positions are held by different individuals to promote accountability and division of responsibilities between them.

The Chairman is primarily responsible for providing leadership to the Board and instilling good corporate governance practices. The CEO, as leader of the Senior Management, is responsible for the effective implementation of the Group’s strategic plan and policies established by the Board, and oversees the day-to-day operations and business of the Group.

Company Secretary

The Board is supported by a qualified, experienced and competent Company Secretary who is responsible for updating and advising the Board on regulatory, statutory, corporate governance, policy and procedure requirements relating to Directors’ duties and responsibilities.

All the Directors have unrestricted access to the advice and services of the Company Secretary to enable them to discharge their duties effectively.

Ethical Standards

To inculcate good ethical standards in the Group’s daily business dealings and employees’ behaviour at work, the Board has established a Code of Conduct and Ethics setting out core values and areas of ethical conduct expected from the directors and employees including managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering, protecting company assets, and compliance with laws, rules and regulations.

The Anti-Bribery and Corruption Policy established by the Board essentially sets out the Group’s overall position on bribery and corruption and provides information and guidance to ensure employees understand their responsibilities in complying with the Group’s zero-tolerance approach on bribery and corruption.

The Company has in place a whistleblowing policy which provides an avenue for any party to raise concern in good faith about improper conduct(s) committed by an employee within the Group through formal procedures and confidential channels provided therein, without risk of reprisal.

The Code of Conduct and Ethics, Anti-Bribery and Corruption Policy and whistleblowing policy are published on the Company’s website at www.jayatiasa.net.

Meeting and Time Commitment

Each Board member is expected to commit sufficient time to attend the Board and Committee meetings to deliberate on matters under their purview. The Board meetings for each calendar year are scheduled at the beginning of the calendar year for Directors to plan and fix the year’s meeting into their schedules.

All Directors of the Company have complied with the Listing Requirements of Bursa Securities of not holding more than five (5) directorships in listed issuers at any given time. This is to ensure the Directors do not have competing time commitment that may impair their ability to discharge their duties effectively.

All Board and Committee members are provided with requisite notices, agenda and meeting materials at least five (5) business days prior to the meeting.

A total of six (6) Board of Directors Meetings were held during the financial year. The attendances of the Directors are as follows: -

Name of Directors	Meeting Attendance
Tan Sri Dato’ Sri Mohamad Fuzi Bin Harun	6/6
Dato’ Jin Kee Mou (Appointed on 22 September 2021)	N/A
Mr Tiong Chiong Hee	6/6
Ms Clara Tiong Siew Ee (Appointed on 7 January 2021)	3/3
Dato’ Sri Dr Tiong Ik King	6/6
Mdm Tiong Choon	6/6
Dato’ Wong Lee Yun	6/6
Mr Yong Voon Kar	6/6

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Directors' Training

The Directors received continuous training to acquire and/or enhance the requisite knowledge and skill in areas relevant to their duties and responsibilities.

All the Directors had completed the Mandatory Accreditation Programme as prescribed by the Listing Requirements of Bursa Securities. The training programmes, briefing and conferences attended by the Directors during the financial year are as follows:-

Director	Title of Programmes/Seminar/Courses/Forum
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	<ul style="list-style-type: none"> Finance for Non-Finance Directors 2021 Changes in the Malaysian Transfer Pricing Landscape
Tiong Chiong Hee	<ul style="list-style-type: none"> Virtual Palm and Lauric Oils Price Outlook Conference 2021 Forbes Asia CEO Webinar 2021 – The Way Forward Changes in the Malaysian Transfer Pricing Landscape
Clara Tiong Siew Ee	<ul style="list-style-type: none"> Virtual Talk: Risk, Strategy and Governance – How Integrated Thinking Can Support Boards In Creating Long-Term Value Kuala Lumpur Virtual Conference – Plantation Management 4.0 Virtual POC 2021- Palm & Lauric Oils Price Outlook Conference Raising Defences: Section 17A, MACC Act Mandatory Accreditation Program for Directors of Public Listed Companies Understanding Board Decision-Making Process The Malaysia Code on Corporate Governance Changes in the Malaysian Transfer Pricing Landscape
Dato' Sri Dr Tiong Ik King	<ul style="list-style-type: none"> Forbes Asia CEO Webinar 2020 - The Way Forward Forbes Asia CEO Webinar 2021 - The Way Forward Changes in the Malaysian Transfer Pricing Landscape
Tiong Choon	<ul style="list-style-type: none"> Asian Media Leaders e-Summit 2020 Asian Media Leaders e-Summit 2021 Changes in the Malaysian Transfer Pricing Landscape
Dato' Wong Lee Yun	<ul style="list-style-type: none"> RSM webinar- Transfer Pricing & Arm's Length Principle: Let's go back to basics RSM webinar: Transfer Pricing aspects of Intra-group services COVID-19 Financial Reporting Implications and Recent MFRS Developments, Updates and Amendments The Financial Institutions Directors' Education (FIDE) Core Program Module A: Bank The Financial Institutions Directors' Education (FIDE) Core Program Module B: Bank Islamic Finance for Board Programme Changes in the Malaysian Transfer Pricing Landscape

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Director	Title of Programmes/Seminar/Courses/Forum
Yong Voon Kar	<ul style="list-style-type: none"> • Malaysia Budget 2021 • Monetary & Fiscal Factors versus Real Factors – Which will dominate in 2021 • Improving Public Sector Governance Through Financial Reporting • MFRS Series – Covid-19 Financial Reporting Implications and Recent MFRS Developments • Audit Committee Conference 2021 • Capital Market Conference 2021 • Global Financial Regulatory Symposium • Changes in the Malaysian Transfer Pricing Landscape

II. BOARD COMPOSITION

The Company is led by an experienced Board with diverse background and expertise in areas such as entrepreneurship, economics, finance, accounting, audit and engineering which are vital for the current business, continuous progress and success of the Group.

As at the date of this Statement, the Board has 8 members, 3 Executive Directors and 5 Non-Executive Directors. 3 of the 5 Non-Executive Directors are Independent Non-Executive Directors. The **profile of the Directors** are presented on pages 16 to 19 of the Annual Report.

Board Diversity

The Board strongly advocates a corporate culture that embraces diversity when determining its composition taking into accounts the skills and industry experience, knowledge, gender, and other qualities of Directors, in the context of the needs and goals of the Company. The differences in the qualities of Directors will be balanced appropriately, whenever possible, in determining the optimum composition of the Board.

Presently, three (3) Board members (37.5%) are women Directors. This composition is more than the target set in the Board Diversity Policy which requires the Board to comprise at least two (2) women Directors to bring value to Board discussions from the different perspectives and approaches of the women Directors.

The Board Diversity Policy is set out in Appendix B of the Board Charter and is published on the Company's website at www.jayatiasa.net.

Board Independence

The Independent Directors, currently comprise 37.5% of the Board size, are responsible for providing unbiased and independent advice to the Board and ensure effective check and balance. They contribute by bringing the quality of impartiality and leading objective discussion on matters brought to the Board for deliberation and decision. The Independent Directors play an important role in protecting the interests of shareholders, in particular the minority shareholders.

Re-election of Directors

The re-election of the Directors is done in accordance with the Company's Constitution.

Article 81 of the Company's Constitution provides that one-third of the Directors are subject to retirement by rotation at every AGM and each director shall retire from office at least once in every three (3) years. Article 85 further provides that the newly appointed Director shall retire from office at the next AGM subsequent to his appointment.

The retiring Director(s) shall be eligible for re-election.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Nomination Committee

The **Nomination Committee (“NC”)** is entrusted to recommend suitable candidate for Board appointment. The NC assesses annually the effectiveness of the Board and Board Committees, the performance of Directors and Board independence. The Board has the ultimate responsibility of making the final decision on the appointment of new Directors.

A summary of key activities of the NC during the financial year 2021 and up to the date of this Statement are as follows:-

- assessed and recommended the appointment of Ms Clara Tiong Siew Ee as Executive Director cum Chief Risk Officer for Board approval;
- assessed and recommended the re-designation of Tan Sri Dato’ Sri Mohamad Fuzi Bin Harun as the Non-Executive Chairman and Mr Tiong Chiong Hee as Executive Director for Board approval;
- assessed and recommended the appointment of Dato’ Jin Kee Mou as the Chief Executive Officer for Board approval;
- reviewed Board composition based on the required mix of skills, experience, age, knowledge and diversity;
- assessed the effectiveness of the Board as a whole and the Board Committees;
- evaluated the performance and contribution of individual Directors;
- reviewed and assessed the independence of Independent Directors; and
- reviewed and recommended the re-election of Directors who were due for retirement by rotation, and the continuation in office as Independent Director who had served for a cumulative term of more than nine (9) years for shareholders’ approval at the forthcoming AGM.

All assessment and evaluation carried out by the NC was duly documented.

Board Evaluation

The annual evaluation conducted by the NC on 22 September 2021 concluded that the

Board, Board Committees and individual Director possess the relevant skill sets, and have effectively discharged their stewardship responsibilities to meet the Company’s needs.

The NC is satisfied that the retiring Directors, namely Dato’ Sri Dr Tiong Ik King, Mdm Tiong Choon, Ms Clara Tiong Siew Ee and Dato’ Jin Kee Mou (Retiring Directors) should be re-elected. Accordingly, the Board recommended **re-election** of the Retiring Directors for shareholders’ approval at the forthcoming AGM.

The NC also assessed the independence of the Independent Directors for the financial year 2021 and concluded that all Independent Directors have satisfied the independence criteria set out in the Listing Requirements of Bursa Securities, and they are able to continue to demonstrate their independent judgment and objectivity on matters that are brought to the Board.

Dato’ Wong Lee Yun has served as an Independent Director for a cumulative period of more than nine (9) years. The Board, based on the assessment and recommendation of NC, is of the opinion that her independence remains unimpaired and her judgements over business dealings of the Company has not been influenced by the interest of other Directors and substantial shareholders. Therefore, the Board recommended to retain her as an Independent Director for the ensuing financial year subject to shareholders’ approval at the forthcoming AGM based on justifications set out in the Notes to the Notice of the AGM.

Based on the evaluation carried out by the NC, the Board recognised that in order to keep pace with the evolving trend, expertise in the following areas required focus:-

- i) Technology as an enabler to keep up with the pace of digital transformation which should translate to productivity; and
- ii) Sustainability in line with the global commitment in gradually transitioning towards “net zero carbon emission” economy and adopting ESG principles.

III. REMUNERATION

The key responsibility of the Remuneration Committee (“RC”) is reviewing and recommending to the Board the framework and remuneration packages including performance related pay scheme for Executive Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board has formalised the Policies and Procedures on Remuneration for the Directors and Senior Management in accordance with Practice 6.1 of MCCG. This is in line with the objective to attract, reward, motivate and retain valuable Directors and Senior Management who lead the Company and its subsidiaries towards realizing its corporate strategies and long-term success.

In recommending the remuneration of the Executive Directors, the Remuneration Committee take into consideration factors including the performance, experience, skill set, extent of responsibility and the market rate in comparable companies.

In the case of Non-Executive Directors, their remuneration shall commensurate with their responsibilities, including their involvement in and contribution to the Board and Board Committees, and attendance at meetings.

As a matter of good practice, the Directors abstained from deliberation on his/her own remuneration at Board Meetings.

The total remuneration receivable by the Directors from the Company for the financial year ended 30 June 2021 was RM4,176,777. None of the Directors of the Company received any remuneration from any subsidiaries within the Group during the financial year.

The details of the remuneration for each of the Directors of the Company distinguishing between executive and non-executive Directors are set out below:

	Salary	Fees	Bonus	Other Emoluments	Total
	RM	RM	RM	RM	RM
Executive Directors (ED)					
Tiong Chiong Hee (Re-designated as ED on 7 January 2021)	150,968	40,800		24,426	216,194
Clara Tiong Siew Ee (Appointed on 7 January 2021)	121,935			15,852	137,787
Dato' Sri Tiong Chiong Hoo (Demised on 24 December 2020)	271,680		316,960	776,188	1,364,828
Dato' Wong Sie Young (Demised on 20 June 2021)	560,493		431,800	792,155	1,784,448
Total ED's Remuneration	1,105,076	40,800	748,760	1,608,621	3,503,257
Non-Executive Directors (Non-ED)					
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun (Re-designated as Non-Executive Chairman on 7 January 2021)		80,500		57,910	138,410
Dato' Sri Dr Tiong Ik King		75,000		9,600	84,600
Tiong Choon		78,300		9,600	87,900
Dato' Wong Lee Yun		102,900		153,600	256,500
Yong Voon Kar		90,400		9,600	100,000
Gen Tan Sri Abdul Rahman Bin Abdul Hamid (Rtd) (Resigned on 30.07.2020)				6,110	6,110
Total Non-ED's Remuneration	0	427,100	0	246,420	673,520
Total for the year ended 30 June 2021	1,105,076	467,900	748,760	1,855,041	4,176,777

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The Board has established an Audit Committee (“AC”) which consists of three (3) members all of whom are Independent Non-Executive Directors. The AC is chaired by an Independent Non-Executive Director who is not the chairman of the Board.

The AC is primarily responsible for the oversight and monitoring of :

- the integrity and reliability of the financial statements and ensuring that they comply with the Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 2016;
- internal control;
- related party transactions (RPT) including recurrent RPT; and
- the appointment, scope of work and evaluation of the external auditors.

The AC Charter which was last revised on 18 October 2021 includes a policy requiring a former key audit partner to observe a cooling-off period of at least 3 years before being appointed as a member of the AC. This is to safeguard the independence of the AC by avoiding the potential situation when a former key audit partner is able to exert significant influence over the audit and preparation of the Company’s financial statements.

The Board is cognizant of its role in upholding the integrity in the financial reporting of the Company. Accordingly, the AC, which assists the Board in overseeing the financial reporting process, has adopted the Auditor Independence Policy setting out criteria in assessing the suitability and independence of the External Auditors including the type of non-audit services that could be provided by the External Auditors and the need to obtain the AC approval for non-audit services exceeding the threshold level.

The composition of the AC, its roles and responsibilities, attendance record and summary of activities carried out during the financial year are set out in the AC report of this Annual Report.

II. RISK MANAGEMENT AND INTERNAL CONTROL

The Board affirms its overall responsibility for the Group’s system of risk management and internal control which includes the establishment of an appropriate internal control environment and risk management framework as well as reviewing its adequacy and effectiveness. This is to safeguard shareholders’ investments and the Group’s assets.

The details of the Risk Management Framework and its associated initiatives undertaken during the financial year are set up in the Statement on Risk Management and Internal Control of this Annual Report.

Internal Audit Function

The Company has in place an in-house internal audit department (“IAD”) which reports directly to the AC.

The primary function of the IAD is to assist the AC in discharging its oversight role in assuring the adequacy and integrity of the Group’s system of internal control. The AC approves the annual audit plan. The internal audit function adopts a risk-based approach in executing the internal audit plan that focuses on major business units and operations within the Group.

Details of the work of the Internal Audit Function are set out in the AC Report of this Annual Report.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

The Board recognizes the importance of effective and proactive engagement with the shareholders and stakeholders.

The Company’s Investor Relations (“IR”) Function undertakes ongoing engagement and communication with key institutional investors and analysts. IR Reports containing IR activities and investors’ concerns are presented to the Board for deliberations to enable the Company

CORPORATE GOVERNANCE OVERVIEW STATEMENT

to understand stakeholders' concerns and to take those concerns into account when making decisions.

The Board is committed to being transparent and accountable to the Company's stakeholders. Material information such as the financial results is disclosed to them timely. Up-to-date information on financial performance and operational review are made available on the Company's website.

Communication and engagement with stakeholders include:

- quarterly announcement on financial results to Bursa Securities;
- other company announcements and circulars to shareholders whenever necessary;
- annual report and General Meeting;
- ongoing engagement and communication with investors and investment communities; and
- the Group's website at www.jayatiasa.net where stakeholders can access corporate information, annual report, financial information, company announcements and share prices of the Company. To effectively address any issues, the Group has dedicated an electronic mail address at inquiry@jayatiasa.net where stakeholders can direct their queries and concerns.

II. CONDUCT OF GENERAL MEETINGS

The Annual General Meeting ("AGM") allows shareholders to review the Group's performance

via the Company's Annual Report and pose questions to the Board for clarification. It also serves as the principal forum for dialogue and communication between shareholders and the Board.

Shareholders are encouraged to ask questions about the resolutions being proposed and the operations of the Company, and communicate their expectation and concerns. Questions posed are, wherever possible, answered in details. The responses to questions submitted by the Minority Shareholders Watch Group prior to the AGM were shared with the shareholders during last year's AGM.

The notice and agenda of last year's AGM together with the Form of Proxy were given to shareholders twenty-eight (28) days before the date of the AGM allowing shareholders sufficient time to make arrangement to attend the AGM or appoint proxy to vote and attend on his behalf. All the resolutions set out in the notice of the AGM were voted by poll in accordance with the Listing Requirements of Bursa Securities. A summary of the minutes of the AGM is available on the Company's website at www.jayatiasa.net.

In line with the MCCG Practice, the Company will hold its forthcoming 61st AGM scheduled on 26 November 2021 on a fully virtual basis via online meeting platform using Remote Participation and Electronic Voting facility.

This Statement was approved by the Board on 18 October 2021.