

## 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 the Group upholds and responsible business practices premised on sustainable policies, as key driver towards delivering long-term strategic success.

”

This Statement provides an overview of the Company’s application of the Principles and Practices set out in the 4th edition of the Malaysian Code on Corporate Governance (“MCCG”) and the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) during the financial year ended 30 June 2023 and up to the date of this Statement.

The details on how the Company has applied each of the Practices during the financial year under review are disclosed in the Corporate Governance Report, which is available for viewing on the Company’s website at [www.jayatiassa.net](http://www.jayatiassa.net)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

#### I. BOARD RESPONSIBILITIES

##### Board Duties and Responsibilities

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

The Directors are tasked with managing the business and affairs of the Group and expected to exercise reasonable care, skill and diligence in decision making. The Directors keep themselves abreast of relevant developments, including material sustainability risks and opportunities, to discharge their duties and responsibilities efficiently. They are to act in the best interest of the Company and not place themselves in a position where there is conflict between their duties to the Company and personal interest.

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 was last revised on 18 October 2021. The Board had on 28 June 2022 adopted a Directors’ Fit and Proper Policy setting out the fit and proper criteria for the appointment of prospective Director and re-election of Directors on the Board of the Company and its subsidiaries.

The Board Charter and Directors’ Fit and Proper Policy are published on the Company’s website at [www.jayatiassa.net](http://www.jayatiassa.net).

The key responsibilities of the Board include:

- i. Formulating strategic plans and policies to ensure that they support long-term value creation through good environmental, social and governance (“ESG”) practices underpinning sustainability;
- ii. Overseeing the conduct of the Group’s businesses;
- iii. Ensuring effective risk management and internal control;
- iv. Reviewing and approving key matters such as financial results, investments and divestments, acquisitions and disposals, and major capital expenditures; and
- v. Maintaining effective communication and proactive engagements with stakeholders.

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.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### Board Committees

The Board has established Board Committees, namely the Audit Committee, Nomination Committee, Remuneration Committee and Sustainability Committee in fulfilling its ongoing oversight and stewardship role. The Board Committees have the authority to examine specific issues within their respective terms of reference approved by the Board. The Board Committee meetings are conducted separately from Board meetings to enable objective and independent discussions during these meetings.

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 CEO

The roles of the Chairman and 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. He ensures general meetings support meaningful engagement between the Board, senior management and shareholders.

The CEO, as leader of the Senior Management, is responsible for the effective implementation of the Group's strategic plans 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

The Board has established a Code of Conduct and Ethics setting out the standards of conduct expected from all Directors and inculcating good ethical conduct for the employees. This code covers managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering, protecting company assets, and complying 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 available on the Company's website at [www.jayatiasa.net](http://www.jayatiasa.net).

### Meeting and Time Commitment

Each Board member is expected to allocate sufficient time to attend the Board and Committee meetings to deliberate on matters under their purview. The dates of meetings of the Board, Board Committees and Annual General Meeting are fixed in advance for the whole year to ensure that the meeting dates are booked and to facilitate the Directors and the management to plan ahead accordingly.

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 the requisite notice, agenda and meeting materials at least five (5) business days prior to the meeting.

A total of four (4) Board of Directors Meetings were held during the financial year. In line with good governance practice, the Company leveraged on technology by conducting virtual meetings of the Board and Board Committees which made it more convenient for meeting participation.

The attendances of the Directors are as follows: -

Name of Directors	Meeting Attendance
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	4/4
Dato' Jin Kee Mou	4/4
Mr Tiong Chiong Hee	4/4
Ms Clara Tiong Siew Ee	4/4
Dato' Sri Dr Tiong Ik King	4/4
Mdm Tiong Choon	3/4
Dato' Wong Lee Yun	4/4
Mr Yong Voon Kar	4/4
Tuan Haji Ikhwan Bin Zaidel (Appointed on 1 March 2023)	1/1

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### Directors' Training

The Directors received continuous training to acquire and/or enhance the requisite knowledge and skills in areas relevant to their duties and responsibilities as well as to be updated of changes to the statutory and regulatory requirements and the impact of such requirements on the Group.

All the Directors had completed the Mandatory Accreditation Programme as prescribed by the Listing Requirements of Bursa Securities. The training programmes, briefings 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"> <li>CyberSecurity – A Boardroom Agenda</li> <li>At-A-Glance: Board's Oversight Role on Bursa Malaysia's Enhance Sustainability Reporting Framework</li> <li>A Dialogue with Bursa Malaysia - FTSE4Good ESG Rating</li> </ul>
Dato' Jin Kee Mou	<ul style="list-style-type: none"> <li>Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers - Bursa</li> <li>AsiaFlux 2022: The Nexus of Land Use Change, Ecosystem &amp; Climate: A Path Towards SDGs</li> <li>East Malaysia Bursa Malaysia Derivatives Annual Palm &amp; Lauric Oils Conference &amp; Exhibition: Price Outlook 2022/2023 (EMPOC2022)</li> <li>Anti Bribery and Corruption Awareness Training</li> <li>Asia Carbon Conference</li> <li>MTC Webinar "LC+ Innovated Oil Palm Timber (OPT): A Sustainable Alternative to Wood"</li> <li>Work Culture: Ways To Build A Positive Environment</li> <li>Unlocking ESG Potential: An In-Depth Training Program for Responsible Business Growth</li> <li>STA x CIMB Engagement Session on ESG</li> </ul>
Tiong Chiong Hee	<ul style="list-style-type: none"> <li>POC 2023</li> </ul>
Clara Tiong Siew Ee	<ul style="list-style-type: none"> <li>ESG Requirement for PLCs Companies by Bursa Malaysia</li> </ul>
Dato' Sri Dr Tiong Ik King	<ul style="list-style-type: none"> <li>Forbes Global CEO Conference 2022</li> </ul>
Tiong Choon	<ul style="list-style-type: none"> <li>Sustainability Governance, Management and Reporting – Overseeing the Economic, Environment, Social and Governance performance of the Group's business in achieving its objectives</li> <li>Malaysia's Economic Outlook after the Epidemic and the General Election</li> <li>Malaysia-China Business Forum 2023</li> </ul>
Dato' Wong Lee Yun	<ul style="list-style-type: none"> <li>FIDE FORUM - CGM Conversations with Chairmen: A Standing Item in Board Agendas</li> <li>FIDE: Board Effectiveness Evaluation - Post-launch Workshop (Session 2)</li> <li>ICliff: Corporate Governance &amp; Remuneration Practices For The ESG World</li> <li>IERP: QRD Series 18 – Directors Guide to RMIT (Risk Management in Technology)</li> </ul>
Yong Voon Kar	<ul style="list-style-type: none"> <li>Financial Regulatory Symposium 2022 organized by CFA Institute, UK</li> <li>Securities Commission's Audit Oversight Board – Conversation with Audit Committees</li> <li>2023 ESG &amp; Climate trends to watch – The APAC View organized by CFA Institute, UK and Asia Pacific Research Exchange</li> <li>2023 Budget &amp; Tax Conference organized by Ernst &amp; Young, Malaysia</li> <li>Is Diversification Living Up To The Promise?</li> </ul>
Tuan Haji Ikhwan Bin Zaidel (Appointed on 1 March 2023)	<ul style="list-style-type: none"> <li>Bursa Malaysia Mandatory Accreditation Programme</li> </ul>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### II. BOARD COMPOSITION

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

Following the appointment of Tuan Haji Ikhwan Bin Zaidel and re-designation of Dato' Wong Lee Yun as a Non-Independent Non-Executive Director on 1 March 2023, the Board has 9 members comprising 3 Executive Directors and 6 Non-Executive Directors of whom 3 or 33% are Independent Directors. The 33% composition of Independent Directors is a departure from Practice 5.2 of the MCCG which requires the Board to have at least 50% Independent Directors but is compliant with Bursa Listing Requirement which requires at least 1/3 of the Board members to be Independent Directors. The **profile of the Directors** are presented on pages 16 to 20 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, age 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.

The Board has 3 female members since January 2021 to bring value to Board discussions from the different perspectives and approaches of the 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 and the requirement of MMLR of Bursa Securities which provides that all listed issuers must have at least 1 woman director on their Boards.

The Board Diversity Policy is contained in the Board Charter which is published on the Company's website.

#### Board Independence

The Independent Non-Executive Directors 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. They 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 Annual General Meeting ("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/her appointment.

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

### Nomination Committee

The **Nomination Committee ("NC")** is entrusted to recommend suitable candidate for Board appointment. The NC also assesses annually the effectiveness of the Board and Board Committees, Board composition, 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 2023 and up to the date of this Statement is as follows:-

- 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 Non-Executive Directors;
- reviewed and recommended the re-election of Directors who were due for retirement by rotation for shareholders' approval at the forthcoming AGM;
- considered and recommended an Independent Non-Executive Director for appointment to the Board and Board Committees;
- noted the re-election of subsidiaries' Directors at the subsidiaries' forthcoming AGM.

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

### Board Evaluation

The annual evaluation conducted by the NC on 23 August 2023 concluded that the Board, Board Committees and individual Director possess the relevant skill sets, and had effectively discharged their stewardship responsibilities to meet the Company's needs.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The NC is satisfied that the retiring Directors, namely Tan Sri Dato' Sri Mohamad Fuzi Bin Harun, Dato' Sri Dr. Tiong Ik King, Mdm Tiong Choon and Tuan Haji Ikhwan Bin Zaidel ("Retiring Directors") who had completed their Declaration of Fit and Proper in line with the Directors' Fit and Proper Policy adopted by the Company, should be re-elected. Accordingly, the Board recommended the re-election of the Retiring Directors for shareholders' approval at the forthcoming AGM. In line with Practice 5.7 of MCCG, the Board has provided a statement to support the re-appointment of the Retiring Directors in the Notice of Annual General Meeting.

The NC also assessed the independence of the Independent Non-Executive Directors for the financial year and concluded that all of them had satisfied the independence criteria set out in the Listing Requirements of Bursa Securities. They were able to continue to provide independent judgment and objectivity on matters that were brought to the Board and act in the best interest of the Company.

### 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 the Executive Directors.

The Company's remuneration policy is tailored in line with the objective to attract, reward, motivate and retain valuable Directors and Senior Management who lead the Group towards realizing its corporate strategies and long-term objectives.

The RC had during the financial year and up to the date of this Statement reviewed and recommended remuneration packages for the CEO and Executive Directors, taking into consideration factors including corporate and individual performance, extent of responsibility and the market rate in comparable companies.

In the case of the Non-Executive Directors, their remuneration shall commensurate with their responsibilities, including their contribution to the Board, involvement in 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 Board had formalised the Policies and Procedures on Remuneration for the Directors and Senior Management which is available on the Company's website at [www.jayatiassa.net](http://www.jayatiassa.net).

The total remuneration for Directors of the Company for the financial year ended 30 June 2023 was RM2,721,543. 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 Directors of the Company for financial year ended 30 June 2023 distinguishing between Executive and Non-Executive Directors are set out below:

	Salary RM	Fees RM	Bonus RM	Other Emoluments RM	Total RM
<b>Executive Directors (ED)</b>					
Dato' Jin Kee Mou	492,000	-	369,000	135,880	996,880
Tiong Chiong Hee	319,800	-	161,850	62,615	544,265
Clara Tiong Siew Ee	258,300	-	97,650	46,274	402,224
<b>Total ED's Remuneration</b>	<b>1,070,100</b>	<b>-</b>	<b>628,500</b>	<b>244,769</b>	<b>1,943,369</b>
<b>Non-Executive Directors (Non-ED)</b>					
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	-	84,000	-	106,240	190,240
Dato' Sri Dr Tiong Ik King	-	80,000	-	6,400	86,400
Tiong Choon	-	83,500	-	4,800	88,300
Dato' Wong Lee Yun	-	104,666	-	168,400	273,066
Yong Voon Kar	-	101,167	-	6,400	107,567
Tuan Haji Ikhwan Bin Zaidel (Appointed on 1 March 2023)	-	31,001	-	1,600	32,601
<b>Total Non-ED's Remuneration</b>	<b>-</b>	<b>484,334</b>	<b>-</b>	<b>293,840</b>	<b>778,174</b>
<b>Total for the year ended 30 June 2023</b>	<b>1,070,100</b>	<b>484,334</b>	<b>628,500</b>	<b>538,609</b>	<b>2,721,543</b>

## 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 of whom two (2) are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The AC is chaired by Mr Yong Voon Kar, an Independent Non-Executive Director, who is not the Chairman of the Board.

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.

In line with Practice 9.2 of the MCGG, the Terms of Reference of AC also includes a policy requiring a former key audit partner to observe a cooling-off period of at least 3 years from retirement or resignation 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.

#### II. RISK MANAGEMENT AND INTERNAL CONTROL

The Board affirms its commitment and 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 (“RM Framework”) as well as reviewing its adequacy and effectiveness. The risk management and internal control system covers, inter alia, financial, operational, sustainability and compliance controls to safeguard shareholders’ investments and the Group’s assets.

The Board through the Risk Management Committee provides a platform to drive risk management activities guided by the Group RM Framework and Policy to ensure effective identification of emerging risks and management of identified risks through implementation of appropriate controls and risk treatment strategies.

The details of the RM 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.

The 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 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 and the production figures are 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;
- monthly announcement on production figures to Bursa Securities;

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

- 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 Company's website at [www.jayatiasa.net](http://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](mailto:inquiry@jayatiasa.net) where stakeholders can direct their queries and concerns.

### II. CONDUCT OF GENERAL MEETINGS

The 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.

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/her behalf.

The last AGM of the Company was held fully virtual through the online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC-D6A357657) provided by Boardroom Share Registrars Sdn Bhd in Malaysia. All the Directors and the external auditors were available to engage with the shareholders of the Company. The members of Senior Management of the Company were also available to respond to any enquiries from the shareholders.

Shareholders were given the opportunity to submit their questions prior to and during the AGM via e-query box. All questions received prior to the day of the AGM were addressed during the last AGM. For questions received on the day of the AGM and those not dealt with during the AGM, the Company had responded to them by posting the Questions and Answers on the Company's website after the AGM. The minutes of AGM were made available on the Company's website within 30 days after the AGM.

All resolutions set out in the notice of the AGM were voted by poll in accordance with the Listing Requirements of Bursa Securities. The Board adopted electronic voting at the AGM to facilitate the voting process in a more efficient manner as well as ensuring transparency and accuracy of the voting results.

This Statement was approved by the Board on 16 October 2023.