

Overview Statement on Corporate Governance

THE BOARD OF DIRECTORS (“THE BOARD”) OF POH KONG HOLDINGS BERHAD (“THE COMPANY”) RECOGNISES THE IMPORTANCE OF MAINTAINING THE HIGHEST STANDARDS OF CORPORATE GOVERNANCE TO SUSTAIN LONG-TERM BUSINESS OBJECTIVES AND SUCCESS AND PROTECT SHAREHOLDER VALUE AND THE INTERESTS OF OTHER STAKEHOLDERS. THE BOARD IS COMMITTED TO APPLY THE RECOMMENDATIONS OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2021 (“MCCG 2021” OR “THE CODE”) THROUGHOUT THE COMPANY AND ITS SUBSIDIARIES (“THE GROUP”).

This statement provides an overview of the Company’s application of the 3 key principles of good corporate governance set out in the Code that have been in place during the financial year ended 31 July 2023 (“FYE 2023”), except as disclosed otherwise. Details of the Company’s application and the explanation for departures, alternative practices and timeframe for measures to be taken, where applicable, are set out in the Corporate Governance Report 2023 (“CG Report”) which is available on the Company’s website at www.pohkong.com.my.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

CLEAR FUNCTION OF THE BOARD AND MANAGEMENT

The Board is the ultimate decision-making body of the Company and is responsible for the strategic direction and oversight of the Group.

It enforces standards of accountability, with a view to enabling Management to execute its responsibilities effectively and efficiently to meet the long-term business goals. The Board has overall responsibility for putting in place a framework of good corporate governance within the Group, including the processes for financial reporting, risk management, internal control and compliance integrating sustainability considerations in corporate strategy, governance and decision-making.

Board Committees

The following diagram shows an overview of the four (4) main Board Committees of the Group, each of which is listed with its major responsibilities:



Overview Statement on Corporate Governance (Cont'd)

CLEAR FUNCTION OF THE BOARD AND MANAGEMENT (CONT'D)

Board Committees (Cont'd)

The Board has established four Board Committees: Audit, Risk Management, Nomination and Remuneration Committees to support it in discharging its responsibilities.

Each of these committees has specific terms of reference and operating procedures that are approved by the Board and reviewed periodically. The Board is informed of the Committees' deliberations and recommendations through reports by the Chairs of the respective Committees. The minutes of the various Board Committee meetings are circulated to all the Board members.

The Board retains full responsibility for guiding, monitoring and directing the Company's affairs, whilst meeting the appropriate interests of its shareholders and other stakeholders. Key areas of focus include:

1. Determining and establishing the vision, mission and values of the Company
2. Determining and setting the Company's structure, business and corporate strategy, goals and policies
3. Delegating authority to management, monitoring and evaluating the implementation of policies, strategies and business plans
4. Exercising accountability to shareholders and stakeholders

Board meetings are held at least 5 times a year to ensure directors can discharge their responsibility to manage and review the Company's overall performance, strategy and policy, and to monitor closely the exercise of any delegated authority, and for individual directors to report on their areas of responsibilities and duties. In addition to operational and financial issues, the Board also deals with challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics.

For day-to-day operations, the Board has delegated authority and power to Senior Management including the Group Managing Director ("GMD") and Executive Directors ("EDs").

Role of Chairman and Group Managing Director

The Chairman's role is to facilitate the effective conduct of the business of the Board and ensure its smooth functioning. This includes:



The Chairman has to ensure that the Agenda covers all matters required to be discussed, considered and resolved and that the meetings convened are properly attended by all Directors who are given the opportunity to express their views and that decisions made during all meetings adequately reflect the views of the meeting as a whole.

Overview Statement on Corporate Governance (Cont'd)

CLEAR FUNCTION OF THE BOARD AND MANAGEMENT (CONT'D)

Role of Chairman and Group Managing Director (Cont'd)

The GMD ensures the smooth running of the Company's day-to-day operations, monitors and evaluates the implementation of policies, strategies and business plans, to guide and set the pace for its current operations and future development including the continuous review of the Company's goals. The GMD is assisted by a group of experienced Executive Directors and Senior Management.

Role of Executive Committee ("EC")

The role of the EC is to act as a steering committee and to collaborate with the Management in articulating the Group's vision, mission, values and strategies. It develops the Group's strategy, direction and business plans together with the GMD for the Board's approval, to manage and drive the daily operational activities, important critical matters and set priorities to achieve the business objectives, including looking into manpower requirements, compliance with and amendments of the Standard Operating Procedures ("SOP") and succession planning. The EC comprises Executive Directors and is led by the GMD. Executive Directors take on the primary responsibility for implementing the Group's business plans and managing its business activities.

Role of Independent Directors

The role of the Independent Non-Executive Directors is particularly important as they provide unbiased and independent views, advice and judgment, and play a pivotal role in decision making and corporate accountability. Independent Non-Executive Directors ensure that the business plans proposed by the Management are fully deliberated and examined objectively, taking into perspective the long-term interests of the Company, its shareholders, other stakeholders and the community at large.

Role of Senior Independent Non-Executive Director

Encik Fazrin Azwar Bin Md Nor was the SID until his resignation on 29 May 2023. Dato Esther Tan was appointed as the Company's SID on 31 October 2023. The SID is the main channel between the Directors and the Chairman on matters that may be deemed sensitive. It provides an alternative avenue for shareholders and stakeholders to convey their concerns and raise issues pertaining to the Company.

All queries relating to the Group can be addressed at the Company's corporate website www.pohkong.com.my.

For the financial period under review, no shareholder has asked or communicated with the SID.



Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES

In fulfilling its fiduciary, stewardship and leadership responsibilities, the Board meets regularly to:

Review and Adopt the Company's Strategy and Business Plan

The Board approves the strategy and business plan presented by the Management, which incorporates a realistic view of the expectations and the objectives of the Company and outlines key operational elements.

Upon adopting the business plans approved by the Board, the Management monitors and reviews them on a regular basis and aligns timelines as outlined in the original business plans to conduct a comparative analysis.

A fully integrated set of projections incorporating monthly profit and loss accounts, cash flows and balance sheets is set up to efficiently update and reflect changes of these projections on a monthly or quarterly basis against actual performance. The Group Accountant is responsible to present such updates and comparative analysis for consideration by the Executive Committee, the Audit Committee and the Board of Directors.

The Management will evaluate these reports against its annual operational plans to review progress towards meeting the strategic aims and objectives by ensuring:



activities are in line with the Company's strategic aims and objectives and remain flexible to withstand unforeseen internal and external challenges



activities are consistent with the organisation's vision, mission and values.

Overseeing the Conduct of the Company's Business

To ensure the effective discharge of its functions and responsibilities, the Board delegates the day-to-day management of the Group's business to the Management. The GMD, who is also Chairman of the EC, is responsible for the implementation of the Board's decisions and drives operational efficiency and the day-to-day operations of the Group.

Identifying Principal Risks and Ensuring the Implementation of Appropriate Systems to Manage them

The Risk Management Committee ("RMC") headed by an Independent Non-Executive Director, reviews the risks identified by the Management and advises the Board on the principal risks that could have a significant impact on the Group's business and the adequacy of compliance and control throughout the Group. The Risk Management Working Group ("RMWG") comprising senior managers and heads of departments, was formed to actively review and identify business and other risks and recommend control measures to mitigate these risks.

The Group has established an Enterprise Risk Management ("ERM") framework to identify, evaluate and manage the risks. Details of the RMC and the Company's ERM are set out in the Statement on Risk Management and Internal Control in this Annual Report on pages 96 to 103.

Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Identifying Principal Risks and Ensuring the Implementation of Appropriate Systems to Manage them (Cont'd)

The members of the RMC are:

Name	Position
Datin Amy Ooi Swee Lian <i>(Appointed on 2 June 2023)</i>	Chairperson, Independent Non- Executive Director
Dato' Esther Tan Choon Hwa	Senior Independent Non-Executive Director
Rohaiza Binti Tan Sri Mohamed Basir <i>(Appointed on 2 June 2023)</i>	Independent Non-Executive Director
Dato' Choon Yee Seiong	Executive Chairman & Group Managing Director
Mr Cheong Teck Chong	Executive Director
Encik Fazrin Azwar Bin Md Nor <i>(Resigned on 29 May 2023)</i>	Independent Non-Executive Director
Datin Shirley Yue Shou How <i>(Resigned on 29 May 2023)</i>	Independent Non-Executive Director

The Terms of Reference of the RMC are available at www.pohkong.com.my.

Succession Planning

The Board has established a Succession Planning Framework for key management positions which have been approved by the Board, to ensure continuity and sustainable growth in meeting the Group's long-term business objectives.

Succession planning for Senior Management staff includes various programs, such as Senior Management development and individual development plans. This ensures a steady pool of experienced and Senior Management staff to fill vacancies for Executive Directorship appointments.

Succession planning for the Board comes under the purview of the NC and RMC, while the Senior Management staff is managed by the Group Human Resource function.



Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Communicating with Shareholders and Investors

The Board recognises the importance of effective engagement and communication with shareholders and investors and maintains high standards of disclosure.

The Company arranges informal meetings and dialogues with fund managers, analysts, potential shareholders and research houses periodically. While it endeavours to provide as much information as possible, the Company is aware of the legal and regulatory framework governing the timely release of material and price sensitive information.

Corporate information, financial data, stock exchange announcements, annual reports and quarterly results are disseminated via Bursa Link. Poh Kong's Investor Relations ("IR") ensures this information is uploaded on the website at www.pohkong.com.my in a timely manner for access by shareholders and the public.

During the financial period under review, the Company was involved in IR activities, such as dialogues with analysts and fund managers.

Matters Reserved for the Board's Decisions

The responsibility for matters material to the Group rests in the hands of the Board, with no individual Director having unfettered powers to make decisions. Matters reserved for the Board include discussions on matters of significance, such as change of direction in strategy, changes related to structure and capital, changes in Board members, disposal and procurement of assets, Executive and Independent Non-Executive Directors' remuneration packages, approval of announcement of quarterly and final results and declaration of dividends.

Code of Conduct and Ethics/ Whistle-Blowing Policy/ Anti-Corruption

The Board has adopted a Code of Conduct and Ethics for Directors and employees towards their customers, business partners, communities and shareholders. It sets out the standards and underlying core values to guide the actions and behavior of all Directors and employees in conducting their day-to-day duties and operations of the Group.

Management and employees are expected to observe high standards of integrity and fair dealing in relation to customers, business partners, staff and regulators wherever the Company operates.

To strengthen corporate governance practices across the Group, a Whistle-Blowing Policy is provided to employees, together with an easily accessible platform to report fraud, corruption, dishonest practices or other similar matters.

The aim of this policy is to encourage employees to disclose such matters in good faith and the confidence that the staff making such reports will be protected from any retaliation in the form of dismissal, harassment or discrimination at work, or any action in court, in respect of disclosure made by the whistle blower to the regulators.

Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Anti-Bribery and Corruption Policy

The Code of Conduct and Ethics, Whistle-Blowing Policy and Anti-Bribery and Corruption policy are published on the Company's website at www.pohkong.com.my. The Board will review the Code of Conduct and Ethics when necessary to ensure it remains relevant and appropriate.

Sustainability Management

The Board adopted its first Sustainability Statement for the Group in FY2019. The main purpose of the statement is to disclose the Group's current management approach and strategies for creating a positive economic, environmental and social impact, as well as enhancing business sustainability. Management regularly reviews the material matters across the business and ensures implementation of initiatives and achievement of targets.

Further details are set out in the Sustainability Statement of the Company on pages 55 to 62 of this Annual Report and at the Company's website.

Supply and Access to Information

The Board recognises that effective decision-making is highly dependent on the quality of information furnished. In furtherance of this, every Director has access to all information within the Company through the following:



Members of Senior Management attend Board and Board Committee meetings by invitation to report on areas of their responsibility including financial, marketing, operational, corporate, regulatory, business development, audit matters and information technology updates, for the Board's decision making and effective discharge of its responsibilities. Meetings with the External Auditors are also held without the presence of Management and Executive Directors. There were two (2) meetings held on 26 September 2022 and 21 June 2023 for this purpose in the financial year under review.



The Board and Board Committee papers are prepared and circulated to the Directors or Board Committee members at least seven (7) days before the Board and Board Committee meetings.



The Audit Committee meets with the Management, Internal Auditors and External Auditors regularly to review their audit plans and reports, and obtain updates and observations on internal control system and financial reporting matters.

Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Qualified and Competent Company Secretary

The Board is regularly updated and advised by the Company Secretary who is qualified, experienced and knowledgeable on statutory and regulatory requirements relating to the Companies Act 2016, the Main Market Listing Requirements of Bursa Securities ("MMLR") and Corporate Governance practices and guidelines ("MCCG 2021") and the implications to the Company and the Directors in relation to their duties and responsibilities. The Company Secretary facilitates the flow of information to the Board and its committees especially regarding statutory updates and training, briefings, and talks organised by the authorities.

The Directors have ready and unrestricted access to the advice and services of the Company Secretary in respect of Board policies, procedures, the Companies Act 2016, the MMLR, the MCCG 2021 and timing of material announcements, to enable them to discharge their duties effectively. The Company Secretary also keeps the Directors and Principal Officers informed of the closed period for trading in the Company's shares and of briefings, talks and updates received via Bursa Malaysia's administrators. The Company Secretary assists the Chairman of the Board and committees in the preparation of the agenda for their meetings.

Besides direct access to the Management, Directors may obtain independent professional advice at the Company's expense, if deemed necessary.

The Company Secretary maintains all secretarial and statutory records of the Company.

Throughout the year under review, the Directors were furnished with reports and updates.

Board Charter

The Directors are expected to maintain the highest levels of integrity, honesty and accountability and a strong commitment to sound corporate governance practices. The Board Charter was formalised and adopted in 2014 by the Board. It outlines the roles, responsibilities, authorities and operation of the Board and Board Committees. All Board members are aware of their duties and responsibilities.

The Board Charter also outlines:



The division of responsibilities and powers between the Board and Management, the different committees established by the Board, and position of the Chairman and the Group Managing Director



The processes and procedures for convening Board meetings



The Board's commitment in upholding integrity in financial reporting, conflict of interest situations and related party transactions



The list of matters reserved for decision by the Board



The Board's access to information and independent advice



The role of the Company Secretary



Zero tolerance to corrupt practices by employees and/or associates



Conflict of interest including interest in any competing business

Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Board Charter (Cont'd)

The Board Charter serves as a reference providing guidance to prospective and existing Board members and Management on the fiduciary and stewardship functions of the Company's Directors. It also entrusts Board members and employees to apply the principles and practices of good Corporate Governance in all their dealings in respect of and on behalf of the Company; to help foster a culture of honesty and accountability and uphold the core values of integrity when dealing with ethical issues.

Poh Kong's Board Charter is available on the Company's website and is reviewed annually to ensure the Board Charter remains consistent with the Board's objectives, current law and practices.

Board Composition and Management

The Board sets the tone for the Group and the control environment is driven by an effective Board consisting of competent individuals with appropriate specialised skills, knowledge, experience and competency to ensure capable Management of the Group. The appointment of Independent and Non-Independent Directors is carefully considered to ensure that the Board is well balanced on views, advice, judgement and decision making.

The Board comprises eight (8) members, of whom five (5) are Executive Directors and three (3) are Independent Non-Executive Directors. It is a balanced Board and comprises professionals from various backgrounds, with the relevant experience and expertise that would add value to the Group. The mix of experience and talent is vital for the strategic success of the Group.

The Board has met the MMLR's requirement that at least one third of the number of Directors shall be Independent Non-Executive Directors; but the Board has achieved 37.5% Board Mix. The Board is cognizant of Practice 5.2 which recommends that at least half of the Board shall comprise Independent Directors. The Board will review the size of the Board in relation to the proportion of the Executive Directors to Independent Non-Executive Directors from time to time. It has also exceeded the MCCG 2021's gender recommendation that one-third (1/3 or 33.33%) of its Board members should be women, as it has five women Board Directors. Its gender diversity is 62.5%. The Board has also met the diversity in age and ethnicity in varying degrees.

The Board delegates the implementation of its strategy to the Company's Management. However, the Board remains ultimately responsible for corporate governance and the performance of the Group.

Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Nomination Committee

The Nomination Committee ("NC") comprises three (3) Independent Non-Executive Directors and is chaired by Senior Independent Non-Executive Director. The members of NC are as follows:

Name	Position
Rohaiza Binti Tan Sri Mohamed Basir <i>(Appointed on 2 June 2023)</i>	Chairperson, Independent Non- Executive Director
Dato' Esther Tan Choon Hwa	Senior Independent Non-Executive Director
Datin Amy Ooi Swee Lian <i>(Appointed on 2 June 2023)</i>	Independent Non-Executive Director
Encik Fazrin Azwar Bin Md Nor <i>(Resigned on 29 May 2023)</i>	Independent Non-Executive Director
Datin Shirley Yue Shou How <i>(Resigned on 29 May 2023)</i>	Independent Non-Executive Director

The Terms of Reference of the NC can be found in the Company's Corporate Governance in the investors' section of the website at www.pohkong.com.my. The NC reviews training needs for incoming Directors with respect to their roles and responsibilities, as well as to the expectations of the stakeholders with regard to their contributions to the Board and the Group.

The NC also assists the Board in its annual review of the required mix of skills and experience and other qualities including core competencies which Directors should bring to the Board to assess the effectiveness of the Board as a whole.

The NC also looks into succession planning, board diversity and the training needs of Directors and Senior Management.



Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Nomination Committee (Cont'd)

The NC met two (2) times during the financial year.

Nomination Committee	Dates of Meetings		Total
	No. 1/2021/2022 NCM 1/12/2022	No.2/2021/2022 NCM 25/5/2023	
Rohaiza Binti Tan Sri Mohamed Basir (Appointed on 2 June 2023)	-	-	-
Dato' Esther Tan Choon Hwa	✓	✓	2/2
Datin Amy Ooi Swee Lian (Appointed on 2 June 2023)	-	-	-
Encik Fazrin Azwar Bin Md Nor (Resigned on 29 May 2023)	✓	✓	2/2
Datin Shirley Yue Shou How (Resigned on 29 May 2023)	✓	✓	2/2

Appointment, Selection and Assessment of Directors

The NC is responsible for reviewing recommendations of any new appointments to the Board. In reviewing these recommendations, the NC considers the composition of the Board and its diversity, the required mix of skills and experience which the Directors would bring to the Board and his or her time commitment. Any new nomination received, shall be reviewed by the NC and subsequently submitted to the Board for consideration and approval.

The key task of the NC is to ensure that the Company recruits and retains the best available Executive and Independent Non-Executive Directors who are competent and able to guide the Company towards meeting its strategy and business plan. The NC is responsible for making recommendations to the Board on the most appropriate board size and composition. In discharging its responsibilities, the NC has developed a set of criteria used in the recruitment process and annual assessment of Directors. In evaluating the suitability of candidates, the NC considers the following factors, as detailed in the Terms of Reference of the NC which is available for reference at the Company's website, www.pohkong.com.my.

Specific qualities of new nominations to the Board sought after by the NC include:

 <p>skills, knowledge, expertise and experience</p>	 <p>professionalism and integrity</p>	 <p>commitment (including time commitment) and contribution</p>	 <p>background, character and competence</p>	 <p>boardroom diversity</p>	 <p>in the case of candidates for the position of Independent Non-Executive</p>
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Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Appointment, Selection and Assessment of Directors (Cont'd)

Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors without fear or favour.

The responsibility of the NC includes making recommendations on the desirable competencies, experience and attributes of Board members and on strategies to address the Board's diversity. The NC may recommend that the Board appoints an individual to be Director by following a set of criteria for the new appointee who will stand for re-election at the next Annual General Meeting ("AGM") in accordance with the Constitution of the Company.

The Committee will seek nomination of suitable candidates from the Directors, Management and shareholders of the Company and also from third parties for their assessment before recommending to the Board based on the criteria set.

Re-election of Directors

The Constitution of the Company provides that one-third (1/3) of the Directors are required by rotation to submit themselves for re-election by Shareholders at every AGM at least once in every three (3) years.

The NC has noted the contribution based on the performance evaluation of each of the following Retiring Directors who, where eligible, have consented to be re-elected. The NC has recommended to the Board for their re-election at the forthcoming AGM of the Company in accordance with the following applicable clauses in the Company's Constitution.

Retiring Directors:

 Cheong Teck Chong	Clause 100
 Datin Hon Wee Fong	Clause 100
 Datin Amy Ooi Swee Lian	Clause 106
 Rohaiza Binti Tan Sri Mohamed Basir	Clause 106

Diversity Policy

The Group is an equal opportunity employer and does not practise discrimination of any form, regardless of age, gender or ethnicity throughout the organisation.

The Board recognises the value of a broad range of skills, experience, background and expertise. Although there is no formalised policy on women directors, out of a total of eight (8) Directors, five are women.

The Group will continue to identify suitable candidates, whenever a vacancy arises, for appointment to the Board based on merit, competence and the contribution that each potential candidate can bring to the Board.

Annual Assessment

Annually, the NC conducts the following assessment:

- Board and Board Committees' Evaluation
- Internal Audit Function Evaluation
- External Auditor Performance and Independence Evaluation
- Independent Directors' Self-Assessment
- Directors and Key Officers' Evaluation
- The Audit Committee's Evaluation
- The Internal Audit Function Evaluation

All assessments and evaluations carried out by the NC are properly documented. The Company Secretary summarises and compiles the assessments with comments by the Directors. The summaries are tabled at an NC meeting for the NC's assessment and evaluation. The NC Chairman will then report to the Board on the results of the Directors' assessment and evaluation.

Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Remuneration Committee

In compliance with the MCCG 2000 the Remuneration Committee ("RC") was established on 8 March 2004.

With the authority delegated to it by the Board to assist and advise its members, the RC has instituted its own terms of reference and guidelines structured to align and complement the strategic direction and objectives of the Company. This is to ensure its long-term success through the recruitment and retention of Directors and Key Management staff.

The RC is responsible for setting up a remuneration policy for the Chairman and Executive Directors.

Also stipulated within this policy are guidelines on compensation payments, rewards and retirement benefits based on several criteria, such as seniority, competencies, experience, responsibilities, business acumen and performance. In determining the balance between fixed and performance related packages, the RC further plays a crucial role in ensuring these packages are compatible and reasonable with HR policies within Poh Kong, at the same time striking an appropriate balance between the interests of shareholders, the Board, senior executives, employees and Poh Kong's culture and values.

In discharging its duties, the RC ensures that all recommendations and decisions made regarding remuneration and incentive packages are conducted in a transparent, fair and responsible manner and in accordance with the guidelines as stipulated in the remuneration policy.

The RC also makes certain that no Directors, both executive and non-executive, take part in the discussion and decision making of his or her own remuneration or salary to avoid potential conflict of interest and biasness.

Independent Non-Executive Directors receive fees that are not linked to profits and performance of the Company but in consideration of their crucial roles in corporate governance, fiduciary duties, responsibilities and time commitments.

Independent Non-Executive Directors' fees and benefits are subjected to the approval of shareholders at the AGM.

In Poh Kong, it is imperative that the RC must continuously review the appropriateness and relevance of its Remuneration Policies and Guidelines to meet challenges both within the organisation and the external environment.

The RC comprises four (4) Directors, the majority of whom are Independent Non-Executive Directors. The members of the RC are as follows:

Name	Position
Datin Amy Ooi Swee Lian (Appointed on 2 June 2023)	Chairperson, Independent Non- Executive Director
Dato' Esther Tan Choon Hwa	Senior Independent Non-Executive Director
Rohaiza Binti Tan Sri Mohamed Basir (Appointed on 2 June 2023)	Independent Non-Executive Director
Dato' Choon Yee Seiong	Executive Chairman & Group Managing Director
Encik Fazrin Azwar Bin Md Nor (Resigned on 29 May 2023)	Independent Non-Executive Director
Datin Shirley Yue Shou How (Resigned on 29 May 2023)	Independent Non-Executive Director

Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Remuneration Committee (Cont'd)

The remuneration for Directors of the Company for FYE 2023 is as follows:

The Company

	Fees (RM'000)	Salaries & Bonuses (RM'000)	Other Emoluments (RM'000)	Total (RM'000)
Executive Directors				
Dato' Choon Yee Seiong	-	1,778	2,979	4,757
Mr Cheong Teck Chong	-	-	-	-
Choon Nee Siew	-	-	-	-
Choon Yee Bin	-	-	-	-
Datin Hon Wee Fong	-	969	25	994
Total	-	2,747	3,004	5,751
Independent Directors				
Fazrin Azwar Bin Md. Nor <i>(Resigned on 29 May 2023)</i>	58	-	34	92
Datin Shirley Yue Shou How <i>(Resigned on 29 May 2023)</i>	58	-	23	81
Datin Amy Ooi Swee Lian <i>(Appointed on 2 June 2023)</i>	10	-	2	12
Rohaiza Binti Tan Sri Mohamed Basir <i>(Appointed on 2 June 2023)</i>	10	-	2	12
Dato' Esther Tan Choon Hwa	70	-	41	111
Total	206	-	102	308
Grand Total	206	2,747	3,106	6,059

Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Remuneration Committee (Cont'd)

The Subsidiaries of the Company

	Fees (RM'000)	Salaries & Bonuses (RM'000)	Other Emoluments (RM'000)	Total (RM'000)
Executive Directors				
Dato' Choon Yee Seiong	6	1,344	44	1,394
Mr Cheong Teck Chong	6	600	534	1,140
Choon Nee Siew	-	1,029	589	1,618
Choon Yee Bin	3	827	969	1,799
Datin Hon Wee Fong	3	-	-	3
Total	18	3,800	2,136	5,954
Independent Directors				
Fazrin Azwar Bin Md. Nor <i>(Resigned on 29 May 2023)</i>	-	-	-	-
Datin Shirley Yue Shou How <i>(Resigned on 29 May 2023)</i>	-	-	-	-
Datin Amy Ooi Swee Lian <i>(Appointed on 2 June 2023)</i>	-	-	-	-
Rohaiza Binti Tan Sri Mohamed Basir <i>(Appointed on 2 June 2023)</i>	-	-	-	-
Dato' Esther Tan Choon Hwa	-	-	-	-
Total	-	-	-	-
Grand Total	18	3,800	2,136	5,954

The RC met once (1) during the financial year on 25 May 2023 to deliberate on remuneration matters of the Group.

The disclosure of the remuneration for the top management of the Group for FYE2023 on a named basis in bands of RM50,000 is as follows:

Name	Range of Remuneration
Siow Der Ming	RM850,001 to RM900,000
Choon Wan Joo	RM1,700,001 to RM1,750,000
Dato' Choon Yoke Ying	RM1,850,001 to RM1,900,000
Mohd Annuar Choon Bin Abdullah	RM3,500,001 to RM3,550,000

Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Assessment of Independence

The Board recognises the importance of independence and objectivity in the decision-making process as advocated in the MCCG 2021. It is committed to ensure that the Independent Directors can exercise impartial judgment and are not involved in any other relationship with the Group, acting always in the best interests of the Company.

The Independent Directors of the Company fulfilled the criteria of "Independence" as prescribed under the MMLR. The Board, via the NC, has developed the criteria to assess independence and formalised the current independence assessment practice. In addition, the Independent Directors signed a confirmation of independence annually.

Tenure of Independent Directors (CoSec to update and comment)

The Board is aware that the recommended tenure of an Independent Director should not exceed a cumulative or consecutive term of a total of nine (9) years as recommended by MCCG 2021 and that such a Director may continue to serve on the Board if the Independent Director is re-designated as a Non-Independent Non-Executive Director upon completion of the nine (9) years tenure.

If the Board intends to retain the Director as Independent after the Independent Director has served a cumulative or consecutive term of nine (9) years, the Board must justify the decision and seek shareholders' approval at a general meeting via two-tier voting process.

Shareholders' Approval for the Appointment as an Independent Director after serving nine (9) years in that capacity

At the forthcoming Annual General Meeting ("AGM"), the tenure of Dato' Esther Tan Choon Hwa ("Dato' Esther Tan") as Independent Director would have exceeded nine years. She was appointed on 11 April 2014. While the long serving Independent Directors namely Encik Fazrin Azwar Bin Md Nor and Datin Shirley Yue Shou How have resigned on 29 May 2023, Dato' Esther Tan is the only remaining Independent Director, has detailed knowledge of the Group's business, standard operating procedures, internal controls, information technology matters and risk profile, proven commitment, integrity, experience, competence and wisdom to effectively advise the Board.

Based on the annual performance concluded, NC has found Dato' Esther Tan to be independent in character and judgment, independent of management and free from any relationship or circumstances which are likely to affect or could affect his judgment or decision making in the best interest of the Company. In addition, Dato' Esther Tan has proven business acumen, academic qualifications, professional and entrepreneurial experience and she has been vocal and constructive in providing feedback to the Board in their decision making and deliberation.

Dato' Esther Tan has fulfilled the criteria under the definition of Independent Directors as stated in the MMLR. She has provided a check and balance, and brought an element of objectivity to the Board. She has consented to be retained as Independent Director.



Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Separation of positions of the Chairman and the Group Managing Director

We recognise that the roles of the Chairman and the Group Managing Director are distinct and separate with a clear division of responsibilities to ensure a balance of authority, increased accountability and a greater capacity for independent decision-making.

However, it has been the practice of the Group to combine the responsibility of the Chairman and the GMD due to his vast expertise experience and the in-depth industry knowledge that Dato' Choon Yee Seiong ("Dato' Choon") has of the business. The combination of Dato' Choon's role as Executive Chairman and GMD has over the years proven beneficial and appropriate for the Group. The Board has therefore agreed that the two roles of the Chairman and the GMD shall remain vested in Dato' Choon for business efficiency and effectiveness.

As the Chairman, Dato' Choon is pivotal in creating the conditions for overall Board and individual Director's effectiveness. His responsibility is to run the Board and set its agenda taking into account the issues and concerns of all Board members. He ensures Board Members receive accurate, timely and clear information about the Company's performance to enable the Board to make sound decisions, and encourages active engagement of all Board Members. He is responsible for the approval of all Group policies, ensuring they adhere to and conform to the highest standards. He also ensures the orderly conduct and management of the Board and Board Committees' performance. Dato' Choon is an effective Chairman who upholds the highest standards of integrity and provides coherent leadership that reflects the Company's vision and mission and a keen understanding of the needs of various stakeholders.

As the GMD, he is responsible for developing the Group's objectives and strategies for approval by the Board having regard to the Group's responsibilities to its various stakeholders. He recommends to the Board an annual budget and ensures its achievements following the Board's approval. Dato' Choon also implements the Board's directions, manages the day-to-day business operations, including chairing the Executive Committee and communicating its decisions and recommendations to the Board. His duties include driving the Group's performance and reviewing its operational results and strategic directions. He has the responsibility of identifying and executing new business opportunities. In summary, Dato' Choon has upheld his duties as the Chairman and the GMD respectively as separate and distinct roles with clear division of responsibilities.

Although the Executive Chairman is also the GMD, all decisions of the Board are based on the decision of the majority of the Board Members and matters are deliberated with active participation of the three (3) Independent Non-Executive Directors. Therefore, no individual Director dominates the decision-making process.

Nevertheless, functionally and for all intent and purpose, the responsibilities of the GMD are executed by delegating authority to designated Senior Management to ensure that division of responsibility and accountability in essence are separated. Further, all decisions on matters reserved for the Board are made after due deliberation by the Board and the Board Committees, where required.

The MCCG 2021 recommends that the majority of the Board members must comprise Independent Non-Executive Directors in the event that the Board Chairman is not an Independent Non-Executive Director. In spite of this, the Board is of the view that this recommendation is currently satisfied by the strong proactive participation of the Independent Non-Executive Directors expressing their impartial, independent opinions, without fear or favour on important issues that affect the Company and/or the interest of the various stakeholders.

Overview Statement on Corporate Governance (Cont'd)



CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Composition of the Board

Presently, the Board comprises three (3) Independent Non-Executive Directors and five (5) Executive Directors. This composition complies with Paragraph 15.02 of the MMLR of Bursa Securities which requires at least two (2) directors or one-third (1/3) of the Board, whichever is the higher, to be independent. However, this is a departure from Practice 5.2 of the Code which recommends that the Board of a listed Company should comprise 50% of Independent Non-Executive Directors. The higher number of Executive Directors to Independent Non-Executive Directors was reflective of the various stakeholders' interest which the Board will be looking into, going forward in relation to the needs of an efficient and effective Board. The profiles of the Directors are set out on pages 14 to 20 of this Annual Report.

3 Independent Non-Executive Directors

5 Executive Directors

The Executive Directors are primarily responsible for the day-to-day running of the Group's business, as well as implementing the policies and decisions of the Board. Cumulatively, the Executive Directors have a wealth of industry knowledge, expertise and experience, insights from different fields and expertise that includes retailing, merchandising, manufacturing, research and development. They each uphold different functions of the Company and contribute cohesively to the success and well-being of the Group.

The Independent Non-Executive Directors act independently of management, do not participate in any business dealings and are not involved in any other relationship with the Group that may impair their independent judgment and decision making. They provide a broader view and independent assessment to the Board's decision making process by acting as an effective check and balance.

Together, the five (5) Executive Directors and three (3) Independent Non-Executive Directors constitute a balanced Board and comprise professionals from various backgrounds with depth and breadth of experience, expertise and perspectives which add value to the Group. Given the diverse backgrounds, professional experience and wide mix of skills and gender of its members, the Board oversees the Group's operations effectively and efficiently.

Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Board Meetings and Time Commitments

The Board met six (6) times during the financial year ended 31 July 2023. Details of Directors' attendance are set out as follows:

Board of Directors	Date of Meetings						Total
	No. 1/2022/ 2023	No. 2/2022/ 2023	No. 3/2022/ 2023	No. 4/2022/ 2023	No. 5/2022/ 2023	No. 6/2022/ 2023	
	BODM	BODM	BODM	BODM	BODM	BODM	
	27/09/2022	27/10/2022	20/12/2022	21/03/2023	29/05/2023	30/06/2023	
Dato' Choon Yee Seiong (Executive Chairman & Group Managing Director)	✓	✓	✓	✓	✓	✓	6/6
Executive Directors:							
Cheong Teck Chong	✓	✓	✓	✓	✓	✓	6/6
Choon Nee Siew	✓	✓	✓	✓	✓	✓	6/6
Datin Hon Wee Fong	✓	✓	✓	✓	✓	✓	6/6
Choon Yee Bin	✓	✓	✓	✓	✓	✓	6/6
Independent Non-Executive Directors:							
Dato' Esther Tan Choon Hwa	✓	✓	✓	✓	✓	✓	6/6
Datin Ooi Swee Lian (Appointed on 2/6/23)	-	-	-	-	-	✓	1/1
Rohaiza Binti Tan Sri Mohamed Basir (Appointed on 2/6/23)	-	-	-	-	-	✓	1/1
Fazrin Azwar Bin Md Nor (Resigned on 29/5/23)	✓	✓	✓	✓	✓	-	5/5
Datin Shirley Yue Shou How (Resigned on 29/5/23)	✓	✓	✓	✓	✓	-	5/5

To ensure that the Directors have the time to focus and fulfil their roles and responsibilities effectively, one of the criteria is that they must not hold directorships of more than five (5) public listed companies. The Directors are required to submit an update on their other directorships annually. The Directors are also required to notify the Chairman before accepting any new directorship.

The Board, via the NC, reviews the time commitment of the Directors annually and ensures that they can fulfill their responsibilities and contributions to the Board.

Overview Statement on Corporate Governance (Cont'd)

CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Board Meetings and Time Commitments (Cont'd)

The Directors also make familiarisation visits to existing stores and/or new locations from time to time and meet with senior management periodically to actively discuss the Group's financial and operational matters.

Continuing education programmes and training are provided to equip them with the relevant knowledge and skills to meet the prevailing business challenges. The Directors have devoted sufficient time to training courses.

Directors' Training

During the year, the Directors attended the following training programmes:

Directors	Date	Training	Organisator
Dato' Esther Tan Choon Hwa	17th Nov 2022	Zoom Conversation with AC with Bursa	Bursa
	30th Nov 2022	The Board Agende	Bursa
	14th Dec 2022	Malaysian Property Tax, Estates	CTIM
	25th May 2023	Advancing Cyber Resilience	ICDM
	6th June 2023	Advocacy dialogue "A serious allegation is reported, what should Board do"	ICDM
	15th June 2023	2023 Budget briefing	Deloitte
	25th July 2023 26th July 2023	SSM National Conference 2023	SSM
	17th Nov 2022	Zoom Conervation with AC with Bursa	Bursa
Puan Rohaiza Binti Mohamed Basir	11 May 2023 12 May 2023	MAP1	Bursa

Besides their individual training as listed above, the Board members are also briefed and updated by both the Company Secretary and External Auditors, whenever there are changes and developments relating to their respective scope and areas of specialisation. These briefings include subject matters in relation to Company law and regulations, corporate procedures, SSM requirements, BURSA's advisory on rules and regulations, BURSA listing requirements, Corporate Governance and new auditing standards under MFRS.

The Directors have been notified by the Company Secretary to attend Mandatory Accreditation Programme II before 1 August 2025.

Overview Statement on Corporate Governance (Cont'd)

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is committed to provide a balanced, clear and comprehensive assessment of the Group's financial position and prospects by making sure that the financial statements and quarterly result announcements are prepared in accordance with the provisions of the Companies Act 2016, Malaysian Financial Reporting Standards (MFRS) and International Financial Reporting Standards.

The Board is assisted by the AC in reviewing the appropriateness of accounting policies applied by the Group, as well as the changes in these policies.

The AC also assists the Board in overseeing the financial reporting process and ensuring the quality of the financial reporting by the Group. The AC reviews and monitors the accuracy and integrity of the Group's annual and quarterly financial statements for announcements made to the public within the stipulated time frame.

The activities of the AC in terms of financial reporting and how the AC discharged its oversight role are cross-referenced to the AC Report on pages 88 and 92 of the Annual Report.

Statement on Directors' Responsibility

In reviewing all the published annual and quarterly financial statements during the financial year ended 31 July 2023, the Directors took due care and reasonable steps to ensure compliance with the applicable accounting standards in all material aspects. For this purpose, the Directors are updated and briefed by the external auditors on the current accounting practices, new MFRS and amendments/improvements to MFRS that have been issued but are yet to be effective.

A statement made by the Directors on their responsibilities for preparing the financial statements is set out under the Statement on Directors' Responsibility on page 105 of this Annual Report.

Relationship with External Auditors

The Board maintains a transparent and professional relationship with the Group's external auditors through the AC.

The criteria for the external auditors' assessment include quality of services, sufficiency of resources, communication and interaction, audit planning, independence, objectivity and professional skepticism. In determining the independence of the external auditors, the AC reviewed and assessed all aspects of their relationships with them including the processes, policies and safeguards adopted by the Group and the external auditors relating to audit independence. The AC also reviewed and assessed the external auditor's performance and independence.

Overview Statement on Corporate Governance (Cont'd)

ACCOUNTABILITY AND AUDIT (CONT'D)

Statement on Directors' Responsibility

The Group's external auditors are invited to attend the AC meetings on a quarterly basis. Copies of the internal audit report are given to the external auditors at the meeting for their comments and notation. The AC meets the external auditors to review the scope and adequacy of the audit process, updates on the financial reporting standards, the financial statements and their audit findings.

In addition, the external auditors are invited to attend the Company's AGM so that they are available to answer any questions from shareholders on the conduct of the statutory audit and the contents of the Annual Audited Financial Statements.

The AC also met with the external auditors without the presence of the EDs two (2) times on 26 September 2022 and 21 June 2023.

The Audit Oversight Board requires that the engagement partner involved in the external audit should not remain in a key audit role beyond five (5) years and cannot be re-engaged to play a significant role in the audit of the Company for at least another two (2) successive years. The external auditors have declared their independence to the Group and their compliance with current By-Laws (on professional ethics, conduct and practice) of the Malaysian Institute of Accountants – Section 290.

Risk Management and Internal Control

The Board acknowledges its responsibility for maintaining a sound system of risk management and internal controls in the Company and the Group. These controls provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The risk management and internal control covers the financial and non-financial aspects including risks assessment. It also encompasses compliance and operational controls, as well as risks management matters. The Group has formalised Standard Operating Procedures which take into consideration the adequacy and integrity of the system of internal control. It is subject to audit by the Internal Auditors and review by the Executive Committee and endorsed by the AC and subsequently approved by the Board.

Dato' Choon and the Group Accountant, Mr. Koh Sze Haw, assure the Board that appropriate risks and internal controls are in place.

In addition to Standard Operating Procedures, the Group has a formalised Whistle Blowing Policy and established a risk management framework to identify, evaluate and manage key risks that may affect the achievement of the business objectives of the Group.

Internal Audit Function

The Group's internal audit function is carried out by the Company's in-house internal audit department using a risk-based approach to assist the AC and Board in providing independent assessment and assurance on the adequacy, efficiency and effectiveness of the Group's internal control system.

Details of the Company's internal control processes are set out in the Statement on Risk Management and Internal Control in this Annual Report. The total cost of the internal audit function for the financial year ended 31 July 2023 amounted to RM861,382.

Overview Statement on Corporate Governance (Cont'd)

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



Corporate Disclosure Policy

The Board has ensured a timely disclosure of material information pertaining to the Company's performance and operations to the public, in accordance with the disclosure requirements under the MMLR and other applicable laws. It has formalised a written Corporate Disclosure Policy for the Group, a copy of which is available on the Company's website at www.pohkong.com.my.

Leveraging on Information Technology for Effective Dissemination of Information

The Board has established a dedicated section on the Company's website for corporate information on the Company's announcements, financial information, annual reports, quarterly reports, dividend paid, share prices and analysts' reports which can be accessed. The website is the key communication channel for the Company to reach its shareholders and the general public.

The interactive IR section on the website at www.pohkong.com.my enhances the IR function and includes a corporate newsroom investment calculator of stocks, and a mechanism for enquiries. Shareholders and the general public may direct their enquiries via "Information Request" and the Company's IR contact will endeavor to reply to their queries. Shareholders can also access historical data and stocks chart information by clicking on the subject matter on the website.

There is also a section focusing on corporate governance that includes the Company's Statement on Corporate Governance, Terms of Reference of the Board Committees, Board Charter that contains the Whistle Blowing Policy, Code of Conduct and Ethics, Sustainability Statement, Anti-Bribery and Corruption Policy and various corporate governance initiatives.

Encourage Shareholder Participation at General Meeting

The Code recommends at least 28 days' notice be given to shareholders. The Company has complied with the Code by despatching its notice of 20th AGM and Annual Report and related papers to shareholders on 22 November 2022, a total of 48 days before the date of the AGM on 9 January 2023 to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed.

During the AGM, the Executive Chairman, through his welcoming speech, provided shareholders with a brief overview of the financial year's performance and operations of the Company.

The Board of Directors' reply to the Minority Shareholders Watch Group ("MSWG") is read out during the AGM.

Overview Statement on Corporate Governance (Cont'd)

Encourage Shareholder Participation at General Meeting (Cont'd)

The AGM serves as the principal forum for direct interaction and dialogue between the shareholders, the Board and the management. It also provides an opportunity for the shareholders to seek and clarify any issues and to have a better understanding of the Group's performance and other matters of concern.

Shareholders are encouraged to participate actively in the question-and-answer session. The Board, senior management and the external auditors will be present to answer questions and provide appropriate clarifications at the meeting.

The 21st AGM of the Company which will be conducted virtually with the Broadcast Venue at No 16-20, Jalan 52/4, 46200 Petaling Jaya, Selangor on 30 January 2024.

21st Annual General Meeting

No 16-20, Jalan 52/4, 46200 Petaling Jaya, Selangor.



As part of safety and precautionary measures, the Board has, even though the Covid-19 is endemic, decided to convene the 21st AGM entirely through live streaming and online participation and voting via Remote Participation and Voting Facilities ("RRV")

Shareholder, proxies, attorneys or authorised representatives will not be allowed to attend the 21st AGM in person at the Broadcast Venue which is at No 16-20, Jalan 52/4, 46200 Petaling Jaya, Selangor on the day of the meeting, but eligible shareholders, proxies, attorneys and authorised representatives ("collectively referred to as shareholders hereafter") will be able to attend via Remote Participation and Voting Facilities ("RPV") at the Boardroom Share Registrars online website, including exercising their rights to speak and vote. Shareholders will be provided with a dedicated contact number and/or email to submit queries or request for technical assistance to participate in the fully virtual 21st AGM. Questions or remarks posted by shareholders during the 21st AGM will be meaningfully responded to by the Board, and such questions and remarks will be made visible to all the participants. All the resolutions will be tabled at the 21st AGM.

The meeting proceedings and resolutions passed at the 21st AGM will be properly recorded and minuted. A summary of the key matters discussed will be posted on the Company's website at www.pohkong.com.my. All the resolutions tabled at the AGM will be voted on by poll. Voting will commence as soon as the 21st AGM starts and will end with the Chairman's announcement that the voting is closed. The Scrutineer will verify the poll results before handing them to the Chairman to declare whether the resolutions have been passed and carried.

Poll Voting

The MMLR requires any resolution set out in the notice of any general meeting (including any addendum, errata or amendment to the earlier notice of general meeting) or notice of resolution be voted by poll. Hence, all the resolutions as set out in the notice of the Company's forthcoming 21st AGM will be voted by poll.

Overview Statement on Corporate Governance (Cont'd)

Effective Communication and Proactive Engagement

It has always been the Company's practice to maintain a good relationship with its shareholders. Major corporate developments and happenings have always been duly and promptly announced to all shareholders in line with Bursa Securities' objectives of ensuring transparency and good corporate governance practices.

The Company's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly performance, annual reports, corporate announcements to Bursa Securities and press conferences. Further updates of the Company's activities and operations are also disseminated to shareholders and investors through dialogue with analysts, fund managers, investor relations and the media.

Besides highlighting retail business promotional activities, the Company's website www.pohkong.com.my also contains all announcements made to Bursa Securities, as well as the contact details of the person designated to respond to any queries.

COMPLIANCE STATEMENT

The Board is of the view that the Group is generally in compliance with the Principles and Recommendations of the MCCG 2021. Where a specific Recommendation of the MCCG 2021 has not been observed during the financial period under review, the non-observance has been explained and the reasons thereof have been included in this Statement.

This Statement was made in accordance with a resolution of the Board dated 31 October 2023.

