

POH KONG HOLDINGS BERHAD
[Company No. 200201018476 (586139-K)]
(Incorporated In Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE EIGHTEENTH ANNUAL GENERAL MEETING OF THE COMPANY CONDUCTED FULLY VIRTUAL FROM THE BROADCAST VENUE AT NO. 16-20, JALAN 52/4, 46200 PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA ON WEDNESDAY, 13 JANUARY 2021 AT 1:00 P.M

Mr. Ng Yim Kong, the Company Secretary (“Mr. Ng”) apologised on behalf of the Board of Directors for the delay owing to a technical problem at the start of the Company’s Eighteenth Annual General Meeting of the Company (“18th AGM”) which was scheduled to begin at 1:00 p.m. An announcement to that effect was immediately made via streaming to the Members who have logged-in to attend the 18th AGM.

Following the rectification of the technical problem, the Chairman, Dato’ Choon Yee Seiong took the Chair at 1:15 p.m. and welcomed everyone who had joined the 18th AGM which was conducted entirely through live streaming from the Broadcast Venue at the Head Office of Poh Kong Holdings Berhad. This online meeting was necessary as part of the Company’s safety measures taken against the Covid-19 pandemic for the Members, stakeholders and employees' safety and well-being.

MINORITY SHAREHOLDERS’ WATCH DOG GROUP (“MSWG”)

Members were informed that the Company had received a letter from MSWG dated 7 January 2021 (“the Said Letter”), raising questions and/or seeking clarifications on matters relating to the Operational and Financial Matters and Corporate Governance Matters of the Group. The Company Secretary read out the Said Letter and the reply to MSWG. Both the Said Letter and the reply to MSWG which have both been posted on the Company’s website.

QUESTION AND ANSWER SESSION

The Chairman informed the Members that questions posed by the Members via the Chat Box at this Meeting would now be addressed. For the questions that the Board of Directors was unable to answer or address during the Q&A session, the Board of Directors will respond to the Members via email with the appropriate answers at the earliest possible time after the meeting.

Madam Margaret Hon Wei Sun (“Madam Margaret”), the Head of Corporate Affairs, Human Resource and Admin of Poh Kong Holdings Berhad was invited to answer the questions raised by the Shareholders in the Chat Box. Madam Margaret read out the Shareholders’ questions and the Board of Directors’ reply to these questions.

Madam Margaret informed that a number of questions received by the Company was mainly requests for e-voucher to purchase the Company’s products. Madam Margaret replied that Poh Kong value all the registered shareholders or proxy holders attendance at the 18th AGM and as a token of appreciation, Poh Kong will be giving out additional 450 jewel and points instead of e-wallet. An email on “How to Claim Your Door Gift” will be sent to all registered shareholders or proxy holders after the 18th AGM.

A Member commented that the distribution channels of the Company is mostly brick and mortars which was normally located within the shopping malls, and now there is an emergence of demand through online ordering. She enquired about the initiative taken by the Company to reach out to more customers besides online ordering. Madam Margaret Hon Wei Sun (“Madam Margaret”) replied that in order to keep up with the market trends, Poh Kong has adopted digital marketing to increase brand awareness, drive store visits and raise Poh Kong brand image. It has created a strong online presence to tell a compelling brand story on both desktop and mobile. Poh Kong’s website topped the field in monthly visitors and recorded the highest traffic on mobile devices in Malaysia’s jewellery and luxury product segment from July to September 2020 as presented on SimilarWeb. Furthermore, Poh Kong also actively engaged with consumers via social media channels. In the financial year ended 31 July 2020, Poh Kong has broadened its reach and expanded its Facebook and Instagram followers. Online shopping has grown rapidly in Malaysia. Poh Kong’s collections have been made available at leading e-commerce sites including Lazada, Shopee and Prestomall. Online sales grew by more than 23% during the year under review.

A Member had enquired about the outlook for gold price in year 2021. Madam Margaret replied that the gold price will possibly continue to rise as demand from Government vaults and central banks grow. Another factor that will keep the gold prices buoyant is the demand from the Exchange Trade Funds.

A Member enquired about how the Company is going to expand further post pandemic era. Madam Margaret replied that the market sentiment is weak during the Covid-19 pandemic. Thus, the Group has adopted a prudent stand on its expansion plans. The Company’s evaluation process takes into consideration the geographical and strategic location, population, accessibility and connectivity, landlord, anchor tenant and potential of the business location. For the financial year ended 31 July 2020, there was no expansion except for the consolidation of one non-potential outlet.

A Member commented that in the financial year ended 31 July 2020, the Company’s revenue dropped by 25.16%; a decrease of RM251.71 million. She enquired if Poh Kong would be able to meet its financial commitments for the ensuing year. Madam Margaret replied that even though the Company’s sales had no doubt decreased by RM251.71 million, the Company had no issue meeting the financial commitments as the Group had put in place several measures to streamline the Company’s business operations such as consolidating non-performing outlets, prudent and stringent inventory and cost control initiatives and last but not least close monitoring of cash flows helps the Group to meet financial commitments, enhance efficiency and ultimately lift profits.

A Member enquired about the Company’s policy on dividend. He commented that Poh Kong generated a very high net profit although sales dropped by 20%, and the Company’s share price did shoot up at one time achieving RM1.80 per share. He opined that the Company should provide a better dividend for the financial year ended 31 July 2020. Madam Margaret replied that the Group’s dividend policy is that 10% of its annual net profit after income tax will be distributed to the Shareholders as dividend. The dividend declared was in line with the Group’s profitability. The Group declared a first and final single-tier dividend of 1.20 sen per share which is equivalent to 20% on the Group’s profit after tax. At this juncture, the proposed dividend is deemed fit by the Board of Directors after taking into consideration the Group’s expansion plans and working capital requirement.

A Member enquired about the substantial increase in Admin Expenses which can be found on page 101 of the Annual Report 2020 from RM69.0 million for the financial year ended 2019 to RM92.0 million for the financial year ended 31 July 2020. Madam Margaret replied that the substantial difference was due to the impact from the adoption of MFRS 16, Leases; re-classification from rental to depreciation of “Right of Use Asset”.

Due to the time set for proper management at the Broadcast Venue during the Covid-19 pandemic, the Q&A session ended after 10 minutes. The Chairman thanked the Members who had participated in the Q&A session. For questions which the Board of Directors was unable to answer or address during the Q&A session, the Board of Directors would respond to the Members via email after the 18th AGM.

ANNOUCEMENT OF POLL RESULT

The 18th AGM was reconvened after 20 minutes and the Chairman called the Meeting to order again for the announcement of the 18th AGM poll results. The results of the poll for all 8 Resolutions were broadcasted on the screen. The Company Secretary read out the results of the poll. A copy of the polling result is attached herewith for record purpose.

The Chairman declared that all the 8 Resolutions which had been passed by the Members had been duly carried.

CONCLUSION

As all matters/resolutions had been completed and dealt with, the Chairman declared that the 18th AGM closed at 2:30 p.m. A vote of thanks was proposed for the Chair.

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