

## COMPUGATES HOLDINGS BERHAD

Registration No. 200401030779 (669287-H)

(Incorporated in Malaysia)

### **SUMMARY OF KEY MATTERS DISCUSSED AT THE FIFTEENTH ANNUAL GENERAL MEETING (“15TH AGM”) OF THE COMPANY DULY CONVENED AND HELD AT GREENS III SPORTS WING, TROPICANA GOLF & COUNTRY RESORT, 47410 PETALING JAYA, SELANGOR DARUL EHSAN ON MONDAY, 6 JULY 2020 AT 10.00 A.M.**

Tan Sri Datuk Asmat Bin Kamaludin (“Tan Sri Chairman”) chaired the 15th AGM of the Company.

Tan Sri Chairman called the meeting to order at 10.00 a.m. and the Secretary confirmed the presence of a requisite quorum for the meeting.

Tan Sri Chairman declared that the AFS 2019 as received and duly tabled at the 15th AGM in accordance with Section 340(1)(a) of the Companies Act 2016. Tan Sri Chairman explained that the AFS 2019 was meant for discussion only and did not require members’ approval. Hence, the AFS 2019 would not be put forward for voting.

Mr. Ravinder Singh A/L Albail Singh, a member of the Company, enquired on the business direction of the Company.

Mr Goh Kheng Peow (“Mr Goh”), the Chief Executive Officer of the Company, explained the business direction in details as summarised below:-

- i. The Company has been a trading company for years mainly distributing the information technology (“IT”) products but it did not generate much profit and the margin is low.
- ii. However, the Company has expanded its business via the e-commerce platform before the commencement of the Movement Control Order and this had assisted the Company to achieve higher revenue in the last quarter of the Company’s financial year ended 31 December 2019 despite the business disruption which resulted in the temporary closures of its customers’ businesses.
- iii. The Company also managed to sell and distribute hand sanitiser and face mask amidst the Covid-19 pandemic.
- iv. In 2008, the Company had invested in 2 pieces of lands measuring in total 100 acres, out of which 62 acres were agriculture land and 38 acres were commercial land. The total investment cost during the acquisition of these lands was approximately RM13 million but over the years, the value of the 62 acres land had been surged to approximately RM40 million and the value of the 38 acres land had been surged to approximately RM100 million.

The Company had diversified into joint venture development of land whereby the Company offered the land for development and the joint venture partners would spend their own resources to develop the lands.

The total Gross Development Value (“GDV”) of the 62 acres agriculture land was estimated at approximately RM900 million whereby the Company would be entitled to 20% of the actual GDV. Mr Goh referred the member to the Company’s announcement dated 10 February 2020 whereby Phase 1 of Development Order for the development of housing project had been approved by Jabatan Perancang Bandar, Majlis Perbandaran Sepang and the estimated GDV was targeted to be RM230,000,000 of which Compugates Development and Mining Sdn Bhd, a 70% owned subsidiary of the Company, would be entitled to 20% of the actual GDV (excluding Rumah Selangorku). This project was expected to generate revenue for the Company in year 2021.

On the other hand, the Company would be entitled to 20% of the total GDV of the 38 acres commercial land over 10 years.

Besides that, the Company had bought a 54 acres land in Kuala Kangsar for the plantation of Gaharu trees. The Company would be in collaboration with a partner to inoculate the Gaharu trees and harvest after 2 years.

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Mr Ravinder commented that the property development market seems stagnant and enquired on the strategy of the Company.

Mr Goh replied that the Board of Directors (“Board”) had foreseen the trend of the market during the time the developer submitted the Development Order application. Putrajaya was considered within Klang Valley and if the landed property were only selling at RM500,000, there would have many willing buyers. Some of the developers would pledge certain amount of monies with the banks to facilitate the loan approval for the buyers.

Mr Goh informed that the Company had low inventories, low debts and no bank loans as the Company was temporarily funded by himself and the Executive Director, Mdm See Thoo Chan which the amounts due to them are unsecured and interest fee.

Tan Sri Chairman added that the Company’s core business in IT products distribution was facing competition, therefore, the Company was seeking potential business projects/venture opportunities as a long term measure to create additional revenue and earnings stream to diversify into areas of growth such as joint development of land and plantation of Gaharu trees. Although the Company could opt to sell the lands, but the Board was focusing on long term by monetising the assets in such a way that could generate recurring income. In respect of Gaharu trees, the Company was awaiting the right time for inoculation to bring better value.

There were no questions raised for Agenda items 2 to 6.

All the Six (6) Ordinary Resolutions as tabled at the 15th AGM of the Company were voted by way of poll and duly passed by the shareholders.

There being no other business, the Meeting terminated at 10.45 a.m. with a vote of thanks to the Chair.