

COMPUGATES HOLDINGS BERHAD

Registration No. 200401030779 (669287-H)

(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE ADJOURNED SIXTEENTH ANNUAL GENERAL MEETING (“ADJOURNED 16TH AGM” OR “MEETING”) OF COMPUGATES HOLDINGS BERHAD (“CHB” OR THE “COMPANY”) DULY HELD AND CONDUCTED ON A FULLY VIRTUAL BASIS THROUGH LIVE STREAMING AND ONLINE REMOTE VOTING BY USING REMOTE PARTICIPATION AND VOTING FACILITIES (“RPV”) ON AN ONLINE MEETING PLATFORM VIA TIIH ONLINE WEBSITE AT [HTTPS://TIIH.ONLINE](https://tiih.online) PROVIDED BY TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD (“TRICOR”) IN MALAYSIA ON WEDNESDAY, 30 JUNE 2021 AT 2.00 P.M.

Tan Sri Datuk Asmat bin Kamaludin (“**Tan Sri Chairman**” or “**Tan Sri Asmat**”) took the chair and called the Meeting to order at 2.00 p.m.

The Secretary confirmed the presence of a requisite quorum for the Meeting.

The Notice convening the Meeting was taken as read.

Tan Sri Chairman explained that the voting on all the Ordinary Resolutions as set out in the Notice of the Meeting would be conducted by way of poll in accordance with Paragraph 8.29A(1) of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) via electronic voting. For this purpose, Tan Sri Chairman exercised his right as the Chairman of the Meeting to demand for a poll in accordance with Clause 92 of the Company’s Constitution in respect of all the Ordinary Resolutions which would be put to voting at the Meeting.

The Chairman then proceeded to brief the Members and the proxies present on the Agenda for the Meeting.

The Chairman briefed the Members and proxies present that the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon (“**AFS 2020**”) were laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only and did not require Members’ approval. Hence, the AFS 2020 would not be put forward for voting.

The Company had received request and questions from the Members and proxies of the Company. Mr. Goh Kheng Peow (“**Mr. Goh**”), the Chief Executive Officer of the Company answered the request and questions as summarised below:

Request 1:

“Since the Company has not given any dividend, I would like to request that the Company to reward shareholders with e-voucher as a gift for attending the today’s RPV.”

Answer to Request 1:

Mr. Goh replied that the Management would consider the request and make necessary arrangement. The Company appreciated the Members’ loyalty as some of the Members had been supporting the Company for the past 16 years.

Mr. Goh informed that 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 million 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 first quarter of 2022.

The Company would be able to declare dividend to the Members of the Company once the profit and financial position of the Company improved and justifiable for declaration of dividend.

Question 1:

“Very sad that our Company’s losses are much more than the revenue. Revenue was RM5 million but losses were RM8 million. What are the Directors doing? Every year promises are being made only to see the situation getting worse than before? If the Directors cannot deliver, they should vacate and allow others to take over.”

Answer to Question 1:

Mr. Goh disagreed with the comment from that Member and replied that the Company had toned down the business since 2016 to minimise the risk. At that point of time, the revenue was more than RM10 million, debts were more than RM20 million and stocks were more than RM10 million. Given the challenges, the Company’s banker wanted to reduce the banking facility from RM14 million to half of it and subsequently, to reduce RM1 million every year. Therefore, the Company had decided to tone down the business, thereby reduced its revenue, receivables and inventories.

Since the outbreak of the COVID-19 pandemic, many public listed companies had triggered the criteria under Practice Note 17 of the MMLR of Bursa Securities (“PN17”). Nevertheless, the Directors and Management had endeavoured and successfully put the Company in better position without triggering the PN17 criteria. Despite the low revenue generated by the Company during the challenging situation caused by the COVID-19 pandemic, the Board believed that the Company could generate sufficient revenue and will not turned into insignificant business pursuant to Paragraph 8.03A of the MMLR of Bursa Securities (i.e. business or operations which generates revenue on a consolidated basis that represents 5% or less of the share capital).

The Company had been doing business via the e-commerce platform and selling products on cash basis, which had reduced the Company’s inventories to less than RM300,000 and debts to less than RM100,000.

Bursa Securities had on 17 June 2021 approved the listing of and quotation for up to 763,335,360 Settlement Shares to be issued pursuant to the Proposed Debt Settlement. This Proposed Debt Settlement, if approved by the Members of the Company at an Extraordinary General Meeting to be held by the Company, would substantially reduce the Company’s borrowings.

Question 2:

“What is the status of the agarwood and also future plans for sale or monetisation of such asset? Thank you”

Answer to Question 2:

Mr. Goh replied that the Company had approximately 23,000 fully matured agarwood trees (“Gaharu trees”) aging more than 11 years old. Based on the advice from the professional, the Gaharu tress worth RM80 million to RM150 million upon full inoculation. The Company was implementing a pilot project to analyse the yield of the Gaharu trees.

There were potential investors that wishes to invest in the inoculation of Gaharu trees with the Company under a profit-sharing arrangement, pending the finalisation of the proposal.

The Company was also looking for the potential buyers from Middle East and China that were interested to buy over the Gaharu tress and do the inoculation. The trees would grow for another 2 cycles after harvest.

The above proposals would enable the Company to monetise the Gaharu tress.

Question 3:

“Good afternoon. Any news about the Gaharu project?”

Answer to Question 3:

Mr. Goh referred the Member to his answer to Question 2.

The poll results were validated by the Independent Scrutineer as summarised below:

Resolution	Voted For		Voted Against	
	No. of shares	%	No. of shares	%
Ordinary Resolution 1	916,342,952	99.8624	1,262,507	0.1376
Ordinary Resolution 2	916,344,952	99.8626	1,260,507	0.1374
Ordinary Resolution 3	916,945,352	99.9281	660,107	0.0719
Ordinary Resolution 4	916,643,952	99.8952	961,507	0.1048
Ordinary Resolution 5	916,644,952	99.8953	960,507	0.1047
Ordinary Resolution 6	915,745,952	99.7974	1,859,507	0.2026

All the six (6) Ordinary Resolutions as tabled at the Meeting were duly passed by the Members and proxies present.

The Meeting ended at 2.46 p.m. with a vote of thanks to the Chair.