

# COMPUGATES HOLDINGS BERHAD

Registration No. 200401030779 (669287-H)

(Incorporated in Malaysia)

Minutes of 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> provided by Tricor Investor & Issuing House Services Sdn Bhd (“**Tricor**”) in Malaysia on Wednesday, 30 June 2021 at 2.00 p.m.

## PRESENT

### **Board of Directors:**

Tan Sri Datuk Asmat bin Kamaludin (“**Tan Sri Chairman**” or “**Tan Sri Asmat**”)

(Chairman of the Meeting)

- Independent Non-Executive Chairman

Encik Mohamed Fauzi bin Omar (“**Encik Mohamed Fauzi**”)

- Independent Non-Executive Director

Mr. Goh Tai Wai

- Non-Independent Non-Executive Director

Madam See Thoo Chan (“**Madam See**”)

- Executive Director

### **Chief Executive Officer:**

Mr. Goh Kheng Peow (“**Mr. Goh**”)

### **Members and Proxies:**

As per attendance list

### **Company Secretary:**

Mr. Chen Wee Sam

### **External Auditors:**

Mr. Kho Kim Eng

Ms. Elisa Chong

- Grant Thornton Malaysia PLT

## 1. CHAIRMAN

Tan Sri Chairman took the chair and called the Meeting to order at 2.00 p.m.

## 2. WELCOME ADDRESS

Tan Sri Chairman extended a warm welcome to the Members and proxies present and introduced the members of the Board of Directors (“**Board**”), the Company Secretary and the Auditors present.

## 3. QUORUM

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

4. **NOTICE OF MEETING**

Tan Sri Chairman informed that the Company had on 18 May 2021 issued a Revised Notice of 16th Annual General Meeting to be conducted virtually on Tuesday, 1 June 2021 at 10.00 a.m. and advertised the same in the New Straits Times on the same date. Subsequently, the Company had on 31 May 2021 announced the deferment of the 16th Annual General Meeting to a later date due to the imposition of 'total lockdown' from 1 June 2021 to 14 June 2021 by the Malaysian Government, which was then extended to 28 June 2021.

The Securities Commission Malaysia had on 1 June 2021 issued a revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers which required the listed issuers to only conduct fully virtual general meeting during the total lockdown period.

In view of the above extraordinary circumstances and barring any unforeseen circumstances, the Board of the Company had on 18 June 2021 announced the adjournment of the 16th Annual General Meeting to Wednesday, 30 June 2021 at 2.00 p.m. pursuant to Clause 90 of the Company's Constitution and change the venue from the broadcast venue to online meeting platform.

The Notice convening the Meeting was taken as read.

5. **POLL VOTING**

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 Company had appointed Tricor as Poll Administrator to conduct the polling process for the Meeting and Asia Securities Sdn Bhd as Independent Scrutineer to verify the poll results.

The voting session had commenced at 2.00 p.m.

Tan Sri Chairman informed the Meeting that in order to ensure the orderliness of the proceeding of the Meeting, the Board members would deal with the questions received from the Members and proxies after the presentation of all items to be transacted at the Meeting.

A short video by Tricor was played to demonstrate to the Members and proxies who were present at the Meeting on the procedure and process for posing questions and online voting.

6. **AGENDA FOR THE MEETING**

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

**i. Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon ("AFS 2020")**

The 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.

**ii. Payment of Directors' fees of up to RM276,000.00 for the financial year ending 31 December 2021**

**Ordinary Resolution 1** was to consider the proposed payment of Directors' fees of RM276,000.00 for the financial year ending 31 December 2021.

**iii. Re-election of Tan Sri Asmat as Director of the Company**

As Tan Sri Asmat was standing for re-election as Director, he passed the Chair to Madam See.

Madam See informed that the **Ordinary Resolution 2** was to consider the re-election of Tan Sri Asmat as Director, who retired by rotation pursuant to Clause 134 of the Company's Constitution and who being eligible, had offered himself for re-election. Tan Sri Asmat's profile was set out on page 13 of the Annual Report 2020.

Madam See then passed the Chair back to Tan Sri Asmat.

**iv. Re-appointment of Auditors**

**Ordinary Resolution 3** was to consider the proposed re-appointment of Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.

Grant Thornton Malaysia PLT had expressed their willingness to continue in office.

**v. Proposed Retention of Independent Directors**

As Tan Sri Asmat was standing for retention as an Independent Non-Executive Director of the Company, he passed the Chair to Madam See.

Madam See informed that the **Ordinary Resolution 4** was to consider the retention of Tan Sri Asmat as an Independent Non-Executive Director of the Company.

Madam See then passed the Chair back to Tan Sri Asmat.

Tan Sri Asmat informed that **Ordinary Resolution 5** was to consider the retention of Encik Mohamed Fauzi as an Independent Non-Executive Director of the Company.

The Board's justifications and recommendations for the retention of both Independent Non-Executive Directors were set out on Page 25 of the Annual Report 2020.

**vi. Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**

**Ordinary Resolution 6** was to consider the proposed renewal of general mandate to be given to the Directors of the Company to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("General Mandate").

Tan Sri Chairman referred the Members and proxies present to the Explanatory Note 14 of the Revised Notice of 16th Annual General Meeting dated 18 May 2021 for the details of the General Mandate.

**vii. Any Other Business**

The Company Secretary confirmed that the Company had not received any notice for transaction of any other business at the Meeting.

**7. QUESTIONS AND ANSWERS (“Q&A”) SESSION**

The Chairman informed the Meeting that the Company had received request and questions from the Members and proxies of the Company. Mr. Goh, the Chief Executive Officer of the Company answered the request and questions as summarised below:

**7.1 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.

**7.2 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.

7.3 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.

7.4 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.

There being no other questions raised by the Members, Tan Sri Chairman concluded the Q&A session.

8. **POLLING PROCESS**

A short video by Tricor was played again to demonstrate to the Members and proxies who were present at the Meeting to assist the Members and proxies present in casting their votes.

The voting session closed at 2.28 p.m. Tan Sri Chairman then adjourned the Meeting for the Independent Scrutineer to verify the poll results.

9. **ANNOUNCEMENT OF POLL RESULTS**

At 2.44 p.m., the Chairman called the Meeting to order for the declaration of poll results. Tan Sri Chairman informed that he had received the poll results which had been validated by the Independent Scrutineer and displayed on the screen as follows:

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

The Chairman then declared all the Ordinary Resolutions 1 to 6 were carried and passed as follows:

**Ordinary Resolution 1**

**Payment of Directors' fees of up to RM276,000.00 for the financial year ending 31 December 2021**

"THAT the payment of Directors' fees of up to RM276,000 for the financial year ending 31 December 2021 be and is hereby approved."

**Ordinary Resolution 2**

**Re-election of Tan Sri Asmat as Director of the Company**

"THAT Tan Sri Asmat who retires by rotation pursuant to Clause 134 of the Company's Constitution, being eligible and having offered himself for re-election, be and is hereby re-elected as Director of the Company."

**Ordinary Resolution 3**

**Re-appointment of Auditors**

"THAT Grant Thornton Malaysia PLT be and are hereby re-appointed as Auditors of the Company until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors."

**Ordinary Resolution 4**

**Proposed Retention of Tan Sri Asmat as Independent Non-Executive Director**

"THAT Tan Sri Asmat who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, shall continue to act as an Independent Non-Executive Director of the Company."

**Ordinary Resolution 5**

**Proposed Retention of Encik Mohamed Fauzi as Independent Non-Executive Director**

"THAT Encik Mohamed Fauzi who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, shall continue to act as an Independent Non-Executive Director of the Company."

**Ordinary Resolution 6**

**Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**

“**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) for the time being and that the Directors be and are also empowered to obtain approval from Bursa Securities for the listing of and quotation for the additional shares so issued **AND THAT** such authority shall continue in force until the conclusion of the next annual general meeting of the Company after the approval was given or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier unless revoked or varied by an ordinary resolution of the Company at a general meeting.”

10. **CLOSE OF MEETING**

There being no other business, the Meeting ended at 2.46 p.m. with a vote of thanks to the Chair.

**C O N F I R M E D**

**TAN SRI DATUK ASMAT BIN KAMALUDIN**  
Chairman

Date: 30 June 2021