# COMPUGATES HOLDINGS BERHAD

# ANNUAL REPORT 2024

COMPUGATES®

COMPUGATES HOLDINGS BERHAD
200401030779 (669287-H)



# OUR VISION

**Charting a course toward sustainable evolution**



# OUR MISSION

**To strategically diversify in order to deliver sustainable value growth, and innovate to meet the changing needs of customers, consumers and society**

COMPUGATES®

# TABLE OF CONTENT


| | |
|---|---|
| 2 | Corporate Information |
| 3 | Group Corporate Structure |
| 4 | Directors' Profile |
| 9 | Profile of Key Senior Management |
| 12 | Chairman's Statement |
| 14 | Management Discussion & Analysis Statement |
| 16 | Sustainability Statement |
| 59 | Corporate Governance Overview Statement |
| 71 | Audit Committee Report |
| 74 | Statement on Risk Management and Internal Control |
| 78 | Directors' Responsibility Statement |
| 79 | Financial Statements |
| 128 | List of Properties |
| 129 | Analysis of Shareholdings |
| 132 | Additional Compliance Information |
| 135 | Notice of Annual General Meeting |
| 139 | Statement Accompanying Notice of Twentieth Annual General Meeting |
| | Form of Proxy |

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**TAN SRI DATUK ASMAT BIN KAMALUDIN**
Non-Independent Non-Executive Chairman

**MOHAMED FAUZI BIN OMAR**
Non-Independent Non-Executive Director

**GOH TAI WAI**
Non-Independent Non-Executive Director

**SEE THOO CHAN**
Executive Director

**LOW GEOK ENG**
Independent Non-Executive Director

**TAN SIEW LI**
Independent Non-Executive Director

### AUDIT COMMITTEE

*Chairman*
Low Geok Eng

*Member*
Tan Siew Li
Goh Tai Wai

### NOMINATION COMMITTEE

*Chairman*
Tan Siew Li

*Member*
Low Geok Eng
Goh Tai Wai

### REMUNERATION COMMITTEE

*Chairman*
Low Geok Eng

*Member*
Mohamed Fauzi Bin Omar
Tan Siew Li

### RISK MANAGEMENT COMMITTEE

*Chairman*
Tan Siew Li

*Member*
Low Geok Eng
Goh Tai Wai

### COMPANY SECRETARIES

Chang Ngee Chuang
(MAICSA 7077854)
(SSM PC No. 201908001421)

Jeremy Tai Yung Wei
(MAICSA 7065447)
(SSM PC No. 202308000580)

### REGISTERED OFFICE

No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Email : cosec@shareworks.com.my
Tel : 03-6201 1120
Fax : 03-6201 3121

### SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Email : is.enquiry@vistra.com
Tel : 03-2783 9299

### PRINCIPAL BANKERS

Malayan Banking Berhad
Public Bank Berhad

### AUDITORS

Grant Thornton Malaysia PLT
(201906003682 &
LLP0022494-LCA)
Chartered Accountants
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Tel : 03-2692 4022
Fax : 03-2691 5229

### STOCK EXCHANGE LISTING

Main Market of the Bursa Malaysia Securities Berhad
Stock Short Name : COMPUGT
Stock Code : 5037

# GROUP CORPORATE STRUCTURE

COMPUGATES®

**COMPUGATES HOLDINGS BERHAD**

INVESTMENT HOLDING AND PROVISION OF MANAGEMENT SERVICES

**100%**

**COMPUGATES SDN BHD**

Trading, marketing & distribution of imaging, information technology & communication-based products

**100%**

**COMPUGATES MARKETING SDN BHD**

Investment holding, planting and trading of gaharu tree, trading and online sales and distribution of information technology and communication-based products, general merchants and gaharu derivatives

**100%**

**CLASSIC DISTRIBUTION SDN BHD**

Dormant

**70%**

**COMPUGATES DEVELOPMENT AND MINING SDN BHD**

Land owner, property investment holdings & property development

**100%**

**COMPUGATES SABAH SDN BHD**

Dormant

**100%**

**COMPUGATES PERAK SDN BHD**

Plantation, cultivation, inoculation, harvesting and distillation services on the Gaharu trees; and development, promotion and marketing of Gaharu trees and other derivatives and by-products

**100%**

**SELAMA MUDA JAYA SDN BHD**

Dormant

**100%**

**COMPUGATES INTERNATIONAL SDN BHD**

Dormant

# DIRECTORS' PROFILE

## TAN SRI DATUK ASMAT BIN KAMALUDIN

*Non-Independent Non-Executive Chairman*

**Malaysian I 81 I Male**

**Tan Sri Datuk Asmat Bin Kamaludin** was appointed an Independent Non-Executive Chairman to our Board on 8 November 2005. He was re-designated as Non-Independent Non-Executive Chairman on 1 April 2023.

Tan Sri Datuk Asmat holds a Bachelor of Arts Degree in Economics from the University of Malaya and a Diploma in European Economic Integration from the University of Amsterdam. He has vast experience acting in various capacities in public services sector. His last position being Secretary General of the Ministry of International Trade and Industry (MITI), a position he held from 1992 to 2001. He has served as Senior Economic Counselor for Malaysia in Brussels and has worked with several international bodies such as the Association of South East Asian Nations (ASEAN), World Trade Organisation (WTO) and Asia-Pacific Economic Cooperation (APEC), representing Malaysia in relevant negotiations and agreements.

Whilst in the service of the Malaysian government, Tan Sri Datuk Asmat was also actively involved in several national organisations such as Permodalan Nasional Berhad, Johor Corporation, Small and Medium Scale Industries Development Corporation (SMIDEC) and Malaysia External Trade Development Corporation (MATRADE). In 2008, Tan Sri Datuk Asmat was appointed by MITI to represent Malaysia as Governor on the Governing Board of the Economic Research Institute for Asean and East Asia, a position he held for 6 years. On 11 November 2014, Tan Sri Datuk Asmat was conferred the prestigious "Order of the Rising Sun, Gold and Silver Star" by the Government of Japan, in recognition of his contributions in the strengthening of economic relations and the promotion of mutual understanding between Japan and Malaysia.

Tan Sri Datuk Asmat holds the position of Chairman at Perusahaan Otomobil Kedua Sdn Bhd (PERODUA) and serves as an Independent Non-Executive Director for Air Asia X Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad. Furthermore, he is also a Director at the JACTIM Foundation.

DIRECTORS' PROFILE
(CONT'D)

## MOHAMED FAUZI BIN OMAR

*Non-Independent Non-Executive Director*

**Malaysian I 66 I Male**

**En. Mohamed Fauzi Bin Omar** was appointed an Independent Non-Executive Director on 8 November 2005. He was re-designated as Non-Independent Non-Executive Director on 1 April 2023 and is a member of the Remuneration Committee of the Company.

He holds a Master of Business Administration from Northland Open University Canada and International Management Center of Buckingham from the United Kingdom ("**UK**"). He is also an Associate of the Chartered Institute of Marketing-UK and holds a Diploma in Science (Biology) with Education from Universiti Pertanian Malaysia.

Prior to joining Compugates, he held numerous senior management positions in the telecommunications industry, particularly the cellular mobile operations both locally and abroad. A co-founder of Celcom (Malaysia) Berhad, he served the company from 1988 to 1996 as the Chief Operating Officer of Celcom Technology Sdn Bhd (Celcom's Value added arm) cum Senior Vice President of Celcom, overseeing a number of new projects including the fixed network services. In 2000, he was engaged by Across Asia Multimedia (a company listed on The Stock Exchange of Hong Kong Limited) as the Director of Marketing & Customer Services as part of a team of Malaysians to establish Lippotel's Cellular service in Indonesia.

In 2002, he joined Time dotCom Berhad as a Director of its mobile operations, namely TimeCel. Upon the disposal of TimeCel, he was later made the Chief Operating Officer of Time dotCom Berhad and its subsidiary, namely Time dotNet Berhad where he served until 2005. With over twenty (20) years in the industry, he has vast experience particularly in the development and marketing of cellular, public switched telephone network, broadband, value-added, satellite, computer-telephony and internet related services.

Prior to joining the telecommunications industry, he started his career with British Petroleum (M) Sdn Bhd, where he served for almost five (5) years since 1983. Today he is actively involved in a number of business activities through his privately owned companies as well as in freelance business consultancy and training. MDEC, BioTech Corp., MardiTech, IRDA, UNIMAP, MTIB and TERAJU are some of the clients in the areas of consultancy and business coaching that he has worked on. He is also a member of the board of trustees of Yayasan Pak Rashid, University Putra Malaysia.

He does not hold any directorship in any other listed issuers.

DIRECTORS' PROFILE
(CONT'D)

## GOH TAI WAI

*Non-Independent and Non-Executive Director*

**Malaysian I 52 I Male**

**Mr. Goh Tai Wai** was appointed a Non-Independent Non-Executive Director on 8 November 2005. He was re-designated as Executive Director on 21 April 2006 and assumed his present position as a Non-Independent and Non-Executive Director on 18 August 2008. He is also a member of Audit Committee, Nomination Committee and Risk Management Committee of the Company.

He holds a Bachelor of Commerce in Accounting and Information Systems from Curtin University of Technology, Perth, Australia. He is a member of the Malaysian Institute of Accountants and a Fellow of CPA Australia as well as a Certified Financial Planner.

He has more than thirty five (35) years' experience ranging from general management, corporate advisory services and risk management to financial management and information technology.

He does not hold any directorship in any other public companies and listed issuers.

## SEE THOO CHAN

*Executive Director*

**Malaysian I 63 I Female**

**Mdm. See Thoo Chan** was appointed as a Non-Independent Non-Executive Director of the Company on 21 March 2007. Subsequently, she was re-designated as an Executive Director on 3 January 2014.

She obtained her Higher School Certificate in 1980. She is a successful businesswoman having numerous years of experience in trading of telecommunication products.

Additionally, Mdm. See Thoo Chan serves as a director of Southall Sdn Bhd and Beausoft Sdn Bhd, both primarily engaged in trading cellular phones and accessories, mobile phone prepaid cards, telecommunication products, and skin care products.

Mdm. See Thoo Chan does not hold any directorship in other listed issuers.

## LOW GEOK ENG

*Independent Non-Executive Director*

**Malaysian I 70 I Female**

**Mdm. Low Geok Eng** was appointed an Independent Non-Executive Director of the Company on 1 April 2023. She is also the Chairman of Audit Committee and Remuneration Committee and member of Nomination Committee and Risk Management Committee of the Company.

She completed her Secretarial Course in Stamford College, Petaling Jaya. She started her career in 1976, in the advertising industry in Malaysia as the PA to the Managing Director to one of the largest National Agency in the country. She resigned in 1984, to be a full time housewife.

In 1996, she decided to be active again in the vibrant advertising and communication industry by forming a National Advertising Agency, fully Accredited Service, was a member of the 4As Malaysia (Association of Accredited Advertising Agents Malaysia) as Executive Director holding 50% equity.

In 2011, she decided to retire from the advertising industry by voluntarily closing down the company.

She does not hold any directorship in other listed issuers.

## TAN SIEW LI

*Independent Non-Executive Director*

**Malaysian I 55 I Female**

**Mdm. Tan Siew Li** assumed the role of Independent Non-Executive Director at the Company on April 1, 2023. In addition to her directorial position, she serves as the Chairperson for both the Nomination Committee and Risk Management Committee, while also holding membership in the Audit Committee and Remuneration Committee.

Mdm. Tan is a qualified pharmacist, having earned her Bachelor of Science in Pharmacy from The University of Kansas, Kansas, United States of America. She is a registered pharmacist with the Malaysia Board of Pharmacy.

Furthermore, she plays a pivotal role as the local partner and director at Alpro Alliance (Sabah) Sdn Bhd, where she oversees the comprehensive business operations of the outlets within the Sabah region.

Mdm. Tan does not currently hold any directorship positions in other listed issuers.

# DIRECTORS' PROFILE (CONT'D)

**Notes:**

**Family Relationship with any Director and/or Major Shareholder**

Mdm. See Thoo Chan is the spouse of Mr. Goh Kheng Peow, who is the Chief Executive Officer and major shareholder of the Company.

Save as disclosed herein, none of the Directors has any family relationship with any Director and/or major shareholder of the Company.

**Conflict of Interest**

None of the Directors has any conflict of interest with the Company.

**Conviction for Offences**

Other than traffic offences, if any, the Directors have not been convicted of any offences within the past five (5) years and have not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2024.

**Attendance of Board Meetings**

Details of the Directors' attendance at Board meetings are set out in the Corporate Governance Overview Statement on page 67 of this Annual Report.

# PROFILE OF KEY SENIOR MANAGEMENT

## GOH KHENG PEOW

*Chief Executive Officer*

**Malaysian I 65 I Male**

**Date of appointment to present position**

16 June 2017

**Working experience**

Mr. Goh Kheng Peow ("**Mr. Goh**") has over forty (40) years of experience in sales and marketing specialising in fast moving consumer products, office equipment, consumer electronics, medical equipment and telecommunication products.

Since 1999, he decided to venture into the field of entrepreneurship and established Compugates Group. He is responsible for the strategic planning aspects of the Compugates Group. He also sits on the boards of several private limited companies.

**Qualification**

Bachelor's Degree with Honours in Economics (Business Administration) from University of Malaya.

**Details of interest in the Company's securities based on the Record of Depositors dated 28 March 2025**

Direct interest: 379,289,013 Ordinary Shares
Indirect interest: 430,289,140 Ordinary Shares

**Any directorship in public companies and listed issuers**

Mr. Goh does not hold directorship in any other public companies and listed issuers.

**Any family relationship with any director and/or major shareholder of the Company**

Mr. Goh is the spouse of Mdm. See Thoo Chan, who is the Executive Director and a major shareholder of the Company.

**Any conflict of interest with the Company**

Mr. Goh does not have any conflict of interest with the Company.

**Conviction for Offences**

Other than traffic offences, if any, Mr. Goh has not been convicted of any offences within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2024.

PROFILE OF KEY SENIOR MANAGEMENT
(CONT'D)

## SEE THOO CHAN

*Executive Director*

**Malaysian I 63 I Female**

The details of Mdm. See Thoo Chan are disclosed in the Directors' Profile of this Annual Report.

## KEANE GOH YAN HAN

*Group General Manager – Compugates Group of Companies*

**Malaysian I 37 I Male**

**Date of appointment to present position**

1 December 2017

**Working experience**

Mr. Keane Goh Yan Han ("**Mr. Keane Goh**") joined Compugates Marketing Sdn Bhd as a Consultant in 2012 and oversees the plantation and land development projects. Prior to that, he was attached to Southall Sdn Bhd, a company dealing in information technology and consumer technology products as a Sales Manager.

**Qualification**

Bachelor's Degree in Commerce with Double Majors in Marketing and Finance from Curtin University of Technology.

**Any directorship in public companies and listed issuers**

Mr. Keane Goh does not hold directorship in any other public companies and listed issuers.

**Any family relationship with any director and/or major shareholder of the Company**

Mr. Keane Goh is the son of Mdm. See Thoo Chan and Mr. Goh Kheng Peow, the Executive Director and Chief Executive Officer respectively and major shareholders of the Company.

**Any conflict of interest with the Company**

Mr. Keane Goh does not have any conflict of interest with the Company.

**Conviction for Offences**

Other than traffic offences, if any, Mr. Keane Goh has not been convicted of any offences within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2024.

PROFILE OF KEY SENIOR MANAGEMENT
(CONT'D)

## YAU POW JACK

*Head of Finance*

**Malaysian I 36 I Male**

**Date of appointment to present position**

1 June 2016

**Working experience**

Prior to joining Compugates, Mr. Yau Pow Jack ("Mr. Yau") was a finance analyst for one of the world's largest pharmaceutical firms and subsequently moved on to work for Deloitte Malaysia for several years gaining experience in audit and transaction advisory services.

**Qualification**

Certified Public Accountant (Australia), Malaysia Institute of Accountants (MIA), Master's Degree in Accounting & Finance (Help University) and Bachelor's Degree (Hons) in Accounting & Finance (University of East London).

**Any directorship in public companies and listed issuers**

Mr. Yau does not hold directorship in any other public companies and listed issuers.

**Any family relationship with any director and/or major shareholder of the Company**

Mr. Yau does not have any family relationship with any directors and/or major shareholders of the Company.

**Any conflict of interest with the Company**

Mr. Yau does not have any conflict of interest with the Company.

**Conviction for Offences**

Other than traffic offences, if any, Mr. Yau has not been convicted of any offences within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2024.

# CHAIRMAN'S STATEMENT



## Dear Valued Shareholders,

On behalf of the Board of Directors of Compugates Holdings Berhad ("Compugates" or the "Company"), I am pleased to present to you the Annual Report and Audited Financial Statements of the Group for the financial year ended 31 December 2024 ("FYE 2024").

## ECONOMIC REVIEW

For the full year of 2024 Malaysian economy grew by approximately 5.1%, as compared to approximately 3.7% in Year 2023. This was mainly driven by continued expansion in domestic demand as well as a rebound in exports. From the domestic front, growth was mainly driven by stronger household spending caused by favourable labour market conditions, policy measures to support households and healthy household balance sheets. Additionally, introduction of Mega Master Plans such as New Industrial Master Plan, National Energy Transition Roadmap, and National Semiconductor Strategy provided a good momentum for investment growth. On the contrary for the external front, continued tech upcycle as well as higher tourist arrivals and spending entailed a continued surplus of 1.7% GDP ("Gross Domestic Product").

In year 2024, manufacturing sector registered strong growth via broad-based consumption improvement of electrical and electronics as well as the ICT ("Information and Communication Technologies") clusters. Similarly, the expansion in services industry is backed by resilient household spending and continued expansion in private sector.

A bright spot towards Year 2024 was the Ringgit which recorded an overall appreciation of 2.7% against the US dollar, whilst other regional currencies experienced a depreciation. In addition, the Ringgit also recorded an overall appreciation against a few other Major currencies such as Japanese Yen, Singapore Dollar and Korean Won.

Forward looking into Year 2025 domestic front, household spending shall continue to benefit from the consistent support from employment and wage growth as well as other positive Government policies, such as the upward revision of the minimum wage and civil servant salaries in conjunction with benefits realised from approved investments in Mega Projects for both public and private projects. Whereas, on the external front, the ongoing global tech upcycles, continued growth in electrical and electronic goods and higher tourist spending are expected to lift exports. Thus, for Year 2025 despite a challenging macroeconomic situation, Malaysian economy is projected to grow between 4.5% to 5.0%.

## PERFORMANCE REVIEW

For FYE 2024, the Group registered a revenue of approximately RM21.9 million, an increased of RM6.5 million or 42.2% compared to preceding financial year ended 31 December 2023 ("FYE 2023") of approximately RM15.4 million. This was mainly attributable to higher turnover in the trading of IT hardware and related products.

The Group recorded a higher loss after taxation of approximately RM10.4 million which was approximately RM2.4 million higher compared to the FYE 2023 of approximately RM8.0 million. This was a result of an increase in operating expenses.

## CORPORATE DEVELOPMENT

On 17 May 2024, the Board of Directors of Compugates announced that Compugates Marketing Sdn Bhd ("CMSB") a wholly owned sub-subsidiary of CHB had on 15 May 2024 acquired 49% equity interest in Compugates Sabah Sdn Bhd ("CSSB")

for a cash consideration of RM1.00, with the rationale to maintain complete control of the company to enable future expansion into other business ventures.

On 23 October 2024, the Board of Directors of Compugates announced that the Private Placement of up to 550,037,068 new Placement Shares, representing up to 10% of the total number of issued CHB Shares ("Private Placement III") was deemed completed with the listing of 550,037,068 new CHB Shares raising total gross proceeds of RM 4.95 million.

Board of Directors of Compugates opines that proceeds raised from the above private placement were expected to improve the Group's overall financial position and ameliorate financial performance moving forward via investment in joint development of land and agarwood plantation.

## OUTLOOK AND PROSPECTS

The Group is entering a dynamic new chapter, guided by a clear and forward-looking strategy to drive sustainable growth through its property development segment. While the trading and services segment has been the core revenue contributor in recent years, the Group recognises the need to diversify its income streams in response to evolving market conditions, rising competition, and the shifting landscape of consumer behaviour. As such, we are actively repositioning the Group to focus on higher-value, long-term initiatives that can unlock greater shareholder value.

A key highlight of this strategic transformation is the Group's foray into property development, where several milestones have already been achieved. One of the Group's flagship initiatives is the joint development project in Cybersouth, Dengkil, undertaken via a joint venture agreement with Jade Classic Sdn Bhd ("JCSB"). Under this arrangement, our subsidiary CDMSB, as the landowner, is entitled to 20% of the gross development value (GDV) of RM 585 million, which amounts to approximately RM117.00 million. Phase 1 of this development—which comprises 338 townhouse units and 80 double-storey units—has seen a strong response with 90% of units booked. Revenue recognition has commenced following the first milestone billed of RM1.20 million received on 20 January 2025 and subsequent payment of RM1.233 million on 24 & 25 March 2025, and will continue progressively between 2025 and 2027 as units are delivered. Phase 2 is targeted to launch by the first half of 2026.

To support and formalise this growth strategy, the Group undertook a diversification into property development in May 2023. This strategic move allows the Group to channel its resources and focus towards building a robust property portfolio. Building upon this momentum, the Group has entered into a second major property development initiative via a Proposed Joint Venture. This development will be carried out over 8 to 9 phases and is expected to span a period of 13 years targeted with GDV of RM1.36 billion. Under this venture, CDMSB is entitled to a Minimum Landowner's Entitlement of RM234.00 million, with revenue to be recognised progressively upon the completion of each development phase.

Looking ahead, the Group aims to leverage the proceeds from these developments to further strengthen its position in the property sector. Plans are underway to acquire strategic landbanks and explore further joint venture opportunities with reputable developers. In parallel, feasibility studies are being conducted to assess potential new sites that align with the Group's long-term development objectives. These initiatives are central to the Board's commitment to establishing property development as a major engine of growth for the Group.

While the focus has shifted towards expanding the property segment, the Group continues to maintain its trading and services operations to support a more consistent and recurrent revenue stream. At the same time, operational improvements and cost optimisation strategies are being introduced to enhance efficiency and margins in this segment. As the property development contributions grow over time, the Group will have greater flexibility in reallocating resources to further strengthen its core strategic areas.

With promising developments underway, a clear roadmap for growth, and a commitment to creating long-term value, the Board is optimistic about the Group's future. We remain focused on delivering consistent performance and generating sustainable returns for our shareholders, while positioning the Group for success in a rapidly evolving business environment.

## APPRECIATION

On behalf of the Board of Directors, I would like to extend my sincere thanks to our valued customers, business associates and suppliers for their continuous support, trust and understanding.

I would also like to take this opportunity to extend my gratitude and appreciation to our fellow Board members, management and staff for their hard work, dedication and commitment to the Group.

Last but not least, to our shareholders, I wish to express my heartfelt appreciation for your confidence in Compugates.

# MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

The Management of Compugates Holdings Berhad ("Compugates" or "the Company") is pleased to present the management discussion and analysis of the business, operations and performance of the Company and its subsidiaries (collectively referred to as "Group") during the financial year ended ("FYE") 31 December 2024.

## FINANCIAL RESULTS AND PERFORMANCE STATEMENT

Malaysian Economy for Year 2024 is a journey with both progress and challenges, marked by economic growth, government focus on fiscal consolidation and debt sustainability policies as well as other significant economic events such as the implementation of diesel subsidy rationalisation, global economy uncertainties and inflationary pressure.

For the FYE 31 December 2024, the Group recorded a revenue of RM21.9 million, which was approximately RM6.5 million higher as compared to the FYE 31 December 2023 of approximately RM15.4 million. The increase in revenue was mainly contributed by higher turnover in IT hardware and related products.

The intense competition in IT hardware and related products trading industry conjointly with higher operating expenditure, the Group recorded loss before taxation of RM10.4 million during FYE 31 December 2024, which was approximately RM2.4 million higher compared to loss before taxation of RM8.0 million in the preceding FYE 31 December 2023.

## FINANCIAL AND OPERATING RISKS

In the current challenging operating environment, financial risk remains the potential major risk encountered by the Group. One of the major contributing factors to such risk is the concentration of the Trading and Service business (IT distribution) which is subject to cyclical demand and competitive intensity from digital platform players such as Lazada and Shopee. Thus, The Group recorded an accumulated loss of approximately RM21.6 million in FYE 31 December 2024. As such the Group commenced fundraising exercises such as a private placement to revamp its business model to bridge the gap between current assets and current liabilities. Additionally, the Group has also diversified to other businesses such as joint development of land, Gaharu (Agarwood) plantation as well as other online businesses to mitigate the reliance on IT distribution.

Next in view of the diversification into joint development of land, the Group performance are indirectly exposed to the property industry risks as the Group's performance would be materially affected by the performance and undiversified business risk associated with the property development industry such as, regulatory risk, shortages of building materials, increase in labour cost due to revision of minimum wages, shortages of foreign labour force, default by purchaser and increase of cost of financing for property acquisition. Nonetheless, the Group seeks to mitigate these risks by, inter-alia, prudent financial policies, continuous review of operations, effective resources management and cost-control policies, and monitoring the price trends of building materials.

Additionally, the joint development of land is also exposed to project risk which may lead to delay in the commencement and completion of property development projects. Such risks include, but not limited to natural disasters, adverse weather conditions, delay in obtaining approvals/ permits necessary for property development projects, shortage or unavailability of building materials and/ or labour workforce, outbreaks of diseases or pandemics, as well as other unforeseen circumstances which may cause material adverse impact on the Group performance. As such the Group will impose close monitoring and or supervision on the progress as well as project milestones and deadline checking during the land transfer processes and upon commencement of the property development project to minimize exposed project risk.

Last but not least, with the diversification into joint property development and Gaharu plantation, the Group is subject to risks inherent in the property development and agarwood plantation industry. These include but not limited to, adverse changes in supply and demand conditions, downturns in the global, regional and/ or national economies, cost of equipment, availability of technical expertise, availability of financing, emerging and future technological changes and the existence of other alternatives in the property development or Gaharu plantation industries. Nonetheless, the Board and management will adopt prudent financial management and efficient operating procedures to limit the potential adverse impact of financials.

## FUTURE PROSPECTS

In recent financial years, the Group's Trading and Services segment, primarily focused on IT distribution, has been the major contributor to its revenue. Moving forward, the Property Development segment is expected to play a more significant role in the Group's financial performance.

To reduce reliance on its Trading and Services segment and enhance overall profitability, the Group has initiated several growth strategies to expand its Property Development business. These initiatives include:

1. **Joint Venture Agreement ("JVA") Between Compugates Development And Mining Sdn Bhd ("CDMSB") and Jade Classic Sdn Bhd ("JCSB")**

   *On 28 November 2017, CDMSB entered into a joint venture agreement with JCSB to develop a 62-acre parcel of land in Cybersouth, Dengkil, Selangor. Under this agreement, CDMSB, as the landowner, is entitled to 20.00% of the gross development value (GDV) of RM585 million (estimated at approximately RM117.00 million).*

   *Phase 1 comprises 338 townhouse units and 80 double-storey units, of which 90% have been booked. CDMSB expects to progressively recognise revenue from this project between the first half of 2025 and the second half of 2027, aligned with the handover of vacant possession. The Group received its first milestone payment of RM1.20 million on 20 January 2025 and subsequent payments of RM1.233 million on 24 and 28 March 2025. Further payments are anticipated as construction progresses. Sales for Phase 2 are expected to commence in the first half of 2026.*

2. **Diversification into Property Development**

   *On 30 May 2023, the Group had undertaken the Diversification to property development. The Diversification was undertaken to properly facilitate the Group's expansion into the property development business. In anticipation to commence recognising revenue recognition from the share of GDV from the JCSB JVA in 2025, the Board opined that the Diversification was in the best interest of the Group in order to focus on growing its property development business and reducing reliance on its trading and services segment; and*

3. **Proposed Joint Venture ("Proposed JVA") – Second Property Development Initiative**

   *This marks the Group's second venture as a landowner in property development. Under the proposed JVA, the estimated GDV of the Development is approximately RM1.36 billion, of which CDMSB will be entitled to a share of the GDV derived from the Development, amounting to RM234.00 million (being the Minimum Landowner's Entitlement) or higher in the event the actual GDV of the Development exceeds the estimated value of RM1.36 billion. The Development will be undertaken over 8-9 phases, and is expected to be completed in 13 years, with an extension period of 3 years in the JVA. Revenue will be progressively recognised as each phase is completed.*

*Given Malaysia's positive property market outlook, supported by improving real estate activity and government initiatives throughout 2024, the Board views this joint venture as a key opportunity to expand the Group's property development revenue stream.*

*Proceeds from the landowner's entitlement will be reinvested to support future growth—primarily through acquisition of strategic landbanks for development or investment, as well as forming joint ventures with other developers. The Group is currently assessing various potential land acquisition opportunities and may conduct feasibility studies on shortlisted lands. This strategic direction underscores the Board's commitment to prioritising the expansion of the property development segment.*

Despite this strategic pivot, the Group acknowledges that revenue from the JCSB JVA and the proposed development can only be recognised based on specific milestones tied to project completion timelines. Hence, the Group will maintain its Trading and Services segment as a stable, recurring revenue source.

To improve the performance of this segment, the Group plans to implement cost rationalisation measures to reduce operating expenses and enhance margins. Once the property development segment contributes more significantly to revenue, the Group may consider reallocating resources to the Trading and Services segment to diversify its ICT product range and source from different suppliers. This would help reduce supply costs and expand the product offering to include items with higher consumer demand. However, in the interim, the Board remains committed to improving the profitability of the Trading and Services segment through cost optimisation.

Lastly, the Group has not adopted a formal dividend policy as it continues to prioritise reinvestment into growth strategies. Accordingly, the Board does not recommend any dividend for the financial year ended 31 December 2024. Nevertheless, the Group remains committed to delivering fair and equitable returns to shareholders in the future.

# SUSTAINABILITY STATEMENT

## ABOUT THIS SUSTAINABILITY STATEMENT

The Board of Directors ("Board") of Compugates Holdings Berhad ("Compugates" or "the Company") is pleased to present the Sustainability Statement ("the Statement") for the financial year ended 31 December 2024 ("FYE 2024"). This Statement provides a comprehensive overview of the Group's approach to sustainability development. Despite a challenging environment, the Group remains resilient and committed to integrating sustainability into its business operations.

The Company and its subsidiaries (collectively referred to as "the Group") are involved in the distribution of digital cameras, telecommunication-based and information technology-related products, the plantation and marketing of gaharu trees, as well as property investment and development.

Our key business operations are geographically located in Peninsular Malaysia, as illustrated below:




This Statement covers two key subsidiaries within the Group: Compugates Sdn Bhd ("CSB") and Compugates Marketing Sdn Bhd ("CMSB"). These companies are engaged in the distribution of digital cameras, telecommunication-based and information technology-related products and agriculture. The scope includes headquarters operations in Selangor, distribution activities in Pulau Pinang, and plantation operations in Perak[1], all of which contribute significantly to the Group's economic, environmental and societal ("EES") impact.

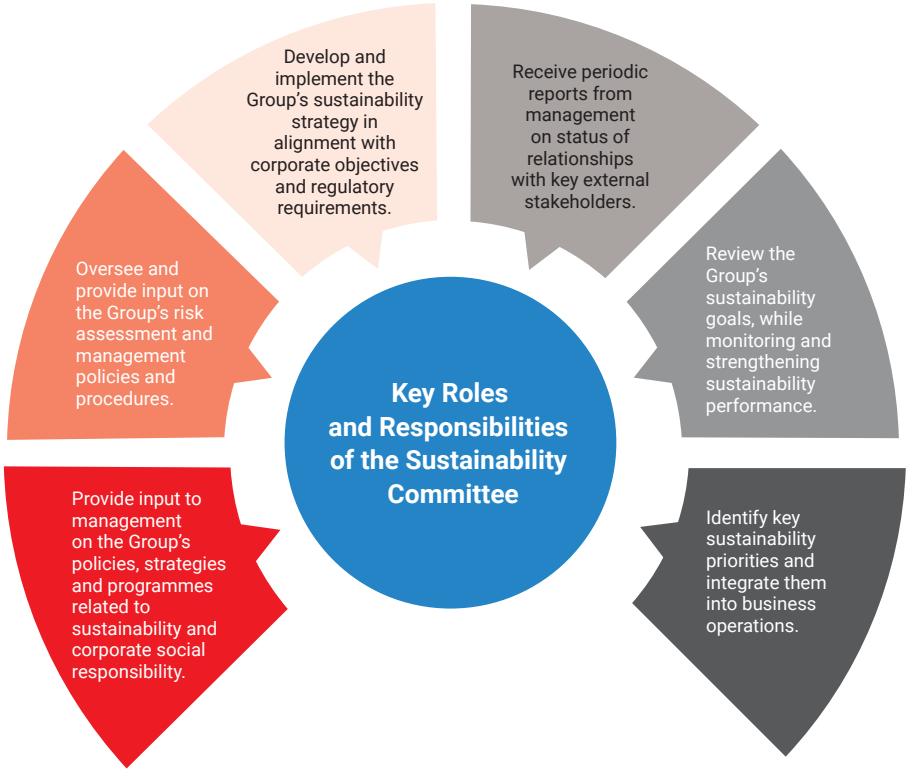
Compugates acknowledges its responsibility to its stakeholders and remains dedicated to delivering sustainable financial results while upholding the highest standards of corporate governance.

The disclosures in this Statement have been prepared in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), with reference to Bursa Securities' Sustainability Reporting Guide (3rd Edition) ("SRG"), Global Reporting Initiative Standards, and the United Nations Sustainable Development Goals ("UNSDGs").

[1] Headquarter stores: 1969 sq. ft; Penang store: 625 sq. ft; Kuala Kangsar Gaharu Plantation: 136,719 square metres

## SUSTAINABILITY GOVERNANCE STRUCTURE

Sustainability requires a top-down approach, with the Board playing a pivotal role in leading the Group towards achieving its goals and targets. We have established a governance structure for effective oversight and implementation of sustainability initiatives.



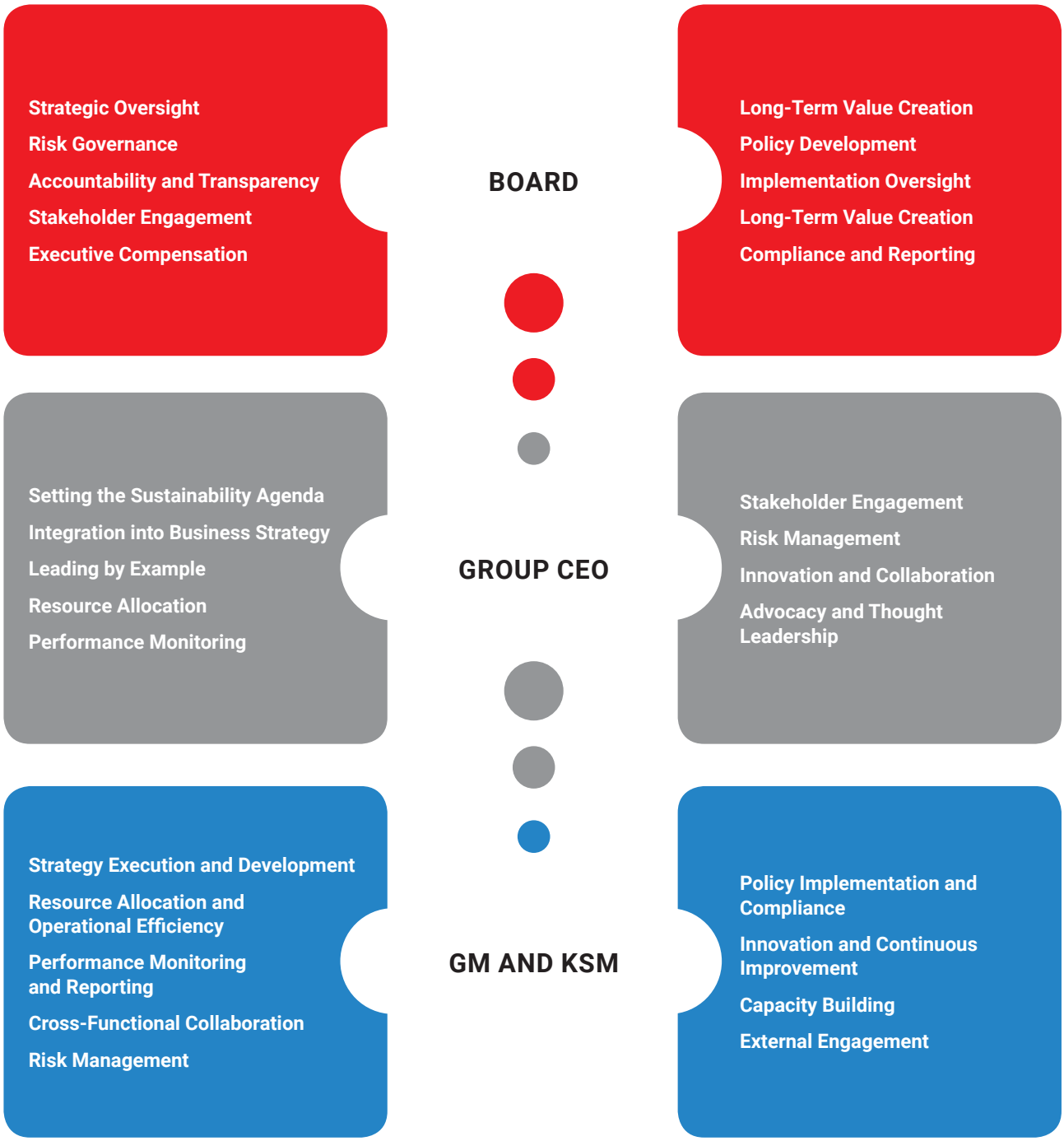




The Board has oversight of conservation and biodiversity, human rights, supply chain amongst other sustainability-related matters of the Group through quarterly Board meetings.

# SUSTAINABILITY STATEMENT (CONT'D)

## SUSTAINABILITY GOVERNANCE STRUCTURE (CONT'D)



## STAKEHOLDERS ENGAGEMENT

The table below shows the types of engagement for each stakeholder and their frequency.

| Stakeholders | Frequency | Types of Engagement | Focus / Area of Interest |
|---|---|---|---|
| **Customers/ Consumers** | Ongoing | • Company's website<br>• Surveys<br>• Product campaigns<br>• Social media *(Shopee)* | • Customer satisfaction<br>• Quality of products<br>• Ethical supply chain and fair trade |
| **Suppliers** | Ongoing | • Supplier competitive price review<br>• Meetings and discussions | • Transparent purchasing<br>• Long-term collaborations<br>• On-time and high-quality service |
| **Employees** | Annually | • Performance appraisal<br>• Meetings<br>• Training and development | • Professional growth and development<br>• Remuneration, welfare, and benefits<br>• Knowledge improvement and career training<br>• Occupational health and safety<br>• Work-life balance |
| **Shareholders** | Ongoing<br><br>Quarterly or as needed<br><br>Annually or as needed | • Company's website<br><br>• Company's announcements<br><br>• Annual reports<br>• General meetings | • Return on investment<br>• Financial performance<br>• Corporate governance<br>• Risk management |
| **Regulators** | Ongoing | • Compliance with "MyOrganic" and Malaysian Halal certifications | • Regulatory compliance and certification standards |
| **Government** | Annually | • Adherence to government environmental policies<br>• Regulatory filings | • Compliance with laws and regulations<br>• Meeting disclosure requirements<br>• Timely and accurate regulatory filings |

## MATERIALITY ASSESSMENT

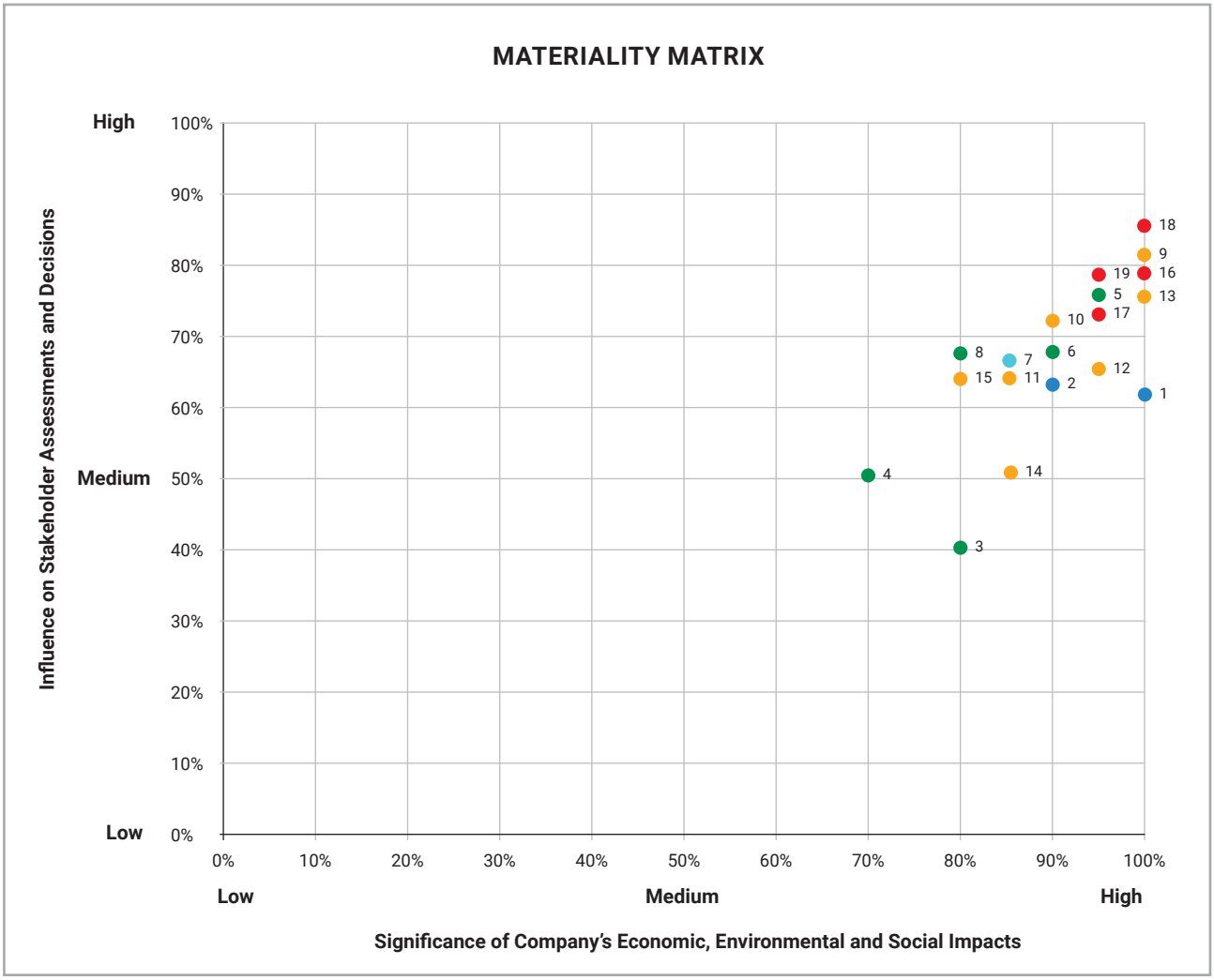
In line with Bursa Securities' SRG, we established a materiality assessment through data analysis and stakeholder engagement to gather valuable insights on how sustainability matters are managed and addressed.

The materiality assessment serves as a key component in enhancing sustainability within the Group. We consider material topics as EES risks and opportunities that impact our ability to create long-term value.

Based on the ranking of material matters, we have derived a materiality matrix, as shown below. This matrix is the result of a structured process involving the identification, ranking, and verification of material issues. The process determines the level of importance these sustainability matters hold for both our business operations and stakeholders.

# SUSTAINABILITY STATEMENT (CONT'D)

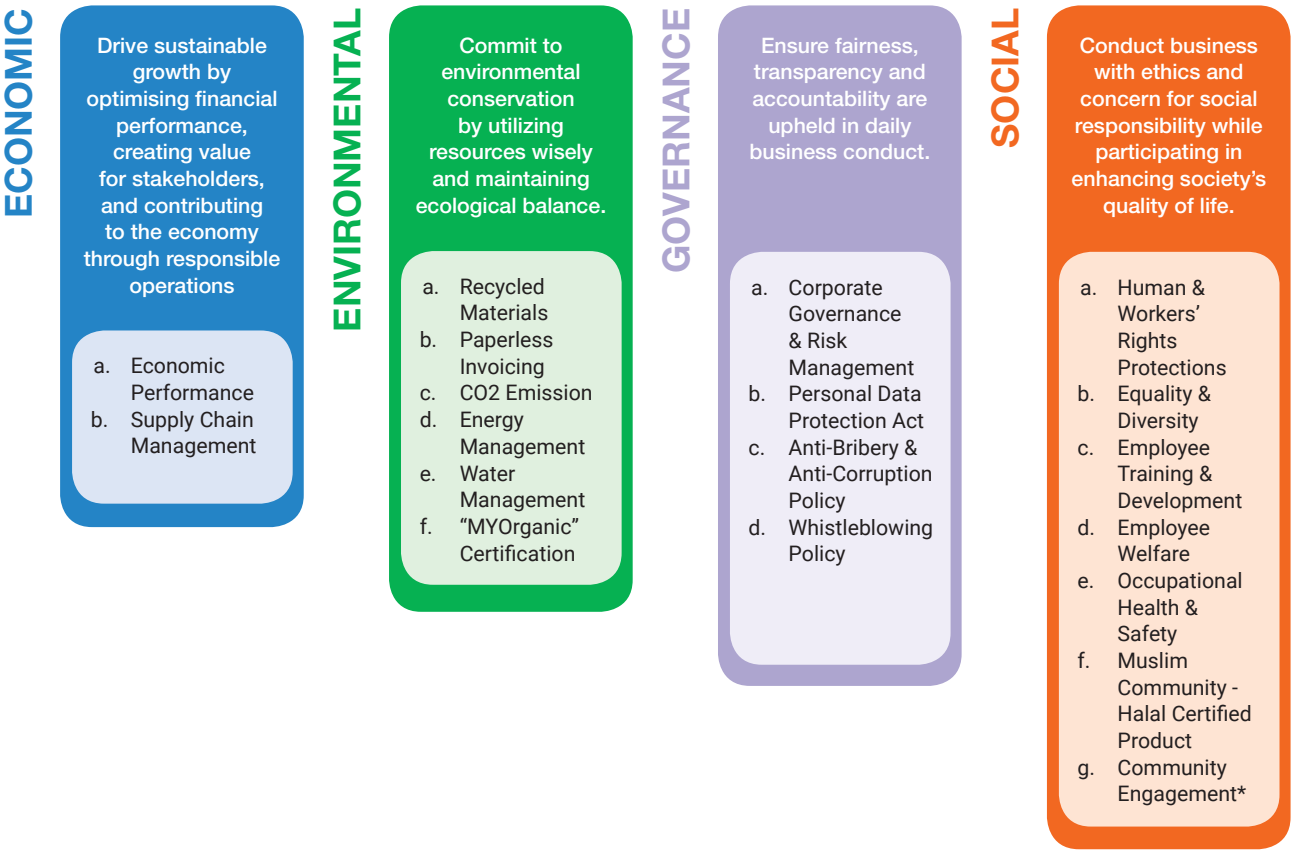
## COMPUGATES'S MATERIALITY ASSESSMENT




**Legends:**

| | | | |
|---|---|---|---|
| 1. Economic Performance | 2. Supply Chain Management | 3. Recycled Materials | 4. Paperless Invoicing |
| 5. CO2 Emission | 6. Energy Management | 7. Water Management | 8. "MYOrganic" Certification |
| 9. Human & Workers' Rights Protections | 10. Equality & Diversity | 11. Employee Training & Development | 12. Employee Welfare |
| 13. Occupational Health & Safety | 14. Muslim Community - Halal Certified Product | 15. Community Engagement | 16. Corporate Governance & Risk Management |
| 17. Personal Data Protection Act | 18. Anti-Bribery and Anti-Corruption | 19. Whistleblowing Policy | |

## SUSTAINABILITY FRAMEWORK




** Previously referred to as Social Engagement, this section has been renamed to Community Engagement to better reflect the Group's focus on direct contributions and participation in local community initiatives.*

In line with Bursa Securities Listing Requirements, we have included an 'Economic' pillar in this year's sustainability report to highlight the financial and economic aspects of our operations, focusing on economic performance, business sustainability, and value creation.

In the following section, we have summarised key points related to risks, opportunities, and the identification and management of sustainability issues for your ease of reference. This includes our management approach, policies, measures taken, as well as relevant indicators and performance outcomes.

SUSTAINABILITY STATEMENT
(CONT'D)

## MANAGING SUSTAINABILITY

### ECONOMIC

At Compugates, financial sustainability serves as the backbone of our operations, enabling both business resilience and long-term value creation. Beyond supporting daily functions, it allows us to pursue sustainable growth while considering EES factors. By integrating these principles, we aim to strengthen our financial position while making a positive impact on society and the environment.

Our approach to sustaining strong economic performance is rooted in a dynamic business strategy. This includes staying ahead of market trends, maintaining financial stability through prudent cash flow management, embracing technological advancements, mitigating business risks, and expanding into new market opportunities.

| | | |
|---|---|---|
| **a.** | **Financial Performance** | **Related UNSDG:**  |
| | **(i) Risks** | Market volatility, economic downturns, and rising costs. |
| | **(ii) Opportunities** | Revenue growth, diversification, and cost efficiency. |
| | **(iii) Performance Target** | While no specific numerical targets are set, the Group is committed to continuous financial improvement through prudent financial management and sustainable business strategies. |
| | **(iv) Identification** | Financial results are identified as a key sustainability matter through internal financial assessments, stakeholder expectations, and Bursa Securities' requirements. Maintaining financial stability and growth is essential for long-term business sustainability. |
| | **(v) Importance** | Strong financial performance enables the Group to sustain operations, invest in growth opportunities, and fulfill commitments to stakeholders, including employees, shareholders, and business partners. It also supports the Group's ability to implement sustainability initiatives. |
| | **(vi) Management Approach** | ➢ Policies: The Group adhered to sound financial management practices, ensuring compliance with regulatory standards and industry best practices. Regular financial reporting and governance oversight ensure transparency and accountability.<br>➢ Measures/Actions Taken: Despite facing a net loss for FYE 2024, the Group saw an increase in revenue and other income compared to the previous year. The increase in revenue was offset by substantial increases in administrative expenses. In response, the Group implemented strategic business plans aimed at improving financial performance, monitored revenue, expenses, and cash flow to ensure financial stability, and continued efforts to optimise costs and improve operational efficiency.<br>➢ Sustainability Performance: The Group reported a total revenue and other income of RM23.26 million for FYE 2024, reflecting a 51.33% increase compared to RM15.37 million in the financial year ended 31 December 2023 ("FYE 2023") and a 290.92% increase compared to RM5.95 million in the financial year ended 31 December 2022 ("FYE 2022"). This growth in revenue and other income demonstrates progress in our business strategy, and we remain committed to cost control and efficiency improvements in future periods. |

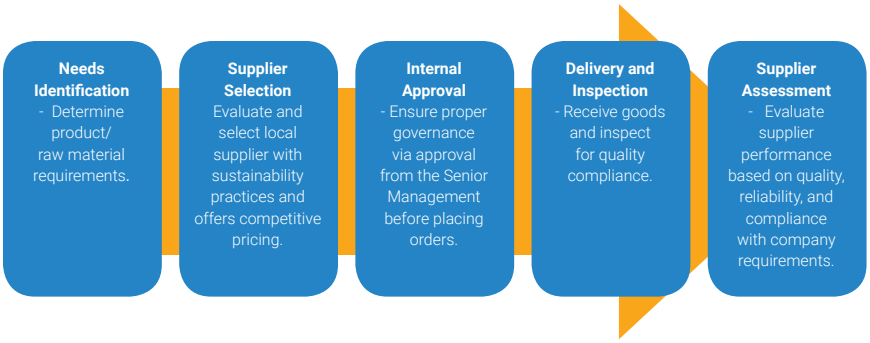
## MANAGING SUSTAINABILITY (CONT'D)

### ECONOMIC (CONT'D)

**b. Supply Chain Management**

**Related UNSDGs:**



| | |
|---|---|
| **(i) Risks** | Supply chain disruptions, changing consumer preferences, and fluctuating information technology products and raw material costs. |
| **(ii) Opportunities** | Cost savings through strategic sourcing, strengthening relationships with sustainable and certified suppliers, and logistics optimisation for cost savings. |
| **(iii) Performance Target** | The Group has set a target to allocate at least 90% of procurement spending to local suppliers to support the local economy and ensure supply chain resilience for the financial year ending 31 December 2025 ("FYE 2025"). |
| **(iv) Identification** | Supply Chain Management is identified as a key sustainability matter through evaluating the importance of sustainable sourcing and supplier relationships in maintaining operational efficiency and product quality. We emphasise selecting suppliers with responsible supply chain practices. |
| **(v) Importance** | Effective supply chain management is crucial because it ensures business continuity by mitigating risks related to supply shortages and disruptions, enhances cost efficiency by optimising procurement and logistics processes, and supports long-term profitability through responsible supplier partnerships and efficient resource management. |
| **(vi) Management Approach** | ➢ Policies: The Group enforced responsible business practices and prioritises environmentally friendly and ethical sourcing through supplier that practiced sustainability efforts.<br><br>➢ Measures/Actions Taken: To strengthen supply chain sustainability, the Group conducted supplier due diligence and implements sustainable procurement strategies by prioritising local, eco-friendly, and ethical suppliers.<br><br>The Group's procurement process is designed to ensure efficient, transparent, and sustainable sourcing while prioritising local suppliers. The following diagram outlines the key steps in our procurement workflow, from identifying needs to supplier performance review:<br><br><br> |

# SUSTAINABILITY STATEMENT (CONT'D)

## MANAGING SUSTAINABILITY (CONT'D)

## ECONOMIC (CONT'D)

### b. Supply Chain Management

**(vi) Management Approach**

- Key Sustainability Indicators: The Group demonstrated its commitment to supporting the local economy by engaging 100% local suppliers in its procurement activities over the past three financial years. This approach ensured that our operations contributed directly to local businesses and strengthened supply chain resilience. The following table presents the proportion of spending on local suppliers for the past three financial years:

| Indicator | FYE 2022 | FYE 2023 | FYE 2024 |
|---|---|---|---|
| Proportion of spending on local suppliers | 100% | 100% | 100% |

## ENVIRONMENTAL

At Compugates, we recognise our responsibility to minimise environmental impact while ensuring sustainable business operations. Our commitment to environmental sustainability is reflected in efforts to reduce resource consumption, enhance energy efficiency, and adopt eco-friendly practices across our value chain. By integrating environmental considerations into our operations, we strive to balance business growth with ecological preservation.

### a. Recycled Materials

**Related UNSDG:** 

| | |
|---|---|
| **(i) Risks** | Employee resistance to digital transition, and low participation in recycling programs. |
| **(ii) Opportunities** | Reduce operational costs and improve efficiency. |
| **(iii) Performance Target** | Reduce A4 paper usage by 10% by FYE 2025. While there is no specific target set for e-waste reduction, the Group planned to implement it via recycling and responsible disposal initiatives for electronic devices. |
| **(iv) Identification** | The use of A4 paper and office materials was identified as a sustainability concern through internal resource consumption assessment. E-waste reduction was identified through lifecycle assessments of electronic products used by employees, customers, and dealers. |
| **(v) Importance** | Reducing reliance on paper usage aligns with cost-saving measures and environmental conservation efforts while enhancing the company's reputation for sustainability. Proper e-waste disposal reduces environmental pollution. |

## MANAGING SUSTAINABILITY (CONT'D)

## ENVIRONMENTAL (CONT'D)

### a. Recycled Materials

**(vi) Management Approach**

- Policies: The Group encouraged use of recycled paper and digital alternatives while promoting responsible disposal of electronics. The Management promoted efficient use of office materials and proper handling of obsolete electronic devices.
- Measures/Actions Taken: The Group implemented paper reduction measures by transitioning to digital documentation, raising employee awareness, and promoting double-sided printing and paper reuse. Additionally, the Group encouraged the recycling of used electronic devices by engaging with recycling companies for trade-in, recycling, or proper disposal, where applicable.
- Sustainability Performance: The usage of A4 paper is summarised below:

| Metrics | FYE 2022 | FYE 2023 | FYE 2024 | FYE 2024 vs FYE 2023 |
|---|---|---|---|---|
| Ream | 130 | 168 | 130 | ▼ 22.62% |
| Amount (RM) | 2,084 | 3,306 | 1,790 | ▼ 45.86% |

### b. Paperless Invoicing

**Related UNSDG:**



| | |
|---|---|
| **(i) Risks** | Resistance from customers with high-volume invoicing needs who prefer hard copies, and potential administrative errors during the transition to a hybrid (partial digital) invoicing model. |
| **(ii) Opportunities** | Faster transactions, reduced internal paper usage, cost savings, and reduced environmental footprint. |
| **(iii) Performance Target** | Achieve 100% paperless invoicing adoption by FYE 2025, in line with the mandatory implementation of e-invoicing introduced by the Inland Revenue Board of Malaysia ("IRB") in 2025. |
| **(iv) Identification** | Paper-based invoicing was identified as an area for improvement through internal operational efficiency reviews and sustainability assessments. |
| **(v) Importance** | Transitioning to electronic invoicing reduces costs, improves operational efficiency, supports environmental goals and aligns with the Group's broader digital transformation initiatives. |

# SUSTAINABILITY STATEMENT (CONT'D)

## MANAGING SUSTAINABILITY (CONT'D)

### ENVIRONMENTAL (CONT'D)

| | | |
|---|---|---|
| **b.** | **Paperless Invoicing** | |
| | **(vi) Management Approach** | ➢ Policies: The Group encouraged digital communications, transactions and gradual transition to electronic invoicing.<br><br>➢ Measures/Actions Taken: While full adoption of paperless invoicing faced challenges — particularly from customers in the trading of electronic devices who require hardcopies due to long itemised invoice lists — the Group has taken steps to reduce internal paper usage. Previously, three copies of each invoice were printed (for the customer, internal filing, and sales personnel). Since 2019, only one copy is printed for the customer, while the internal and sales copies are maintained digitally. This adjustment has led to a notable reduction in internal paper consumption, although the increase in sales volume and corresponding invoicing activity has partially offset the overall savings. The Group remains committed to transitioning to full e-invoicing in line with the IRB's 2025 mandate and will continue engaging with stakeholders to ensure a smooth and efficient implementation.<br><br>➢ Sustainability Performance: The Group has continued its internal paper-saving measures throughout FYE 2022, FYE 2023 and FYE 2024 by reducing printed invoice copies from three to one per transaction. This initiative represents a consistent effort to minimise paper usage, effectively reducing internal invoice-related printing by approximately two-thirds. While the higher sales volume in FYE 2024 led to an increase in the number of invoices issued, the continued implementation of this measure has helped to moderate overall paper consumption across the Group's operations. |
| **c.** | **$CO_2$ Emission** | **Related UNSDG:**  |
| | **(i) Risks** | Rising fuel costs and regulatory pressures. |
| | **(ii) Opportunities** | Cost savings from energy efficiency. |
| | **(iii) Performance Target** | Reduce greenhouse gas ("GHG") emissions for Scope 1 and Scope 2 by 5% by for financial year ending 31 December 2026. |
| | **(iv) Identification** | GHG emissions were identified through fuel consumption monitoring and carbon footprint calculations. |
| | **(v) Importance** | Managing emissions is essential for cost efficiency and reducing the environmental impact of company operations. |
| | **(vi) Management Approach** | ➢ Policies: The Group are committed to tracking and reducing GHG emissions through various initiatives. These include monitoring fuel consumption, implementing energy-efficient practices such as LED lighting, and encouraging sustainable business operations. |

## MANAGING SUSTAINABILITY (CONT'D)

## ENVIRONMENTAL (CONT'D)

### c. $CO_2$ Emission

**(vi) Management Approach**

- Measures/Actions Taken: In FYE 2024, the Group expanded its delivery fleet to meet growing customer demand and increased sales. Compared to 2023, the number of delivery vehicles grew from one to three (two lorries and one van), resulting in higher fuel consumption. The Group continued to improve logistics efficiency through bulk purchases, bulk deliveries, and route optimisation to reduce unnecessary mileage. While overall fuel usage increased, it was proportionate to the rise in business volume and logistics requirements.

  To address the increase and realign with our emissions reduction target, the Group will consider enhancing delivery route mapping with GPS-based software to reduce travel distance and implementing load optimisation strategies to reduce the number of trips required. Subject to budget availability, the Group may also explore the replacement of existing vehicles with more fuel-efficient or hybrid models.

- Sustainability Performance: The usage of fuel[2] is summarised below:

| Financial Year Ended | Liter | Carbon Footprint[3] (tCO2e) |
|---|---|---|
| 31 December 2022 | 6,754 | 15.69 |
| 31 December 2023 | 13,700 | 31.82 |
| 31 December 2024 | 22,120.76 | 51.38 |

### d. Energy Management

**Related UNSDG:**



| | |
|---|---|
| **(i) Risks** | Employee resistance to changes in energy-saving practices and limited energy-saving opportunities due to increased operational activities. |
| **(ii) Opportunities** | Lower long-term energy costs, improving sustainable practices. |
| **(iii) Performance Target** | Endavour to reduce energy consumption by 1% to 2% every year. |
| **(iv) Identification** | Energy consumption trends were identified through regular monitoring of utility bills and energy management practices. |
| **(v) Importance** | Enhancing energy efficiency reduces operational costs and supports the Group's environmental sustainability goals. |

[2] The fuel usage for Company's vehicles which includes Director's vehicle and Logistic vehicles.
[3] Estimated Carbon Footprint converted from SME Carbon Footprint Calculator – Malaysian Green Technology And Climate Change Corporation (mgtc.gov.my)

# SUSTAINABILITY STATEMENT (CONT'D)

## MANAGING SUSTAINABILITY (CONT'D)

## ENVIRONMENTAL (CONT'D)

### d. Energy Management

**(vi) Management Approach**

- Policies: The Group promotes energy efficiency by encouraging reduction in electricity consumption where possible.
- Measures/Actions Taken: The Group installed LED light tubes and upgraded a few air-conditioning units to energy efficiency-rated models.

  While electricity usage increased in FYE 2024, this was primarily driven by higher sales volume and the execution of corporate exercises, which required extended working hours and greater use of office facilities. To realign with the reduction target in FYE 2025, the Group plans to gradually replace older lighting and cooling systems with more energy-efficient alternatives, promote behavioural changes among employees through awareness initiatives, and implement stricter energy usage policies for after-hours work.
- Key Sustainability Indicators: The electricity usage is summarised below:

| Financial Year Ended | Kwh | Carbon Footprint[4] (tCO2e) |
|---|---|---|
| 31 December 2022 | 75,365 | 58.78 |
| 31 December 2023 | 75,232 | 58.68 |
| 31 December 2024 | 81,682 | 63.71 |

### e. Water Management

**Related UNSDG:**




| | |
|---|---|
| **(i) Risks** | Seasonal rain dependency and infrastructure maintenance. |
| **(ii) Opportunities** | Lower water costs and sustainable business operations. |
| **(iii) Performance Target** | Maintain efficient water usage within the minimum consumption tier throughout FYE 2025. While further reductions may not be feasible due to already minimal usage levels, the Group aims to sustain this low level through ongoing awareness and operational controls. |
| **(iv) Identification** | Water consumption trends were identified through site-level monitoring and billing analysis. |
| **(v) Importance** | Sustainable water management is essential for cost savings and resource efficiency. |

[4] Estimated Carbon Footprint converted from SME Carbon Footprint Calculator – Malaysian Green Technology And Climate Change Corporation (mgtc.gov.my)

## MANAGING SUSTAINABILITY (CONT'D)

## ENVIRONMENTAL (CONT'D)

### e. Water Management

**(vi) Management Approach**

- Policies: The Group encourages responsible water use and continuously promotes awareness of water conservation among employees.
- Measures/Actions Taken: The Group has implemented rainwater harvesting systems to optimise water conservation. Although total water consumption generally remains within the base tariff bracket for most months, regular monitoring is maintained to minimise wastage and identify any unusual spikes in usage.
- Key Sustainability Indicators: The following table summarises the Group's water consumption:

| Financial Year Ended | Total Consumption (m3) | Amount (RM) |
|---|---|---|
| 31 December 2022 | 235 | 1,797.87 |
| 31 December 2023 | 158 | 1,205.24 |
| 31 December 2024 | 266 | 1,653.70 |

### f. "MYOrganic" Certification

**Related UNSDG:** 

**(i) Risks**

Non-compliance could lead to loss of certification, affecting product reputation and market trust.

**(ii) Opportunities**

Strengthens market position by meeting consumer demand for certified organic products, opening doors to premium markets.

**(iii) Performance Target**

Continuous renewal of certification and maintain organic practices.

**(iv) Identification**

MYOrganic certification requirements were identified as critical for maintaining product credibility and compliance with organic agricultural standards.

**(v) Importance**

This certification assures customers and stakeholders that CMSB, as part of Compugates Group, follows sustainable agricultural practices, enhancing trust and marketability.

**(vi) Management Approach**

- Policies: Compugates Group is committed to promoting sustainable agricultural practices across its operations. CMSB, as the entity holding MYOrganic certification, ensures adherence to organic cultivation methods by avoiding synthetic fertilizers and pesticides.
- Measures/Actions Taken: CMSB complied with MYOrganic certification by implementing strict organic farming practices, such as natural pest control and soil enrichment techniques, providing regular training for farmers and workers on organic standards, conducting internal audits to maintain adherence, and engaging with certification bodies for periodic assessments and renewals.
- Sustainability Performance: CMSB successfully renewed the MYOrganic certification[5] until 31 December 2025 and will continue renewal efforts in subsequent years.

[5] No. Sijil: myOrganic.14.0029/A-189

# SUSTAINABILITY STATEMENT (CONT'D)

## MANAGING SUSTAINABILITY (CONT'D)

### GOVERNANCE

Strong corporate governance is fundamental to Compugates Group' ability to sustain long-term growth, maintain investor confidence, and uphold business integrity. We are committed to transparency, accountability, and ethical decision-making, ensuring that governance structures support the company's strategic objectives.

Our governance framework includes robust risk management practices, compliance with legal and regulatory requirements, and policies that promote ethical business conduct. By fostering a governance culture based on integrity and responsibility, we strengthen stakeholder trust and ensure sustainable value creation.

| | | |
|---|---|---|
| **a.** | **Corporate Governance and Risk Management** | **Related UNSDG:**  |
| | **(i) Risks** | Non-compliance with governance regulations may lead to regulatory penalties and reputational damage, while poor risk management could expose the Group to financial losses and operational disruptions. |
| | **(ii) Opportunities** | Strong governance practices enhance investor confidence and corporate reputation, while effective risk management improves business resilience and decision-making. |
| | **(iii) Performance Target** | Maintain compliance with MCCG and yearly review of risk register. |
| | **(iv) Identification** | Corporate governance and risk management are identified through regulatory requirements, internal assessments, and stakeholder expectations. |
| | **(v) Importance** | Strong corporate governance enhances transparency, accountability, and investor confidence. Effective risk management ensures business continuity and resilience against operational and financial uncertainties, reducing the risk of financial mismanagement. |
| | **(vi) Management Approach** | ➢ Policies: The Group adopted the principles and recommendations of Malaysian Code on Corporate Governance 2021 ("MCCG") and implemented a risk management framework to assess and mitigate key business risks.<br>➢ Measures/Actions Taken: The Group conducted regular governance reviews and implemented risk management policies and controls. The risk register was reviewed yearly to ensure that the Group effectively identifies, assesses, and manages potential risks to its operations, strategy, and objectives.<br>➢ Sustainability Performance: The details of the corporate governance are elaborated in the Corporate Governance Overview Statement and the risk management are elaborated in the Statement on Risk Management and Internal Control of Annual Report 2024. |
| **b.** | **Personal Data Protection Act 2010 ("PDPA") Compliance** | **Related UNSDG:**  |
| | **(i) Risks** | Data breaches could lead to financial penalties and a loss of customer trust, and evolving cybersecurity threats require ongoing vigilance. |
| | **(ii) Opportunities** | Strengthening data protection practices presents an opportunity to enhance brand reputation and build customer trust. As cybersecurity threats evolve, investing in essential security measures, such as antivirus software and secure data handling, can further improve resilience and ensure compliance with PDPA. |
| | **(iii) Performance Target** | The Group strives to achieve zero substantiated complaints related to breaches of customer privacy and data loss, while maintaining full compliance with PDPA regulations and continuously improving data protection measures to minimise the risk of breaches. |

## MANAGING SUSTAINABILITY (CONT'D)

### GOVERNANCE (CONT'D)

| | | |
|---|---|---|
| **b.** | **Personal Data Protection Act 2010 ("PDPA") Compliance** | |
| | **(iv) Identification** | PDPA compliance is identified as a critical sustainability matter due to legal requirements, regulatory obligations, and the increasing importance of data privacy for business operations and customer trust, especially in the face of growing cybersecurity threats. |
| | **(v) Importance** | Ensuring PDPA compliance protects stakeholders' personal data, prevents legal penalties, and enhances customer confidence, thereby increasing customer retention and business growth. |
| | **(vi) Management Approach** | ➢ Policies: The Group adhered to data protection policy to ensure compliance with PDPA and had a secure data storage and handling procedures.<br>➢ Measures/Actions Taken: The Group conducted briefing on data privacy protection to the employees and regularly reviewed data security compliance. The PDPA 2010 Notice and Choice, as well as the Human Resources Data Protection Policy, were established and are available for viewing on the corporate website.<br>➢ Key Sustainability Indicator: The Group strictly adhered to the PDPA requirements and there were no substantiated complaints concerning breaches of customer privacy and losses of customer data for FYE 2022, FYE 2023 and FYE 2024. |
| **c.** | **Anti-Bribery and Anti-Corruption ("ABAC") Policy** | **Related UNSDG:**  |
| | **(i) Risks** | Non-compliance with anti-bribery laws can result in legal consequences, while corruption allegations have the potential to severely damage the corporate reputation. |
| | **(ii) Opportunities** | Strong anti-corruption measures enhance investor confidence and ensure regulatory compliance, while ethical business practices attract reputable business partners and customers. |
| | **(iii) Performance Target** | The Group is committed to upholding the highest standards of integrity and ethical conduct. To strengthen its anti-bribery and anti-corruption efforts, the Group has set the following targets for FYE 2025:<br>➢ Maintain at least 80% of employees receive anti-corruption training to enhance awareness and compliance.<br>➢ Conduct periodic corruption risk assessments covering 50% of operations to identify and mitigate potential risks.<br>➢ Maintain zero confirmed incidents of corruption through preventive measures and strict enforcement of the ABAC Policy. |
| | **(iv) Identification** | ABAC risks are identified through internal audits, regulatory requirements, and stakeholder expectations. |
| | **(v) Importance** | Ethical business practices are critical to maintaining stakeholder trust, ensuring regulatory compliance, and preventing financial and reputational risks. |

# SUSTAINABILITY STATEMENT (CONT'D)

## MANAGING SUSTAINABILITY (CONT'D)

### GOVERNANCE (CONT'D)

**c. Anti-Bribery and Anti-Corruption ("ABAC") Policy**

**(vi) Management Approach**

- Policies: The Group adopted an ABAC Policy aligned with the Malaysian Anti-Corruption Commission (MACC) Act 2009 and its 2018 amendment, reinforcing a zero-tolerance approach to corruption and unethical business practices.
- Measures/Actions Taken: The Group implemented ABAC training for employees and Directors, and enforced a zero-tolerance policy on corruption. The ABAC Policy is available on the corporate website.
- Key Sustainability Indicator: The Group's commitment to anti-bribery and anti-corruption practices is reflected in the following key indicators over the past three financial years, as summarised below:

Percentage of employees who have received training on anti-corruption

| Employee Category | FYE 2022 | FYE 2023 | FYE 2024 |
|---|---|---|---|
| Management | 0 | 0 | 30% |
| Executives | 0 | 0 | 33.33% |
| Non-Executives | 0 | 0 | 16.67% |
| General Workers | 0 | 0 | 0 |

Percentage of operations assessed for corruption-related risks

| Indicator | FYE 2022 | FYE 2023 | FYE 2024 |
|---|---|---|---|
| Operations assessed for corruption-related risks | 0 | 0 | 0 |

No assessment was carried out in FYE 2024, as the Group adopts a risk-based approach whereby such evaluations are conducted at planned intervals. This approach balances cost-effectiveness and operational capacity while ensuring adequate risk coverage over time. The next corruption risk assessment is scheduled for a future reporting period, subject to changes in business activities or emerging risks.

The Group remains committed to upholding a strong anti-corruption culture and continues to monitor its operations through internal controls, employee awareness programmes, and ongoing compliance reviews. The Group's efforts were reflected in the reporting of zero corruption incidents for consecutive years, as summarised below.

Confirmed incidents of corruption and action taken

| Indicator | FYE 2022 | FYE 2023 | FYE 2024 |
|---|---|---|---|
| Confirmed incidents of corruption | 0 | 0 | 0 |

## MANAGING SUSTAINABILITY (CONT'D)

### GOVERNANCE (CONT'D)

| | | |
|---|---|---|
| **d.** | **Whistleblowing Policy** | **Related UNSDG:**  |
| | **(i) Risks** | Fear of retaliation among employees may reduce the reporting of unethical activities, and ineffective whistleblowing mechanisms can result in regulatory scrutiny. |
| | **(ii) Opportunities** | A robust whistleblowing framework strengthens corporate integrity and governance, while transparency in reporting fosters a culture of accountability and trust. |
| | **(iii) Performance Target** | Ensure that 100% of whistleblowing cases, if any, are resolved within 60 days of submission, with a target of zero unresolved complaints by FYE 2025. |
| | **(iv) Identification** | Whistleblowing mechanisms are identified as critical tools for promoting transparency, ethical behavior, and good corporate governance. |
| | **(v) Importance** | A strong whistleblowing framework encourages employees and stakeholders to report misconduct without fear, fostering integrity within the organisation. |
| | **(vi) Management Approach** | ➢ Policies: The Whistleblowing Policy ensures confidentiality and protection against retaliation, providing independent reporting channels to encourage the reporting of misconduct. This policy is available on the corporate website.<br>➢ Measures/Actions Taken: The Group conducted briefings on whistleblower rights and protections and regularly reviewed whistleblowing cases and the actions taken to address them.<br>➢ Sustainability Performance: During FYE 2022, FYE 2023 and FYE 2024, no whistleblowing cases were reported. This may reflect a positive work environment where employees do not encounter issues that warrant reporting. While no cases have been raised, the Group remains committed to maintaining a transparent and ethical culture through continuous communication, training, and the provision of a secure and confidential reporting channel. |

# SUSTAINABILITY STATEMENT (CONT'D)

## MANAGING SUSTAINABILITY (CONT'D)

### SOCIAL

Compugates Group places strong emphasis on social sustainability by fostering a positive workplace culture, promoting ethical business practices, and engaging with communities. We believe that our people, customers, and stakeholders are integral to long-term success, and we are committed to ensuring their well-being.

Our social sustainability efforts focus on employee development, workplace diversity, occupational health and safety, and responsible corporate citizenship. Through continuous engagement, fair labor practices, and community initiatives, we strive to create meaningful social impact while upholding high ethical standards.

| | | |
|---|---|---|
| **a.** | **Human and Workers' Rights Protections** | **Related UNSDG:**  |
| | **(i) Risks** | Reputational damage and legal penalties if human rights violations occur. |
| | **(ii) Opportunities** | Strengthened employer branding and compliance with global labour standards. |
| | **(iii) Performance Target** | Maintain zero substantiated complaints annually. |
| | **(iv) Identification** | Human and workers' rights concerns are identified through employee feedback, grievance reporting channels, and compliance with labour laws. |
| | **(v) Importance** | Protecting human and workers' rights ensures a fair and safe workplace, enhances employee morale, and mitigates legal and reputational risks. |
| | **(vi) Management Approach** | ➢ Policies: The Group is committed to protecting employees from discrimination, harassment, and unfair treatment in the workplace. A Whistleblowing Policy is in place to allow employees to report any violations confidentially.<br>➢ Measures/Actions Taken: The Group implemented grievance mechanisms for employees to report issues, uphold ethical workplace practices and compliance, and enforce strict labour policies in accordance with national laws.<br>➢ Key Sustainability Indicators: The number of substantiated complaints concerning human rights violations is summarised below: |

| Financial Year Ended | Number of substantiated complaints |
|---|---|
| 31 December 2022 | 0 |
| 31 December 2023 | 0 |
| 31 December 2024 | 0 |

## MANAGING SUSTAINABILITY (CONT'D)

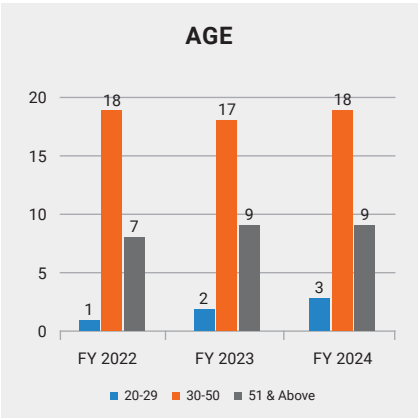
## SOCIAL (CONT'D)

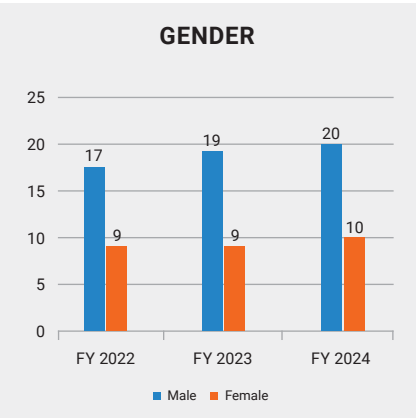
### b. Equality and Diversity

**Related UNSDGs:**



| | | |
|---|---|---|
| (i) | **Risks** | Industry-specific challenges in recruiting female leaders. |
| (ii) | **Opportunities** | Stronger corporate reputation and compliance with regulatory expectations. |
| (iii) | **Performance Target** | Maintain at least 30% participation of women in leadership roles at the management level for FYE 2025. |
| (iv) | **Identification** | Workforce diversity and gender balance concerns were identified through Human Resources workforce data analysis and adoption of best practice in accordance with MCCG. |
| (v) | **Importance** | Promoting diversity ensures a fair and inclusive workplace, attracts top talent, and aligns with best practices on gender equality. |
| (vi) | **Management Approach** | ➢ Policies: The Group prohibits discrimination, promotes fair hiring and career progression, and supports women's leadership development.<br><br>➢ Measures/Actions Taken: The Board of Compugates is actively managing its workforce diversity to ensure equal employment opportunity between male and female. Diversity may result from a wide range of factors which include age, gender ethnicity or cultural background. The Group fosters an environment where the ability to contribute and access to employment opportunities is based on performance, skills and merits. These will include equal opportunity in respect to employment and employment conditions such as hiring, training for professional development and promotion for career advancement.<br><br>➢ Key Sustainability Indicators: The employee and Director demographics are summarised below:<br><br><u>Employees</u> |



# SUSTAINABILITY STATEMENT (CONT'D)

## MANAGING SUSTAINABILITY (CONT'D)

## SOCIAL (CONT'D)

### b. Equality and Diversity

**(vi) Management Approach**

➢ Key Sustainability Indicators: The employee and Director demographics are summarised below: (Cont'd)

Employees (Cont'd)







**Note:** *The figures in the above charts represent the number of employees.*

The percentage of employees who are contractors or temporary staff is shown below:

| Financial Year Ended | % |
|---|---|
| 31 December 2022 | 0 |
| 31 December 2023 | 0 |
| 31 December 2024 | 0 |

Directors

The Board of CSB and CMSB for FYE 2022, FYE 2023 and FYE 2024 comprised the same group of highly experienced individuals. All Board members were aged 60 and above, bringing decades of leadership and industry expertise to the Group.

The gender diversity of the Boards of CSB and CMSB is summarised below:

| Financial Year Ended | Male | Female |
|---|---|---|
| 31 December 2022 | 50% | 50% |
| 31 December 2023 | 50% | 50% |
| 31 December 2024 | 50% | 50% |

## MANAGING SUSTAINABILITY (CONT'D)

### SOCIAL (CONT'D)

**c. Employee Training and Development**

**Related UNSDG:** 

| | | |
|---|---|---|
| (i) | **Risks** | Resistance to training and time constraints for employees. |
| (ii) | **Opportunities** | Higher employee retention and innovation-driven workforce. |
| (iii) | **Performance Target** | Provide employees with at least 2 hours of essential role-specific training in FYE 2025. |
| (iv) | **Identification** | The need for employee training is identified through performance reviews, skill gap analyses, and evolving industry requirements. |
| (v) | **Importance** | Continuous training enhances employee competency, increases productivity, and supports long-term business growth. |
| (vi) | **Management Approach** | ➢ Policies: At Compugates, we are committed to attracting, retaining, and developing talent to drive the Group's success. We believe that continuous learning and personal development are essential for both the growth of our employees and the overall success of the company. Our policy emphasises principles of continuous employee development and lifelong learning.<br><br>➢ Measures/Actions Taken: The Group executed employee training plans and collaborated with external training providers to offer industry-relevant courses. During FYE 2024, the employees attended the following training programs and seminars:<br><br>• ESG Essential Training<br>• Strata Management 2024, Series 1<br>• Strata Management 2024, Series 2<br>• Improve Sales Influential<br>• Occupational Safety & Health Coordinator Training<br>• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)<br>• Fortify Your Ransomeware Gameplan-Government Enforcement Insights<br>• Conflict of Interest ("COI") & Governance of COI<br>• Fundamentals of Anti-Bribery & Anti-Corruption<br><br>➢ Key Sustainability Indicators: The total hours of training by employee category are provided below: |

| Employee Category | FYE 2022 | FYE 2023 | FYE 2024 |
|---|---|---|---|
| Management | 20 | 102 | 110 |
| Executives | 0 | 3 | 12 |
| Non-Executives | 0 | 0 | 4 |
| General Workers | 0 | 0 | 0 |

# SUSTAINABILITY STATEMENT (CONT'D)

## MANAGING SUSTAINABILITY (CONT'D)

## SOCIAL (CONT'D)

### d. Employee Welfare

**Related UNSDG:** 

| | | |
|---|---|---|
| (i) | **Risks** | High turnover may lead to increased hiring costs and loss of experienced talent. |
| (ii) | **Opportunities** | Employee satisfaction strengthens company reputation and reduces hiring costs. |
| (iii) | **Performance Target** | Maintain an optimal retention rate by ensuring employee well-being initiatives. |
| (iv) | **Identification** | Employee welfare needs are assessed through exit interviews and turnover analysis. |
| (v) | **Importance** | A well-supported workforce leads to higher retention, better productivity, and a positive workplace culture. |
| (vi) | **Management Approach** | ➢ Policies: At Compugates, we are committed to fostering a supportive work environment that prioritises employee well-being. Our policy promotes a performance-based culture where employees are encouraged to reach their full potential and are fairly rewarded for their contributions. We offer competitive remuneration, long-term career development opportunities, employee recognition, and initiatives that enhance social well-being.<br><br>➢ Measures/Actions Taken: The Group has structured attractive remuneration packages to ensure employees are fairly rewarded while remaining competitive to attract top talent. As a token of appreciation for long-serving employees, service awards for 5 and 10 years of service are presented annually. Employee well-being plays a crucial role in productivity and workplace relationships. To foster a positive and engaging work culture, Compugates has established a Recreation Club, managed by elected representatives who are voted in annually. The club organises various activities, including team-building events, sports activities, company trips, celebrations, social gatherings, and dinners, all aimed at strengthening workplace relationships and enhancing employee morale.<br><br>➢ Key Sustainability Indicators: The total number of employee turnover by employee category is listed below: |

| Employee Category | FYE 2022 | FYE 2023 | FYE 2024 |
|---|---|---|---|
| Management | 0 | 2 | 0 |
| Executives | 1 | 1 | 2 |
| Non-Executives | 0 | 0 | 1 |
| General Workers | 0 | 1 | 1 |
| **Total** | **1** | **4** | **4** |

## MANAGING SUSTAINABILITY (CONT'D)

### SOCIAL (CONT'D)

| | | |
|---|---|---|
| **d.** | **Employee Welfare** | |
| | **(vi) Management Approach** | The increase in employee turnover in FYE 2023 and FYE 2024 compared to FYE 2022 is not indicative of internal issues, but rather a reflection of broader economic and labour market trends. Following the post-pandemic economic recovery, many companies resumed hiring and began offering significantly higher salary packages to attract talent. As a result, some employees left the Group for opportunities with higher remuneration, which were beyond the Group's budgetary capacity at the time. Nevertheless, the Group managed the transitions effectively by swiftly recruiting suitable replacements, ensuring minimal disruption to business operations. In addition, the Group continues to focus on employee engagement, development, and workplace culture to strengthen retention. |
| **e.** | **Muslim Community – Halal Certified Product** | **Related UNSDG:**  |
| | **(i) Risks** | Failure to comply may lead to loss of certification, restricting access to the Halal market segment. |
| | **(ii) Opportunities** | Growth potential in the Halal-certified herbal tea market, tapping into increasing demand from Muslim consumers. |
| | **(iii) Performance Target** | Continue to renew the Halal certification for Treesure Gaharu Herbal Tea. |
| | **(iv) Identification** | The need for Halal certification was identified as essential through regulatory requirements and customer preferences, particularly in Muslim-majority markets. |
| | **(v) Importance** | Maintaining Halal certification ensures market access for CMSB, particularly in Muslim-majority regions, and strengthens consumer trust in the Treesure Gaharu Herbal Tea product. |
| | **(vi) Management Approach** | ➢ Policies: At Compugates, we ensure our adherence to halal certification requirements.<br>➢ Measures/Actions Taken: We engaged with Halal certification bodies for periodic audits and renewals, ensuring compliance with Halal product processing and ingredient sourcing standards specific to gaharu-based herbal tea.<br>➢ Sustainability Performance: The Halal certification was successfully renewed for the past three financial years, FYE 2022, FYE 2023 and FYE 2024. The existing Halal certificate[6] remains valid until 31 December 2025, and we will continue to renew it. |

[6] No. Ruj: JAKIM.700-2/3/5 077-09/2012

# SUSTAINABILITY STATEMENT (CONT'D)

## MANAGING SUSTAINABILITY (CONT'D)

### SOCIAL (CONT'D)

**f. Community Engagement**

**Related UNSDG:**



| | |
|---|---|
| **(i) Risks** | Limited resources may restrict the ability to support community programs. |
| **(ii) Opportunities** | Strengthened corporate image, improved stakeholder relations, and long-term positive impact on society. |
| **(iii) Performance Target** | Undertake at least one community engagement initiative annually. |
| **(iv) Identification** | Community engagement initiatives were identified through assessments of local needs and evaluations of past corporate social responsibility programs. |
| **(v) Importance** | Active participation in community engagement programs enhances corporate reputation, fosters goodwill, and strengthens relationships with local communities. |
| **(vi) Management Approach** | ➢ Policies: The Group is committed to supporting local communities through its corporate social responsibility initiatives.<br>➢ Measures/Actions Taken: The Group engages in community-based programs, either independently or in collaboration with external organisations, and encourages employee volunteer initiatives and contributions to social causes.<br>➢ Key Sustainability Indicators: The Group's contributions to the community are summarised below: |

| Indicators | FYE 2022 | FYE 2023 | FYE 2024 |
|---|---|---|---|
| Total amount invested in the community (RM) | 0 | 0[(1)] | 0 |
| Total number of beneficiaries | 0 | 4 | 0 |

***Note:***
*(1) This is a non-monetary contribution. In FYE 2023, the Group supported educational development by allowing four students from Universiti Teknologi MARA (UiTM) to attend and observe the Group's virtual Annual General Meeting held on 30 May 2023. This initiative was undertaken to support the students' curriculum requirement for the Company Secretarial Practice I module, part of the Bachelor of Corporate Administration (Honours) programme.*

Due to workforce constraints in FYE 2024, the Group focused on optimising business operations, resulting in a substantial revenue increase of 42.35% compared to FYE 2023 and 296.90% compared to FYE 2022. While no community engagement activities were carried out in FYE 2024, the Group remains committed to fostering strong community relationships and aims to resume its engagement efforts in subsequent financial years. Moving forward, the Group will explore structured programs that balance business priorities with meaningful community contributions.

## MANAGING SUSTAINABILITY (CONT'D)

### SOCIAL (CONT'D)

**g. Occupational Health & Safety**

**Related UNSDGs:**



| | | |
|---|---|---|
| **(i)** | **Risks** | Workplace accidents may lead to injuries, reputational damage, and legal penalties. |
| **(ii)** | **Opportunities** | A safe working environment increases employee confidence and enhances operational efficiency. |
| **(iii)** | **Performance Target** | Maintain zero work-related fatalities, reduce lost time incident rate year-on-year, and arrange at least 50% of employees trained on health and safety standards for FYE 2025. |
| **(iv)** | **Identification** | Workplace safety risks are identified through internal safety audits, incident reports, and compliance with national occupational health and safety regulations. |
| **(v)** | **Importance** | A strong health and safety culture ensures employee well-being, reduces workplace accidents, and enhances productivity. Compliance with safety regulations also protects the company from legal and financial risks. |
| **(vi)** | **Management Approach** | ➢ Policies: The Group is committed to maintaining a safe and healthy working environment for all employees. The Group prioritizes workplace safety, staff welfare, and continuous development. As part of this commitment, employees are provided with personal accident and insurance coverage to ensure their well-being.<br>➢ Measures/Actions Taken: The Group conducted regular safety briefing and drills for employees, implemented workplace hazard identification and risk assessment programs, provided personal protective equipment where necessary, and ensured that all workplace incidents, if any, were reported and investigated workplace incidents to improve safety measures. The effectiveness and adequacy of the safety monitoring efforts were reflected in the achievement of zero work-related fatalities and lost-time incidents.<br>➢ Key Sustainability Indicators: The Group's commitment to workplace safety is reflected in the following key indicators over the past three financial years: |

| Indicators | FYE 2022 | FYE 2023 | FYE 2024 |
|---|---|---|---|
| Number of work-related fatalities | 0 | 0 | 0 |
| Lost time incident rate | 0 | 0 | 0 |
| Number of employees trained on health and safety standards | 0 | 0 | 2 |

## INTERNAL AUDITORS' ASSURANCE

The Statement for FYE 2024 has been subjected to an internal review by our internal auditors. The review assessed the accuracy of disclosures, alignment with MMLR of Bursa Securities, and the effectiveness of sustainability data management. Based on their assessment, the Statement fairly represents the Group's sustainability initiatives and performance.

## MOVING FORWARD

Our commitment to sustainability is ongoing, acknowledging that there's room for improvement in both our initiatives and reporting structure. We remain vigilant in monitoring industry developments, actively engaging stakeholders, and striving to integrate sustainable practices into our operations to enhance our overall performance.

# SUSTAINABILITY STATEMENT (CONT'D)

25th April 2025

**COMPUGATES HOLDINGS BERHAD**
No. 3, Jalan PJU 1/41,
Block C1 Dataran Prima,
47301 Petaling Jaya,
Selangor Darul Ehsan.

***Attention: Mdm. Tan Siew Li (Chairman of Risk Management Committee)***

**INDEPENDENT LIMITED ASSURANCE STATEMENT ON SUBJECT MATTER INFORMATION IN COMPUGATES HOLDINGS BERHAD'S SUSTAINABILITY STATEMENT ("the Statement")**

**To the Board of Directors of Compugates Holdings Berhad**

We, Vaersa Advisory Sdn. Bhd. have been engaged by Compugates Holdings Berhad ("CHB" or the "Group") to perform an independent limited assurance engagement on selected sustainability indicators (hereinafter referred to as the "Subject Matter Information") as reported by CHB in its Sustainability Statement for the year ended 31 December 2024 ("the Statement").

**Our Limited Assurance Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information contained in the CHB's Sustainability Report for the year ended 31 December 2024 ("FYE 2024") has not been prepared, in all material respects, in accordance with the Reporting Criteria.

**Subject Matter Information**

In strengthening the credibility of our reporting, this Sustainability Statement has been subjected to independent assurance in accordance with recognised assurance standards for selected indicators and has been approved by the Company's Audit Committee.

The Scope, Subject Matter(s) covered, and Conclusion (where applicable) are provided below:

| Type of Assurance | Material Matters | Subject Matter | Target | Progress / Performance | Conclusion |
|---|---|---|---|---|---|
| Independent Assurance | Economic | Financial Performance | While no specific numerical targets are set, the Group is committed to continuous financial improvement through prudent financial management and sustainable business strategies. | The Group reported a total revenue and other income of RM23.26 million for FYE 2024, reflecting a 51.33% increase compared to RM15.37 million in the financial year ended 31 December 2023 (FYE 2023) and a 290.92% increase compared to RM5.95 million in FYE 2022.<br><br>This growth in revenue and other incomes demonstrates progress in our business strategy, and we remain committed to cost control and efficiency improvements in future periods. | Verified. |
| | | Supply Chain Management | At least 90% of procurement spending to local suppliers to support the local economy and ensure supply chain resilience for the financial year ending 31 December 2025 ("FYE 2025") | The Group demonstrated its commitment to supporting the local economy by engaging 100% local suppliers in its procurement activities over the past three financial years. | Verified. |
| | Environmental | Recycled Materials | Reduce A4 paper usage by 10% by FYE 2025. | The Group implemented paper reduction measures by transitioning to digital documentation, raising employee awareness, and promoting double-sided printing and paper reuse. Additionally, the Group encouraged the recycling of used electronic devices by engaging with recycling companies for trade-in, recycling, or proper disposal, where applicable.<br><br>**Metrics** / **FYE 2024 vs FYE 2023**<br>Ream / ▼ 22.62%<br>Amount (RM) / ▼ 45.86% | Achieved and verified. Progress should be monitored to stay on track with the milestone. |

# SUSTAINABILITY STATEMENT (CONT'D)

| Type of Assurance | Material Matters | Subject Matter | Target | Progress / Performance | Conclusion |
|---|---|---|---|---|---|
| Independent Assurance (Cont'd) | Environmental (Cont'd) | Paperless Invoicing | Achieve 100% paperless invoicing adoption by FYE 2025, in line with the mandatory implementation of e-invoicing introduced by the Inland Revenue Board of Malaysia ("IRB") in 2025. | While full adoption of paperless invoicing faced challenges — particularly from customers in the trading of electronic devices who require hardcopies due to long itemised invoice lists — the Group has taken steps to reduce internal paper usage.<br><br>Previously, three copies of each invoice were printed (for the customer, internal filing, and sales personnel).<br><br>Since 2019, only one copy is printed for the customer, while the internal and sales copies are maintained digitally.<br><br>This adjustment has led to a notable reduction in internal paper consumption, although the increase in sales volume and corresponding invoice activity has partially offset the overall savings.<br><br>The Group remains committed to transitioning to full e-invoicing in line with the IRB's 2025 mandate and will continue engaging with stakeholders to ensure smooth and efficient implementation.<br><br>The Group has continued its internal paper-saving measures throughout FYE 2022, FYE 2023 and FYE 2024 by reducing printed invoice copies from three to one per transaction.<br><br>This initiative represents a consistent effort to minimise paper usage, effectively reducing internal invoice-related printing by approximately two-thirds. While the higher sales volume in FYE 2024 led to an increase in the number of invoices issued, the continued implementation of this measure has helped to moderate overall paper consumption across the Group's operations. consumption across the Group's operations. | Progress should be monitored to stay on track with the milestone. |

<table>
<tr><th>Type of Assurance</th><th>Material Matters</th><th>Subject Matter</th><th>Target</th><th>Progress / Performance</th><th>Conclusion</th></tr>
<tr><td rowspan="2">Independent Assurance (Cont'd)</td><td rowspan="2">Environmental (Cont'd)</td><td>$CO_2$ Emission</td><td>Reduce greenhouse gas ("GHG") emissions for Scope 1 and Scope 2 by 5% by for financial year ending 31 December 2026.</td><td>In FYE 2024, the Group expanded its delivery fleet to meet growing customer demand and increased sales. Compared to 2023, the number of delivery vehicles grew from one to three (two lorries and one van), resulting in higher fuel consumption. The Group continued to improve logistics efficiency through bulk purchases, bulk deliveries, and route optimisation to reduce unnecessary mileage. While overall fuel usage increased, it was proportionate to the rise in business volume and logistics requirements.<br><br>To address the increase and realign with our emissions reduction target, the Group will consider enhancing delivery route mapping with GPS-based software to reduce travel distance and implementing load optimisation strategies to reduce the number of trips required. Subject to budget availability, the Group may also explore the replacement of existing vehicles with more fuel-efficient or hybrid models.<br><br><table><tr><th>FYE</th><th>$tCO_2e$</th></tr><tr><td>2023</td><td>31.82</td></tr><tr><td>2024</td><td>51.38</td></tr></table></td><td>Progress should be monitored to stay on track with the milestone.</td></tr>
<tr><td>Energy Management</td><td>Endeavor to reduce energy consumption by 1% to 2% every year.</td><td>The Group installed LED light tubes and upgraded a few air-conditioning units to energy efficiency-rated models.<br><br>While electricity usage increased in FYE 2024, this was primarily driven by higher sales volume and the execution of corporate exercises, which required extended working hours and greater use of office facilities.</td><td>The reduction of energy consumption was not achieved. Effort has been made by installation of energy saving air conditioning.<br><br>Progress should be monitored to stay on track with the milestone.</td></tr>
</table>

# SUSTAINABILITY STATEMENT (CONT'D)

<table>
<tr><th>Type of Assurance</th><th>Material Matters</th><th>Subject Matter</th><th>Target</th><th>Progress / Performance</th><th>Conclusion</th></tr>
<tr><td rowspan="3">Independent Assurance (Cont'd)</td><td rowspan="3">Environmental (Cont'd)</td><td>Energy Management (Cont'd)</td><td>Endeavor to reduce energy consumption by 1% to 2% every year. (Cont'd)</td><td>To realign with the reduction target in FYE 2025, the Group plans to gradually replace older lighting and cooling systems with more energy-efficient alternatives, promote behavioural changes among employees through awareness initiatives, and implement stricter energy usage policies for after-hours work.<br><br><table><tr><th>FYE</th><th>$tCO_2e$</th></tr><tr><td>2023</td><td>58.68</td></tr><tr><td>2024</td><td>63.71</td></tr></table></td><td>The reduction of energy consumption was not achieved. Effort has been made by installation of energy saving air conditioning.<br><br>Progress should be monitored to stay on track with the milestone.</td></tr>
<tr><td>Water Management</td><td>Maintain efficient water usage within the minimum consumption tier throughout FYE 2025. While further reductions may not be feasible due to already minimal usage levels, the Group aims to sustain this low level through ongoing awareness and operational controls.</td><td>The Group has implemented rainwater harvesting systems to optimise water conservation.<br><br>Although total water consumption generally remains within the base tariff bracket for most months, regular monitoring is maintained to minimise wastage and identify any unusual spikes in usage.<br><br><table><tr><th>FYE</th><th>$m^3$</th></tr><tr><td>2023</td><td>158</td></tr><tr><td>2024</td><td>266</td></tr></table></td><td>The aim to sustain the water consumption level was not achieved. Effort has been made by practicing rainwater collection.<br><br>Progress should be monitored to stay on track with the milestone.</td></tr>
<tr><td>"MYOrganic" Certification</td><td>Continuous renewal of certification and maintain organic practices.</td><td>CMSB complied with MYOrganic certification by implementing strict organic farming practices, such as natural pest control and soil enrichment techniques, providing regular training for farmers and workers on organic standards, conducting internal audits to maintain adherence, and engaging with certification bodies for periodic assessments and renewals.</td><td>Achieved and verified.</td></tr>
</table>

<table>
<tr><th>Type of Assurance</th><th>Material Matters</th><th>Subject Matter</th><th>Target</th><th>Progress / Performance</th><th>Conclusion</th></tr>
<tr><td rowspan="3">Independent Assurance (Cont'd)</td><td rowspan="3">Governance</td><td>Corporate Governance & Risk Management</td><td>Maintain compliance with Malaysia Code on Corporate Governance 2021 ("MCCG") and yearly review of risk register.</td><td>The Group conducted regular governance reviews and implemented risk management policies and controls.<br><br>The risk register was reviewed yearly to ensure that the Group effectively identifies, assesses, and manages potential risks to its operations, strategy, and objectives.</td><td>Achieved and verified.</td></tr>
<tr><td>Personal Data Protection Act ("PDPA")</td><td>The Group strives to achieve zero substantiated complaints related to breaches of customer privacy and data loss, while maintaining full compliance with PDPA regulations and continuously improving data protection measures to minimise the risk of breaches.</td><td>The Group conducted briefing on data privacy protection to the employees and regularly reviewed data security compliance.<br><br>The PDPA 2010 Notice and Choice, as well as the Human Resources Data Protection Policy, were established and are available for viewing on the corporate website.</td><td>Achieved and verified.</td></tr>
<tr><td>Anti-Bribery & Anti-Corruption Policy ("ABAC")</td><td>The Group is committed to upholding the highest standards of integrity and ethical conduct.</td><td>Percentage of employees who have received training on anti-corruption<br><br>FYE2024:<table><tr><th>Category</th><th>%</th></tr><tr><td>Management</td><td>30</td></tr><tr><td>Executive</td><td>33.33</td></tr><tr><td>Non-Executive</td><td>16.67</td></tr><tr><td>General Workers</td><td>0</td></tr></table>Percentage of operations assessed for corruption-related risks<br><br>FYE2022 to 2024:<table><tr><th>FYE</th><th>Case</th></tr><tr><td>2022</td><td>0</td></tr><tr><td>2023</td><td>0</td></tr><tr><td>2024</td><td>0</td></tr></table></td><td>No periodic corruption risk assessment was carried out in FYE 2024.<br><br>However, justification and action plans are provided.<br><br>Progress should be monitored to stay on track with the milestone.</td></tr>
</table>

# SUSTAINABILITY STATEMENT (CONT'D)

<table>
<tr><th>Type of Assurance</th><th>Material Matters</th><th>Subject Matter</th><th>Target</th><th>Progress / Performance</th><th>Conclusion</th></tr>
<tr><td rowspan="2">Independent Assurance (Cont'd)</td><td rowspan="2">Governance (Cont'd)</td><td rowspan="2">Anti-Bribery & Anti-Corruption Policy ("ABAC") (Cont'd)</td><td>The Group is committed to upholding the highest standards of integrity and ethical conduct. (Cont'd)</td><td>No assessment was carried out in FYE 2024, as the Group adopts a risk-based approach whereby such evaluations are conducted at planned intervals. This approach balances cost-effectiveness and operational capacity while ensuring adequate risk coverage over time. The next corruption risk assessment is scheduled for a future reporting period, subject to changes in business activities or emerging risks.</td><td>No periodic corruption risk assessment was carried out in FYE 2024.<br><br>However, justification and action plans are provided.<br><br>Progress should be monitored to stay on track with the milestone.</td></tr>
<tr><td>To strengthen its anti-bribery and anti-corruption efforts, the Group has set the following targets for FYE2025:<br><br>• Maintain at least 80% of employees receive anti-corruption training to enhance awareness and compliance.<br><br>• Conduct periodic corruption risk assessments covering 50% of operations to identify and mitigate potential risks.<br><br>• Maintain zero confirmed incidents of corruption through preventive measures and strict enforcement of ABAC Policy.</td><td>Confirmed incidents of corruption and action taken<br><br>FYE2022 to 2024:<br><table><tr><th>FYE</th><th>Case</th></tr><tr><td>2022</td><td>0</td></tr><tr><td>2023</td><td>0</td></tr><tr><td>2024</td><td>0</td></tr></table></td><td>No periodic corruption risk assessment was carried out in FYE 2024.<br><br>However, justification and action plans are provided.<br><br>Progress should be monitored to stay on track with the milestone.</td></tr>
</table>

<table>
<tr><th>Type of Assurance</th><th>Material Matters</th><th>Subject Matter</th><th>Target</th><th>Progress / Performance</th><th>Conclusion</th></tr>
<tr><td rowspan="3">Independent Assurance (Cont'd)</td><td>Governance (Cont'd)</td><td>Whistle Blowing Policy</td><td>Ensure that 100% of whistleblowing cases, if any, are resolved within 60 days of submission, with a target of zero unresolved complaints by FYE 2025.</td><td>The Group conducted briefings on whistleblower rights and protections and regularly reviewed whistleblowing cases and the actions taken to address them.<br><br>During FYE 2022, FYE 2023 and FYE 2024, no whistleblowing cases were reported.</td><td>Achieved and verified.</td></tr>
<tr><td rowspan="2">Social</td><td>Human & Workers' Rights Protections</td><td>Zero substantiated complaints annually</td><td><table><tr><th>FYE</th><th>Number of substantiated complaints</th></tr><tr><td>2022</td><td>0</td></tr><tr><td>2023</td><td>0</td></tr><tr><td>2024</td><td>0</td></tr></table></td><td>Achieved and verified.</td></tr>
<tr><td>Equality & Diversity</td><td>Maintain at least 30% participation of women in leadership roles at the management level for FYE 2025.</td><td>The Board of Compugates is actively managing its workforce diversity to ensure equal employment opportunity between male and female. Diversity may result from a wide range of factors which include age, gender ethnicity or cultural background. The Group fosters an environment where the ability to contribute and access to employment opportunities is based on performance, skills and merits.<br><br>These will include equal opportunity in respect to employment and employment conditions such as hiring, training for professional development and promotion for career advancement.<br><br>Employees:<br>Age diversity FYE2024:<table><tr><th>Age</th><th>No.</th></tr><tr><td>20-29</td><td>3</td></tr><tr><td>30-35</td><td>18</td></tr><tr><td>≥50</td><td>9</td></tr></table></td><td>Achieved and verified.</td></tr>
</table>

SUSTAINABILITY STATEMENT
(CONT'D)

<table>
<tr><th>Type of Assurance</th><th>Material Matters</th><th>Subject Matter</th><th>Target</th><th>Progress / Performance</th><th>Conclusion</th></tr>
<tr><td>Independent Assurance (Cont'd)</td><td>Social (Cont'd)</td><td>Equality & Diversity (Cont'd)</td><td>Maintain at least 30% participation of women in leadership roles at the management level for FYE 2025. (Cont'd)</td><td>Employees: (Cont'd)<br>Gender diversity FYE2024:<br><table><tr><th>Gender</th><th>No.</th></tr><tr><td>Male</td><td>20</td></tr><tr><td>Female</td><td>10</td></tr></table><br>Ethnicity FYE2024:<br><table><tr><th>Race</th><th>No.</th></tr><tr><td>Malay</td><td>10</td></tr><tr><td>Chinese</td><td>18</td></tr><tr><td>Indian</td><td>1</td></tr><tr><td>Others</td><td>1</td></tr></table><br>Employment Category FYE 2024:<br><table><tr><th>FYE</th><th>No.</th></tr><tr><td>Management</td><td>10</td></tr><tr><td>Executive</td><td>12</td></tr><tr><td>Non-Executive</td><td>5</td></tr><tr><td>General Worker</td><td>3</td></tr></table><br>Temporary and Contract Staff as of 31st December:<br><table><tr><th>FYE</th><th>%</th></tr><tr><td>2022</td><td>0</td></tr><tr><td>2023</td><td>0</td></tr><tr><td>2024</td><td>0</td></tr></table><br>Directors of CSB & CMSB:<br><table><tr><th>FYE</th><th>%</th></tr><tr><td>2023</td><td>Male:50<br>Female:50</td></tr><tr><td>2024</td><td>Male:50<br>Female:50</td></tr></table></td><td>Achieved and verified.</td></tr>
</table>

<table>
<tr><th>Type of Assurance</th><th>Material Matters</th><th>Subject Matter</th><th>Target</th><th>Progress / Performance</th><th>Conclusion</th></tr>
<tr><td>Independent Assurance (Cont'd)</td><td>Social (Cont'd)</td><td>Employee Training & Development</td><td>Provide employees with at least 2 hours of essential role-specific training in FYE 2025.</td><td>The Group executed employee training plans and collaborated with external training providers to offer industry-relevant courses. During FYE 2024, the employees attended the following training programs and seminars:<br>• ESG Essential Training<br>• Strata Management 2024, Series 1<br>• Strata Management 2024, Series 2<br>• Improve Sales Influential<br>• Occupational Safety & Health Coordinator Training<br>• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)<br>• Fortify Your Ransomeware Gameplan-Government Enforcement Insights<br>• Conflict of Interest ("COI") & Governance of COI<br>• Fundamentals of Anti-Bribery & Anti-Corruption<br><br>The total hours of training by employee category are provided below:<br><table><tr><th>Employee Category</th><th>2023</th><th>2024</th></tr><tr><td>Management</td><td>102</td><td>110</td></tr><tr><td>Executives</td><td>3</td><td>12</td></tr><tr><td>Non-Executives</td><td>0</td><td>4</td></tr><tr><td>General Workers</td><td>0</td><td>0</td></tr></table></td><td>Achieved and verified.</td></tr>
</table>

# SUSTAINABILITY STATEMENT (CONT'D)

| Type of Assurance | Material Matters | Subject Matter | Target | Progress / Performance | Conclusion |
|---|---|---|---|---|---|
| Independent Assurance (Cont'd) | Social (Cont'd) | Employee Welfare | Maintain an optimal retention rate by ensuring employee well-being initiatives. | The Group has structured attractive remuneration packages to ensure employees are fairly rewarded while remaining competitive to attract top talent. As a token of appreciation for long-serving employees, service awards for 5 and 10 years of service are presented annually. Employee well-being plays a crucial role in productivity and workplace relationships. To foster a positive and engaging work culture, Compugates has established a Recreation Club, managed by elected representatives who are voted in annually. The club organises various activities, including team-building events, sports activities, company trips, celebrations, social gatherings, and dinners, all aimed at strengthening workplace relationships and enhancing employee morale.<br><br>The increase in employee turnover in FYE 2023 and FYE 2024 compared to FYE 2022 is not indicative of internal issues, but rather a reflection of broader economic and labour market trends.<br><br>Following the post-pandemic economic recovery, many companies resumed hiring and began offering significantly higher salary packages to attract talent. | The optimal retention rate is not quantifiable. |
| | | Muslim Community-Halal certified product | Continue to renew the Halal certification for Treesure Gaharu Herbal Tea | The Halal certification was successfully renewed for the past three financial years, FYE 2022, FYE 2023 and FYE 2024. The existing Halal certificate remains valid until 31 December 2025, and we will continue to renew it. | Achieved and verified. |

<table>
<tr><th>Type of Assurance</th><th>Material Matters</th><th>Subject Matter</th><th>Target</th><th>Progress / Performance</th><th>Conclusion</th></tr>
<tr><td rowspan="2">Independent Assurance (Cont'd)</td><td rowspan="2">Social (Cont'd)</td><td>Community Engagement (Cont'd)</td><td>Undertake at least one community engagement initiative annually.</td><td>Due to workforce constraints in FYE 2024, the Group focused on optimising business operations, resulting in a substantial revenue increase of 42.35% compared to FYE 2023 and 296.90% compared to FYE 2022.<br><br>While no community engagement activities were carried out in FYE 2024, the Group remains committed to fostering strong community relationships and aims to resume its engagement efforts in subsequent financial years. Moving forward, the Group will explore structured programs that balance business priorities with meaningful community contributions.</td><td>Not achieved in FYE2024 but justification and action plans provided.<br><br>Progress should be monitored to stay on track with the milestone.</td></tr>
<tr><td>Occupational Health & Safety</td><td>Maintain zero work-related fatalities, reduce lost time incident rate year-on-year, and arrange at least 50% of employees trained on health and safety standards for FYE 2025.</td><td>The Group's commitment to workplace safety is reflected in the following key indicators over the past three financial years:<br><br>No. of work-related fatalities:
<table>
<tr><th>FYE</th><th>No. of Case</th></tr>
<tr><td>2022</td><td>0</td></tr>
<tr><td>2023</td><td>0</td></tr>
<tr><td>2024</td><td>0</td></tr>
</table>
Loss time incident rate:
<table>
<tr><th>FYE</th><th>No. of Case</th></tr>
<tr><td>2022</td><td>0</td></tr>
<tr><td>2023</td><td>0</td></tr>
<tr><td>2024</td><td>0</td></tr>
</table>
No of employees trained on health and safety standards:
<table>
<tr><th>FYE</th><th>Employee</th></tr>
<tr><td>2022</td><td>0</td></tr>
<tr><td>2023</td><td>0</td></tr>
<tr><td>2024</td><td>2</td></tr>
</table></td><td>Progress should be monitored to stay on track with the milestone</td></tr>
</table>

# SUSTAINABILITY STATEMENT (CONT'D)

**Conclusion:**

In conclusion, based on the procedures performed and evidence gathered, we provide reasonable assurance that the data and disclosures related to environmental, social, and governance performance in the report are fairly stated and in accordance with the applicable reporting standards. While overall progress is aligned with stated objectives, there are opportunities for improvement in overall performance of materiality target.

*** Reporting Criteria**

(a) The Subject Matter Information needs to be read and understood together with the Reporting Criteria, which CHB is solely responsible for selecting and applying. The Reporting Criteria used for the reporting of the Subject Matter Information.

(b) The Statement has been prepared in compliance with Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements ("Listing Requirements"). Other reporting standards, frameworks and guidelines referenced include:

- Bursa Malaysia Sustainability Reporting Guide (3rd Edition) – In Accordance
- Global Reporting Initiative ("GRI") 2021 (Core Option) – With Reference
- FTSE4Good Bursa Malaysia ("F4GBM") Index – With Reference
- Task Force on Climate-related Financial Disclosure ("TCFD") – In Alignment
- International Sustainability Standards Boards ("ISSB") Standards – With Reference
- United Nations Sustainability Development Goals ("UNSDGs")

**Management's Responsibility**

The management of CHB is responsible for the preparation of the Subject Matter Information included in CHB's Sustainability Report FYE2024 in accordance with the Reporting Criteria. This responsibility includes the selection and application of appropriate methods to prepare the Subject Matter Information reported in the CHB's Sustainability Report FYE2024 as well as the design, implementation, and maintenance of internal control relevant for the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error. Furthermore, the responsibility includes the use of assumptions and estimates for disclosures made by CHB's which are reasonable in the circumstances.

**Our Responsibility**

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the approved standard for assurance engagements in Malaysia, International Standard on Assurance Engagements ("ISAE") 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This standard requires that we plan and perform this engagement under consideration of materiality to express our conclusion with limited assurance about whether the Subject Matter Information is free from material misstatement.

The accuracy of the Subject Matter Information is subject to inherent limitations given their nature and methods for determining, calculating, and estimating such data. Our limited assurance report should therefore be read in conjunction with the Reporting Criteria.

A limited assurance engagement involves assessing the suitability in the circumstances of CHB's use of the Reporting Criteria as the basis for the preparation of the Subject Matter Information, assessing the risks of material misstatement of the Subject Matter Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

**Our Independence and Quality Control**

We have maintained our independence and confirm that we have adhered to the requirements of the Institute of Internal Auditors' (IIA) Code of Ethics and the International Standards for the Professional Practice of Internal Auditing (Standards), which are part of the International Professional Practices Framework (IPPF). We confirm that we have the requisite competencies and experience to perform this internal audit engagement.

In alignment with the IIA Standards, we also apply the principles of the Quality Assurance and Improvement Program (QAIP) to ensure the effectiveness and quality of our internal audit services. As required by the IIA, we have established a system of quality control that includes policies and procedures designed to uphold independence, compliance with ethical requirements, professional standards, and applicable legal and regulatory obligations.

**Description of Procedures Performed**

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Gaining an understanding of CHB's business, internal processes and approach to sustainability
- Conducting limited assurance procedures over the selected Subject Matter and disclosures, including:
  - Undertaking analytical procedures to support the reasonableness of the data.
  - Checking that the calculation Criteria have been applied as per the methodologies for the Subject Matter within the Statement.
  - Identifying and testing assumptions supporting calculations
  - Testing, on a sample basis, underlying source information to check accuracy of the data
  - Performing recalculations of performance indicators using input data
  - Checking that measurements made at the end of the reporting period are timely entered in the records and the sustainability statement.
  - Obtaining appropriate representations from management, in the form of a management representation letter addressed to us to confirm that the management believes that it has fulfilled its responsibilities.

SUSTAINABILITY STATEMENT
(CONT'D)

**Restriction on Distribution and Use and Disclaimer of Liability to Third Parties and For Any Other Purpose**

This report, including the conclusion, has been prepared solely for the Board of Directors of CHB in accordance with the agreement between us, in connection with the performance of an independent limited assurance engagement on the Subject Matter Information as reported by CHB in its Sustainability Report FYE2024 and should not be used or relied upon for any other purposes.

We consent to the inclusion of this report in the CHB's Sustainability Report FYE2024 to be disclosed on the website of CHB at https://www.compugates.com/EN/investor-relations/documents/annual-reports to assist the Directors in responding to their governance responsibilities by obtaining an independent limited assurance report on the Subject Matter Information in connection with the preparation of CHB's Sustainability Report FYE2024. As a result, we will not accept any liability or responsibility to any other party to whom our report is shown or into whose hands it may come. Any reliance on this report by any third party is entirely at its own risk.

Yours faithfully,

**Quincy Gan Hoong Huat**
**Executive Director**

# SUSTAINABILITY STATEMENT (CONT'D)

| Indicator | Measurement Unit | 2024 |
|---|---|---|
| **Bursa (Anti-corruption)** | | |
| Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category | | |
| Management | Percentage | 30.00 |
| Executive | Percentage | 33.33 |
| Non-executive/Technical Staff | Percentage | 16.67 |
| General Workers | Percentage | 0.00 |
| Bursa C1(b) Percentage of operations assessed for corruption-related risks | Percentage | 0.00 |
| Bursa C1(c) Confirmed incidents of corruption and action taken | Number | 0 |
| **Bursa (Community/Society)** | | |
| Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer | MYR | 0.00 |
| Bursa C2(b) Total number of beneficiaries of the investment in communities | Number | 0 |
| **Bursa (Diversity)** | | |
| Bursa C3(a) Percentage of employees by gender and age group, for each employee category | | |
| Age Group by Employee Category | | |
| Management Under 30 | Percentage | 0.00 |
| Management Between 30-50 | Percentage | 23.33 |
| Management Above 50 | Percentage | 10.00 |
| Executive Under 30 | Percentage | 6.67 |
| Executive Between 30-50 | Percentage | 20.00 |
| Executive Above 50 | Percentage | 13.33 |
| Non-executive/Technical Staff Under 30 | Percentage | 3.33 |
| Non-executive/Technical Staff Between 30-50 | Percentage | 6.67 |
| Non-executive/Technical Staff Above 50 | Percentage | 6.67 |
| General Workers Under 30 | Percentage | 3.33 |
| General Workers Between 30-50 | Percentage | 6.67 |
| General Workers Above 50 | Percentage | 0.00 |
| Gender Group by Employee Category | | |
| Management Male | Percentage | 20.00 |
| Management Female | Percentage | 13.33 |
| Executive Male | Percentage | 20.00 |
| Executive Female | Percentage | 20.00 |
| Non-executive/Technical Staff Male | Percentage | 16.67 |
| Non-executive/Technical Staff Female | Percentage | 0.00 |
| General Workers Male | Percentage | 10.00 |
| General Workers Female | Percentage | 0.00 |
| Bursa C3(b) Percentage of directors by gender and age group | | |
| Male | Percentage | 50.00 |
| Female | Percentage | 50.00 |
| Under 30 | Percentage | 0.00 |
| Between 30-50 | Percentage | 0.00 |
| Above 50 | Percentage | 100.00 |
| **Bursa (Energy management)** | | |
| Bursa C4(a) Total energy consumption | Megawatt | 81.68 |

Internal assurance | External assurance | No assurance | (*)Restated

# SUSTAINABILITY STATEMENT (CONT'D)

| Indicator | Measurement Unit | 2024 |
|---|---|---|
| **Bursa (Health and safety)** | | |
| Bursa C5(a) Number of work-related fatalities | Number | 0 |
| Bursa C5(b) Lost time incident rate ("LTIR") | Rate | 0.00 |
| Bursa C5(c) Number of employees trained on health and safety standards | Number | 2 |
| **Bursa (Labour practices and standards)** | | |
| Bursa C6(a) Total hours of training by employee category | | |
| Management | Hours | 110 |
| Executive | Hours | 12 |
| Non-executive/Technical Staff | Hours | 4 |
| General Workers | Hours | 0 |
| Bursa C6(b) Percentage of employees that are contractors or temporary staff | Percentage | 0.00 |
| Bursa C6(c) Total number of employee turnover by employee category | | |
| Management | Number | 0 |
| Executive | Number | 2 |
| Non-executive/Technical Staff | Number | 1 |
| General Workers | Number | 1 |
| Bursa C6(d) Number of substantiated complaints concerning human rights violations | Number | 0 |
| **Bursa (Supply chain management)** | | |
| Bursa C7(a) Proportion of spending on local suppliers | Percentage | 100.00 |
| **Bursa (Data privacy and security)** | | |
| Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data | Number | 0 |
| **Bursa (Water)** | | |
| Bursa C9(a) Total volume of water used | Megalitres | 0.266000 |

Internal assurance | External assurance | No assurance | (*)Restated

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**Board**") of Compugates Holdings Berhad ("**Compugates**" or "**the Company**") presents this Corporate Governance ("**CG**") Overview Statement ("**CG Statement**") to provide shareholders and investors with an overview of the CG practices of the Company under the leadership of the Board during the financial year ended 31 December 2024 ("**FYE 2024**"). This overview takes guidance from the key CG principles as set out in the Malaysian Code on Corporate Governance 2021 ("**MCCG**").

This CG Statement is prepared in compliance with Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements ("**MMLR**") and it is to be read together with the CG Report 2024 of the Company ("**CG Report**") which is available on the Company's website at www.compugates.com

The CG Report provides the details on how the Company has applied the principles laid down in the MCCG during FYE 2024.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### 1.0 Board Responsibilities

The Board is responsible for the long-term success of the Company and its subsidiaries (collectively referred to as the "**Group**") and the delivery of sustainable value to its shareholders and stakeholders, including setting its strategic directions, establishing goals for management and monitoring the achievement of these goals. The Board is also responsible for the overall corporate governance of the Group and all Board members are expected to show good stewardship and act in a professional manner as well as to uphold the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

The roles of the Chairman of the Board, the Executive Director, Independent Non-Executive Directors and Non-Independent Non-Executive Directors are separate and each has a clearly accepted division of responsibilities to ensure a balance of power and authority.

The Senior Management is primarily responsible to implement strategic directions set by the Board and to monitor the operations of the Group.

The Board's roles and responsibilities are as follows:

a. promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behavior;

b. reviewing and approving the overall strategies, policies and directions including sustainability of the Group's businesses;

c. overseeing and evaluating the conduct of the Group's businesses to ensure the businesses are properly managed and conform with ethical values, integrity, fairness, trust and high performance;

d. identifying the business risks and establish an appropriate system to reduce and minimise the risks that may affect the performance of the Group and the interest of the stakeholders;

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 1.0 Board Responsibilities (cont'd)

The Board's roles and responsibilities are as follows (cont'd):

e. ensuring the appropriate succession plan is in place including the appointment, training and fixing compensation of the Board, Executive Director and the Management of the Group;

f. developing and implementing an investor relations programme that creates better communication between the Group and shareholders as well as other stakeholders; and

g. reviewing the adequacy and the integrity of the Group's internal control systems and management information systems including system for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board also assumes various functions and responsibilities that are required by regulatory authorities as specified in the guidelines and directives issued from time to time.

### 2.0 Composition of the Board

The Board has six (6) members during FYE 2024:

a) One (1) Non-Independent Non-Executive Chairman;
b) One (1) Executive Director;
c) Two(2) Non-Independent Non-Executive Directors; and
d) Two (2) Independent Non-Executive Directors.

The Board is of the view that the current size of the Board is appropriate and the Board composition has the right mix of skills, experiences and strengths relevant to the Group's businesses to enable them to carry out their responsibilities in an effective and competent manner.

The Board delegates specific responsibilities to the following four (4) Board Committees in discharging its fiduciary duties:

a. The Nomination Committee ("**NC**");
b. The Audit Committee ("**AC**");
c. The Remuneration Committee ("**RC**"); and
d. The Risk Management Committee ("**RMC**").

The Board Committees are guided and operate within clearly defined Terms of Reference ("**TOR**"). All these Committees are mainly led by Independent Non-Executive Directors of the Board.

The written TOR of NC, AC and RC are made available on the Group's website at www.compugates.com.

### 2.1 Board Charter

The Board is guided by its Board Charter which provides reference in relation to the roles and responsibilities of the Board and Management. The Board Charter is subject to periodic review and will be updated as and when necessary to ensure it remains consistent with the Group's policies and procedures, the Board's overall responsibilities as well as changes to legislation and regulations.

The Board Charter is available on the Company's website at http://www.compugates.com.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 2.2 Code of Ethics for Directors

The Group has in place a Code of Ethics for Directors and employees based on four (4) elements which are sincerity, integrity, corporate and fiduciary responsibilities. In discharging their duties, the Board has at all times observe the codes as defined in the Code of Ethics.

The Code of Ethics is available on the Company's website at http://www.compugates.com.

### 2.3 Whistleblowing Policy

The Board is committed to promote and maintain high standard of integrity, openness and accountability in the conduct of its businesses and operations. It aspires the Group to conduct its affairs in an ethical, responsible and transparent manner.

Compugates provides avenue for all employees and members of the public to disclose any improper conduct in accordance with the procedures as provided for under this policy and whistleblower is protected from reprisal. To this end, the Board has established a Whistleblowing Policy, available for viewing on the Company's website at http://www.compugates.com.

### 2.4 Succession Plan

The Board, through the NC, ensures that there is an effective and orderly succession plan within the Group. The NC is responsible for formulating the nomination, selection and succession policies for the members of the Board, members of the Board Committees and the Group's key management personnel from time to time. In this regard, the NC will review and assess the profile, professional achievements, personality, experience, competency, skills and knowledge of each candidate for key management position to ensure the right candidate is appointed for the relevant position. The Company has a succession plan in place if the Company is facing with an untimely vacancy to facilitate the transition to both interim and longer term leadership.

The Succession Plan is available on the Company's website at http://www.compugates.com.

### 2.5 Anti-Bribery and Corruption Policy

The Group has adopted and implemented an Anti-Bribery and Anti-Corruption Policy ("**ABC Policy**") to prevent bribery and corruption in all aspects of its business operations. The Group maintains a strict zero-tolerance stance against all forms of bribery and corruption and is committed to conducting its business with integrity and transparency. As part of this commitment, an Anti-Bribery and Anti-Corruption training session was conducted for all employees in October 2024 to reinforce awareness and ensure continued compliance.

The ABC Policy is available on the Company's website at http://www.compugates.com.

### 2.6 Directors' Fit and Proper Policy

The Group has adopted the Directors' Fit and Proper Policy in line with the MMLR to ensure a formal, rigorous and transparent process for the appointment and re-election of Directors of the Group.

The Policy shall serve to guide the NC and the Board in their review and assessment of candidates for appointment as Directors as well as Directors who are seeking for re-election.

The Directors' Fit and Proper Policy is available on the Company's website at http://www.compugates.com.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 2.7 Strategies Promoting Sustainability

The Board recognises the importance of sustainability and its increasing impact to the Group's businesses. The Board reviews the sustainability of the Company's strategic directions, with due consideration over the progress of the long-term and short-term plans, changes in business and political environment, levels of competition, updates in risk factors and any other factors which could affect the sustainability of the Group.

### 2.8 Access to Information and Advice

All Directors have unrestricted access to all information pertaining to the Group's businesses and affairs including inter alia, financial results, annual budgets, business reviews against business plans and progress reports on the Group's development and business strategies to ensure effective functioning of the Board.

Notice of meetings setting out the agendas and the relevant meeting papers are given to the Directors prior to the meetings to enable the Directors to peruse, obtain additional information and/or seek further clarification on the matters to be tabled at the meetings.

In furtherance of their duties, whenever independent professional advice is required by the Directors, external experts may be engaged at the Company's expense to provide additional insights and professional views, advice and explanations. The Directors also have direct access to the advice and the services of qualified and competent Company Secretaries of the Group.

### 2.9 Company Secretaries

The Company Secretaries are responsible for advising the Board on issues relating to compliance with laws, rules, procedures and regulations affecting the Group as well as the principles of best corporate governance practices.

The Company Secretaries are also advising the Board of their obligations and adherence to matters including disclosure of interest in securities, disclosure of any conflict of interest in a transaction involving the Company or its subsidiaries, requirements on dealing in securities and restrictions in relation to price-sensitive information.

During FYE 2024, the Company Secretaries have:

- attended all Board, Board Committees and general meetings and ensured that the proceedings of the meetings and decisions made thereof are accurately and sufficiently recorded and properly kept;
- advised the Board and Board Committees on the corporate disclosures and compliance with the Companies Act 2016, MMLR and Capital Markets and Services Act 2007;
- advised the Board on the amendments to MMLR and new circulars/directives/guidelines issued by Bursa Securities, Securities Commission Malaysia and Companies Commission of Malaysia respectively;
- ensured all statutory submissions to the relevant authorities were completed within the prescribed timeline; and
- monitored corporate governance developments and practices.

### 2.10 Nomination Committee

The NC comprises exclusively of three (3) Non-Executive Directors, a majority of whom are Independent Directors.

The main responsibilities of the NC are as follows:

- Nominate new nominees for appointment to the Board and Board Committees for the Board's consideration.

- Annually review the structure, size, balance and composition of the Board and Board Committees including the required mix of skills, experience, core competency and other qualities, which the Directors should bring to the Board and Board Committees.

- Annually review and assess the effectiveness of the Board and Board Committees and performance of the Directors of the Company, both individually and collectively.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 2.10 Nomination Committee (cont'd)

The main responsibilities of the NC are as follows (cont'd) :

- Annually review and assess the independence of the Independent Non-Executive Directors.
- Annually review the term of office and performance of the AC and each of its members to determine whether such AC and its members have carried out their duties in accordance with their terms of reference.
- Recommend suitable orientation/induction, educational and training programmes to the existing and new Directors.
- Make recommendation on the re-election of Directors to the Board for consideration and approval.
- Review and oversee the development of succession planning for the Board and Senior Management.

During FYE 2024, the NC met twice and the activities undertaken by the NC are listed below:

- Assessed and evaluated the independence of the Independent Non-Executive Directors.
- Conducted an annual assessment and rating of the performance of each Director against diverse key performance indicators.
- Conducted an annual assessment and rating of the performance of the Executive and Non-Executive Director(s) against the criteria as set out in the evaluation forms.
- Conducted an annual assessment and rating of the performance of the Board and Board Committees against the criteria as set out in the evaluation form.
- Reviewed the structure, size, balance and composition of the Board.
- Reviewed and recommended to the Board the re-election of Tan Sri Datuk Asmat Bin Kamaludin and Encik Mohamed Fauzi Bin Omar, as Directors at the Nineteenth Annual General Meeting ("**19th AGM**") held on 30 May 2024.
- The NC through the Company Secretaries informing the Directors on the seminars/workshops/conference/ webinars with the relevant website links or brochures to facilitate their participation.

For the purpose of determining the eligibility of the Director to stand for re-election at the 19th AGM, the Board through its NC had assessed the retiring Director, and considered the following:

(i) The Director's performance and contribution;
(ii) The Director's skills, experience and strength in qualities;
(iii) The Director's ability to act in the best interest of the Company in decision-making; and
(iv) Their fitness and propriety with reference to the Directors' Fit and Proper Policy.

The meeting attendance records of the NC members during FY 2024 are as follows:

| Name of NC Members | Attendance |
|---|---|
| Tan Siew Li (Chairman) | 2/2 |
| Goh Tai Wai | 2/2 |
| Low Geok Eng | 2/2 |

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 2.11 Recruitment Process and Annual Assessment

The Board believes that an effective board composition requires a balanced mix of qualifications, skills, experience, and diversity. A well-composed Board is essential for sound governance and strategic guidance.

The NC plays a critical role in this regard by periodically reviewing and making recommendations to the Board on its composition. This includes the identification and selection of high-calibre candidates who are capable of meeting both the current and future needs of the Group.

During the FYE 2024, the NC was chaired by Madam Tan Siew Li, who serves as an Independent Non-Executive Chairman. Its members included Madam Low Geok Eng, Independent Non-Executive Director, and Mr. Goh Tai Wai, Non-Independent Non-Executive Director.

For the year under review, the Board is satisfied with its current composition, which reflects a robust mix of qualifications, skills, expertise, experience, and personal strengths necessary for the effective discharge of its responsibilities.

In fulfilling its responsibilities, the NC is also tasked with conducting an annual performance evaluation of individual Directors, Board Committees, and the Board as a whole. This evaluation serves as a key tool to assess the Board's overall effectiveness, identify strengths, and pinpoint any gaps or areas for improvement. The insights gained may inform decisions on retaining existing Board members or recruiting new ones.

The Board's annual evaluation process is conducted through a structured peer review, with clearly defined criteria, which include:

a) Attendance at Board and Board Committees meetings;
b) Contribution to the Company;
c) Personal input to the role and other contributions to the Board and Board Committees;
d) Understanding of fiduciary duties and business including risks, access to information, access to advice, compliance with applicable laws, rules and regulations, corporate governance and others;
e) Mix of skills and knowledge; and
f) Commitment of members.

Each Director is provided with assessment forms to complete ahead of the NC meeting. The results of the evaluations, along with any comments, are compiled and discussed during the NC meeting. Subsequently, the NC Chairman presents the findings to the Board for further deliberation. Based on this process, the Board makes the final decision on whether to recommend a Director for re-election or retain an Independent Non-Executive Director for continued service, to be tabled at the upcoming AGM.

In addition, a fit and proper assessment is conducted by the NC to evaluate a Director's probity, personal and financial integrity, reputation, commitment, experience, and overall competence prior to recommending their re-election to the Board.

While the Board has not set a formal gender diversity target, it remains committed to improving gender representation and promoting equality over time.

With its current composition, the Board is confident that it possesses the collective knowledge, experience, and diverse range of skills and competencies necessary to discharge its duties effectively and to support the Group's long-term success.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 2.12 Separation of positions of Chairman and Chief Executive Officer

To ensure a balance of authority, enhance accountability, and promote independent decision-making, the roles of the Chairman and the Chief Executive Officer (CEO) are clearly defined and separated.

The Non-Independent Non-Executive Chairman is responsible for leading the Board and ensuring its effectiveness in all aspects of governance, conduct, and decision-making. He does not participate in the day-to-day operations of the Group.

The CEO, on the other hand, is responsible for leading the management team and overseeing the Group's daily operations and business activities. He is also tasked with executing the Board's policies and decisions, ensuring alignment with the Group's strategic objectives.

### 3.0 Remuneration

The Company has adopted a remuneration framework in attracting, retaining and motivating the Directors and Senior Management of the Company for the successful performance of the Group. The remuneration of the Executive Director and Senior Management consists of basic salary, other emoluments and benefits customary to the Group. Any salary and bonus review takes into account the performance of the individual and the financial performance of the Group.

The Non-Executive Directors' remuneration comprises annual fees based on their roles and responsibilities in the Board and Board Committees, their attendance at meetings and/or special skills and expertise they bring to the Board.

The RC met twice during FYE 2024 and the attendance records of the RC Members are as follows:

| Name of RC Members | Attendance |
|---|---|
| Low Geok Eng (Chairman) | 2/2 |
| Mohamed Fauzi Bin Omar | 2/2 |
| Tan Siew Li | 2/2 |

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 3.0 Remuneration (cont'd)

The details of the remuneration of Directors of the Company for FYE 2024 are shown below:

| Name | Directors' remuneration received from: | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | COMPANY | | | | | SUBSIDIARIES | | | | | GROUP |
| | Fees | Salary | Ex - Graxia | Others | Total | Fees | Salary | Bonus / Incentive | Others | Total | |
| | RM'000 | | | | | RM'000 | | | | | RM'000 |
| Executive Director: | | | | | | | | | | | |
| Madam See Thoo Chan | – | – | 50 | – | 50 | – | 502 | 532 | 58 | 1092 | 1142 |
| **Total Executive Director's Remuneration** | **–** | **–** | **50** | **–** | **50** | **–** | **502** | **532** | **58** | **1092** | **1142** |
| Non-Executive Directors: | | | | | | | | | | | |
| Tan Sri Datuk Asmat Bin Kamaludin | 180 | – | 100 | – | 280 | – | – | – | – | – | 280 |
| Mr Goh Tai Wai | 48 | – | 50 | – | 98 | – | – | – | – | – | 98 |
| Encik Mohamed Fauzi Bin Omar | 48 | – | 50 | – | 98 | – | – | – | – | – | 98 |
| Low Geok Eng | 48 | – | – | – | 48 | – | – | – | – | – | 48 |
| Tan Siew Li | 48 | – | – | – | 48 | – | – | – | – | – | 48 |
| **Total Non-Executive Directors' Remuneration** | **372** | **–** | **200** | **–** | **572** | **–** | **–** | **–** | **–** | **–** | **572** |
| Chief Executive | | | | | | | | | | | |
| Goh Kheng Peow | – | – | – | – | – | 200 | 2894 | 2373 | 299 | 5766 | 5766 |
| **Total Chief Executive's Remuneration** | **–** | **–** | **–** | **–** | **–** | **200** | **2894** | **2373** | **299** | **5766** | **5766** |
| **Total Remuneration** | **372** | **–** | **250** | **–** | **622** | **200** | **3396** | **2905** | **357** | **6858** | **7480** |

Due to confidentiality, sensitivity and security concerns, the Board is of the view that the disclosure of Key Senior Management's (apart from the CEO) aggregated remuneration on unnamed basis in the bands of RM50,000 is adequate. The details of the remuneration are disclosed in Practice 8.1 of the CG Report.

### 3.1 Assessment of Independence Annually

The Board relies on the independency of the Non-Executive Directors who shall have the ability to exercise their duties and make decisions in the best interest of the shareholders, unfettered by any business or other relationships with the Executive Director, ownership and any other interest in the operations of the Company. The Board conducts annual reviews of the independence of each and every Director, their responsibilities in making immediate declarations over their interests and independency to the Board at any time during their tenure of service.

During FYE 2024, the Company has two (2) Independent Non-Executive Directors, who fulfill the criteria of "Independence" as prescribed under Paragraph 1.01 of MMLR of Bursa Securities.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 3.2. Tenure of Independent Directors

Madam Low Geok Eng and Madam Tan Siew Li have served on the Board since 1 April 2023 as Independent Non-Executive Directors.

The NC is mindful of Practice 5.3 of the MCCG, which states that the tenure of an independent director should not exceed a cumulative term limit of nine (9) years. Upon reaching this limit, an independent director may continue to serve on the Board in a non-independent capacity. If the Board wishes to retain an independent director beyond the nine-year threshold, it must provide a strong justification and seek annual shareholders' approval through a two-tier voting process.

During the FYE 2024, the Board, through its NC, conducted an assessment of the independence of all Independent Non-Executive Directors. The Board is satisfied that each of them meets the independence criteria as defined under the MMLR of Bursa Malaysia Securities Berhad. They have demonstrated the ability to exercise objective and independent judgment in all deliberations, thus contributing effectively to the Board's decision-making processes.

In addition, the Board acknowledges the proposed amendments to the MMLR relating to the tenure of independent directors. Specifically, the amendment mandates that all long-serving independent directors who have served for more than twelve (12) years must resign or be re-designated as non-independent directors on or after 1 June 2023. The Board is committed to adhering to this requirement to ensure continued good governance and alignment with regulatory expectations.

### 3.3 Commitment of the Board Members

During FYE 2024, the Board met five (5) times to deliberate and consider matters pertaining to, amongst others, the Group's financial performance, corporate development, business development, corporate governance, statutory compliance, strategic issues and business plan. The attendance records of the Directors at the Board of Directors' Meeting are as follows:

| Name of Directors | No. of Meetings Attended | % of Attendance |
|---|---|---|
| Tan Sri Datuk Asmat Bin Kamaludin (Chairman) | 3/5 | 60 |
| Goh Tai Wai | 5/5 | 100 |
| Mohamed Fauzi Bin Omar | 5/5 | 100 |
| See Thoo Chan | 5/5 | 100 |
| Low Geok Eng | 5/5 | 100 |
| Tan Siew Li | 5/5 | 100 |

The Board also deliberated and voted on the written resolutions circulated to the Board together with detailed explanation. Ample time was given to all Directors in order for them to make informed and constructive decisions.

The Board is satisfied that all Directors have been devoting sufficient time to discharge their responsibilities adequately.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 3.4 Training

The Directors acknowledges that continuous education is vital for the Board members to gain insight into the state of the economy, technological advances, regulatory updates and management strategies to equip themselves with the necessary skills and knowledge to effectively discharge their duties.

During FYE 2024, all the Directors were periodically updated on new regulations and statutory requirements, particularly on the changes or amendments made to the MMLR, application and adoption of best practices as recommended under the MCCG, circulars/directives/guidelines/consultation papers issued by Bursa Securities, Securities Commission Malaysia and Companies Commission of Malaysia respectively. The Directors have attended the following training programs through seminars / workshops / conference / webinars as part of their continuing education to enhance their knowledge and to keep abreast with new developments in the furtherance of their duties:

- ESG Essential Training
- Strata Management 2024, Series 1 & 2
- Improve Sales Influential
- Occupational Safety & Health Coordinator Training
- Mandatory Accreditation Programme Part II
- Board of Directors' Sustainability Briefing - AAX Internal Training
- Fortify your ransomware gameplan-Government Enforcement Insights
- Conflict of Interest & Governance
- Fundamentals of Anti-Bribery & Anti-Corruption

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### 1.0 Audit Committee

The Board has established the AC to provide independent oversight of the Company's internal and external audit functions, financial reporting processes, risk management, and internal control systems. The AC is also responsible for reviewing the integrity of financial statements and ensuring the suitability, objectivity, and independence of the External Auditors.

For the FYE 2024, the AC comprised two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. Madam Low Geok Eng served as the Chairman of the AC.

The key activities undertaken by the AC during FYE 2024 are detailed in the Audit Committee Report section of this Annual Report.

### 2.0 Risk Management Committee

The RMC comprises three (3) members, all of whom are Non-Executive Directors, with a majority of them being independent. The purpose of the RMC is to assist the Board in the effective discharge of its primary responsibilities of identifying principal risks and implementing appropriate systems and risk assessment processes to manage such risks, in line with the MCCG and Bursa Securities MMLR.

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

### 3.0 Risk Management and Internal Control Framework

The Board is committed to ensuring that the Group has a sound system of risk management and internal control to safeguard shareholders' investments and the Group's assets.

The Group has an ongoing framework for identifying, evaluating and managing key risks in the context of its business objectives. These processes are embedded within the Group's overall business operations and are guided by operational manuals, policies and procedures and are regularly reviewed by the Board.

The risk management framework and internal audit functions are disclosed under the Statement on Risk Management and Internal Control on pages 74 of this Annual Report.

### 4.0 Compliance with Applicable Financial Reporting Standards

The Board is accountable to ensure that the financial statements are prepared in accordance with the Companies Act 2016 and the applicable approved accounting standards in Malaysia so as to present a balanced and fair assessment of the Group's financial position and prospects. Quarterly financial results and annual financial statements are reviewed and deliberated upon by the AC to ensure the quality of financial reporting before presenting to the Board for its approval. The AC also reviews the appropriateness of the Company's accounting policies and the changes to these policies.

### 5.0 Assessment of Suitability, Objectivity and Independence of External Auditors

The AC undertakes an annual assessment of the suitability, objectivity and independence of the External Auditors. Upon assessment of their performance, the AC will recommend their decision on whether to retain their services to the Board after which shareholders' approval will be sought at the AGM.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### 1.0 Communication with Stakeholders

The Board values the importance of dissemination of information on major developments of the Group to its shareholders, potential investors and the general public in a timely and equitable manner.

Quarterly results, announcements, annual reports, audited financial statements, corporate updates and circulars serve as the primary means of dissemination of information so that shareholders are constantly kept abreast of the Group's progress and development.

The Group also encourages all shareholders and investors to access the Company's information and announcements online, which are made available at the Bursa Securities' website as well as on its corporate website at www.compugates.com. There are continuous efforts to ensure that the information on the website remains current, updated and relevant to investors.

### 2.0 Conduct of General Meetings

The general meetings are the principal forum for dialogue with shareholders. The Company values feedback from its shareholders and therefore, encourages shareholders to attend and participate in the general meetings to raise questions pertaining to the corporate developments in the Group, the resolutions being proposed and the business of the Group at the general meetings.

During the FYE 2024, the Company convened its AGM with sufficient notice served to shareholders, in accordance with the provisions of the Companies Act 2016 and/or the best practices outlined in the MCCG, as detailed below:

| Date of Meeting | Type of Meeting | Notice Date | Notice Period |
|---|---|---|---|
| 30 May 2024 | 19th AGM | 30 April 2024 | 30 clear days |

The above general meetings of the Company were held and conducted on a fully virtual basis through live streaming and online remote voting using remote participation and voting facilities on an online meeting platform. All resolutions set out in the notices of the above general meetings were put to vote by poll via electronic voting and an independent scrutineer was appointed to validate the poll results. All Directors, Chairman of Board Committees, Senior Management, Principal Advisers and/or External Auditors had attended the general meetings to respond to the shareholders' and proxies' questions and requests.

This CG Statement was approved by the Board on 22 April 2025.

# AUDIT COMMITTEE REPORT

The Board of Directors ("**Board**") is pleased to present the Audit Committee ("**AC**") Report for the financial year ended 31 December 2024 ("**FYE 2024"**).

## 1. COMPOSITION OF AUDIT COMMITTEE AND MEETINGS

The AC met five (5) times during FYE 2024.

The composition of the AC and details of the attendance of the members at the meetings during FYE 2024 are set out as follows:

| Name | Attendance |
|---|---|
| **Chairman**<br>Low Geok Eng<br>(Independent Non-Executive Chairman)* | 5/5 |
| **Members**<br>Tan Siew Li<br>(Independent Non-Executive Director)* | 5/5 |
| Goh Tai Wai<br>(Non-Independent Non-Executive Director) | 5/5 |

The External Auditors attended three (3) AC meetings in 2024 to present their reports and findings in relation to the audited financial statements for the financial years ended 31 December 2023 and FYE 2024 respectively.

The AC also deliberated and voted on the written resolutions circulated to the AC together with detailed explanation. Ample time was given to all AC members in order for them to make informed and constructive decisions.

The AC Meetings are pre-scheduled and are timed just before the Board of Directors' Meetings. The agenda carries matters that need to be deliberated, reviewed or decided on and further reported to the Board. Notices and meeting papers are circulated to all members in due course before each meeting with sufficient preparation time given for deliberation on matters arising.

The Company Secretaries are the secretaries of the AC and are responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to the AC members prior to each meeting. The Company Secretaries are also responsible for keeping the minutes of meetings and circulating them to the AC members for comment and confirmation. The signed minutes of meeting are also circulated to the Board for notation.

# AUDIT COMMITTEE REPORT (CONT'D)

## 2. SUMMARY OF ACTIVITIES

The AC carried out the following activities during the FYE 2024:

### 2.1 Financial Reporting

(a) Reviewed the unaudited quarterly results of the Company and its subsidiaries (collectively referred as "**Group**") before recommending the same to the Board for approval.

(b) Reviewed the annual audited financial statements of the Group for FYE 2024 with the External Auditors prior to submission to the Board for approval.

The AC reviewed and scrutinised the information of the Group's quarterly results and annual audited financial statements to ensure accuracy, adequacy, validity, timeliness and compliance with applicable financial reporting standards for disclosure to shareholders.

### 2.2 External Audit

(a) Reviewed the audit planning memorandum of the Group for FYE 2024 with the External Auditors.

(b) Reviewed the results of the annual audit and audit report, including all the key audit matters raised by the External Auditors.

(c) Met once with the External Auditors without the presence of the Executive Director, Chief Executive Officer and Management to discuss any issues of concern with the External Auditors arising from the annual statutory audit.

(d) Assessed the suitability, objectivity, independence and performance of the External Auditors and made recommendation to the Board on their re-appointment and remuneration, subject to the approval of the Company's shareholders at an annual general meeting.

### 2.3 Internal Audit

(a) Reviewed with the outsourced Internal Auditors, the internal audit report, the audit recommendations made and the Management's response and actions to these recommendations.

(b) Reviewed with the Internal Auditors, the internal audit plan to ensure the adequacy of the scope, functions and resources to carry out their work.

(c) Assessed the suitability, objectivity, independence and performance of the outsourced Internal Auditors.

### 2.4 Related Party Transactions

Reviewed the related party transactions entered into by the Group, if any.

### 2.5 Conflict of Interest

There were no conflict of interest situations reported in the Group during the financial year.

## 2. SUMMARY OF ACTIVITIES (CONT'D)

The AC carried out the following activities during the FYE 2024 (cont'd) :

### 2.6 Annual Reporting

(a) Reviewed the Corporate Governance Overview Statement, AC Report, Additional Compliance Information, Statement on Risk Management and Internal Control and subsequently recommended the same to the Board for its consideration and approval for inclusion in the Annual Report for the financial year ended 31 December 2023.

(b) Reviewed the Corporate Governance Report for the financial year ended 31 December 2023 and recommended the same to the Board for approval.

## 3. INTERNAL AUDIT FUNCTION

The Group's internal audit function, which is outsourced to a professional services firm, is an integral part of the assurance mechanism in ensuring that the Group systems of internal control are adequate and effective. The outsourced Internal Auditors report directly to the AC.

The activities of the internal audit function for FYE 2024 include:

(a) Conducting internal audit reviews on Human Resources Management in accordance with the internal audit plan approved by the AC;
(b) Reporting the results of internal audits and making recommendations for improvements to the AC on a periodic basis; and
(c) Following-up on the implementation of audit recommendations and agreed upon Management action plans.

All internal audit reports are deliberated by the AC and reporting are made to the Board at the Board of Directors' Meetings. No significant irregularity or deficiency in internal control mechanism was brought to the attention of the AC by the outsourced Internal Auditors during FYE 2024.

The AC had evaluated the performance of the Internal Auditors for FYE 2024 based on such evaluation criteria as set out in its annual assessment form. The AC was satisfied that the Internal Auditors have sufficient experience and resources to adequately deliver the quality services to the Group.

The cost incurred for the outsourced internal audit function of the Group for FYE 2024 amounted to RM6,500.00.

Further details of the internal audit function are set out in the Statement on Risk Management and Internal Control on page 74 of the Annual Report 2024.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## INTRODUCTION

The Board of Directors ("**Board**") of Compugates Holdings Berhad ("**Compugates**" or "the **Company**") is pleased to present its Statement on Risk Management and Internal Control ("**Statement**") which outlines the state of the system of risk management and internal control of the Company and its subsidiaries (collectively referred to as "**Group**") for the financial year ended 31 December 2024 ("**FYE 2024**"). This Statement is made in accordance with paragraph 15.26(b) of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and as guided by the Bursa Securities' Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

## BOARD'S RESPONSIBILITIES

The Board recognises the importance of good risk management practices and sound internal controls as a platform to good corporate governance. The Board acknowledges its responsibility in maintaining a sound system of risk management and internal control to safeguard shareholders' investments and the Group's assets.

The Board has received assurance from the Chief Executive Officer ("**CEO**") and the Head of Finance that the Group's limited risk management and internal control system are operating adequately and effectively in all material aspects. However, it's important to note that, given the inherent limitations in any risk management and internal control system, those implemented by Management are designed to reduce rather than eliminate all risks that may hinder the achievement of the Group's business objectives. Therefore, while the risk management and internal control systems can provide reasonable assurance, they cannot offer absolute protection against material misstatement or loss.

## KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Key elements of the Group's risk management and internal control system that have been established to facilitate the proper conduct of the Group's businesses are described below:

### 1. RISK MANAGEMENT FRAMEWORK

The Board confirms that an ongoing process is in place for identifying, analysing, responding to, monitoring, and managing significant risks faced by the Group. This process is regularly reviewed by the Board. Management is responsible for fostering risk awareness and creating an environment conducive to effective risk management.

The Board relies on the close involvement of Key Management staff, Heads of Divisions, and the CEO in overseeing daily operations. Periodic reviews of operational and financial performance are conducted at Management, Audit Committee ("**AC**"), and Board meetings. The Board and Management ensure that appropriate measures are implemented to address any significant risks. An organisational structure with clearly defined roles, duties, and responsibilities is in place to support effective risk management.

## KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

Key elements of the Group's risk management and internal control system that have been established to facilitate the proper conduct of the Group's businesses are described below (cont'd):

**2. INTERNAL CONTROL SYSTEM**

- Organisation Structure & Authorisation Procedures

  The Group maintains a formal organisational structure that includes clear delegation of responsibilities and accountability. It sets out the roles and responsibilities, appropriate authority limits, review and approval procedures to enhance the internal control system of the Group's various business units.

- Periodical and/or Annual Budget

  An annual budget is prepared by the Management and tabled to the Board for approval. Periodic monitoring is being carried out to measure the actual performance against budget to identify significant variances and devise remedial action plans.

- Group Policies and Procedures

  Policies and procedures will be documented for regular review and update so as to ensure that they are effective and will continue to support the Group's business activities at all times as the Group continues to grow.

- Human Resource Policy

  Comprehensive guidelines on employment of employees are in place to ensure that the Group has a team of employees who are well trained and equipped with all the necessary knowledge, skills and abilities to carry out their responsibilities effectively.

- Information and Communication

  Information critical to the achievement of the Group's business objectives are communicated through established reporting lines across the Group. This is to ensure that matters that require the Board's and Senior Management's attention are highlighted for review, deliberation and decision on a timely basis.

- Monitoring and Review

  Scheduled operational and management meetings are held to discuss and review the business plans, budgets, financial and operational performances of the Group. Monthly management accounts containing key financial results, operational performance and comparison of actual performance against budgets are presented to the Management team for monitoring and review. The quarterly financial statements are presented to the AC and Board for their review, consideration and approval.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

## KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

Key elements of the Group's risk management and internal control system that have been established to facilitate the proper conduct of the Group's businesses are described below (cont'd):

### 2. INTERNAL CONTROL SYSTEM (CONT'D)

- Safety and Health Management

  The Group is committed to maintaining a safe, healthy, and secure work environment across all operations, including warehouse, delivery, and gaharu plantation activities. Key initiatives include:

  - **Clear Responsibilities** – Management ensures workplace safety, provides training, and enforces compliance, while employees are responsible for following safety guidelines, using PPE, and reporting hazards.
  - **Workplace Safety & Health Measures** – Implementing risk controls such as proper handling of goods, vehicle safety checks, and the use of protective equipment, while also promoting workplace hygiene, hydration, and fatigue management.
  - **Emergency Preparedness** – Regular fire drills, first aid readiness, and clear procedures for handling workplace injuries and health-related incidents.
  - **Ongoing Training & Compliance** – Providing structured safety and health training, conducting workplace inspections, and ensuring compliance with occupational health regulations.

  By prioritising these measures, the Group fosters a strong safety culture while supporting employee health, well-being, and business continuity.

### 3. INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to a professional services firm to assist the AC and Board in providing an independent assessment of the adequacy, efficiency, and effectiveness of the Group's internal control system.

The internal audit firm prepares audit plans for presentation to the AC for approval, with the scope covering management and operational audits of various functions within the Group.

During the FYE 2024, one internal audit was conducted on Human Resources Management. The audit findings, along with recommended corrective actions, were presented directly to the AC and adopted by Management.

Additionally, a follow-up review was conducted to ensure that corrective actions were implemented in a timely manner. Based on the internal audit review, no identified weaknesses resulted in material losses, contingencies, or uncertainties requiring separate disclosure in this Annual Report.

## REVIEW OF STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the MMLR of Bursa Securities, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the FYE 2024. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide 3 ("**AAPG 3"**) issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system.

The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

## CONCLUSION

The Board is of the opinion that the Group's internal control system remains adequate in safeguarding shareholders' investments and the Group's assets. Nonetheless, the Board acknowledges that internal control and risk management practices must continuously adapt to the evolving and complex business environment. Accordingly, the Board remains committed to reviewing and implementing appropriate action plans to further strengthen the Group's internal control system and risk management framework as necessary.

This Statement was approved by the Board of Directors on 22 April 2025.

# DIRECTORS' RESPONSIBILITY STATEMENT

FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 (**"Act"**) to prepare the financial statements for each financial year in accordance with the applicable approved accounting standards and the requirements of the Act, which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements for the financial year ended 31 December 2024, the Directors ensured that the Management has:

a. adopted appropriate accounting policies and applied them consistently;
b. made judgments and estimates that are reasonable and prudent; and
c. prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors have overall responsibility for taking steps that are reasonably open to them to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities.

COMPUGATES®

# FINANCIAL STATEMENTS


**80** Directors' Report
**86** Statement by Directors
**86** Statutory Declaration
**87** Independent Auditors' Report
**91** Statements of Financial Position
**93** Statements of Profit or Loss and Other Comprehensive Income
**94** Statements of Changes in Equity
**96** Statements of Cash Flows
**98** Notes to the Financial Statements

# DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

## PRINCIPAL ACTIVITIES

The principal activity of the Company consists of investment holding. The principal activities of its subsidiaries are disclosed in Note 8 to the Financial Statements.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiaries during the financial year.

## RESULTS

| | **Group** RM'000 | **Company** RM'000 |
|---|---|---|
| Net loss for the financial year | 10,487 | 5,032 |
| Loss attributable to:- | | |
| Owners of the Company | 10,176 | |
| Non-controlling interests | 311 | |
| | 10,487 | |

## DIVIDENDS

No dividend was proposed, declared or paid by the Company since the end of the previous financial year.

## RESERVES AND PROVISIONS

All material transfers to and from reserves and provisions during the financial year have been disclosed in the financial statements.

## BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off.

At the date of this report, the Directors are not aware of any circumstances which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

## CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected to be realised.

At the date of this report, the Directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

## VALUATION METHODS

At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

## CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(i) any charge on the assets of the Group and of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liabilities in respect of the Group and of the Company which have arisen since the end of the financial year.

In the opinion of the Directors, no contingent liabilities or other liabilities of the Group and of the Company have become enforceable, or are likely to become enforceable within the period of twelve months after the end of the financial year which will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

## CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

## ITEMS OF AN UNUSUAL NATURE

In the opinion of the Directors, the financial performance of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature. No item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

# DIRECTORS' REPORT (CONT'D)

## ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 550,037,068 ordinary shares at an issue price of RM0.009 each on 22 October 2024 for a total consideration of RM4,950,333 pursuant to the private placements.

The new shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

There were no debentures issued by the Company during the financial year.

## DIRECTORS

The Directors who held office during the financial year and up to the date of this report are:-

Tan Sri Datuk Asmat Bin Kamaludin
See Thoo Chan
Mohamed Fauzi Bin Omar
Goh Tai Wai
Low Geok Eng
Tan Siew Li

The name of the Directors of the subsidiaries in office during the financial year and up to the date of this report are as follows:-

Datin Sabariah Binti Dahlan
Goh Kheng Peow
See Thoo Chan

## DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of the Directors who held office at the end of the financial year in the shares of the Company and its related corporations during the financial year ended 31 December 2024 are as follows:-

| | Number of ordinary shares | | | |
|---|---|---|---|---|
| | **At 1.1.2024** | **Bought** | **Sold** | **At 31.12.2024** |
| **Direct interests** | | | | |
| See Thoo Chan | 341,727,240 | – | – | 341,727,240 |
| Low Geok Eng | 2,000,000 | – | – | 2,000,000 |
| Tan Siew Li | 138,000,000 | – | – | 138,000,000 |
| **Deemed interests** | | | | |
| See Thoo Chan* | 509,289,013 | 100,000,000 | (250,000,000) | 359,289,013 |
| Low Geok Eng* | 3,250,000 | – | – | 3,250,000 |

* Deemed interests through spouse's shareholdings by virtue of Section 221(9) of the Companies Act 2016 in Malaysia

By virtue of her interests (direct and deemed) in the Company, See Thoo Chan is also deemed interested in the shares of all the subsidiaries to the extent that the Company has an interest under Section 8 of the Companies Act 2016 in Malaysia.

## DIRECTORS' INTERESTS (CONT'D)

Other than as stated above, the other Directors in office at the end of the financial year did not have any interest in the shares of the Company and its related corporations during the financial year.

## DIRECTORS' BENEFITS

During the financial year, the fees and other benefits received and receivable by the Directors of the Company are as follows:-

| | Incurred by the Group RM'000 | Incurred by the Company RM'000 |
|---|---|---|
| Directors' fees | 622 | 622 |
| Director's non-fee emoluments and benefits | 1,315 | 223 |
| | 1,937 | 845 |

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than those disclosed above and Note 21 to the Financial Statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company of which the Director has a substantial financial interest.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company or a related corporation to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

There was no indemnity given to or insurance effected for the Directors and Officers of the Company during the financial year.

## SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING DATE

(i) Compugates Development and Mining Sdn. Bhd. ("CDMSB") had on 18 August 2015 entered into a Joint Venture Agreement ("JVA") with a third party, as the developer, for the joint development of a parcel of leasehold land owned by CDMSB located at Sepang, Selangor Darul Ehsan, measuring approximately 154,990 square metres ("JV Land") into a mixed development project. On 13 December 2017, CDMSB received a letter from Lembaga Lebuhraya Malaysia informing that based on the land acquisition plan, partial of the land with 0.9892 hectares or 2.44 acres ("Land") is affected by the construction of Lebuhraya Kuala Lumpur – Putrajaya – KLIA (MEX 2). Subsequently, on 15 October 2018, CDMSB received a compensation offer of RM9,397,400 ("Compensation Sum") for the compulsory acquisition of 0.9892 hectares of the Land which was part of the JV Land and a further sum of RM750,014 for incidental costs payable to CDMSB, which CDMSB accepted with objection. The Compensation Sum was paid to the Shah Alam High Court ("High Court") by the land administrator as there was a caveat lodged on the JV Land by a third party pursuant to the JVA. This led to multiple legal proceedings between CDMSB and the third party at the Federal Court, High Court and Court of Appeal from year 2018 to year 2024.

On 3 January 2024, the High Court had ordered compensation sum amounting RM9,397,400 to be released to CDMSB.

## SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING DATE (CONT'D)

(i) (cont'd)

On 5 January 2024, the third party filed Notice of Appeal to Court of Appeal and the case has been fixed for Case Management on 4 April 2024. On 16 January 2024, the third party also filed Notice of Motion dated 15 January 2024 to Court of Appeal and the Court of Appeal has fixed the Case Management on 17 January 2024.

On 23 January 2024, the Federal Court has dismissed the leave application to appeal to Federal Court filed by CDMSB.

On 29 January 2024, the Court of Appeal struck off the Notice of Motion dated 15 January 2024 filed by third party and ordered the High Court to deliver the decision for Notice of Application dated 5 January 2024.

On 26 March 2024, CDMSB has entered Consent Judgement with the third party and Pentadbir Tanah Daerah Sepang on the terms where CDMSB shall pay the third party for the Judgement sums of RM5,317,123 pursuant to the High Court's Judgment dated 13 January 2022 and the Court of Appeal's Order dated 28 August 2023.

On 2 August 2024, the Court has released the compensation amounting RM5,317,123 to the third party and RM4,310,099 to CDMSB.

On 25 February 2025, the full trial completed where the Court had assessed the damages suffered by CDMSB during the period of 14 December 2022 to 4 September 2023 to be RM750,584. The third party filed on appeal to the Court of Appeal and this matter is fixed for Case Management on 23 June 2025.

The Directors are of the opinion that no adjustment to be made in the Financial Statements in respect of this application since the case is yet to complete as at the reporting date.

(ii) On 31 January 2025, CDMSB entered into a conditional JVA with a third party which Director has deemed interest, as the developer, for the joint development of a parcel of leasehold land owned by the Company located at Sepang, State of Selangor Darul Ehsan, measuring at 14.50 hectares (35.83 acres).

The development is envisaged to commence immediately upon the Developer obtaining all the necessary approvals from the relevant authorities and to be developed over an estimated period of 13 years, with a further automatic extension of 3 years and/or any further extension to be agreed upon between the both companies. As of to-date, the developer is submitting the development plan to the relevant authorities.

(iii) On 31 January 2025, the Group and the Company proposed to undertake the establishment of an Employees' Share Option Scheme ("ESOS") of up to 15% of the total number of issued shares in the Group (excluding treasury shares, if any) at any point in time over the duration of the ESOS to eligible persons.

(iv) On 2 April 2025, the US government announced a reciprocal tariff on imported goods from all countries. The reciprocal tariff imposed a baseline of 10% tariff on all imports from countries worldwide effective 5 April 2025 whilst higher tariffs were imposed on specific countries whereby Malaysia was imposed a tariff rate of 24%, which will take effect from 9 April 2025. On 9 April 2025, the US government has announced that the higher tariffs imposed will be temporarily suspended for 90 days for all countries except China, though the 10% baseline tariff remains.

At this juncture, the management does not expect the reciprocal tariff to have a material impact on the Company's business operations or financial performance as the Company currently do not have any direct export to US. However, the imposition of the reciprocal tariff by the US and retaliation tariffs by certain countries may lead to dysfunctional global trade environment such as supply chain disruptions, increase of operational costs and other global macroeconomic conditions such as rising inflation, higher unemployment rates, lower disposable income and etc. These put adverse implications on the global economy and may have a material adverse impact on the business and financial performance of businesses worldwide.

The management is aware that any future development to this event may have a direct or indirect implication to its business operations and will continue to monitor the situation closely and take appropriate and timely measures to address the potential implications that may arise from this reciprocal tariff.

## AUDITORS

The Auditors, Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

The amount of audit and other fees paid or payable to the Auditor by the Group and the Company for the financial year ended 31 December 2024 amounted to RM201,000 and RM114,000 respectively. Further details are disclosed in Note 21 to the Financial Statements.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the provision of Companies Act 2016 in Malaysia. However, no payment has been made arising from this indemnity for the financial year.

Signed on behalf of the Directors in accordance with a resolution of the Directors,

---------- )
TAN SRI DATUK ASMAT BIN KAMALUDIN )
)
)
) DIRECTORS
)
)
)
)
---------- )
SEE THOO CHAN

Kuala Lumpur
22 April 2025

# STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 91 to 127 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Directors in accordance with a resolution of the Directors,

TAN SRI DATUK ASMAT BIN KAMALUDIN

SEE THOO CHAN

Kuala Lumpur
22 April 2025

# STATUTORY DECLARATION

I, Yau Pow Jack, being the Officer primarily responsible for the financial management of Compugates Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 91 to 127 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by )
the abovenamed at Kuala Lumpur in )
the Federal Territory on )
22 April 2025 )

YAU POW JACK
(MIA NO: 42038)
CHARTERED ACCOUNTANT

Before me,

Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF COMPUGATES HOLDINGS BERHAD

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

*Opinion*

We have audited the financial statements of Compugates Holdings Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information as set out on pages 91 to 127.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

*Basis for Opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standard ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Group**

*Valuation of inventories-land held for property development*

Inventories-land held for property development ("land") is measured at the lower of cost and net realisable value ("NRV"). The Group estimates the NRV of the land based on an assessment of the Group's entitlement as the landowner from future development activities that will be carried out on the land ("landowner's entitlement") and/or valuation based on the latest valuation reports. We identified the valuation of the inventories as a key audit matter because of the significance of the inventories and the significant judgement and estimates involved in the determination of the NRV of the inventories. The Group's disclosures regarding inventories which include the land are in Note 6 to the Financial Statements.

*Our response*

We have performed various procedures to ascertain that the land is stated at the lower of cost and NRV. Amongst other procedures, we have obtained an understanding and reviewed management's assessment of the landowner's entitlement. We have also assessed the status of the development of the land by interviewing various management personnel and by obtaining relevant correspondences related to the development of the land. In addition, we have also obtained valuation reports prepared by independent professional valuers and compared the value in the reports against the book value of the land by assessed the reasonableness of the valuation with reference to comparable peer.

INDEPENDENT AUDITORS' REPORT
(CONT'D)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

### Company

There is no key audit matter to be communicated in respect of the audit of the financial statements of the Company.

*Information other than the Financial Statements and Auditors' Report Thereon*

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

*Responsibilities of the Directors for the Financial Statements*

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

*Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

*Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)*

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matter that was of most significance in the audit of the financial statements of the Group and of the Company for the current year and is therefore the key audit matter. We describe this matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# INDEPENDENT AUDITORS' REPORT (CONT'D)

## OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

TAN VEER LEEN
(NO: 03627/12/2025 J)
CHARTERED ACCOUNTANT

Kuala Lumpur
22 April 2025

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

| | Note | Group 2024 RM'000 | Group 2023 RM'000 | Company 2024 RM'000 | Company 2023 RM'000 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 5 | 16,478 | 16,797 | 1 | 1 |
| Inventories | 6 | 93,629 | 93,629 | – | – |
| Plantation expenditure | 7 | 2,528 | 2,411 | – | – |
| Investment in subsidiaries | 8 | – | – | 6,606 | 6,606 |
| Amount due from subsidiaries | 9 | – | – | 919 | 847 |
| Total non-current assets | | 112,635 | 112,837 | 7,526 | 7,454 |
| **Current assets** | | | | | |
| Inventories | 6 | 51,179 | 50,800 | – | – |
| Trade receivables | 10 | 930 | 734 | – | – |
| Other receivables | 11 | 222 | 9,652 | 14 | 16 |
| Tax recoverable | | 3 | 4 | 2 | 1 |
| Fixed deposits with licensed banks | 12 | 5,900 | 5,000 | – | – |
| Cash and bank balances | | 753 | 363 | 1 | 2 |
| Total current assets | | 58,987 | 66,553 | 17 | 19 |
| **Total assets** | | 171,622 | 179,390 | 7,543 | 7,473 |
| **EQUITY AND LIABILITIES** | | | | | |
| **EQUITY** | | | | | |
| Equity attributable to owners of the Company: | | | | | |
| Share capital | 13 | 96,245 | 91,295 | 96,245 | 91,295 |
| Revaluation reserve | 14 | 32,671 | 32,849 | – | – |
| Other reserve | 15 | (2,100) | (2,100) | – | – |
| Accumulated losses | | (21,595) | (6,233) | (89,969) | (84,937) |
| | | 105,221 | 115,811 | 6,276 | 6,358 |
| Non-controlling interests | 8 | 33,617 | 28,564 | – | – |
| **Total equity** | | 138,838 | 144,375 | 6,276 | 6,358 |

# STATEMENTS OF FINANCIAL POSITION (CONT'D)

| | Note | Group 2024 RM'000 | Group 2023 RM'000 | Company 2024 RM'000 | Company 2023 RM'000 |
|---|---|---|---|---|---|
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| Deferred tax liabilities | 16 | 13,835 | 13,886 | – | – |
| Other payables | 17 | 1,381 | 1,257 | 190 | 352 |
| Total non-current liabilities | | 15,216 | 15,143 | 190 | 352 |
| **Current liabilities** | | | | | |
| Trade payables | 18 | 748 | 1,035 | – | – |
| Other payables | 17 | 16,820 | 18,837 | 1,077 | 763 |
| Total current liabilities | | 17,568 | 19,872 | 1,077 | 763 |
| **Total liabilities** | | 32,784 | 35,015 | 1,267 | 1,115 |
| **Total equity and liabilities** | | 171,622 | 179,390 | 7,543 | 7,473 |

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Revenue | 19 | 21,869 | 15,363 | – | – |
| Cost of sales | | (21,454) | (15,350) | – | – |
| Gross profit | | 415 | 13 | – | – |
| Other income | | 1,391 | 3 | – | – |
| Administrative expenses | | (11,659) | (7,587) | (1,253) | (942) |
| Sales and marketing expenses | | (163) | (138) | – | – |
| Impairment loss on financial assets | | (18) | – | (3,783) | (9,485) |
| Other expenses | | (323) | (322) | – | – |
| Finance income | | 107 | 224 | 131 | 34 |
| Finance costs | 20 | (273) | (268) | (127) | (92) |
| Loss before tax | 21 | (10,523) | (8,075) | (5,032) | (10,485) |
| Tax income | 22 | 36 | 51 | – | – |
| Net loss for the financial year | | (10,487) | (8,024) | (5,032) | (10,485) |
| **Other comprehensive income:** | | | | | |
| *Item that will not be reclassified subsequently to profit or loss* | | | | | |
| Revaluation of land and building | | – | 855 | – | – |
| Total comprehensive loss for the financial year | | (10,487) | (7,169) | (5,032) | (10,485) |
| **Net loss attributable to:** | | | | | |
| - Owners of the Company | | (10,176) | (7,600) | | |
| - Non-controlling interests | | (311) | (424) | | |
| | | (10,487) | (8,024) | | |
| **Total comprehensive loss attributable to:** | | | | | |
| - Owners of the Company | | (10,176) | (6,745) | | |
| - Non-controlling interests | | (311) | (424) | | |
| | | (10,487) | (7,169) | | |
| **Loss per share (sen)** | | | | | |
| Basic/diluted loss per share (sen) | 23 | (0.18) | (0.14) | | |

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

| | ← Attributable to owners of the Company → | | | | | | |
|---|---|---|---|---|---|---|---|
| | ← Non-distributable → | | | ← Distributable → | | | |
| | Share capital RM'000 | Revaluation reserve RM'000 | Other reserve RM'000 | (Accumulated losses)/ Retained earnings RM'000 | Total equity RM'000 | Non-controlling interests RM'000 | Total RM'000 |
| **Group** | | | | | | | |
| At 1 January 2023 | 81,429 | 32,172 | (2,100) | 1,189 | 112,690 | 28,988 | 141,678 |
| **Transaction with owners:** | | | | | | | |
| Issuance of new shares | 9,866 | – | – | – | 9,866 | – | 9,866 |
| Net loss for the financial year | – | – | – | (7,600) | (7,600) | (424) | (8,024) |
| Other comprehensive income for the financial year | – | 855 | – | – | 855 | – | 855 |
| Total comprehensive income/ (loss) for the financial year | – | 855 | – | (7,600) | (6,745) | (424) | (7,169) |
| Crystallisation of revaluation surplus | – | (178) | – | 178 | – | – | – |
| At 31 December 2023 | 91,295 | 32,849 | (2,100) | (6,233) | 115,811 | 28,564 | 144,375 |
| **Transaction with owners:** | | | | | | | |
| Issuance of new shares | 4,950 | – | – | – | 4,950 | – | 4,950 |
| Total comprehensive loss for the financial year | – | – | – | (10,176) | (10,176) | (311) | (10,487) |
| Changes in ownership interests in a subsidiary | – | – | – | (5,364) | (5,364) | 5,364 | – |
| Crystallisation of revaluation surplus | – | (178) | – | 178 | – | – | – |
| At 31 December 2024 | 96,245 | 32,671 | (2,100) | (21,595) | 105,221 | 33,617 | 138,838 |

# STATEMENTS OF CHANGES IN EQUITY (CONT'D)

| | Share capital RM'000 | Accumulated losses RM'000 | Total RM'000 |
|---|---|---|---|
| **Company** | | | |
| At 1 January 2023 | 81,429 | (74,452) | 6,977 |
| **Transaction with owners:** | | | |
| Issuance of new shares | 9,866 | – | 9,866 |
| Total comprehensive loss for the financial year | – | (10,485) | (10,485) |
| At 31 December 2023 | 91,295 | (84,937) | 6,358 |
| **Transaction with owners:** | | | |
| Issuance of new shares | 4,950 | – | 4,950 |
| Total comprehensive loss for the financial year | – | (5,032) | (5,032) |
| At 31 December 2024 | 96,245 | (89,969) | 6,276 |

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| **OPERATING ACTIVITIES** | | | | | |
| Loss before tax | | (10,523) | (8,075) | (5,032) | (10,485) |
| **Adjustments for:** | | | | | |
| Depreciation of property, plant and equipment | | 323 | 322 | – | – |
| Impairment loss on amount due from subsidiaries | | – | – | 3,783 | 9,485 |
| Movements of provision for inventories written down | | (186) | – | – | – |
| Impairment loss on trade receivables | | 18 | – | – | – |
| Finance costs | | 273 | 268 | 127 | 34 |
| Finance income | | (107) | (224) | (127) | (34) |
| (Reversal)/unwinding discount on financial asset | | – | – | (4) | 58 |
| Operating loss before working capital changes | | (10,202) | (7,709) | (1,253) | (942) |
| Changes in working capital: | | | | | |
| Inventories | | (193) | (486) | – | – |
| Receivables | | 9,216 | (550) | 2 | – |
| Payables | | (2,180) | 1,529 | 152 | 632 |
| Cash used in operations | | (3,359) | (7,216) | (1,099) | (310) |
| Finance costs paid | | (273) | (268) | (127) | (34) |
| Tax paid | | (16) | (1) | (1) | – |
| Tax refunded | | 2 | 22 | – | – |
| Net cash used in operating activities | | (3,646) | (7,463) | (1,227) | (344) |
| **INVESTING ACTIVITIES** | | | | | |
| Advances to subsidiaries | | – | – | (3,851) | (9,556) |
| Finance income received | | 107 | 224 | 127 | 34 |
| Purchase of property, plant and equipment | | (4) | (6) | – | – |
| Plantation expenditure paid | | (117) | (99) | – | – |
| Net cash (used in)/from investing activities | | (14) | 119 | (3,724) | (9,522) |

# STATEMENTS OF CASH FLOWS (CONT'D)

| | Note | Group 2024 RM'000 | Group 2023 RM'000 | Company 2024 RM'000 | Company 2023 RM'000 |
|---|---|---|---|---|---|
| **FINANCING ACTIVITY** | | | | | |
| Proceeds from issuance of new shares | | 4,950 | 9,866 | 4,950 | 9,866 |
| Net cash from financing activity | | 4,950 | 9,866 | 4,950 | 9,866 |
| **CASH AND CASH EQUIVALENTS** | | | | | |
| Net changes in cash and cash equivalents | | 1,290 | 2,522 | (1) | – |
| At beginning of financial year | | 5,363 | 2,841 | 2 | 2 |
| At end of financial year | **A** | 6,653 | 5,363 | 1 | 2 |

**NOTE TO THE STATEMENTS OF CASH FLOWS**

**A CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the Group's and the Company's statements of cash flows comprise the following:-

| | Group 2024 RM'000 | Group 2023 RM'000 | Company 2024 RM'000 | Company 2023 RM'000 |
|---|---|---|---|---|
| Fixed deposits with licensed banks | 5,900 | 5,000 | – | – |
| Cash and bank balances | 753 | 363 | 1 | 2 |
| | 6,653 | 5,363 | 1 | 2 |

The accompanying notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office of the Company is located at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur. The principal place of business of the Company is located at No. 3, Jalan PJU 1/41, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan.

The principal activity of the Company consists of investment holding. The principal activities of its subsidiaries are disclosed in Note 8 to the Financial Statements. There have been no significant changes in the nature of the principal activities of the Company and its subsidiaries during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 April 2025.

## 2. GOING CONCERN

The financial statements of the Group and of the Company have been prepared on the assumption that the Group and the Company will continue as a going concern which contemplates the continuity of normal business activity and the realisation of assets and discharge their liabilities in the normal course of business.

During the financial year, the Group and the Company incurred a net loss of RM10,486,954 and RM5,031,769 respectively and the Group and the Company are having a negative operating cash flow of RM3,646,320 and RM1,226,715 respectively and the Company's total current liabilities exceeded its total current assets by RM1,059,941 which may cast significant doubt about the Group's and the Company's ability to continue as a going concern.

The ability of the Group and the Company to continue as a going concern will be dependent on:

- the continued successful operation of the property development activities in line with management expectation; and

- the continued financial support from a Director and the Chief Executive Officer ("CEO") of the Company. The amounts due to the Director and CEO are not expected to be demanded for repayment within the next 12 months from the reporting date.

If these are not forthcoming, the Group and the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Director and CEO have confirmed their intention to continue providing financial support to enable the Group and the Company to meet their obligations as and when they fall due, and not to demand repayment of the amounts due to them for at least the next 12 months from the reporting date.

In view of the foregoing, the Directors consider that it is appropriate to prepare the financial statements of the Group and of the Company on a going concern basis and accordingly the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to the amounts and classification of the liabilities that may be necessary should the Group and the Company be unable to continue as a going concern.

## 3. BASIS OF PREPARATION

### 3.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

### 3.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention except for certain land and buildings that are measured at fair value at the end of each reporting year as disclosed in the summary of material accounting policies.

Historical cost is generally based on the fair value of consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

(a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
(b) Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable
(c) Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting year.

The Group and the Company have established control framework in respect to the measurement of fair values of financial instruments. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Board of Directors. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

## 3. BASIS OF PREPARATION (CONT'D)

### 3.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency and all values are rounded to the nearest thousand (RM'000), except when otherwise stated.

### 3.4 Adoption of new standards/amendments to MFRSs

At the beginning of the current financial year, the Group and the Company adopted new standards/amendments to MFRSs which are mandatory for the current financial year beginning on or after 1 January 2024.

Initial application of the amendments to the standards did not have material impact to the financial statements.

### 3.5 Standards issued but not yet effective

The Group and the Company have not applied the following MFRSs and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and the Company:-

| | |
|---|---|
| Amendments to MFRS effective 1 January 2025:- | |
| Amendments to MFRS 121 | The Effect of Changes in Foreign Exchange Rates - Lack of Exchangeability |
| Amendments to MFRS effective 1 January 2026:- | |
| Amendments to MFRS 9 and MFRS 7 | Financial Instruments and Financial Instruments: Disclosures - Amendments to the Classification and Measurement of Financial Instruments and Contracts Referencing Nature-dependent Electricity |
| Amendments that are part of Annual Improvement - Volume 11:- | |
| Amendments to MFRS 1 | First-time Adoption of MFRS Accounting Standards |
| Amendments to MFRS 7 | Financial Instruments: Disclosures |
| Amendments to MFRS 9 | Financial Instruments |
| Amendments to MFRS 10 | Consolidated Financial Statements |
| Amendments to MFRS 107 | Statement of Cash Flow |
| Amendments to MFRS effective 1 January 2027:- | |
| MFRS 18 | Presentation and Disclosure in Financial Statements |
| MFRS 19 | Subsidiaries without Public Accountability: Disclosures |
| Amendments to MFRSs - effective date deferred indefinitely:- | |
| Amendments to MFRS 10 and MFRS 128 | Consolidated Financial Statements and Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture |

## 3. BASIS OF PREPARATION (CONT'D)

### 3.5 Standards issued but not yet effective (cont'd)

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 Presentation and Disclosure in Financial Statements introduces three sets of new requirements to improve companies' reporting of financial performance:

- Improved comparability in the statements of profit or loss (income statement)
- Enhanced transparency of management-defined performance measures
- More useful grouping of information in the financial statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It carries forward many requirements from MFRS 101 unchanged. MFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, early adoption is applicable.

The Group and the Company intend to adopt these new and amended standards, if applicable, when they become effective. The initial application of the above standards and amendments are not expected to have any material financial impacts to the financial statements of the Group and the Company.

### 3.6 Significant accounting estimates and judgements

Estimates and assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

#### 3.6.1 Estimation uncertainty

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses at the reporting date are discussed below:-

Useful lives of depreciable assets

Management estimates the useful lives of the property, plant and equipment to be within 2 to 91 years and reviews the useful lives of depreciable assets at the end of each reporting year. At 31 December 2024, management assesses that the useful lives represent the expected utility of the assets to the Group and the Company.

The carrying amounts of the Group's and the Company's property, plant and equipment at the reporting date are analysed in Note 5 to the Financial Statements. Actual results, however, may vary due to change in the expected levels of usage and technological developments, which resulting the adjustment to the Group's and the Company's assets.

## 3. BASIS OF PREPARATION (CONT'D)

### 3.6 Significant accounting estimates and judgements (cont'd)

#### 3.6.1 Estimation uncertainty (cont'd)

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's and the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Provision for expected credit losses ("ECL") of trade receivables

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with the forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the trading sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable value, management takes into account the most reliable evidence available at the time the estimates are made.

The Group's businesses are subject to economical, technological and social preference changes which may cause selling prices to change rapidly and the Group's results to change.

The carrying amount of the Group's inventories at the reporting date is disclosed in Note 6 to the Financial Statements.

## 3. BASIS OF PREPARATION (CONT'D)

### 3.6 Significant accounting estimates and judgements (cont'd)

#### 3.6.1 Estimation uncertainty (cont'd)

Income taxes

Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

Revaluation of property, plant and equipment

The Group measures its land and buildings at revalued amount with changes in fair value being recognised in other comprehensive income. The Group engages independent valuation specialists to determine the fair values. The carrying amounts of the land and buildings at the reporting date and the relevant revaluation bases are disclosed in Note 5 to the Financial Statements.

#### 3.6.2 Significant management judgement

There was no significant judgement made by management in the process of applying the accounting policies of the Group and of the Company which may have significant effect on the amount recognised in the financial statements.

## 4. MATERIAL ACCOUNTING POLICIES

The Group and the Company apply the material accounting policies as summarised below consistently throughout all years presented in the financial statements.

### 4.1 Consolidation

#### 4.1.1 Subsidiaries

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

#### 4.1.2 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

## 4. MATERIAL ACCOUNTING POLICIES (CONT'D)

### 4.2 Property, plant and equipment

All property, plant and equipment are measured at cost less accumulated depreciation and less any impairment losses.

Freehold land is measured at fair value and impairment loss recognised after the date of the revaluation. Buildings are measured at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed at a regular interval of at least once in every five years with additional valuations in the intervening years where market conditions indicate that the carrying values of the revalued land and buildings materially differ from the market values.

Freehold land is not depreciated. Depreciation is recognised on the straight-line method in order to write off the cost of each asset over its estimated useful life. Other property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:-

| | |
|---|---|
| Leasehold land | Over 81 to 91 years |
| Buildings | 2% |
| Office equipment, furniture and fittings | 15% to 33 1/3% |
| Motor vehicles | 20% |
| Renovation | 10% |
| Site cabin and tools | 10% |
| Signboard | 50% |

### 4.3 Inventories

#### 4.3.1 Trading goods

Inventories comprise goods held for trading and are stated at the lower of cost or net realisable value. Cost is determined on the weighted average basis and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less any estimated costs necessary to make the sale.

Where necessary, due allowance is made for all damaged, obsolete and slow-moving items. The Group writes down its obsolete or slow-moving inventories based on assessment of the condition and the future demand for the inventories. These inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recovered.

### 4.4 Plantation expenditure

The Group's biological asset comprises plantation expenditure. The Group recognises a biological asset in its financial statements when, and only when the Group gains control over the asset as a result of past events, it is possible that the future economic benefits associated with the asset will flow to the Group and when the fair value or cost of the asset can be measured reliably.

If the fair value less costs to sell of a biological asset could not be measured reliably, plantation expenditure recognised at its cost less any accumulated impairment losses. Inability to measure fair value reliably is presumed only on the initial recognition of a biological asset for which market-determined prices or values are not available and for which alternative estimates of fair value are determined to be clearly unreliable. Once the fair value of such a biological asset becomes reliably measurable, the Group measures it at its fair value less costs to sell.

Plantation expenditure incurred on land clearing, upkeep of immature trees, direct administrative expenses incurred during the pre-maturity period (precropping costs) are capitalised as plantation expenditure.

Biological asset is derecognised when either it is disposed of or subsequent to the point of harvest, in which MFRS 102 Inventories or another applicable standard is applied thereafter.

## 4. MATERIAL ACCOUNTING POLICIES (CONT'D)

### 4.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### 4.5.1 Financial assets

The Group and the Company carries only financial assets at amortised cost on its statements of financial position. The Group's and the Company's financial assets at amortised cost include trade and other receivables, amount due from subsidiaries, fixed deposits with licensed banks and cash and bank balances.

#### 4.5.2 Financial liabilities

The Group and the Company carries only financial liabilities at amortised cost on its statements of financial position. The Group's and the Company's financial liabilities at amortised cost include trade and other payables.

### 4.6 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:-

Leasehold land - over 81 to 91 years

On the statements of financial position, right-of-use assets have been included in property, plant and equipment.

### 4.7 Tax expenses

#### 4.7.1 Deferred tax liabilities

Where property, plant and equipment and land held for property development which previously held as investment property are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the asset and liabilities, using tax rates enacted or substantively enacted at the reporting date.

## 5. PROPERTY, PLANT AND EQUIPMENT

| Group | At valuation | | At cost | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Freehold land and buildings RM'000 | Long term leasehold land RM'000 | Office equipment, furniture and fittings RM'000 | Motor vehicles RM'000 | Renovation RM'000 | Site cabin and tools RM'000 | Signboard RM'000 | Total RM'000 |
| **Cost or valuation** | | | | | | | | |
| At 1 January 2023 | 7,000 | 9,720 | 1,587 | 622 | 830 | 61 | 60 | 19,880 |
| Additions | – | – | 6 | – | – | – | – | 6 |
| Valuation adjustment | 200 | – | – | – | – | – | – | 200 |
| Written off | – | – | (3) | – | – | – | – | (3) |
| At 31 December 2023 | 7,200 | 9,720 | 1,590 | 622 | 830 | 61 | 60 | 20,083 |
| Additions | – | – | 4 | – | – | – | – | 4 |
| Written off | – | – | (24) | – | – | – | – | (24) |
| At 31 December 2024 | 7,200 | 9,720 | 1,570 | 622 | 830 | 61 | 60 | 20,063 |
| **Accumulated depreciation** | | | | | | | | |
| At 1 January 2023 | 696 | – | 1,568 | 622 | 830 | 61 | 60 | 3,837 |
| Depreciation for the financial year | 174 | 139 | 9 | – | – | – | – | 322 |
| Valuation adjustment | (870) | – | – | – | – | – | – | (870) |
| Written off | – | – | (3) | – | – | – | – | (3) |
| At 31 December 2023 | – | 139 | 1,574 | 622 | 830 | 61 | 60 | 3,286 |
| Depreciation for the financial year | 174 | 139 | 10 | – | – | – | – | 323 |
| Written off | – | – | (24) | – | – | – | – | (24) |
| At 31 December 2024 | 174 | 278 | 1,560 | 622 | 830 | 61 | 60 | 3,585 |
| **Net carrying amount** | | | | | | | | |
| At 31 December 2024 | 7,026 | 9,442 | 10 | – | – | – | – | 16,478 |
| At 31 December 2023 | 7,200 | 9,581 | 16 | – | – | – | – | 16,797 |

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

| | Motor vehicles RM'000 |
|---|---|
| **Company** | |
| **Cost** | |
| At 1 January 2023/31 December 2023/31 December 2024 | 174 |
| **Accumulated depreciation** | |
| At 1 January 2023/31 December 2023/31 December 2024 | 173 |
| **Net carrying amount** | |
| At 1 January 2023/31 December 2023/31 December 2024 | 1 |

The freehold land and buildings of the Group were revalued in year 2023 and the leasehold land of the Group was revalued in year 2022 by an independent professional valuer. The valuations were based on the comparison method by reference to recent market transactions.

Had the revalued land and buildings been carried under the cost model, the net carrying amounts of land and buildings would have been included in the financial statements of the Group as at the end of the reporting year as follows:-

| | Group | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| Freehold land and buildings | 2,241 | 2,276 |
| Leasehold land | 1,191 | 1,209 |
| | 3,432 | 3,485 |

**Fair value information**
Fair value of property, plant and equipment are categorised as follows:-

| | Group | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| **Level 2** | | |
| Freehold land and buildings | 7,026 | 7,200 |
| Leasehold land | 9,442 | 9,581 |
| | 16,468 | 16,781 |

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer. There was no transfer between the fair value hierarchy during the financial year.

Included in the net carrying amount of property, plant and equipment is right-of-use asset as follows:-

| | Group | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| Leasehold land | 9,442 | 9,581 |

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

## 6. INVENTORIES

| | Group | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| **Non-current:** | | |
| Land held for property development (Note 6.1) | 93,629 | 93,629 |
| **Current:** | | |
| Property development costs (Note 6.2) | 50,694 | 50,407 |
| Trading goods (Note 6.3) | 485 | 393 |
| | 51,179 | 50,800 |
| | 144,808 | 144,429 |

### 6.1 Land held for property development

| | Group | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| Leasehold land, at cost: | | |
| At beginning/end of financial year | 93,629 | 93,629 |

### 6.2 Property development costs

| | Group | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| Leasehold land: | | |
| At beginning of financial year | 50,407 | 50,156 |
| Cost incurred during the financial year | | |
| - development costs | 287 | 251 |
| At end of financial year | 50,694 | 50,407 |

## 6. INVENTORIES (CONT'D)

### 6.3 Trading goods

| | Group | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| Trading goods | 500 | 594 |
| Less: Provision for inventories written down | | |
| At 1 January | (201) | (201) |
| Recognised | (13) | – |
| Reversal | 199 | – |
| At 31 December | (15) | (201) |
| | 485 | 393 |
| **Recognised in profit or loss:** | | |
| - Inventories recognised as cost of sales | 21,454 | 15,350 |

The provision for inventories were reversed as a result of subsequent sales of the inventories.

## 7. PLANTATION EXPENDITURE

| | Group | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| At 1 January | 2,411 | 2,312 |
| Additions | 117 | 99 |
| At 31 December | 2,528 | 2,411 |

Included in plantation expenditure incurred during the financial year are:-

| | Group | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| Staff salaries | 71 | 67 |
| Defined contribution plan | 12 | 9 |
| Other related staff costs | 13 | 13 |

## 8. INVESTMENT IN SUBSIDIARIES

| | Company | |
|---|---|---|
| | **2024** | **2023** |
| | **RM'000** | **RM'000** |
| Unquoted shares – at cost | 178,100 | 178,100 |
| Less: Accumulated impairment loss | (171,494) | (171,494) |
| | 6,606 | 6,606 |

Investment in subsidiaries that are impaired at reporting date related to those subsidiaries that are having recoverable amount lower than costs of investment.

During the financial year, the Company subscribed for additional 12,250 ordinary shares of RM1 per share for total cash consideration of RM1 in Compugates Sabah Sdn. Bhd., increasing its ownership from 51% to 100%.

The following information relates to the subsidiaries which principal places of business are in Malaysia:-

| | Equity interest | | |
|---|---|---|---|
| **Name of company** | **2024** | **2023** | **Principal activities** |
| | **%** | **%** | |
| **Held directly:-** | | | |
| Compugates Sdn. Bhd. | 100 | 100 | Trading, marketing and distribution of imaging, information technology and communication-based products |
| Selama Muda Jaya Sdn. Bhd. | 100 | 100 | Dormant |
| Compugates International Sdn. Bhd. | 100 | 100 | Dormant |
| **Held under Compugates Sdn. Bhd.:-** | | | |
| Compugates Marketing Sdn. Bhd. | 100 | 100 | Investment holding, planting and trading of gaharu tree, trading and online sales and distribution of information technology and communication-based products, general merchants and gaharu derivatives |
| **Held under Compugates Marketing Sdn. Bhd.:-** | | | |
| Classic Distribution Sdn. Bhd. | 100 | 100 | Dormant |
| Compugates Development and Mining Sdn. Bhd. ("CDMSB") | 70 | 70 | Land owner, property investment holdings and property development |
| Compugates Perak Sdn. Bhd. | 100 | 100 | Plantation, cultivation, inoculation, harvesting and distillation services on the gaharu trees; and development, promotion and marketing of gaharu trees and other derivatives and by-products |
| Compugates Sabah Sdn. Bhd. ("CSSB") | 100 | 51 | Dormant |

## 8. INVESTMENT IN SUBSIDIARIES (CONT'D)

**Non-controlling interests in subsidiaries**

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:-

| | CDMSB RM'000 | CSSB RM'000 | Total RM'000 |
|---|---|---|---|
| **Percentage of ownership interest and voting interest** | 30% | – | |
| 2024 | | | |
| Carrying amount of NCI | 33,617 | – | 33,617 |
| Loss allocated to NCI | (309) | (2) | (311) |
| **Percentage of ownership interest and voting interest** | 30% | 49% | |
| 2023 | | | |
| Carrying amount of NCI | 33,927 | (5,363) | 28,564 |
| Loss allocated to NCI | (420) | (4) | (424) |

The summary of financial information before intra-group elimination for the Group's subsidiaries that have material non-controlling interests is as below:-

| | CDMSB | | CSSB | |
|---|---|---|---|---|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| **Financial position as at 31 December:-** | | | | |
| Non-current assets | 93,629 | 93,629 | – | – |
| Current assets | 50,773 | 59,812 | – | 1 |
| Non-current liabilities | (11,943) | (11,657) | – | – |
| Current liabilities | (20,398) | (28,694) | – | (10,945) |
| | 112,061 | 113,090 | – | (10,944) |
| **Summary of financial performance for the financial year ended 31 December:-** | | | | |
| Revenue | – | – | – | – |
| Net loss/total comprehensive loss for the financial year | (1,030) | (1,400) | – | (8) |
| **Summary of cash flows for the financial year ended 31 December:-** | | | | |
| Net cash flows from/(used in) operating activities | 2,913 | (252) | – | (9) |
| Net cash flows (used in)/from financing activities | (2,841) | 252 | – | 9 |

## 9. AMOUNT DUE FROM SUBSIDIARIES

| | Company | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| **Non-current:** | | |
| Amount due from subsidiaries | 919 | 847 |
| **Current:** | | |
| Amount due from subsidiaries | 53,246 | 49,463 |
| Less: Accumulated impairment loss | | |
| At 1 January | (49,463) | (39,978) |
| Recognised | (3,783) | (9,485) |
| At 31 December | (53,246) | (49,463) |
| | – | – |
| | 919 | 847 |

The amount due from subsidiaries is non-trade in nature, unsecured, interest free and repayable on demand, except for the amount of RM923,624 (2023: RM1,021,842) due from a subsidiary which bears interest rates range from 2.99% to 8.88% (2023: 3.88% to 9.90%) per annum.

The financial income/expenses of RM3,771 (2023: RM58,341) is recognised in the financial statements representing the discounting effect of the amount due from a subsidiary which classified under non-current asset.

## 10. TRADE RECEIVABLES

| | Group | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| Trade receivables | 995 | 781 |
| Less: Accumulated impairment loss | | |
| At 1 January | (47) | (47) |
| Recognised | (18) | – |
| At 31 December | (65) | (47) |
| | 930 | 734 |

The Group's normal trade credit terms range from 1 to 60 days (2023: 1 to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

## 11. OTHER RECEIVABLES

| | Group | | Company | |
|---|---|---|---|---|
| | **2024 RM'000** | **2023 RM'000** | **2024 RM'000** | **2023 RM'000** |
| Other receivables | 292 | 9,735 | 8 | 8 |
| Less: Accumulated impairment loss | (245) | (245) | – | – |
| | 47 | 9,490 | 8 | 8 |
| Deposits | 42 | 42 | 5 | 5 |
| Prepayments | 133 | 120 | 1 | 3 |
| | 222 | 9,652 | 14 | 16 |

In the previous financial year, included in the other receivables of the Group of RM9,397,400 was sale proceeds receivable pertaining to the disposal of the partial land held for property development in previous financial years. The proceeds of RM9,397,400 has been deposited into the Group as detailed in Note 28.1 to the Financial Statements.

## 12. FIXED DEPOSITS WITH LICENSED BANKS

The effective interest rate of fixed deposits with licensed banks are ranged in 1.30% to 2.70% (2023: 1.30% to 2.70%) per annum. The maturity period of the fixed deposits are less than 3 months and no pledge with any financial institution.

## 13. SHARE CAPITAL

| | Group and Company | | | |
|---|---|---|---|---|
| | **2024 Unit'000** | **2023 Unit'000** | **2024 RM'000** | **2023 RM'000** |
| Issued and fully paid of ordinary shares with no par value: | | | | |
| At 1 January | 5,500,370 | 4,583,642 | 91,295 | 81,429 |
| Issuance of ordinary shares - private placement | 550,037 | 916,728 | 4,950 | 9,866 |
| At 31 December | 6,050,407 | 5,500,370 | 96,245 | 91,295 |

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

## 14. REVALUATION RESERVE

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **RM'000** | **RM'000** |
| At 1 January | 32,849 | 32,172 |
| Crystallisation of revaluation reserve | (178) | (178) |
| Increase in revaluation | – | 1,070 |
| Deferred tax liabilities recognised in other comprehensive income | – | (215) |
| At 31 December | 32,671 | 32,849 |

The revaluation reserve represents the revaluation surplus of property, plant and equipment.

## 15. OTHER RESERVE

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **RM'000** | **RM'000** |
| Other reserve | 2,100 | 2,100 |

The other reserves arose from additional interest acquired from non-controlling interests of Compugates Development and Mining Sdn. Bhd.

## 16. DEFERRED TAX LIABILITIES

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **RM'000** | **RM'000** |
| At 1 January | 13,886 | 13,722 |
| Recognised in profit or loss (Note 22) | (51) | (51) |
| Recognised in other comprehensive income | – | 215 |
| At 31 December | 13,835 | 13,886 |

The deferred tax liabilities arose from the tax impact on revaluation surplus of property, plant and equipment and land held for property development which previously held as investment property.

## 17. OTHER PAYABLES

| | Group | | Company | |
|---|---|---|---|---|
| | **2024 RM'000** | **2023 RM'000** | **2024 RM'000** | **2023 RM'000** |
| **Non-current** | | | | |
| Other payables | 1,327 | 1,122 | 136 | 217 |
| Amount due to a Director | 54 | 135 | 54 | 135 |
| | 1,381 | 1,257 | 190 | 352 |
| **Current** | | | | |
| Other payables | 2,122 | 10,931 | 441 | 377 |
| Accruals | 2,530 | 590 | 116 | 89 |
| Deposit received | 5,100 | 5,100 | - | - |
| Director and staff incentives | 4,717 | 1,753 | 223 | - |
| Amount due to a Director | 2,351 | 463 | 297 | 297 |
| | 16,820 | 18,837 | 1,077 | 763 |
| | 18,201 | 20,094 | 1,267 | 1,115 |
| Represented by: | | | | |
| - Current | 16,820 | 18,837 | 1,077 | 763 |
| - Non-current | 1,381 | 1,257 | 190 | 352 |
| | 18,201 | 20,094 | 1,267 | 1,115 |

Included in other payables of the Group and of the Company are RM6,732,609 (2023: RM3,526,051) and RM573,057 (2023: RM589,255) respectively owing to a Director of subsidiaries. Such amount owing to a Director of subsidiaries and the amount due to a Director are non-trade in nature, unsecured and interest free except for RM573,057 (2023: RM589,255) and RM350,567 (2023: RM432,587) respectively which are back-to-back advances comprise various personal loans and credit card facilities, borrowed in their personal capacity from the financial institutions and on-lent to the Group and to the Company, which bear interest rates payable to the financing banks ranging from 2.99% to 8.88% (2023: 3.88% to 9.90%) per annum. The repayment periods of the amount owing to a Director of subsidiaries and the amount due to a Director are due within 30 days to 2.5 years (2023: 30 days to 2 years).

Included in other payables of the Group is RM2,273,741 (2023: RM1,987,285) due to a third party which bears interest at 8% (2023: 8%) per annum. The amount is non-trade in nature, unsecured and the repayment period commences after the development is complete.

Included in other payables of the Group is RM1,043,985 (2023: RM450,000) due to a key management personnel which is unsecured, interest free and repayable on demand.

Deposit represents the deposit received from third parties in relation to the joint venture agreements entered by a subsidiary.

## 18. TRADE PAYABLES

The normal trade credit terms granted to the Group are 1 to 45 days (2023: 1 to 45 days).

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

## 19. REVENUE

| | Group | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| **Type of revenue** | | |
| -Trading income | 21,869 | 15,363 |

All revenue is generated in Malaysia and recognised at a point in time.

## 20. FINANCE COSTS

| | Group | | Company | |
|---|---|---|---|---|
| | **2024 RM'000** | **2023 RM'000** | **2024 RM'000** | **2023 RM'000** |
| Interest expenses | | | | |
| - other payables | 273 | 268 | 127 | 34 |
| - subsidiary | – | – | - | 58 |
| | 273 | 268 | 127 | 92 |

## 21. LOSS BEFORE TAX

Loss before tax is determined after charging amongst others, the following items:-

| | Group | | Company | |
|---|---|---|---|---|
| | **2024 RM'000** | **2023 RM'000** | **2024 RM'000** | **2023 RM'000** |
| Auditors' remuneration: | | | | |
| - statutory audit | 140 | 140 | 53 | 53 |
| - assurance-related services | 61 | 6 | 61 | 6 |
| Directors' fees | 622 | 348 | 622 | 348 |
| Director of the Company: | | | | |
| - remuneration | 1,258 | 748 | 223 | – |
| - defined contribution plan | 57 | 89 | – | – |
| Director of the subsidiaries: | | | | |
| - fees | 400 | – | – | – |
| - remuneration | 5,267 | 2,084 | – | – |
| - defined contribution plan | 299 | 347 | – | – |
| Staff costs: | | | | |
| - salaries, wages, bonuses and allowances | 1,725 | 1,279 | – | – |
| - defined contribution plan | 184 | 176 | – | – |
| - other staff related cost | 258 | 242 | – | – |

## 22. TAX INCOME

| | Group | | Company | |
|---|---|---|---|---|
| | **2024 RM'000** | **2023 RM'000** | **2024 RM'000** | **2023 RM'000** |
| Current tax: | | | | |
| - Under provision in prior year | 15 | – | – | – |
| Crystalisation of deferred tax liabilities arising from revaluation of properties (Note 16) | (51) | (51) | – | – |
| | (36) | (51) | – | – |

Malaysia income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated assessable loss for the financial year.

A reconciliation of tax income applicable to loss before tax at the statutory income tax rate to tax income at the effective income tax rate of the Group and of the Company is as follows:-

| | Group | | Company | |
|---|---|---|---|---|
| | **2024 RM'000** | **2023 RM'000** | **2024 RM'000** | **2023 RM'000** |
| Loss before tax | (10,523) | (8,075) | (5,032) | (10,485) |
| Taxation at applicable tax rate of 24% (2023: 24%) | (2,526) | (1,938) | (1,208) | (2,516) |
| Tax effects arising from : | | | | |
| - non-deductible expenses | 848 | 738 | 1,208 | 2,516 |
| - non-taxable income | (264) | (21) | – | – |
| - crystallisation of deferred tax liabilities | (51) | (51) | – | – |
| - movement of deferred tax assets not recognised during the year | 1,942 | 1,221 | – | – |
| - under provision of current tax expense in prior year | 15 | – | – | – |
| Tax income for the financial year | (36) | (51) | – | – |

Deferred tax assets have not been recognised in respect of the following items as it is not probable that whether sufficient future taxable profits will be available against which the Group can utilise the benefit:-

| | Group | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| Plant and equipment | (2,526) | (2,408) |
| Other deductible temporary differences | (85) | (429) |
| Unabsorbed tax losses | 90,553 | 82,695 |
| Unutilised capital allowances | 2,546 | 2,537 |
| | 90,488 | 82,395 |

## 22. TAX INCOME (CONT'D)

The expiry of the unabsorbed tax losses is as follows:-

| | Group | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| Carry forward up to year of assessment 2028 | 44,993 | 44,993 |
| Carry forward up to year of assessment 2029 | 12,756 | 12,756 |
| Carry forward up to year of assessment 2030 | 6,970 | 6,970 |
| Carry forward up to year of assessment 2031 | 5,569 | 5,569 |
| Carry forward up to year of assessment 2032 | 6,934 | 6,934 |
| Carry forward up to year of assessment 2033 | 12,057 | 5,473 |
| Carry forward up to year of assessment 2034 | 1,274 | – |
| | 90,553 | 82,695 |

## 23. LOSS PER SHARE

**Basic/diluted loss per ordinary share**

Basic/diluted loss per share is calculated by dividing net loss for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

| | Group | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| Net loss attributable to ordinary equity holders of the Company (RM'000) | (10,176) | (7,600) |
| Weighted average number of ordinary shares (Unit' 000) | 5,605,857 | 5,426,407 |
| Basic loss per ordinary share (sen) | (0.18) | (0.14) |

**Diluted loss per ordinary share**

The Company has no dilutive potential ordinary shares. As such, there is no dilutive effect on the loss per ordinary share of the Group for both financial years.

## 24. RELATED PARTIES

### (a) Related party transactions

Set out below are the related party transactions for the financial year. The related party transactions described below were carried out on terms and conditions mutually agreed between the respective parties:-

| | Group | | Company | |
|---|---|---|---|---|
| | **2024 RM'000** | **2023 RM'000** | **2024 RM'000** | **2023 RM'000** |
| Interest expenses charged by: | | | | |
| - Director | 47 | 10 | 47 | 10 |
| - a person connected to a Director of the Company | 80 | 24 | 80 | 24 |
| Interest income charged on a subsidiary | – | – | 127 | 34 |
| Advances to subsidiaries | – | – | 5,787 | 11,000 |
| Payment on behalf from subsidiaries | – | – | 1,000 | 1,138 |

### (b) Key management personnel compensation

Key management personnel comprise staff of the Group having authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly.

Directors' remuneration is disclosed in Note 21 to the Financial Statements. Other key management personnel compensation of the Group is as follows:

| | **2024 RM'000** | **2023 RM'000** |
|---|---|---|
| Salaries, wages and other emoluments | 636 | 280 |
| Defined contribution plan | 34 | 38 |
| Other staff related cost | 4 | 12 |
| | 674 | 330 |

## 25. OPERATING SEGMENT

### Business segment

For management purpose, the Group is organised into business units based on their products and services provided. The Group is organised into two main business segments as follows:-

(i) Trading, services and property development segment – involved in the trading, marketing, distribution of imaging, information technology, communication-based products, general merchants and property development

(ii) Agriculture segment – involved in trading and cultivation of agricultural products

Management monitors the operating results to its business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

## 25. OPERATING SEGMENT (CONT'D)

**Business segment (cont'd)**

Transfer prices between operating segments are on a negotiated basis in a manner similar to transactions with third parties.

**Group**

| | Trading, services and property development RM'000 | Agriculture RM'000 | Consolidated RM'000 |
|---|---|---|---|
| **2024** | | | |
| **Revenue** | | | |
| External sales | 21,869 | – | 21,869 |
| **Results** | | | |
| Finance income | 107 | – | 107 |
| Finance costs | (273) | – | (273) |
| Depreciation | (183) | (140) | (323) |
| Tax income | 13 | 23 | 36 |
| Other non-cash expense (Note (i)) | (18) | – | (18) |
| Segment loss | (2,980) | (7,507) | (10,487) |
| **Assets** | | | |
| Additions to non-current assets (Note (ii)) | – | 121 | 121 |
| Segment assets | 157,775 | 13,847 | 171,622 |
| **Liabilities** | | | |
| Segment liabilities | 25,090 | 7,694 | 32,784 |
| **2023** | | | |
| **Revenue** | | | |
| External sales | 15,363 | – | 15,363 |
| **Results** | | | |
| Finance income | 224 | – | 224 |
| Finance costs | (268) | – | (268) |
| Depreciation | (182) | (140) | (322) |
| Tax income | 28 | 23 | 51 |
| Segment loss | (4,028) | (3,996) | (8,024) |
| **Assets** | | | |
| Additions to non-current assets (Note (ii)) | 6 | 99 | 105 |
| Segment assets | 165,545 | 13,845 | 179,390 |
| **Liabilities** | | | |
| Segment liabilities | 31,406 | 3,609 | 35,015 |

## 25. OPERATING SEGMENT (CONT'D)

**Business segment (cont'd)**

(i) Other non-cash expense consist of the following item:-

| | Group | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| Impairment loss on financial assets | 18 | – |

(ii) Additions to non-current assets consist of:-

| | Group | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| Property, plant and equipment | 4 | 6 |
| Plantation expenditure | 117 | 99 |
| | 121 | 105 |

**Geographical segment**

The Group's businesses are operated entirely within Malaysia and as such, no segment information based on geographical location is presented.

**Information about major customers**

The Group did not have any revenue from any major customer which represents 10% or more of the Group's revenue.

## 26. FINANCIAL INSTRUMENTS

**(a) Financial risk management and objectives**

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. Financial risk management policies are established to ensure that adequate resources are available for the development of the Group's and the Company's business whilst managing its risks. The Group and the Company operate within clearly defined policies and procedures that are approved by the Directors to ensure the effectiveness of the risk management process.

## 26. FINANCIAL INSTRUMENTS (CONT'D)

### (a) Financial risk management and objectives (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:-

#### (i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The exposure to credit risk is monitored by the management on an ongoing basis and the management does not expect any counterparty fail to meet its obligations.

The areas where the Group are exposed to credit risk are as follows:-

***Receivables***

With a credit policy in place to ensure the credit risk is monitored on an ongoing basis, management has taken reasonable steps to ensure that receivables that is neither past due nor impaired are stated at the realisable values.

Trade receivables that is neither past due nor impaired is creditworthy debtor with good payment records with the Group. Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:-

**Group**

| | Gross carrying amount RM'000 | Expected credit loss rate % | Loss allowance RM'000 | Net carrying amount RM'000 |
|---|---|---|---|---|
| **2024** | | | | |
| Not past due | 742 | – | – | 742 |
| Past due 1-60 days | 123 | – | – | 123 |
| Past due more than 120 days | 130 | 50 | (65) | 65 |
| | 995 | | (65) | 930 |
| **2023** | | | | |
| Not past due | 562 | – | – | 562 |
| Past due 1-60 days | 140 | – | – | 140 |
| Past due more than 120 days | 79 | 59 | (47) | 32 |
| | 781 | | (47) | 734 |

## 26. FINANCIAL INSTRUMENTS (CONT'D)

### (a) Financial risk management and objectives (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

#### (i) Credit risk (cont'd)

The areas where the Group are exposed to credit risk are as follows (cont'd):-

***Receivables (cont'd)***

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year or if Directors deemed them uncollectable. The maximum exposure to credit risk arising from trade receivables are limited to the carrying amounts as stated in the statements of financial position.

***Other receivables***

In the previous financial year, the credit risks on other receivables are mainly arising from amount held by High Court Shah Alam as detailed in Note 28.1 to the Financial Statements. The Group considers the receivables to have low credit risk.

As at the end of the reporting date, the maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position and the Group and the Company did not recognise any allowance for impairment losses.

***Intercompanies balances***

The maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

The Company provides unsecured loans and advances to subsidiaries and monitors their results regularly. As at the end of the reporting year, there was no indication that the loans and advances to the subsidiaries are not recoverable except for those disclosed in Note 9 to the Financial Statements.

***Cash and cash equivalents***

The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

## 26. FINANCIAL INSTRUMENTS (CONT'D)

### (a) Financial risk management and objectives (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

#### (i) Credit risk (cont'd)

The areas where the Group are exposed to credit risk are as follows (cont'd):-

***Financial guarantee***

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to a subsidiary and creditors for credit terms granted to a subsidiary. The Company monitors on an ongoing basis the repayments made by the subsidiary and its financial performance.

The maximum exposure to credit risk amounts to RM156,206 (2023: RM423,174) representing the outstanding credit facilities to suppliers of the subsidiary guaranteed by the Company at the reporting date. At the reporting date, there was no indication that the subsidiary would default on its repayment.

The financial guarantee has not been recognised as the fair value on initial recognition was immaterial since the financial guarantee provided by the Company did not contribute towards credit enhancement of the subsidiary's borrowings in view that it is unlikely the subsidiary will default within the guarantee period.

#### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favorable interest rate available.

The following table summarises the interest rate profile of the Group and of the Company as at the reporting date:-

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| **Fixed rate instrument** | | | | |
| **Financial assets** | | | | |
| Amount due from a subsidiary | – | – | 924 | 1,022 |
| Fixed deposits with licensed banks | 5,900 | 5,000 | – | – |
| **Financial liability** | | | | |
| Other payables | 924 | 1,022 | 924 | 1,022 |

The Group and the Company do not account for fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting year would not affect the profit or loss.

## 26. FINANCIAL INSTRUMENTS (CONT'D)

### (a) Financial risk management and objectives (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

#### (iii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's liquidity is primarily dependent on its ability to maintain adequate cash inflow from operations to meet its debts obligations as and when they fall due and on its ability to obtain external financing for its committed future capital expenditures.

At the reporting date, the Group's and the Company's non-derivative financial liabilities which have contractual maturities are summarised below:-

| | | | ← Maturity → | |
|---|---|---|---|---|
| | **Carrying amount RM'000** | **Contractual cash flows RM'000** | **Less than 1 year RM'000** | **Between 1 year to 5 years RM'000** |
| **Group** | | | | |
| **2024** | | | | |
| **Unsecured:** | | | | |
| Trade payables | 748 | 748 | 748 | – |
| Other payables | 18,201 | 18,312 | 16,893 | 1,419 |
| | 18,949 | 19,060 | 17,641 | 1,419 |
| **2023** | | | | |
| **Unsecured:** | | | | |
| Trade payables | 1,035 | 1,035 | 1,035 | – |
| Other payables | 20,094 | 20,218 | 18,911 | 1,307 |
| | 21,129 | 21,253 | 19,946 | 1,307 |
| **Company** | | | | |
| **2024** | | | | |
| **Unsecured:** | | | | |
| Other payables | 1,267 | 1,378 | 1,150 | 228 |
| **2023** | | | | |
| **Unsecured:** | | | | |
| Other payables | 1,115 | 1,239 | 838 | 401 |

The liquidity risk arises from financial guarantee by the Company in respect of payables owing by a subsidiary amounted to RM156,206 (2023: RM423,714).

## 26. FINANCIAL INSTRUMENTS (CONT'D)

### (b) Fair values of financial instruments

The fair values of financial assets and financial liabilities of the Group and of the Company are reasonable approximation of their carrying amounts on the statements of financial position.

### (c) Fair value hierarchy

No fair value hierarchy has been disclosed as the Group and the Company do not have financial instruments measured at fair value.

## 27. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Group manages its capital structure by monitoring the capital and net debts on an ongoing basis. To maintain the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debts.

There were no changes in the Group's approach to capital management during the financial year.

## 28. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING DATE

28.1 Compugates Development and Mining Sdn. Bhd. ("CDMSB") had on 18 August 2015 entered into a Joint Venture Agreement ("JVA") with a third party, as the developer, for the joint development of a parcel of leasehold land owned by CDMSB located at Sepang, Selangor Darul Ehsan, measuring approximately 154,990 square metres ("JV Land") into a mixed development project. On 13 December 2017, CDMSB received a letter from Lembaga Lebuhraya Malaysia informing that based on the land acquisition plan, partial of the land with 0.9892 hectares or 2.44 acres ("Land") is affected by the construction of Lebuhraya Kuala Lumpur – Putrajaya – KLIA (MEX 2). Subsequently, on 15 October 2018, CDMSB received a compensation offer of RM9,397,400 ("Compensation Sum") for the compulsory acquisition of 0.9892 hectares of the Land which was part of the JV Land and a further sum of RM750,014 for incidental costs payable to CDMSB, which CDMSB accepted with objection. The Compensation Sum was paid to the Shah Alam High Court ("High Court") by the land administrator as there was a caveat lodged on the JV Land by a third party pursuant to the JVA. This led to multiple legal proceedings between CDMSB and the third party at the Federal Court, High Court and Court of Appeal from year 2018 to year 2024.

On 3 January 2024, the High Court had ordered compensation sum amounting RM9,397,400 to be released to CDMSB.

On 5 January 2024, the third party filed Notice of Appeal to Court of Appeal and the case has been fixed for Case Management on 4 April 2024. On 16 January 2024, the third party also filed Notice of Motion dated 15 January 2024 to Court of Appeal and the Court of Appeal has fixed the Case Management on 17 January 2024.

On 23 January 2024, the Federal Court has dismissed the leave application to appeal to Federal Court filed by CDMSB.

On 29 January 2024, the Court of Appeal struck off the Notice of Motion dated 15 January 2024 filed by third party and ordered the High Court to deliver the decision for Notice of Application dated 5 January 2024.

## 28. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING DATE (CONT'D)

28.1 (cont'd)

On 26 March 2024, CDMSB has entered Consent Judgement with the third party and Pentadbir Tanah Daerah Sepang on the terms where CDMSB shall pay the third party for the Judgement sums of RM5,317,123 pursuant to the High Court's Judgment dated 13 January 2022 and the Court of Appeal's Order dated 28 August 2023.

On 2 August 2024, the Court has released the compensation amounting RM5,317,123 to the third party and RM4,310,099 to CDMSB.

On 25 February 2025, the full trial completed where the Court had assessed the damages suffered by CDMSB during the period of 14 December 2022 to 4 September 2023 to be RM750,584. The third party filed on appeal to the Court of Appeal and this matter is fixed for Case Management on 23 June 2025

The Directors are of the opinion that no adjustment to be made in the financial statements in respect of this application since the case is yet to complete as at the reporting date.

28.2 On 31 January 2025, CDMSB entered into a conditional JVA with a third party which Director has deemed interest, as the developer, for the joint development of a parcel of leasehold land owned by the Company located at Sepang, State of Selangor Darul Ehsan, measuring at 14.50 hectares (35.83 acres).

The development is envisaged to commence immediately upon the Developer obtaining all the necessary approvals from the relevant authorities and to be developed over an estimated period of 13 years, with a further automatic extension of 3 years and/or any further extension to be agreed upon between the both companies. As of to-date, the developer is submitting the development plan to the relevant authorities.

28.3 On 31 January 2025, the Group and the Company proposed to undertake the establishment of an Employees' Share Option Scheme ("ESOS") of up to 15% of the total number of issued shares in the Group (excluding treasury shares, if any) at any point in time over the duration of the ESOS to eligible persons.

28.4 On 2 April 2025, the US government announced a reciprocal tariff on imported goods from all countries. The reciprocal tariff imposed a baseline of 10% tariff on all imports from countries worldwide effective 5 April 2025 whilst higher tariffs were imposed on specific countries whereby Malaysia was imposed a tariff rate of 24%, which will take effect from 9 April 2025. On 9 April 2025, the US government has announced that the higher tariffs imposed will be temporarily suspended for 90 days for all countries except China, though the 10% baseline tariff remains.

At this juncture, the management does not expect the reciprocal tariff to have a material impact on the Company's business operations or financial performance as the Company currently do not have any direct export to US. However, the imposition of the reciprocal tariff by the US and retaliation tariffs by certain countries may lead to dysfunctional global trade environment such as supply chain disruptions, increase of operational costs and other global macroeconomic conditions such as rising inflation, higher unemployment rates, lower disposable income and etc. These put adverse implications on the global economy and may have a material adverse impact on the business and financial performance of businesses worldwide.

The management is aware that any future development to this event may have a direct or indirect implication to its business operations and will continue to monitor the situation closely and take appropriate and timely measures to address the potential implications that may arise from this reciprocal tariff.

# LIST OF PROPERTIES

AS AT 31.12.2024

## COMPUGATES GROUP OF COMPANIES

| Location | Description | Date of Acquisition/ Date of Valuation | Gross Floor Area (square feet) | Tenure | Age of Buildings (years) | Net Book Value (RM) |
|---|---|---|---|---|---|---|
| Nos. 3-1 to 3-5<br>Jalan PJU 1/ 41<br>Dataran Prima<br>Petaling Jaya<br>Selangor Darul Ehsan | Five (5) Strata shop / office | 30 Dec1999<br>29 Dec 2023 | No. 3-1: 1,572<br>No. 3-2: 1,722<br>No. 3-3: 1,733<br>No. 3-4: 1,733<br>No. 3-5: 1,722<br>---<br>8,482<br>--- | Freehold | 25 | 3,568,132 |
| No. 31-2<br>Jalan PJU 1/ 39<br>Dataran Prima<br>Petaling Jaya<br>Selangor Darul Ehsan | One (1) Strata shop / office | 9 Aug 2002<br>29 Dec 2023 | No. 31-2: 1,722 | Freehold | 22 | 581,726 |
| Level No. 07<br>101-07-09<br>Menara PERDANA<br>Jalan Gurdwara<br>Penang | 1 storey in a 14-storey light industrial building | 26 Sep 2006<br>29 Dec 2023 | 2,034 | Freehold | 18 | 1,076,053 |
| H.S(D) 15896 PT 32544<br>(Plot A) Mukim of Dengkil<br>District of Sepang<br>State of Selangor Darul Ehsan | A parcel of development agricultural land | 25 Sep 2008<br>26 Apr 2013<br>9 Apr 2018 | 62 acres | Leasehold for a term of 99 years expiring on 1 February 2104 | – | 48,420,110 |
| H.S(D) 13828 PT 26800<br>(Plot E-Studio)<br>Mukim of Dengkil<br>District of Sepang<br>State of Selangor Darul Ehsan | A parcel of commercial development land | 25 Sep 2008<br>3 Jun 2016<br>31 Dec 2020<br>31 Dec 2024 | 1,561,820 | Leasehold for a term of 99 years expiring on 21 May 2103 | – | 93,629,076 |
| H.S(D) 9651 PT 2263<br>Mukim of Kota Lama Kiri<br>District of Kuala Kangsar<br>State of Perak Darul Ridzuan | A parcel of vacant agriculture land | 29 Sep 2009<br>29 Dec 2023 | Land Area (square meter)<br>47,720 | Freehold | – | 1,800,000 |
| H.S(D) 1464 to 1744<br>PT 952 to 1232<br>Mukim of Kota Lama Kiri<br>District of Kuala Kangsar<br>State of Perak Darul Ridzuan | 281 pieces of Commercial development Land | 29 Sep 2009<br>26 Apr 2013<br>29 Dec 2017<br>31 Dec 2022 | Land Area (square meter)<br>88,999 | Leasehold for a term of 99 years expiring on 24 Jan 2093 | – | 9,442,616 |
| **Total Net Book Value:** | | | | | | **158,517,713** |

# ANALYSIS OF SHAREHOLDINGS
AS AT 28 MARCH 2025

## SHARE CAPITAL

| | | |
|---|---|---|
| Total Number of Issued Shares | : | 6,050,407,750 |
| Class of Shares | : | Ordinary shares |
| Voting Rights | : | One vote per ordinary share |

## SHAREHOLDING DISTRIBUTION SCHEDULE (AS PER THE RECORD OF DEPOSITORS)

| No. of Shareholders | Size of Shareholdings | No. of Shared Held" | % of Shares" |
|---|---|---|---|
| 87 | Less than 100 | 2,130 | * |
| 2155 | 100 to 1,000 | 1,388,217 | 0.02 |
| 1903 | 1,001 to 10,000 | 10,318,553 | 0.17 |
| 2973 | 10,001 to 100,000 | 158,960,310 | 2.63 |
| 1972 | 100,001 to less than 5% of issued shares | 3,160,153,853 | 52.23 |
| 4 | 5% and above of the issued shares | 2,719,584,687 | 44.95 |
| **9,094** | **TOTAL** | **6,050,407,750** | **100.00** |

* *Less than 0.01%*

## LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (AS PER THE RECORD OF DEPOSITORS)

| | Name of Shareholders | No. of Shares Held | Percentage (%) |
|---|---|---|---|
| 1. | CIMSEC Nominees (Tempatan) Sdn Bhd<br>*CIMB For Curate Holdings Sdn Bhd (PB)* | 906,487,872 | 14.98 |
| 2. | CIMSEC Nominees (Tempatan) Sdn Bhd<br>*CIMB For Hian Holdings Sdn Bhd (PB)* | 800,037,068 | 13.22 |
| 3. | Koh Lean Poh | 664,728,447 | 10.99 |
| 4. | Maybank Nominees (Tempatan) Sdn Bhd<br>*Pledged Securities Account for Sierra Bonus Sdn Bhd* | 348,331,300 | 5.76 |
| 5. | Khor Chong Hai | 211,389,000 | 3.49 |
| 6. | Kenanga Nominees (Tempatan) Sdn Bhd<br>*Pledged Securities Account for Goh Kheng Peow* | 195,000,000 | 3.22 |
| 7. | See Thoo Chan | 151,446,540 | 2.50 |
| 8. | Kenanga Nominees (Tempatan) Sdn Bhd<br>*Pledged Securities Account for See Thoo Chan* | 144,873,100 | 2.39 |
| 9. | Affin Hwang Nominees (Tempatan) Sdn Bhd<br>*Pledged Securities Account for Tan Siew Li (M08)* | 138,000,000 | 2.28 |
| 10. | Kenanga Nominees (Tempatan) Sdn Bhd<br>*Pledged Securities Account for Goh Kheng Peow* | 125,860,010 | 2.08 |

ANALYSIS OF SHAREHOLDINGS
(CONT'D)

**LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (AS PER THE RECORD OF DEPOSITORS) (CONT'D)**

| | Name of Shareholders | No. of Shares Held | Percentage (%) |
|---|---|---|---|
| 11. | Chang Keng Sing | 100,500,000 | 1.66 |
| 12. | Kevin Wee Teck Jin | 76,794,100 | 1.27 |
| 13. | See Thoo Chan | 75,819,500 | 1.25 |
| 14. | Gan Siew Liat | 71,500,000 | 1.18 |
| 15. | See Thoo Chan | 58,150,000 | 0.96 |
| 16. | Chin Mong Kong | 51,030,600 | 0.84 |
| 17. | Affin Hwang Nominees (Tempatan) Sdn Bhd<br>*Pledged Securities Account for Lim Gaik Eng (LIM4779C)* | 50,000,000 | 0.83 |
| 18. | RHB Capital Nominees (Tempatan) Sdn Bhd<br>*Thong Weng Kin* | 44,972,900 | 0.74 |
| 19. | Low Gay Teong | 44,672,000 | 0.74 |
| 20. | Goh Kheng Peow | 38,239,003 | 0.63 |
| 21. | Public Nominees (Tempatan) Sdn Bhd<br>*Pledged Securities Account for Chang Keng Sing (E-KKU)* | 33,000,000 | 0.55 |
| 22. | Wong Yoke Kuen | 32,113,200 | 0.53 |
| 23. | Hong Min Ha | 30,200,000 | 0.50 |
| 24. | CGS International Nominees Sdn Bhd<br>*Pledged Securities Account for Varian Foo Tian Ren (MQ6052)* | 30,000,000 | 0.50 |
| 25. | Wong Lay Fong | 25,500,000 | 0.42 |
| 26. | Soh Lik Kuang | 25,000,000 | 0.41 |
| 27. | Goh Giok Yee | 20,726,600 | 0.34 |
| 28. | Goh Kheng Peow | 20,000,000 | 0.33 |
| 29. | Bagan Pesona Sdn Bhd | 17,883,700 | 0.30 |
| 30. | Lai Thiam Poh | 16,944,400 | 0.28 |
| | **TOTAL** | **4,549,199,340** | **75.17** |

# ANALYSIS OF SHAREHOLDINGS (CONT'D)

## SUBSTANTIAL SHAREHOLDERS (AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

| | NAME OF SHAREHOLDERS | NO. OF SHARES HELD DIRECT | % | INDIRECT | % |
|---|---|---|---|---|---|
| 1. | Curate Holdings Sdn Bhd | 906,487,872 | 14.98 | – | – |
| 2. | Soo Yi Xin | 200,000 | + | 906,487,872* | 14.98 |
| 3. | Hian Holdings Sdn Bhd | 800,037,068 | 13.22 | – | – |
| 4. | Goh Kheng Peow | 379,289,013 | 6.27 | 430,289,140# | 7.11 |
| 5. | See Thoo Chan | 430,289,140 | 7.11 | 379,289,013^ | 6.27 |
| 6. | Koh Lean Poh | 664,728,447 | 10.99 | – | – |
| 7. | Sierra Bonus Sdn Bhd | 348,331,300 | 5.76 | – | – |

*# Deemed interest by virtue of his spouse's direct shareholding in Compugates Holdings Berhad*
*^ Deemed interest by virtue of her spouse's direct shareholding in Compugates Holdings Berhad*
** Deemed interest by virtue of her direct shareholding in Curate Holdings Sdn Bhd*
*+ Less than 0.01%*

## DIRECTORS' SHAREHOLDINGS (AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

| | NAME OF DIRECTORS | NO. OF SHARES HELD DIRECT | % | INDIRECT | % |
|---|---|---|---|---|---|
| 1. | Tan Sri Datuk Asmat bin Kamaludin | – | – | – | – |
| 2. | See Thoo Chan | 430,289,140 | 7.11 | 379,289,013@ | 6.27 |
| 3. | Goh Tai Wai | – | – | – | – |
| 4. | Mohamed Fauzi bin Omar | – | – | – | – |
| 5. | Low Geok Eng | 2,000,000 | 0.03 | – | – |
| 6. | Tan Siew Li | 138,000,000 | 2.28 | – | – |

*@ Deemed interest by virtue of her spouse's direct shareholding in Compugates Holdings Berhad*

# ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:

## 1. UTILISATION OF PROCEEDS RAISED FROM PRIVATE PLACEMENTS

i. Private placement of up to 763,940,372 new ordinary shares in Compugates Holdings Berhad ("**CHB**" or the "**Company**") ("**CHB Shares"**), representing approximately 20% of the total number of issued CHB Shares ("**Private Placement I**")

The Private Placement I was approved by the shareholders of CHB at an extraordinary general meeting ("**EGM**") held on 4 February 2022.

On 23 March 2022, the Private Placement I was deemed completed with the listing of 763,940,372 new CHB Shares raising total gross proceeds of RM6.88 million.

The status of the utilisation of proceeds from the Private Placement I as at 28 March 2025 is as tabulated below:

| Detail of utilisation | Approved Limit RM | Proceed Received RM | Actual Utilisation RM | Balance RM |
|---|---|---|---|---|
| Working capital requirements | 8,802,000.00 | 4,600,463.35 | 4,204,223.18 | 396,240.17 |
| Purchase of Integrated Water Supply Scheme | 2,200,000.00 | 2,200,000.00 | 0.00 | 2,200,000.00 |
| Expenses for private placement exercise | 75,000.00 | 75,000.00 | 75,000.00 | – |
| **Total** | **11,077,000.00** | **6,875,463.35** | **4,279,223.18** | **2,596,240.17** |

ii. Private placement of up to 916,728,447 new CHB Shares, representing up to 20% of the total number of issued CHB Shares ("**Private Placement II**")

The Private Placement II was approved by the shareholders of CHB at an EGM held on 23 December 2022.

On 23 February 2023, the Private Placement II was deemed completed with the listing of 916,728,447 new CHB Shares raising total gross proceeds of RM9.87 million.

## 1. UTILISATION OF PROCEEDS RAISED FROM PRIVATE PLACEMENTS (CONT'D)

ii. Private placement of up to 916,728,447 new CHB Shares, representing up to 20% of the total number of issued CHB Shares ("**Private Placement II**") (cont'd)

The status of the utilisation of proceeds from the Private Placement II as at 28 March 2025 is as tabulated below:

| Detail of utilisation | Approved Limit RM | Proceed Raised RM | Actual Utilisation RM | Variation of the Utilisation of Proceeds RM | Balance RM |
|---|---|---|---|---|---|
| Working capital requirements | 10,655,834.03 | 8,145,988.02 | 9,427,070.05 | 1,600,000.00 | 318,917.97 |
| Purchase of Integrated Water Supply Scheme | 1,600,000.00 | 1,600,000.00 | – | (1,600,000.00) | – |
| Expenses for private placement exercise | 120,000.00 | 120,000.00 | 120,000.00 | – | – |
| **Total** | **12,375,834.03** | **9,865,988.02** | **9,547,070.05** | **–** | **318,917.97** |

iii. Private Placement of up to 550,037,068 new Placement Shares, representing up to 10% of the total number of issued CHB Shares ("**Private Placement III**")

The Private Placement III was approved by the shareholders of CHB at an annual general meeting held on 30 May 2024.

On 23 October 2024, the Private Placement was deemed completed with the listing of 550,037,068 new CHB Shares raising total gross proceeds of RM 4.95 million.

The details and status of the utilisation of proceeds from Private Placement III as at 28 March 2025 are as follows:

| Detail of utilisation | Approved Limit RM | Proceed Received RM | Actual Utilisation RM | Balance RM |
|---|---|---|---|---|
| Working capital requirements | 6,168,900.42 | 4,085,706.61 | 4,063,153.72 | 22,552.89 |
| Expansion of the Group's Property Development | 1,176,600.00 | 784,627.00 | 176,600.00 | 608,027.00 |
| Expenses for private placement exercise | 80,000.00 | 80,000.00 | 56,699.79 | 23,300.21 |
| **Total** | **7,425,500.42** | **4,950,333.61** | **4,296,453.51** | **653,880.10** |

ADDITIONAL COMPLIANCE INFORMATION
(CONT'D)

## 1. UTILISATION OF PROCEEDS RAISED FROM PRIVATE PLACEMENTS (CONT'D)

iii. Private Placement of up to 550,037,068 new Placement Shares, representing up to 10% of the total number of issued CHB Shares ("**Private Placement III**") (cont'd)

The proceeds raised and allocated to fund the working capital requirement of it agriculture segment from PP I and II still yet fully utilised is mainly due to the Group is in the process of identifying which type of inoculants may produce the most ideal quality and quantity of resin and the results of inoculation are only observable after 2 years.

Thus far, the Group had undertaken its first inoculation trials on 7 October 2021, which had yielded unfavourable results. Subsequently, the Group had conducted a second round of inoculation trials on 13 April 2023 where the Board expects the results of the second inoculation trials to be observed by the second quarter of 2025. In the meantime, the Group may purchase other types of inoculants to undertake further trials, in order to determine whether other types of inoculants can produce higher quality and quantity of resin.

In the event the Group is able to identify the appropriate inoculant for its agarwood trees, the Group may then proceed to inoculate its agarwood trees on a larger scale, with the long term goal to harvest the resin of these agarwood trees and subsequently sell to customers.

## 2. AUDIT AND NON-AUDIT FEES

The audit fees and non-audit fees paid or payable by the Company and the Group to the External Auditors for the financial year ended 31 December 2024 were as follows:

| Audit Services | 2024 | |
|---|---|---|
| | Group | Company |
| Statutory audit fees | 140,000 | 53,000 |
| Non-audit fees | 61,000 | 61,000 |
| **TOTAL** | **201,000** | **114,000** |

## 3. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving the interests of directors, chief executive who is not a director or major shareholders either still subsisting at the end of the financial year ended 31 December 2024 or entered into since the end of the previous financial year.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twentieth Annual General Meeting ("**20th AGM**" or "**Meeting**") of **COMPUGATES HOLDINGS BERHAD** ("**Compugates**" or "**the Company**") will be held at Greens III Sports Wing, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Wednesday, 28 May 2025** at **10.00 a.m.** for the following purposes:-

**AGENDA**

## AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.

2. To approve the payment of Directors' fees of up to RM446,400.00 for the financial year ending 31 December 2025. ***(Ordinary Resolution 1)***

3. To re-elect the following Directors who retire in accordance with Clause 134 of the Company's Constitution and who being eligible, have offered themselves for re-election:

   (i) Madam See Thoo Chan; and ***(Ordinary Resolution 2)***
   (ii) Mr. Goh Tai Wai ***(Ordinary Resolution 3)***

4. To re-appoint 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. ***(Ordinary Resolution 4)***

## AS SPECIAL BUSINESS

**To consider and if thought fit, pass with or without any modifications, the following resolutions:**

5. **Ordinary Resolution**
   **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 Malaysia Securities Berhad 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 ("**Mandate**"); ***(Ordinary Resolution 5)***

# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

**THAT** approval be and is hereby given for the waiver of the pre-emptive rights of the existing shareholders of the Company to be offered new shares in proportion to their shareholdings ranking equally to the existing issued shares of the Company pursuant to Section 85 of the Companies Act 2016 and Clause 65 of the Constitution of the Company arising from any issuance of new shares pursuant to the Mandate;

**AND THAT** the Board of Directors of the Company be exempted from the obligation to offer such new shares first to the existing shareholders of the Company arising from any issuance of new shares pursuant to the Mandate."

6. To transact any other business of the Company of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

By Order of the Board
**COMPUGATES HOLDINGS BERHAD**

**CHANG NGEE CHUANG (MAICSA 7077854) (SSM PC No. 201908001421)**
**JEREMY TAI YUNG WEI (MAICSA 7065447) (SSM PC No. 202308000580)**
Company Secretaries
Kuala Lumpur

25 April 2025

Notes:

**A. Appointment of Proxy(ies)**

(i) A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.

(ii) A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.

(iii) A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.

(iv) Where a member is an Authorised Nominee as defined under The Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

(v) The appointment of a proxy may be made in hard copy form or by electronic form. In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, Tricor Drop-in Box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. In the case of electronic appointment, the proxy form must be deposited via TIIH Online at https://tiih.online . Please refer to the Annexure to the Form of Proxy for further information on electronic submission. All proxy form submitted must be received by the Company not less than 48 hours before the time set for holding the Meeting or any adjournment thereof or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

(vi) An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.

(vii) In respect of deposited securities, only members whose names appear on the Record of Depositors on 22 May 2025, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

(viii) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out in this Notice will be put to vote by way of poll.

**Explanatory Note on Ordinary Business**

**B. Audited Financial Statements for the financial year ended 31 December 2024**

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put forward for voting.

**C. Ordinary Resolution 1: Payment of Directors' Fees**

Section 230(1) of the Companies Act 2016 provides that the Directors' fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. This resolution is to facilitate payment of Directors' fees for the financial year ending 31 December 2025.

**D. Ordinary Resolutions 2 and 3: Re-election of Directors**

Madam See Thoo Chan and Mr. Goh Tai Wai, who retire by rotation in accordance with Clause 134 of the Company's constitution, being eligible, have offered themselves for re-election as Directors at the 20th AGM of the Company.

For the purpose of determining the eligibility of Madam See Thoo Chan and Mr. Goh Tai Wai to stand for re-election at the 20th AGM, the Board of Directors, through its Nomination Committee, assessed them and considered the following:

(i) Their performance and contribution;
(ii) Their skills, experience and strength in qualities;
(iii) Their ability to act in the best interest of the Company in decision-making; and
(iv) Their fitness and propriety with reference to the Directors' Fit and Proper Policy.

**E. Ordinary Resolution 4: Re-appointment of Auditors**

The Audit Committee ("**AC**") has assessed the objectivity, suitability and independence of the External Auditors and recommended the re-appointment of Grant Thornton Malaysia PLT as External Auditors of the Company for the financial year ending 31 December 2025. The Board has reviewed the recommendation of the AC and recommended the same for the shareholders' approval at the 20th AGM of the Company.

# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

**Explanatory Note on Special Business**

**F. Ordinary Resolution 5: Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**

The Ordinary Resolution 5 is proposed pursuant to Sections 75 and 76 of the Companies Act 2016 for the purpose of obtaining a renewed general mandate ("**Renewed General Mandate**"), which if passed, will empower the Directors of the Company to allot and issue new ordinary shares in the Company at any time provided that the aggregate number of ordinary shares issued pursuant to the Renewed General Mandate does not exceed ten per centum (10%) of the total number of issued ordinary shares (excluding treasury shares, if any) of the Company for the time being for such purposes as the Directors deem fit and in the best interest of the Company. This would avoid any delay and cost involved in convening a general meeting to approve such an issue of shares. This Renewed General Mandate will, unless revoked or varied by the Company at a general meeting, expire at the conclusion of the next annual general meeting 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 the earlier. This Renewed General Mandate, if granted, will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

The Ordinary Resolution 5, if passed, would be tantamount to shareholders of the Company agreeing to waive their pre-emptive rights in respect of the allotment and issuance of the new ordinary shares pursuant to the Renewed General Mandate, which will result in a dilution to the shareholders' shareholdings in the Company.

As at the date of this Notice, 550,037,068 new ordinary shares in the Company were issued via a private placement exercise at an issue price of RM 0.009 per share pursuant to the mandate granted to the Directors at the last Annual General Meeting of the Company held on 30 May 2024. The gross proceeds of RM4,950,333 raised from the private placement exercise were utilized as follows:

**Utilization of Proceeds as of 28/03/2025**

| | Proceed Raised (RM'000) | Actual Utilisation (RM'000) | Balance (RM) |
|---|---|---|---|
| Working capital requirements | 4,085,706.61 | 4,063,153.72 | 22,552.89 |
| Expansion of the Group's Property Development | 784,627.00 | 176,600.00 | 608,027.00 |
| Expenses for Private Placement | 80,000.00 | 56,699.79 | 23,300.21 |
| **Total** | **4,950,333.61** | **4,296,453.51** | **653,880.10** |

**Personal Data Privacy:**

By submitting a completed Form of Proxy to the share registrar office of the Company for appointing proxy(ies) or attorney(s) or corporate representative(s) to attend, participate and vote at the 20th AGM and any adjournment thereof, a member of the Company is hereby: (i) consenting to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxy(ies) or attorney(s) or corporate representative(s) appointed for the 20th AGM (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the 20th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warranting that where the member discloses the personal data of the member's proxy(ies) or attorney(s) or corporate representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) or attorneys(s) or corporate representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) or attorney(s) or corporate representative(s) for the Purposes ("**Warranty**"); and (iii) agreeing that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of the Warranty.

# STATEMENT ACCOMPANYING NOTICE OF TWENTIETH ANNUAL GENERAL MEETING ("20TH AGM")

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

1. No individual is seeking election as a Director of the Company at the 20th AGM.

2. Details of the general mandate to allot and issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Note F of the Notice of 20th AGM.

This page has been intentionally left blank

# COMPUGATES®

**COMPUGATES HOLDINGS BERHAD**
Registration No. 200401030779 (669287-H)
(Incorporated in Malaysia)

## FORM OF PROXY

(To be completed in Block Letters)

| No. of Shares Held | CDS Account No. |
|---|---|
| | |

*I/We ..... NRIC/Passport/Company No. .....
*(Full name in Block Letters)*

of .....

.....
*(Full Address)*

(Contact No./Email ..... ) being a *member/members of Compugates Holdings Berhad (Registration No. 200401030779 (669287-H)) ("Compugates" or "the Company"), hereby appoint:

| Full Name of Proxy (in Block Letters) | NRIC No./Passport No. | Proportion of Shareholdings | |
|---|---|---|---|
| | | No. of Shares | % |
| Address | | | |
| Contact No. | Email Address | | |

and (if more than one (1) proxy)

| Full Name of Proxy (in Block Letters) | NRIC No./Passport No. | Proportion of Shareholdings | |
|---|---|---|---|
| | | No. of Shares | % |
| Address | | | |
| Contact No. | Email Address | | |

or failing him/her, THE CHAIRMAN OF THE MEETING as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the Twentieth Annual General Meeting ("20th AGM" or "Meeting") of the Company to be held at Greens III Sports Wing, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Wednesday, 28 May 2025 at 10.00 a.m**. for the following purposes:-

| ORDINARY RESOLUTION | | FOR | AGAINST |
|---|---|---|---|
| 1. | To approve the payment of Directors' fees for the financial year ending 31 December 2025 | | |
| 2. | Re-election of Madam See Thoo Chan as Director of the Company | | |
| 3. | Re-election of Mr. Goh Tai Wai as Director of the Company | | |
| 4. | Re-appointment of Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration | | |
| 5. | Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 | | |

Please indicate with an "X" in the space above on how you wish to cast your vote. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit, or at his/her discretion, abstain from voting.

* Delete if not applicable.

Dated this .....day of.....2025

_____
Signature(s) of member(s)

**Notes:**

(i) A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend(ii)participate, speak and vote in his stead.

(ii) icipate, speak and vote in his stead.

(iii) A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.

(iv) A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.

(v) Where a member is an Authorised Nominee as defined under The Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

**Notes: (cont'd)**

(vi) The appointment of a proxy may be made in hard copy form or by electronic form. In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, Tricor Drop-in Box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. In the case of electronic appointment, the proxy form must be deposited via TIIH Online at https://tiih.online . Please refer to the Annexure to the Form of Proxy for further information on electronic submission. All proxy form submitted must be received by the Company not less than 48 hours before the time set for holding the Meeting or any adjournment thereof or in the case of a poll,

(vii) An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.

(viii) In respect of deposited securities, only members whose names appear on the Record of Depositors on 22 May 2025, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

(ix) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out in this Notice will be put to vote by way of poll.

**Personal Data Privacy:**
By lodging of a completed Form of Proxy to the share registrar office of the Company for appointing proxy(ies) or attorney(s) or corporate representative(s) to attend, participate and vote at the 20th AGM or any adjournment thereof, the member accepts and agrees to the personal data privacy terms as set out in the Notice of 20th AGM dated 25 April 2025.

1st Fold Here

AFFIX
STAMP

**THE SHARE REGISTRAR OF**
**COMPUGATES HOLDINGS BERHAD**
**TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD**
Registration No. 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Malaysia

2nd Fold Here

Fold This Flap For Sealing

COMPUGATES®

**COMPUGATES HOLDINGS BERHAD**
200401030779 (669287-H)

No.3, Jalan PJU 1/41, Block C1 Dataran Prima
47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia
**Tel** : 03-7880 8133 **Fax** : 03-7880 6133

**www.compugates.com**