

COMPUGATES HOLDINGS BERHAD ("CHB" OR THE "COMPANY")

- **PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 304,898,431 REDEEMABLE PREFERENCE SHARES ("RPS") TOGETHER WITH UP TO 304,898,431 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF ONE (1) RPS TOGETHER WITH ONE (1) WARRANT FOR EVERY SEVEN (7) ORDINARY SHARES OF RM0.10 EACH SUBSCRIBED IN CHB ("CHB SHARES") ("PROPOSED RIGHTS ISSUE WITH WARRANTS");**
- **PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF CHB ("PROPOSED IASC"); AND**
- **PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF CHB ("PROPOSED M&A AMENDMENTS")**

(COLLECTIVELY, THE "PROPOSALS")

Unless otherwise stated, abbreviations and definitions used throughout this announcement shall be the same as previously announced on 18 March 2015.

Further to the announcement on 18 March 2015, M&A Securities, on behalf of the Board, wishes to announce the following additional information in relation to the Proposals.

1. INTRODUCTION

On 24 April 2015, the Board announced that CHB had via its wholly owned sub-subsidiary, Compugates Marketing Sdn Bhd ("CMSB"), entered into an Standing Agarwood Sale and Cutting Agreement ("SASC Agreement") with Westwood Marketing Sdn Bhd ("WMSB"), wherein WMSB had agreed to purchase the number of standing agarwood (or also known as Aquilaria) trees as specified in the SASC Agreement, together with cutting rights for a total consideration of up to RM43,884,000.

CMSB agrees to sell exclusively to WMSB for the term of one (1) year from the date of the SASC Agreement. In order to maintain exclusivity of the one (1) year from the date of the SASC Agreement, WMSB must purchase the minimum volume of trees as specified in the SASC Agreement ("Minimum Volume").

Upon payment of the full purchase of all or the Minimum Volume of trees, WMSB shall have the option to cut or to inoculate the trees, which in any event, WMSB shall have five (5) years from the date of the SASC Agreement to harvest, cut and remove the trees purchased. At the end of the term, WMSB shall have no further right to harvest, cut and remove all the trees purchased but not cut; and the trees shall revert to and become the property of CMSB.

2. ADDITIONAL INFORMATION

Pursuant to the above, the Company proposes to add the information as highlighted in note * below:

	<i>Minimum Scenario RM'000</i>	<i>Maximum Scenario RM'000</i>
<i>Trading & Services business</i>		
<i>Repayment of trade creditors and bank acceptances for consumer electronic products trading business</i>	<i>9,400</i>	<i>13,190</i>
<i>Agriculture & Energy business</i>		
<i>Inoculation of Aquilaria (agarwood) trees or development of Aquilaria business*</i>	<i>7,050</i>	<i>11,750</i>
<i>Trading and marketing of gaharu tea</i>	<i>1,000</i>	<i>2,000</i>
<i>Provision of solar power solutions in Sabah</i>	<i>2,000</i>	<i>3,000</i>
	<i>19,450</i>	<i>29,940</i>

Note:

- * *In the event the SASC Agreement is completed or partially completed, the Group proposes to continue with the development of its agarwood business through replenishing/increasing its Aquilaria tree stock reserves through purchase and/or leasing of land and/or joint venture with land owners in the plantation of Aquilaria trees and/or purchase of existing plantations which have already been planted with suitable Aquilaria trees. The proceeds will be utilised for land clearing or terracing as well as for the purchase of seedlings and cost of planting.*

Should the SASC Agreement not be completed or partially completed, the proceeds will be utilised for the inoculation of CMSB's remaining Aquilaria (agarwood) trees, which includes the cost of labour for the inoculation and the cost of the chemical injection of approximately RM500 per tree.

This announcement is dated 30 April 2015.