MEMORANDUM OF UNDERSTANDING COMPUGATES HOLDINGS BERHAD ("CHB" or "Company") MEMORANDUM OF UNDERSTANDING FOR A LOGGING AND MARKETING CONTRACT BETWEEN LOWER SEPIK HOLDINGS LIMITED AND COMPUGATES PERAK SDN BHD

COMPUGATES HOLDINGS BERHAD

Type	Announcement
Subject	MEMORANDUM OF UNDERSTANDING
Description	COMPUGATES HOLDINGS BERHAD ("CHB" or "Company") MEMORANDUM OF UNDERSTANDING FOR A LOGGING AND MARKETING CONTRACT BETWEEN LOWER SEPIK HOLDINGS LIMITED AND COMPUGATES PERAK SDN BHD

1. Introduction

The Board of Directors of CHB wishes to announce that in addition to the award of Logging offer announced on 29 January 2016, Compugates Perak Sdn Bhd (“CPSB”), the wholly-owned subsidiary of CHB, had on 5 February 2016, entered into a Memorandum of Understanding (“MOU”) with **another landowner** namely Lower Sepik Holdings Limited (“LSHL”) to engage CPSB as a logger over the whole land described as Lower Sepik Forest Area within the Angoram District, East Sepik Province, Papua New Guinea (“the said land”) comprises of about **70,000 hectares** (approximately 172,973 acres) of forested land.

2. Information on LSHL and back ground of Project

LSHL, a Papua New Guinea company having its address at P.O.Box 1276, Wewak, East Sepik Province, Papua New Guinea .

LSHL is incorporated in Papua New Guinea is the landowner company entitled to the customary ownership and interests held by its shareholders over the whole of the land described as Lower Sepik Forest Area within the Angoram District, East Sepik Province, Papua New Guinea (“the said land”) comprises of about 70,000 hectares (approximately 172,973 acres) of forested land.

LSHL invites CPSB at its earliest convenience to enter the said land to carry out such evaluation and assessments as it considers necessary to assist in its final decision whether to enter into a binding commercial enterprise with LSHL or not (“the Project”).

3. Salient Terms of MOU

LSHL maintain its invitation to CPSB exclusively for a period of six (6) months and will not invite any other person or entity for that purpose.

The logging and marketing contract be for a term of five (5) years renewable.

4.Financial Effects

The financial effects of the MOU can only be determined upon the finalisation and execution of the binding commercial enterprise with LSHL. A detailed announcement will be made thereafter.

5.Directors’ and Substantial Shareholders’ Interest

None of the Directors or substantial shareholders of CHB or person(s) connected with them have any interest, whether direct or indirect, in the MOU.

6.Statement of the Directors

The Board of Directors of the Company is of the opinion that the MOU is in the best interest of the Company.

7. Approval Required

The MOU does not require approval of the Company's shareholders and/or any regulatory authorities.

8. Documents for inspection

The MOU will be made available for inspection at the registered office of the Company at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur during normal working hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 5 February 2016.

Announcement Info

Company Name	COMPUGATES HOLDINGS BERHAD
Stock Name	COMPUGT
Date Announced	05 Feb 2016
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