# UNUSUAL MARKET ACTIVITY

## COMPUGATES HOLDINGS BERHAD

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| **Type** | Reply to query |
| **Reply to Bursa Malaysia's Query Letter - Reference ID** | RH-060206-59877 |
| **Subject** | UNUSUAL MARKET ACTIVITY |

### Contents :

We refer to Bursa Malaysia Securities Berhad's ("Bursa Securities") letter dated 13 February 2006 in relation to the sharp increase in price and high volume in the Company's shares recently (“Unusual Market Activity”).

In accordance with the Corporate Disclosure Policy on Response To Unusual Market Activity pursuant to paragraph 9.11 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities LR"), the Board of Directors of Compugates Holdings Berhad ("Compugates" or "the Company") ("Board") wishes to announce that to the best of their knowledge, save for the development as stated below, which has not been previously announced that may account for the unusual market activity, they are not aware of any rumour or report concerning the business and affairs of the Compugates group of companies (“Group”) and any other possible explanations that could have contributed to the unusual market activity.

- The Group is intending to enter into an agreement with Philips Malaysia Sdn Bhd (“Philips) for the distributorship of Philips’ telecommunication products in Malaysia.
- In addition, the Group is also currently negotiating with several foreign telecommunication companies to distribute their products in their countries respectively.

The Group will make the necessary announcements to Bursa Securities once the terms of the agreement have been finalised.

In addition, the Company will endeavour to make the necessary announcements to Bursa Securities of any material information should it fall under the Bursa Securities LR, in particular in relation to paragraph 9.03, on disclosure of material information.

The Board of Directors
Compugates Holdings Berhad

This announcement is dated 13 February 2006.

### Query Letter Contents :

We draw your attention to the sharp increase in price and high volume in your Company’s securities recently.
In accordance with the Corporate Disclosure Policy on Response To Unusual Market Activity pursuant to paragraph 9.11 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities LR”), you are requested to furnish Bursa Malaysia Securities Berhad (“Bursa Securities”) with an announcement for public release after making a due enquiry seeking the cause of the unusual market activity in the Company’s securities.
In this respect, you are also required to publicly confirm, amongst others, the following:-
1. whether there is any corporate development relating to your Group’s business and affairs that has not been previously announced that may account for the unusual market activity including those in the stage of negotiation / discussion. If yes, kindly provide the details including the status of the corporate development to enable investors to make informed investment decision;
2. whether there is any rumour or report concerning the business and affairs of the Group that may account for the unusual market activity and in this respect,

you are required to comply with paragraphs 9.09 and 9.10 of the Bursa Securities LR;
3. whether you are aware of any other possible explanation to account for the unusual market activity; and
4. your compliance with the Bursa Securities LR, in particular paragraph 9.03 on disclosure of material information.

Please note that the contents of the announcement must be endorsed by the Board of Directors of the Company and the announcement must reach Bursa Securities by today via Bursa LINK.

Yours faithfully

JOSEPHINE EDWARD
Sector Head, Listing Compliance
Group Regulations

## Announcement Info

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| **Company Name** | COMPUGATES HOLDINGS BERHAD |
| **Stock Name** | COMPUGT |
| **Date Announced** | 13 Feb 2006 |
| **Category** | General Announcement |
| **Reference No** | CC-060213-58583 |