COMPUGATES HOLDINGS BERHAD ("COMPUGATES") - APPOINTMENT OF COMPUGATES INTERNATIONAL LIMITED ("CIL") AS MASTER FRANCHISE TO SET UP AND OPERATE RETAIL OUTLETS UNDER A NEW DISTRIBUTION CHANNEL THROUGHOUT THE KINGDOM OF CAMBODIA FOR TELEKOM MALAYSIA INTERNATIONAL (CAMBODIA) CO., LTD ("TMIC") ("AWARD 1") - APPOINTMENT OF CIL AS MASTER DEALER THROUGHOUT THE KINGDOM OF CAMBODIA FOR TMIC ("AWARD 2")

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Contents :

The Board of Directors of Compugates (“Board”) is pleased to announce that TMIC had on 18 October 2007 vide its Letters of Award appointed CIL, a subsidiary of Compugates as a Master Franchise to set-up and operate Retail Outlets under a New Distribution Channel (“NDC”) and as a Master Dealer throughout the Kingdom of Cambodia for TMIC.

Salient terms of Award 1 amongst others are as follows:
1. CIL will be responsible to identify, organize, design, develop, deploy, operate and maintain the Retail Outlets subject to the terms and conditions of the Letter of Award and a subsequent agreement that follows.
2. CIL will operate the franchise exclusive to TMIC’s products and services.
3. CIL will own (as master franchise), manage and maintain all outlets under the NDC.

Salient terms of Award 2 amongst others are as follows:
1. CIL will act as a Master Dealer exclusive to TMIC to resell TMIC’s products and services.
2. CIL will be responsible to distribute, sell and collect payment subject to the terms and conditions of the Letter of Award and a subsequent agreement that follows.

Further details of the appointment will be announced upon execution of the definitive agreement.

The Board is of the opinion that the appointment, which is entered into in the ordinary course of business of CIL, is in the best interest of the Compugates Group and will contribute positively to the revenue of the Compugates Group.

None of the directors and/or major shareholders and/or persons connected with such directors and/or major shareholders have any interest, direct or indirect, in the appointment.

This announcement is dated 22 October 2007.

Announcement Info

Company Name	COMPUGATES HOLDINGS BERHAD
Stock Name	COMPUGT
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