OTHERS COMPUGATES HOLDINGS BERHAD ("CHB" OR "COMPANY") (i) PROPOSED RATIFICATION OF THE UTILISATION OF PROCEEDS PURSUANT TO THE JOINT DEVELOPMENT WITH JADE CLASSIC SDN BHD ; (ii) PROPOSED VARIATION TO THE UTILISATION OF PROCEEDS FROM THE JOINT DEVELOPMENT WITH JADE CLASSIC SDN BHD; AND (iiI) PROPOSED VARIATION TO THE UTILISATION OF PROCEEDS TO BE RAISED FROM THE PRIVATE PLACEMENT OF UP TO 25% OF THE ISSUED SHARES OF CHB (COLLECTIVELY, THE PROPOSALS)

COMPUGATES HOLDINGS BERHAD

Type	Announcement
Subject	OTHERS
Description	COMPUGATES HOLDINGS BERHAD ("CHB" OR "COMPANY") (i) PROPOSED RATIFICATION OF THE UTILISATION OF PROCEEDS PURSUANT TO THE JOINT DEVELOPMENT WITH JADE CLASSIC SDN BHD ; (ii) PROPOSED VARIATION TO THE UTILISATION OF PROCEEDS FROM THE JOINT DEVELOPMENT WITH JADE CLASSIC SDN BHD; AND (iiI) PROPOSED VARIATION TO THE UTILISATION OF PROCEEDS TO BE RAISED FROM THE PRIVATE PLACEMENT OF UP TO 25% OF THE ISSUED SHARES OF CHB (COLLECTIVELY, THE PROPOSALS)

On 28 November 2017, CHB's 70%-owned subsidiary, Compugates Development and Mining Sdn Bhd ("**CDMSB**") had entered into a joint venture with Jade Classic Sdn Bhd for it to undertake a development on a parcel of agriculture land in the Mukim of Dengkil, Sepang owned by CDMSB ("**Joint Development**"). CDMSB is entitled to 20% of the guaranteed gross development value of RM550,000,000 or 20% of the actual gross development value excluding the development of "Rumah Selangorku". CDMSB's entitlement proceeds is to be satisfied in cash amounting to RM5,100,000 ("**Cash Portion**") and the balance by way of cash (upon request of disposal of units of buildings by CDMSB) or units of buildings within the proposed development.

As at the date of this announcement, CDMSB had received RM4,100,000 of the Cash Portion from Jade Classic Sdn Bhd and had utilised the entire RM4,100,000 to repay bank borrowings, payment to trade creditors and for operating and administrative expenses. Pursuant to the above, the Board of Directors of CHB ("**Board**") wishes to announce that it proposes to seek ratification for the Company's utilisation of proceeds pursuant to the Joint Development ("**Proposed Ratification**").

Arising from the Proposed Ratification, the Board also proposes to vary the utilisation of proceeds of the remaining balance of RM1,000,000 of the Cash Portion ("**Proposed Development Variation**"),

In addition, on 17 July 2018, the shareholders of CHB had approved the private placement of up to 586,929,400 new ordinary shares in CHB ("**CHB Shares**"), representing not more than 25% of the issued shares in CHB ("**Private Placement**"). At an indicative issue price of RM0.025 per share, the Private Placement is expected to raise total gross proceeds of approximately RM13,499,376. Part of the proceeds from the Private Placement was to repay bank borrowings and trade creditors. Arising from the Proposed Ratification, the Board now proposes to vary the utilisation of proceeds to be raised from the Private Placement ("**Proposed Placement Variation**").

Kindly refer to the attached document for the details of the Proposals.

This announcement is dated 23 November 2018.

Please refer attachment below.

Attachments

Proposed Ratification and Variation.pdf
311.1 kB

Announcement Info

Company Name	COMPUGATES HOLDINGS BERHAD
Stock Name	COMPUGT
Date Announced	23 Nov 2018
Category	General Announcement for PLC
Reference Number	GA1-23112018-00065