COMPUGATES HOLDINGS BERHAD I. SUBSCRIPTION OF SHARES IN COMPUGATES INTERNATIONAL LTD BY COMPUGATES INTERNATIONAL SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF COMPUGATES HOLDINGS BERHAD II. SUBSCRIPTION OF SHARES IN COMPUGATES INTERNATIONAL (BD) LTD BY COMPUGATES INTERNATIONAL LTD, A SUBSIDIARY OF COMPUGATES INTERNATIONAL SDN BHD

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Type	Announcement
Subject	COMPUGATES HOLDINGS BERHAD I. SUBSCRIPTION OF SHARES IN COMPUGATES INTERNATIONAL LTD BY COMPUGATES INTERNATIONAL SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF COMPUGATES HOLDINGS BERHAD II. SUBSCRIPTION OF SHARES IN COMPUGATES INTERNATIONAL (BD) LTD BY COMPUGATES INTERNATIONAL LTD, A SUBSIDIARY OF COMPUGATES INTERNATIONAL SDN BHD

Contents :

1. **Introduction**

The Board of Directors of Compugates Holdings Berhad ("CHB")(“Board”) wishes to announce that Compugates International Sdn Bhd (“CISB”), a wholly-owned subsidiary of CHB, has on 25 September 2006, subscribed for 15,300 ordinary shares at USD1.00 each in Compugates International Ltd (“CIL”), representing 51% of the total issued and paid up capital of CIL, for a consideration of USD15,300.00.

CIL, on even date, has subscribed for 24,000 ordinary shares at USD1.00 each in Compugates International (BD) Ltd (“CIBDL”), representing 80% of the total issued and paid up capital of CIBDL, for a consideration of USD24,000.00.

(collectively known as the “Subscriptions”)

2. **Details of CIL and CIBDL**

CIL

CIL was incorporated on 16 August 2006 in the British Virgin Islands with its registered office at Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands. The authorised share capital of CIL as at 25 September 2006 is USD50,000.00 divided into 50,000 ordinary shares. The total issued and paid-up share capital as at 25 September 2006 is USD30,000.00 divided into 30,000 ordinary shares.

The proposed principal activity of CIL is investment holding.

CIBDL

CIBDL was incorporated on 16 August 2006 in the British Virgin Islands with its registered office at Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands. The authorised share capital of CIBDL as at 25 September 2006 is USD50,000.00 divided into 50,000 shares. The total issued and paid-up share capital as at 25 September 2006 is USD30,000.00 divided into 30,000 ordinary shares.

The proposed principal activity of CIBDL is investment holding.

The proposed principal activity of CIBBL is investment holding.

3. **Sources of Funding**

CHB will finance the Subscriptions via its internally generated funds.

4. **Financial Effects of the Subscription**

4.1 Share Capital and Substantial Shareholders' Shareholdings

The Subscriptions will not have any effect on the issued and paid-up share capital and substantial shareholders' shareholdings of CHB as it does not involve any issuance of new shares in CHB.

4.2 Earnings

The Subscriptions is not expected to have any material effect on the earnings of CHB for the financial year ending 31 December 2006.

4.3 Net Assets

The Subscriptions is not expected to have any effect on the net assets of CHB for the financial year ending 31 December 2006.

4.4 Approvals Required

The Subscriptions are not subject to any approvals.

4.5 Directors and Substantial Shareholders' Interests

None of the directors and/or substantial shareholders and/or persons connected or associated to them have any interest, whether direct or indirect in the Subscriptions.

4.6 Directors' Recommendation

The Board is of the opinion that the Subscriptions are in the best interest of CHB.

This announcement is dated 25 September 2006.

Announcement Info

Company Name	COMPUGATES HOLDINGS BERHAD
Stock Name	COMPUGT
Date Announced	25 Sept 2006
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