MEMORANDUM OF UNDERSTANDING Compugates Holdings Berhad ("CHB" or "the Company") Memorandum of Understanding for a logging and marketing contract between Marrienberg Hills Resources Development Limited and Compugates Perak Sdn Bhd

COMPUGATES HOLDINGS BERHAD

Type	Announcement
Subject	MEMORANDUM OF UNDERSTANDING
Description	Compugates Holdings Berhad ("CHB" or "the Company") Memorandum of Understanding for a logging and marketing contract between Marrienberg Hills Resources Development Limited and Compugates Perak Sdn Bhd

1.Introduction

The Board of Directors of CHB wishes to announce that Compugates Perak Sdn Bhd (“CPSB”), the wholly-owned subsidiary of CHB, had on 25 January 2016, entered into a Memorandum of Understanding (“MOU”) with Marrienberg Hills Resources Development Limited (“MHRD”) to engage CPSB as a logger over the whole land described as Portion 146C, Milinch Marrienberg, Fourmil Angoram, East Sepik Province, Papua New Guinea (“the said land”). The entire Portion 146C covers 26,000 hectares (approximately 64,247 acres).

2.Information on MHRD and back ground of Project

MHRD, a Papua New Guinea company having its address at P.O.Box 566, Wewak, East Sepik Province, Papua New Guinea .

MHRD 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 Portion 146C, Milinch Marrienberg, Fourmil Angoram, East Sepik Province, Papua New Guinea (“the said land”) and the said land comprises of 26,000 hectares of forested land.

MHRD 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 MHRD or not (“the Project”).

3.Salient Terms of MOU

MHRD 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 a binding commercial enterprise with MHRD. 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

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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 26 January 2016.

Announcement Info

Company Name	COMPUGATES HOLDINGS BERHAD
Stock Name	COMPUGT
Date Announced	26 Jan 2016
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