COMPUGATES HOLDINGS BERHAD (669287-H) (“COMPUGATES” or “THE COMPANY”) - PROPOSED ACQUISITION OF 20,000 ORDINARY SHARES OF RM1.00 EACH, REPRESENTING 40% OF THE ENTIRE EQUITY INTEREST IN SELAMA MUDA JAYA SDN BHD (98819-H) (“SMJSB”) FOR A TOTAL CASH CONSIDERATION OF RM10,000,000 (“PROPOSED ACQUISITION”)

COMPUGATES HOLDINGS BERHAD

Type	Reply to query
Reply to Bursa Malaysia's Query Letter - Reference ID	CY-091224-51687
Subject	COMPUGATES HOLDINGS BERHAD (669287-H) (“COMPUGATES” or “THE COMPANY”) - PROPOSED ACQUISITION OF 20,000 ORDINARY SHARES OF RM1.00 EACH, REPRESENTING 40% OF THE ENTIRE EQUITY INTEREST IN SELAMA MUDA JAYA SDN BHD (98819-H) (“SMJSB”) FOR A TOTAL CASH CONSIDERATION OF RM10,000,000 (“PROPOSED ACQUISITION”)
Contents	Further to Bursa Malaysia Securities Berhad’s letter dated 24th December 2009 in relation to the proposed acquisition of 20,000 ordinary shares of RM1.00 each, representing 40% of the entire equity interest in Selama Muda Jaya Sdn Bhd (“SMJSB”) for a total cash consideration of RM10,000,000 (“Proposed Acquisition”). Appended below is the information in respect of the aforesaid matter. 1) The rationale to enter into the Share Sale Agreement was due to arising irreconcilable differences between the Company and Rata Awana Sdn Bhd (“Rata”). The Board of Directors of Compugates is of the opinion that it is in the best interest of the Company to obtain the balance 40% equity interest in SMJSB in order to have a 100% ownership. With complete control of SMJSB, the Company is able to fully capitalize on the resources. 2) The background information on Rata and the name of its directors, major shareholders and their respective shareholdings in Rata are as below:- Rata is engaged in the business of general trading and investment holding. Rata is a private limited company incorporated on 6th November 2006 with a paid up capital of RM 2. The directors of Rata are as follows:- i) Dorothy Ng Siew May ii) Gan Yoke Leng The shareholders and their respective shareholdings are as follows: i) Dorothy Ng Siew May - 1 share (50%) ii) Gan Yoke Leng - 1 share (50%) 3) A copy of the Sales Share Agreement is available for inspection during normal office hours from Monday to Friday (except public holidays) at the Registered Office of Compugates at 10th Floor,

	Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur for a period of three (3) months from the date of this announcement. 4) The highest percentage ratio applicable to the Proposed Acquisition pursuant to paragraph 10.02 (g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 4.997%.
Query Letter Content	We refer to your Company's announcement dated 22 December 2009 in respect of the aforesaid matter. In this connection, kindly furnish Bursa Securities with the following additional information for public release:- The justification(s) for the purchase consideration of RM10,000,000. Details of the vendor. The time and place where the share sale agreement and valuation report (if any) may be inspected. The highest percentage ratio applicable to the Proposed Acquisition pursuant to paragraph 10.02(g) of the Main Market Listing Requirements. Please furnish Bursa Securities with your reply within one (1) market day from the date hereof. Yours faithfully KHOO KAY KWAN Head, Issuers Listing Division Regulation /WCY copy to:- Head, Market Surveillance, Securities Commission (via fax)

Announcement Info

Company Name	COMPUGATES HOLDINGS BERHAD
Stock Name	COMPUGT
Date Announced	28 Dec 2009
Category	General Announcement
Reference No	CA-091228-58178