

COMPUGATES HOLDINGS BERHAD (669287-H)

(Incorporated in Malaysia)

ANNOUNCEMENT TO BURSA MALAYSIA COMPUGATES HOLDINGS BERHAD (“COMPUGATES” or “Company”)

SUBJECT MATTER: OEM TEA SUPPLY AND PACKAGING COLLABORATION AGREEMENT

1. Introduction

The Board of Directors of Compugates Holdings Berhad (“Compugates” or “the Company”) had via its wholly owned sub-subsidiary, Compugates Marketing Sdn Bhd (“Compugates Marketing”), on 19 September 2014 entered into an OEM Tea Supply and Packaging Collaboration Agreement (“Collaboration Agreement”) with Westwood Marketing Sdn Bhd (“Westwood Marketing”) where Compugates Marketing has been appointed to manufacture or cause to manufacture and package Gaharu Tea under the brand name “Blackgold” for Westwood Marketing, or any other products or by product derived from Gaharu which both parties deem viable.

2. Information on Westwood Marketing

Westwood Marketing Sdn Bhd (“Westwood Marketing”) was incorporated in Malaysia on 17th April 2014 under the Companies Act 1965 as a private limited company. The principal activities of Westwood Marketing are to carry on the business of franchisee, distributors, agents and representatives for all types of merchandise and consumables and to market such merchandise and consumables by way of multi-level marketing concept, direct selling, retailing and wholesaling.

Westwood Marketing is a member of the Westwood Investment Group Private Limited (“Westwood Investment Group”) which is a private global investment firm, with its operation base in the Republic of Singapore. Its portfolios investment of the group mainly includes the S.E Asia Region, Australia, Canada, USA and emerging markets. Westwood Investment Group took an interest in the Gaharu/Agarwood segment due the high demand for its wood and oil. The main market demands are from China, Taiwan, Japan and the Middle East countries. Trade value per year through Singapore is estimated at USD 1.2 Billion, thus Westwood Investment Group took a very keen interest in this agricultural segment.

Through its marketing arm in Malaysia, Westwood Marketing enter into an Agreement with Compugates Marketing a wholly own subsidiary of Compugates Holding Berhad into the Gaharu/Agarwood business segment.

3. Salient Terms of the Collaboration Agreement

The Collaboration Agreement shall be in full force and effect for a period of four (4) years from the date of the Agreement and the terms thereafter shall be mutually extended and renewed by agreement of both parties with a total estimated purchase value of RM53 million (during the contract term).

Compugates Holdings Berhad

Announcement dated 19 September 2014

4. Rationale for the Collaboration Agreement

The execution of the Collaboration Agreement enables the Group to expand its agricultural related businesses. Compugates Marketing's valuable experiences in the production of product and by products derive from Gaharu/Agarwood, and also having an existing Gaharu/Agarwood plantation, Westwood Marketing is confident that with Compugates Marketing's experiences with Gaharu, it will be able to synergize the business for the both companies. With Malaysia economy known for its strong Agricultural sector, and arm with a long term investment objective, Westwood Marketing believes the collaboration of the both companies will have a positive yield and also on its investment in the Gaharu/Agarwood segment.

5. Effects of the Collaboration Agreement

The entry into the Collaboration Agreement is not expected to have a material effect on the earnings, net assets and gearing of Company and the Group for the financial year ending 31 December 2014. However, the collaboration Agreement is expected to contribute to the earnings of the Company and the Group for the financial year ending 31 December 2015 onwards.

The entry into the Collaboration Agreement will not have any effects on the issued and paid-up share capital of Compugates as well as its substantial shareholders' shareholdings.

6. Directors' and Substantial Shareholders' Interest

None of the Directors and substantial shareholders of Compugates and/or person(s) connected to them have any interest, direct or indirect in the Collaboration Agreement.

7. Approvals Required

The entry into the Collaboration Agreement is not subjected to the approval of shareholders of the Company and/or regulatory authorities.

8. Statement of the Directors

The Board, having considered all aspects of the Collaboration Agreement, is of the opinion that the Collaboration Agreement is in the best interest of Compugates.

This announcement is dated 19 September 2014.