
**REPLY TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERY OF 17 APRIL 2014
RELATING TO THE HALF YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR
THE PERIOD ENDED 28 FEBRUARY 2014 MADE ON 14 APRIL 2014**

Singapore Exchange Securities Trading Limited ("SGX-ST") had, on 17 April 2014, requested for the following clarifications on Eastgate Technology Ltd's ("the Company") half year financial statement and dividend announcement for the period ended 28 February 2014 made on 14 April 2014:-

- (a) Please explain the reason(s) for the increase in other receivables and deposits by approximately 45% to S\$5.36 million as at 28 February 2014.

The increase in other receivables and deposits was due to the following:-

- payment of USD0.45 million (equivalent to approximately S\$0.57 million) for the 10% capital investment in Espressif Systems (Shanghai) Pte Ltd and Espressif Microelectronics Wuxi Pte Ltd;
- increase in VAT receivables of approximately S\$0.36 million;
- VAT receivables as at 31 August 2013 of approximately S\$0.55 million were reflected in trade receivables; and
- deposits of S\$0.21 million to purchase machineries for the precision engineering business segment

- (b) Please explain the reason(s) for the decrease in prepayments from S\$1.24 million to S\$0.13 million as at 28 February 2014.

Higher prepayments were made as at 31 Aug 2013 for the purchase of machineries in the precision engineering business segment.

**BY ORDER OF THE BOARD
EASTGATE TECHNOLOGY LTD**

Submitted by Wong Siew Chuan, Company Secretary on 21/04/2014 to the SGX