

EASTGATE TECHNOLOGY LTD
(Incorporated in Singapore on 16 December 1989)
(Company Registration No. 198905519R)

PROPOSED INCORPORATION OF AN ASSOCIATED COMPANY

The Board of Directors of Eastgate Technology Ltd (the “Company”) wishes to announce that it had entered into a joint venture agreement with 2 individuals, Messrs Jerick Teo Wei Jun (“Jerick”) and Poon Kok Loong (“Poon”), on 21 May 2014 to incorporate a company named Focal Oilfield Solutions Pte. Ltd. (“Focal”) in Singapore.

Information on Focal

The main activities of Focal are in the business of precision engineering in oil and gas products and related services in the Republic of Singapore, Malaysia, Indonesia, Thailand, Vietnam and China. Focal will have a paid-up capital of S\$800,000, whereby the Company, Jerick and Poon shall contribute 40%, 40% and 20% respectively in cash.

Rationale

The Directors are continuously making effort to improve the performance of the Group. The Company believes that the business of Focal, coupled with the other 2 investors’ expertise in precision engineering and related services, would serve this objective and also complement the Group’s core business as a one-stop solution provider of industrial fasteners and custom-made parts.

Financial Effects

The incorporation of Focal is not expected to have any material effect on the consolidated earnings per share and net tangible assets per share of the Company for the current financial year ending 31 August 2014.

Directors’ and Substantial Shareholders’ Interest

Except for Jerick who is the son of our Executive Chairman, Teo Cher Cheong, no other Directors or substantial shareholders of the Company, and its subsidiaries have any interest, direct or indirect, in the incorporation of Focal.

BY ORDER OF THE BOARD

Teo Teck Leong
Managing Director
21 May 2014