

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

THE PROPOSED CONSOLIDATION OF EVERY FORTY (40) EXISTING SHARES INTO ONE (1) CONSOLIDATED SHARE IN THE CAPITAL OF THE COMPANY AND THE PROPOSED CHANGE OF NAME OF THE COMPANY TO "SHINVEST HOLDING LTD."

1. Introduction

The Board of Directors (the "**Board**" or the "**Directors**") of the Company wishes to announce that the Company proposes to undertake a share consolidation (the "**Proposed Share Consolidation**") of every forty (40) existing ordinary shares in the capital of the Company (the "**Existing Shares**") as at a books closure date (the "**Books Closure Date**") to be determined by the Board into one (1) consolidated ordinary share in the capital of the Company (a "**Consolidated Share**").

As a result of the Proposed Share Consolidation, each shareholder of the Company (a "**Shareholder**") will receive one (1) Consolidated Share for every forty (40) Existing Shares held prior to the Proposed Share Consolidation as at the Books Closure Date, fractional entitlements to be disregarded.

2. Details of the Proposed Share Consolidation

Under the Proposed Share Consolidation, every forty (40) Existing Shares registered in the name of each Shareholder (not being a depositor), or standing to the credit of the securities account of each depositor, as at the Books Closure Date will be consolidated to constitute one (1) Consolidated Share, fractional entitlements to be disregarded.

Shareholders should note that the number of Consolidated Shares which they will be entitled to, based on their holdings of the Existing Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the Proposed Share Consolidation shall be disregarded. All fractions of a Consolidated Share arising from the implementation of the Proposed Share Consolidation will be aggregated and dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. Affected Shareholders will not be paid for any fractions of a Consolidated Share which are disregarded.

Shareholders holding less than 40 Existing Shares as at the Books Closure Date will not be entitled to participate in the Proposed Share Consolidation and will not be entitled to any Consolidated Shares. Such Shareholders will no longer be Shareholders upon completion of the Proposed Share Consolidation. No allotment of the Consolidated Shares will be made to such Shareholders. Such Shareholders who wish to remain as Shareholders upon completion of the Proposed Share Consolidation are advised to purchase additional Existing Shares so as to increase the number of Existing Shares held to a multiple of 40 Existing Shares prior to the Books Closure Date.

Each Consolidated Share will rank *pari passu* in all respects with each other, and will be traded on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in board lots of 100 Consolidated Shares.

As at the date of this announcement (the "**Announcement**"), the Company has an issued and paid-up share capital of S\$26,700,193.69 comprising 1,196,348,241 Existing Shares. Following the implementation of the Proposed Share Consolidation, the Company will have an issued and paid-up share capital of S\$26,700,193.69 comprising 29,908,706 Consolidated Shares, after disregarding fractional interests in the Consolidated Shares arising from the Proposed Share Consolidation.

The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the Shareholders' equity of the Company and its subsidiaries. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation.

Rationale for The Proposed Share Consolidation

The SGX-ST introduced the MTP Requirement for Mainboard-listed issuers on 2 March 2015 as a continuing listing requirement to address risks associated with low-priced securities and to improve overall market quality, as well as to curb excessive speculation and market manipulation. Issuers will be first assessed on 1 March 2016 for compliance with the MTP Requirement. Issuers that fail to fulfil the MTP Requirement at the first review date on 1 March 2016 or any of the subsequent quarterly reviews will be placed on the Watch-list. The assessment of whether an issuer has met the MTP Requirement will be based on the issuer's volume weighted average price of its shares for the six (6) months preceding the date of review. Issuers placed on the Watch-list on or after 1 March 2016 will have a 36-month period to exit from the Watch-list. Issuers who fail to exit from the Watch-list will be subject to delisting in accordance with the listing rules.

For the past six (6) calendar months prior to the Latest Practicable Date, the six (6)-month volume weighted average price of the Existing Shares was S\$0.0237. As such, the Company is seeking to undertake the Proposed Share Consolidation with the purpose of raising the minimum theoretical share price so as to ensure continued compliance with the MTP Requirement.

The highest and lowest closing market prices and the transacted volume of the Existing Shares traded on the SGX-ST for each of the past six (6) calendar months from March 2015 to August 2015 are as follows:

Month/Year	Highest Price	Lowest Price	Volume of traded Shares
	S\$	S\$	
March 2015	0.033	0.024	1,808,600
April 2015	0.031	0.020	1,291,900
May 2015	0.023	0.019	335,500
June 2015	0.026	0.018	1,253,500
July 2015	0.029	0.015	1,004,100
August 2015	0.021	0.011	655,000

Source: <http://www.sgx.com/>

The Proposed Share Consolidation will theoretically raise the Company's 6-month volume weighted average price for the past six (6) calendar months from March 2015 to August 2015 from S\$0.0237 to S\$0.948.

Conditions

The Proposed Share Consolidation is subject to:

- (a) the approval of the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares on the SGX-ST; and
- (b) the approval of Shareholders by ordinary resolution of the Proposed Share Consolidation at the EGM.

An application will be made to the SGX-ST for permission to deal in and for the listing of and quotation for the Consolidated Shares on the SGX-ST. An announcement on the outcome of the application will be made in due course.

3. The Proposed Change of Name of the Company

Rationale

The Company is proposing to change its name from “Eastgate Technology Ltd” to “Shinvest Holding Ltd.”.

While the Group continues to maintain its businesses in investment holding; importers, exporters, manufacturers and marketers of fasteners and precision components as well as rental of the premises to external parties, it intends to seek new growth opportunities so as to further expand the potential growth of the Group.

The Directors believe that the proposed new name of the Company will better reflect the Group's vision for broader strategic focus. Accordingly, the Directors recommend that the Company's name be changed to “Shinvest Holding Ltd.”.

Approvals

The Accounting and Corporate Regulatory Authority has given its approval for the Proposed Change of Name. The name “Shinvest Holding Ltd.” has been reserved by the Company for 60 days from 10 September 2015 to 8 November 2015.

The Proposed Change of Name of the Company will be subject to Shareholders' approval. Upon receipt of Shareholders' approval for the Proposed Change of Name, the Company shall adopt “Shinvest Holding Ltd.” as its new name with effect from the issue of the relevant Certificate of Incorporation on Change of Name of Company and the name “Shinvest Holding Ltd.” shall be substituted for “Eastgate Technology Ltd”, wherever the latter name appears in the Company's Memorandum and Articles of Association.

The Company will make an announcement on the day when the Proposed Change of Name takes effect.

4. Circular to Shareholders

Subject to receipt of the approval-in-principle from the SGX-ST, a circular containing, *inter alia*, the notice of EGM, the details of the Proposed Share Consolidation and Proposed Change of Name will be despatched to Shareholders in due course.

BY ORDER OF THE BOARD

Teo Teck Leong
Managing Director
21 September 2015