

SHINVEST HOLDING LTD.
(Formerly known as Eastgate Technology Ltd)
(Incorporated in the Republic of Singapore)
(Company Registration No. 198905519R)

THE PROPOSED PARTIAL DISPOSAL OF EQUITY INTEREST IN ESPRESSIF SHANGHAI

Further to its announcements made on 8 December 2017 and 15 February 2018 (“**Previous Announcements**”) in relation to the Further Restructuring of Expressif Group and its Completion, the Board of Directors (the “**Board**”) of Shinvest Holding Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) has on 11 June 2018 entered into a share transfer agreement (“**STA**”) with an independent and unrelated third party, Ningbo Meishan Bonded Port Zhuohao Investment Partnership (L.P.) (the “**Purchaser**”) to dispose its 0.9% equity interest in Expressif Systems (Shanghai) Pte. Ltd. (“**The Proposed Disposal**”).

INTRODUCTION

1. As disclosed in the Previous Announcements, the Company is holding 8.9% equity interest in Expressif Systems (Shanghai) Pte. Ltd. (“**Expressif Shanghai**”) directly before the Proposed Disposal, and
2. Expressif Shanghai is currently preparing to list on the Shanghai Stock Exchange (SSE).

SALIENT TERMS OF THE STA

1. Pursuant to the terms and conditions of the STA, the Company shall sell as beneficial owner and the Purchaser shall purchase the 0.9% equity interest in Expressif Shanghai (the “**Sale Shares**”).
2. The completion of the sale and transfer of the Sale Shares to the Purchaser (the “**Completion**”) shall take place on the date upon the approval from the Administration for Industry and Commerce in Shanghai, PRC (the “**Completion Date**”).
3. The aggregate consideration for the purchase of the Sale Shares is US Dollars Two Million Two Hundred Fifty Thousand (US\$ 2,250,000, equivalent to S\$ 3,015,000 by using exchange rate of 1.34). The Proposed Disposal was negotiated at arm’s length and on a “willing buyer willing seller” basis between the parties.
4. Upon the approval and completion of share transfer registration by the Administration for Industry and Commerce in Shanghai, PRC, the Purchaser shall pay to the Company the full amount directly to the Company’s Singapore bank account by way of Telegraphic Transfer remittance within Sixty (60) days.
5. Conditions Precedent
 - a. the approval of Administration for Industry and Commerce in Shanghai, PRC
 - b. such waivers and consents as may be required to enable the Company to sell and transfer the Sale Shares and the Purchaser to be registered as holder of the Sale Shares on the terms of the STA.

Financial Impact

Based on the Company unaudited first half financial statements for the financial year ending 31 Aug 2018, the consideration represents a premium of approximately 338% of the disposed portion of unquoted equity securities value. Upon the completion of the Proposed Disposal, the Group expects to record a gain of approximately S\$ 2.3 million.

Financial Effects

For the purposes of illustration only, the pro forma financial effects of the Proposed Disposal taken as a whole are set out below. The pro forma financial effects are based on the latest unaudited Group first half financial statements for the financial year ending 31 August 2018.

1. Net Tangible Assets (“**NTA**”) (assuming that the Proposed Disposal had been effected on 28 February 2018)

	As at 28 February 2018	
	NTA (S\$'000)	NTA per share
Before the Proposed Disposal	32,071	1.0724
After the Proposed Disposal	31,384	1.0495

2. Earnings Per Share (“**EPS**”) (assuming that the Proposed Disposal had been effected on 1 September 2017)

	As at 28 February 2018	
	Earning (S\$'000)	EPS (cents)
Before the Proposed Disposal	98.18	0.3283
After the Proposed Disposal	98.18	0.3283

RELEVANT FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual based on the latest announced unaudited first half financial statements of the Company and its subsidiaries (the “Group”) for the financial year ending 31 August 2018 are as follows:

Rule		Relative figures
Rule 1006(a)	Net asset value of the assets to be disposed of, compared with the Group’s net asset value	2.14%
Rule 1006(b)	Net profits attributable to the assets disposed of, compared with the Group’s net profits (It is an unquoted securities investment which is 8.9% before the Proposed Disposal)	Not Applicable
Rule 1006(c)	The aggregate value of the consideration received, compared with the Company’s market capitalisation as of 8 June 2018	19.39% ⁽¹⁾
Rule 1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not Applicable

Notes :

(1) Based on the market capitalisation of S\$ 15,550,715 of the Company as at 8 June 2018.

Rationale For The Proposed Disposal

The proceeds from the Proposed Disposal will be used to reduce the loans owed to the subsidiary.

Directors’ And Substantial Shareholders’ Interest

None of the Directors or substantial shareholders of the Company, and its subsidiaries have any interest, direct or indirect, in the Proposed Disposal.

CAUTIONARY STATEMENT

The Company wishes to confirm that the approval is yet to receive from the relevant authorities in Shanghai, PRC. Shareholders and potential investors are therefore reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors if they are in doubt about the actions that they should take.

BY ORDER OF THE BOARD

Teo Teck Leong
Managing Director
11 June 2018