

SHINVEST HOLDING LTD.

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

DISPOSAL OF AN ASSOCIATED COMPANY BY A SUBSIDIARY

The Board of Directors of Shinvest Holding Ltd. (the "Company") wishes to announce that its subsidiary, GD Tech (H.K) Private Co., Limited ("GDT") has on 27 July 2016 entered into a conditional deed of sale and purchase ("S&P") in respect of shares in GD Precision Pte. Ltd. ("GDP") with GDP, Poon Kok Loong ("Poon") and a third party individual, to dispose its entire equity interest of 49%, comprising 392,000 ordinary shares, in GDP ("Sale Shares") to Poon at a cash consideration of S\$1.00 ("Proposed Disposal").

Information on GDP

GDP was incorporated in Singapore on 27 June 2013. Its principal activities are in the manufacturing and engineering of metal and plastic precision parts. Currently, GDP has a paid-up capital of S\$800,000, comprising 800,000 ordinary shares, of which 51% is held by Poon while 49% is held by GDT.

Based on the unaudited financial statements of GDP for the four months ended 31 December 2015, GDP incurred a net loss of S\$315,837 and had a net liability value of S\$1,024. Prior to 29 February 2016, GDT had recorded a carrying value of S\$156,509 in GDP. As at 29 February 2016, GDT's share of losses from GDP amounted to S\$156,509, thereby adjusting the carrying value in GDP to nil. The outstanding debt owed by GDP to GDT as at 29 February 2016 amounted to S\$358,000.

Salient Terms of S&P

The cash consideration of S\$1.00 for the Proposed Disposal was negotiated at arm's length and on a "willing buyer willing seller" basis between the parties. Based on the unaudited financial statements of GDP for the four months ended 31 December 2015, the consideration represented a premium of approximately 100.2% of the net liability value of the entire 49% equity interest in GDP to be disposed. Upon completion of the disposal of GDP, GDT expects to record a loss of approximately S\$357,999.

Pursuant to the S&P, completion of the sale and purchase of the Sale Shares is conditional upon the following conditions being fulfilled:

- (a) GDT shall write off and forgive the entire outstanding debt owed by GDP to GDT;
- (b) the execution of a deed of indemnity by the third party individual to indemnify the obligations of the Company and Ng Hoo Teng ("Jeremy"), a shareholder of GDT, under a corporate guarantee and personal guarantee dated 24 March 2014 respectively;
- (c) GDP reaching an agreement with Sin Hong Hardware Pte Ltd ("Sin Hong"), a wholly-owned subsidiary of the Company, on an instalment payment plan for the payment of outstanding and all future rent and utilities charges relating to a rented premises;
- (d) GDP reaching an agreement with the Company on an instalment payment plan for the payment of the outstanding advance of S\$30,000;
- (e) the execution of a deed of guarantee by the third party individual, in favour of the Company and Sin Hong to guarantee the obligations of GDP in relation to (c) and (d) above.

Rationale

The incorporation of GDP was for the purpose of servicing the existing and potential customers of GDT and its subsidiaries in Singapore. However, since its incorporation, GDP has been underperforming and the Proposed Disposal would curb further losses in the investment.

Financial Effects

The Proposed Disposal is expected to have a negative effect on the consolidated earnings per share and net tangible assets per share of the Company for the current financial year ending 31 August 2016.

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.

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 unaudited financial statements of the Company and its subsidiaries (the "Group") for the six months ended 29 February 2016 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	-
Rule 1006(b)	Net profits attributable to the assets disposed of, compared with the Group's net profits	-17.29%
Rule 1006(c)	The aggregate value of the consideration received, compared with the Company's market capitalisation as of 26 July 2016	0.000004%
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

BY ORDER OF THE BOARD

Teo Teck Leong
Managing Director
27 July 2016