

SHINVEST HOLDING LTD.

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

APPROVAL OF SGX WAIVER TO COMPLY WITH RULE 1014(5) OF THE LISTING MANUAL IN RESPECT OF THE PROPOSED DISPOSAL IN WHOLE OR IN PART OF THE COMPANY'S SHAREHOLDING IN THE ISSUED AND PAID-UP SHARE CAPITAL OF ESPRESSIF SYSTEMS (SHANGHAI) CO., LTD. ("ESPRESSIF SHANGHAI")

The Board of Directors (the "**Board**") of Shinvest Holding Ltd. (the "**Company**") refers to the announcement released by the Company on 24 July 2020 in relation to the expiry of the moratorium period and maximum permitted divestment of equity shares in Espressif Systems (Shanghai) Co., Ltd. ("**Espressif Shanghai**") (the "**Earlier Announcement**"). Unless otherwise defined, capitalised terms used herein shall bear the same meaning ascribed to them in the Earlier Announcement.

Further to the Earlier Announcement, the Board wishes to inform shareholders that the Company had submitted an application to SGX-ST on 10 September 2020 in the course of preparing for an extraordinary general meeting to be convened to seek shareholders' approval for the proposed disposal, in whole or in part, of the Company's shareholding in the issued and paid-up share capital of Espressif Shanghai (the "**Espressif Shares**") (hereinafter referred to as the "**Proposed Disposal**").

Rule 1006 of the Listing Manual

Chapter 10 of the Listing Manual classifies transactions by the Company into (i) nondiscloseable transactions, (ii) discloseable transactions, (iii) major transactions and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*, the following bases:

Rule 1006(a)	net asset value of the assets to be disposed of, compared with the group's net asset value	98% ⁽¹⁾
Rule 1006(b)	net profits attributable to the assets acquired or disposed of, compared with the group's net profits	107% ⁽²⁾
Rule 1006(c)	aggregate value of the consideration received from the Proposed Disposal compared with the Company's market capitalization of S\$90,612,823 ⁽³⁾ as of 31 Aug 2020	202% ⁽⁴⁾ 321% ⁽⁵⁾ 136% ⁽⁶⁾ 184% ⁽⁷⁾
Rule 1006(d)	number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	Not applicable
Rule 1006(e)	aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable

Notes:

- (1) Based on the net asset value of 6.0% of the Espressif Shares, amounting to S\$196,089,040, against the Group's net asset value as of 29 February 2020 of S\$199,528,390.
- (2) Based on the net profit attributable to the Group as fair value gain on financial assets as at 29 February 2020 holding 6.0% of the Espressif Shares, amounting to S\$100,187,532, against the Group's net profits before tax of S\$93,807,681 as at 29 February 2020.
- (3) "**market capitalisation**" is calculated by the number of shares of the Company (excluding treasury shares) of 29,905,222 multiplied by the volume weighted average market price of S\$3.03 of the Company's Shares as at 31 August 2020, being the last Market Day on which Shares were traded preceding the latest practicable date of 31 August 2020 (the "**Latest Practicable Date**").

- (4) Based on the assumption that the Espressif Shares are entirely disposed at a price of RMB 192.00 per share (being the volume-weighted average price of Espressif Shares traded on the SSE for the 12 months ended 31 August 2020 (the “**Relevant Period**”)).
- (5) Based on the assumption that the Espressif Shares are entirely disposed at a price of RMB 304.13 per share (being the highest traded price of Espressif Shares traded on the SSE for the Relevant Period).
- (6) Based on the assumption that the Espressif Shares are entirely disposed at a price of RMB 129.13 per share (being the lowest traded price of Espressif Shares traded on the SSE for the Relevant Period).
- (7) Based on the assumption that the Espressif Shares are entirely disposed at a price of RMB 174.50 per share (being the last traded price of Espressif Shares traded on the SSE as at the Latest Practicable Date).

The relative figures computed on the bases set out in Rules 1006(a), 1006(b) and 1006(c) of the Listing Manual exceed 75%. Under Rule 1014(5) of the Listing Manual, where a disposal of assets is one where any of the relative figures as computed on the bases set out in Rule 1006 exceeds 75%, the issuer must appoint a competent and independent valuer to value the assets to be disposed. Notwithstanding Rule 1014(5) of the Listing Manual, Rule 107 of the Listing Manual states that SGX-ST may waive or modify compliance with a listing rule (or part of a rule) either generally or to suit the circumstances of a particular case.

Application of waiver to comply with Rule 1014(5) of the Listing Manual

The Company proceeded to submit an application to SGX-ST on 10 September 2020 for a waiver (“**Waiver**”) to comply with Rule 1014(5) of the Listing Manual on the basis that a valuation of the Espressif Shares is not necessary.

The reasons for seeking the Waiver was as follows:

- (a) Rule 1014(5) was enacted to ensure that shareholders of listed companies are provided with sufficient information prior to a proposed acquisition or disposal of assets by the listed company, especially in the event where any of the figures computed on the bases set out in Rule 1006 exceeds 75%;
- (b) The relevant information to be provided to shareholders is stated in Rule 1010(5), being “the value (book value, net tangible asset value and the latest available open market value) of the assets being acquired or disposed of, and in respect of the latest available valuation, the value placed on the assets, the party who commissioned the valuation and the basis and date of such valuation”;
- (c) The assets proposed to be disposed are ordinary shares held in Espressif Shanghai, which are publicly listed on the SSE STAR Market;
- (d) Pursuant to Rule 1003(1)(b), the value of listed shares will be assessed by reference to the market value represented by such shares;
- (e) Even if an independent valuer were to be appointed to conduct such a valuation, it is highly likely that the valuer would refer to the market value of the Espressif Shares to determine its value; and
- (f) The Company is of the opinion that the Espressif Shares are sufficiently traded on the SSE STAR Market such that the traded prices are reflective of the market value of the Espressif Shares.

On 15 September 2020, the Company received a letter from the SGX-ST approving the Waiver, subject to the following:

- (a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Rule 107 of the Listing Manual and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an updated announcement when the conditions have all been met;

- (b) the Board of Directors' confirmation that the Waiver will not be in contravention of any laws and regulations governing the Company and its constitution (or the equivalent in the Company's country of incorporation); and
- (c) confirmation that none of the Company's directors and/or controlling shareholders have any interest in the Proposed Disposal.

Accordingly, the Board confirms that the Waiver will not be in contravention of any laws and regulations governing the Company and its constitution. Further, none of the Directors of the Company, and to the best of the knowledge of the Directors, none of the substantial shareholders of the Company, have any interest, direct or indirect, in the Proposed Disposal, other than by reason only of being a Director or a Shareholder of the Company.

By Order of the Board

Teo Teck Leong
Managing Director
15 September 2020