

SHINVEST HOLDING LTD.
(Company Registration No. 198905519R)
(Incorporated in the Republic of Singapore)

EMPHASIS OF MATTER IN AUDITOR'S REPORT ON THE GROUP'S FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020

In accordance with Rule 704(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), the Board of Directors (the "**Board**") of Shinvest Holding Ltd. (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that there is an emphasis of matter as reported by the auditors of the Company, BDO LLP, in respect of the decline in the fair value of the financial assets at fair value through profit or loss ("**FVTPL**") held by the Group in the financial statements of the Group for the year ended 31 August 2020 ("**FY2020**").

In the Auditor's Report dated 7 December 2020 ("**Independent Auditor's Report**") on the audited financial statements of the Group for FY2020 ("**FY2020 Audited Financial Statements**"), the auditors have included the following:-

"Emphasis of Matter

We draw attention to Note 39 to the financial statements, which highlights the decline in the fair value of the financial assets at fair value through profit or loss ("**FVTPL**") held by the Group, subsequent to the financial year ended 31 August 2020. Our opinion is not modified in respect of this matter."

An extract of Note 39 that is pertinent to this emphasis of matter is appended below:-

"Event subsequent to the reporting date

As at 31 August 2020, the fair value of the financial assets at FVTPL as disclosed in Note 10 to the financial statements are based on the closing quoted market prices on the last day of the financial year. Based on the closing quoted market price as at the date of authorisation of these financial statements which is 7 December 2020, the fair value of the remaining 4,117,824 equity shares as at 31 August 2020 had declined from approximately \$142,993,000 (excluding the 682,176 shares disposed as mentioned above) to approximately \$128,108,000. Depending on Espressif's closing share price as at 28 February 2021, the fair value changes of approximately \$12,407,000 as at 7 December 2020 or any fair value changes thereon inclusive of VAT payables, brokerage fees and deferred tax may affect the half-year results of the Group for the financial period ending 28 February 2021."

Shareholders are advised to read the FY2020 Audited Financial Statements and the Independent Auditors' Report which will be released on SGXNET in due course as part of the Company's Annual Report for FY2020.

By Order of the Board
SHINVEST HOLDING LTD.

Teo Teck Leong
Managing Director
7 December 2020