

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

PROPOSED DISPOSAL OF INVESTMENT PROPERTY

The Board of Directors (the “Board”) of Shinvest holding Ltd. (the “Company” and together with its subsidiaries, the “Group”) wishes to announce that Sin Hong Hardware Pte Ltd (“Sin Hong”), a wholly-owned subsidiary of the Company, has entered an agreement to sell (the “S&P”) a leasehold property located at 2 Kwong Min Road, Singapore 628705 (the “Property”) which has been accepted by Tong Tar Transport Service Pte Ltd (the “Purchaser”) on 29 September 2017.

The Property

The Property is a leasehold property and its lease was granted by JTC Corporation for a term of 60 years commencing 1 April 1968. The Property is a single storey detached factory with mezzanine floor. It has a land area of approximately 5,356.40 square metres and a floor area of approximately 1,998.30 square metres.

The Property is currently rented out to two (2) third-party sub-tenants.

Consideration and Use of Proceeds

The consideration for the Property is S\$ 4,380,000 (“Sale Consideration”). The Sale Consideration was agreed between Sin Hong and the Purchaser on a “willing buyer and willing seller” basis after taking into consideration the prevailing market conditions.

The Sale Consideration shall be satisfied wholly in cash in the following manner:-

- (a) a deposit of S\$ 219,000 shall be payable upon the signing of the S&P by the Purchaser; and
- (b) the balance of S\$ 4,161,000 shall be payable upon the completion of the sale of the Property with attached tenancy, subject to approvals and consents by relevant authorities.

Sin Hong intends to use the proceeds from the Sale of the Property to pay down the bank loans and generate working capital.

Financial Impact

Based on the unaudited 1st half financial statements of the Group for the financial year ended 31 August 2017, the Proposed Disposal is expected to result in a gain of approximately S\$ 2,969,900 after all the expenses for the Company.

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 unaudited 1st half Group financial statements for the financial year ended 31 August 2017.

1. Net Tangible Assets (“NTA”)

(Assuming that the Proposed Disposal was effected as at 28 February 2017)

	As at 28 February 2017	
	NTA (S\$'000)	NTA per share (cents)
Before the Proposed Disposal	29,705	0.9933
After the Proposed Disposal	32,675	1.0926

2. Earnings Per Share (“EPS”)

(Assuming that the Proposed Disposal was completed on 28 February 2017)

	Period ended 28 February 2017	
	Earning (S\$'000)	EPS per share (cents)
Before the Proposed Disposal	395	1.32
After the Proposed Disposal	3,365	11.25

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 1st half financial statements of the Company and its subsidiaries (the “Group”) for the financial year ended 31 August 2017 announced on 13 April 2017 are as follows :

Rule	Bases	Relative Figures
Rule 1006(a)	Net asset value of the assets to be disposed of, compared with the Group’s net asset value	2.38%
Rule 1006(b)	Net profits attributable to the assets disposed of, compared with the Group’s net profits	19.75%
Rule 1006(c)	The aggregate value of the consideration received, compared with the Company’s market capitalisation as of 28 Sep 2017	29.29%
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

As the relative figure computed on the basis set out in Rule 1006(c) exceeds 20%, the Proposed Disposal constitutes a major transaction as defined in Chapter 10 of the Listing Manual which requires the approval of shareholders of the Company at an Extraordinary General Meeting (“EGM”) to be convened.

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.

By Order of the Board

Teo Teck Leong
Managing Director

29 September 2017