

CIRCULAR DATED 31 JANUARY 2019

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in doubt about this Circular, or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of the Company, you should immediately forward this Circular, the Notice of EGM and the Proxy Form to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

Your attention is drawn to Section 6 of this Circular in respect of actions to be taken if you wish to attend and vote at the Extraordinary General Meeting.

This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.



SHINVEST HOLDING LTD.

(Incorporated in the Republic of Singapore)

(Company Registration Number: 198905519R)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

**THE PROPOSED DISPOSAL OF 16,900,000 ORDINARY SHARES HELD BY THE COMPANY
IN ITS SUBSIDIARY, GD TECH (H.K.) PRIVATE CO. LIMITED, AS A MAJOR TRANSACTION
(THE "PROPOSED DISPOSAL")**

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form : 26 February 2019, 10.00 a.m.

Date and time of Extraordinary General Meeting : 1 March 2019, 10.00 a.m.

Place of Extraordinary General Meeting : Safra Jurong, 333 Boon Lay Way, Singapore 649848

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

“Announcement”:	The Announcement dated 9 October 2018 relating to the Proposed Disposal of GD Tech HK for a consideration of Singapore Dollars Six Million, Five Hundred Thousand only (S\$6,500,000);
“Business Day”:	A day (excluding Saturday and Sunday) on which the banks open for business in Singapore;
“CDP”:	The Central Depository (Pte) Limited;
“Circular”:	This Circular dated 31 January 2019;
“Companies Act”:	The Companies Act, Chapter 50, of Singapore;
“Company”:	Shinvest Holding Ltd.;
“Consideration”:	Singapore Dollars Six Million, Five Hundred Thousand only (S\$6,500,000) payable by the Purchaser to the Company in relation to the Proposed Disposal;
“Directors”:	The directors of the Company as at the date of this Circular;
“Effective Date”:	7 October 2018, being the date on which the SPA was entered into between the Company and the Purchaser;
“EGM”:	The extraordinary general meeting of the Company, to be convened for the purposes of considering and, if thought fit, passing with or without modifications, the resolutions as set out in the Notice of EGM;
“EPS”:	Earnings per Share;
“FY”:	Financial year ended 31 August 2018;
“GD Tech HK”:	GD Tech (H.K.) Private Co. Limited (Hong Kong Company Registration No. 853837), a company incorporated under the laws of Hong Kong SAR having a registered address of business at 18/F., S.B. Commercial Building, 478 Nathan Road, Kowloon, Hong Kong and an issued and paid-up share capital of HK\$38,125,000 comprising 29,400,000 ordinary shares;
“Group”:	The Company and its Subsidiaries;
“HK\$” or “cents”:	Hong Kong dollars or Hong Kong cents, respectively;
“Latest Practicable Date”:	23 January 2019, being the latest practicable date prior to the printing of this Circular;
“Listing Manual”:	The Listing Manual of the SGX-ST, as may be amended, varied or supplemented from time to time;
“Notice of EGM”:	The notice on page 14 of this Circular whereby notice is given that the EGM will be held as at the time, date and place as stipulated therein for the purposes of considering and, if thought fit, passing with or without modifications the resolutions as set out therein;
“NTA”:	Net tangible assets;

“Proposed Disposal”:	The proposed disposal of GD Tech HK by the Company;
“Purchaser”	means Ng Hoo Teng;
“RMB”:	Chinese Renminbi;
“Sale Shares”:	16,900,000 ordinary shares held by the Company in GD Tech HK representing 57.48% of the entire issued and paid-up capital of GD Tech HK;
“SGX-ST”:	Singapore Exchange Securities Trading Limited;
“Shareholder”:	A holder of Shares in the Company;
“Shareholders’ Approval”:	The approval of the Shareholders for the Proposed Disposal;
“Shares”:	Ordinary shares in the capital of the Company;
“SPA” or “Sale and Purchase Agreement”:	The sale and purchase agreement entered into between the Company and the Purchaser on 7 October 2018 for the sale of 57.48% of the issued and paid up share capital of GD Tech HK, on the terms and subject to the conditions of the sale and purchase agreement;
“Subsidiary”:	Shall have the meaning ascribed to it in the Companies Act;
“S\$” or “cents”:	Singapore dollars or Singapore cents, respectively; and
“%”:	Per centum or percentage.

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in section 81SF of the Securities and Futures Act (Cap. 289) of Singapore.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or reenacted. Any word defined under the Companies Act or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act or statutory modification as the case may be.

Any reference to a time of a day in this Circular is a reference to Singapore time.

Any discrepancies in the tables included herein between the amounts therein and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

SHINVEST HOLDING LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198905519R)

Directors:

Loh Suan Len, FCA, FCPA (Non-Executive Independent Chairman)
Teo Teck Leong (Managing Director)
Dr Chau Sik Ting, PBM, BBM (Independent Director)
Teo Eng Thian (Executive Director and Chief Operating Officer)

Registered Office:

3 Kian Teck Crescent
Singapore 628881

31 January 2019

To: The Shareholders of the Company

Dear Sir/Madam

1. INTRODUCTION

1.1 The Board is proposing to convene an EGM to be held on 1 March 2019 to seek the relevant Shareholders' approval in respect of:

1.1.1 THE PROPOSED DISPOSAL OF 16,900,000 ORDINARY SHARES HELD BY THE COMPANY IN ITS SUBSIDIARY, GD TECH (H.K.) PRIVATE CO. LIMITED, TO THE PURCHASER ("PROPOSED DISPOSAL")

1.2 The purpose of this Circular is to provide Shareholders with information pertaining to and reasons for the above proposal, and to seek the relevant Shareholders' approval in respect of the same at the EGM to be held on 1 March 2019 at 10.00 a.m. at Safra Jurong, 333 Boon Lay Way, Singapore 649848, the notice of which is attached to this Circular.

1.3 The Proposed Disposal constitutes a major transaction by the Company under Chapter 10 of the Listing Manual. Accordingly, the Proposed Disposal is subject to and conditional upon the approval of the Shareholders at the EGM to be convened.

1.4 The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.

2. THE PROPOSED DISPOSAL

2.1 Background

On 9 October 2018, the Company announced that it had on 7 October 2018 entered into a Sale and Purchase Agreement with Ng Hoo Teng (the "**Purchaser**"), pursuant to which the Company had agreed to sell, and the Purchaser had agreed to purchase, the Company's entire shareholdings in GD Tech (H.K.) Private Co. Limited ("**GD Tech HK**") of 16,900,000 ordinary shares (the "**Sale Shares**"), representing 57.48% of the issued and paid-up share capital of GD Tech for a consideration of S\$6,500,000.

The Purchaser shall purchase the Sale Shares for a Consideration of S\$6,500,000, to be satisfied by (i) a Down Payment of S\$1,000,000 payable within 5 Business Days from the Effective Date, (ii) S\$3,000,000 payable within 5 Business Days of Completion, and (iii) a Balance of S\$2,500,000 payable in two equal instalments within 4 months of Completion. Please refer to section 2.4.1 of this Circular for more details on the Consideration.

2.2 Information on the Disposal Group

GD Tech HK is a private limited company incorporated under the laws of Hong Kong SAR and has an issued and paid-up share capital of HK\$38,125,000 comprising of 29,400,000 ordinary shares. Its registered address is at 18/F., S.B. Commercial Building, 478 Nathan Road, Kowloon, Hong Kong. They are principally engaged in one-stop manufacturing services (from high precision machining to complex electromechanical assembly services) to the aerospace, medical, semiconductor, automotive and solar industries.

GD Tech HK has three wholly-owned operating subsidiaries in the People's Republic of China ("PRC") and one wholly-owned subsidiary in Singapore (collectively, the "Disposal Group"). The three foreign subsidiaries are in Dongguan, Shanghai and Zhuzhou. As at the Latest Practicable Date, the Disposal Group provide one-stop manufacturing services (from high precision machining to complex electromechanical assembly services) to the aerospace, medical, semiconductor, automotive and solar industries. Their general incorporation details are set out below:

Name	Principal Activities	Country of Incorporation	Issued/ Registered Share Capital
<u>Directly held by the Company</u>			
GD Tech (H.K.) Private Co. Limited	One-stop manufacturing services (from high precision machining to complex electromechanical assembly services) to the aerospace, medical, semiconductor, automotive and solar industries	Hong Kong	HK\$38,125,000
<u>Held by GD Tech (H.K.) Private Co. Limited</u>		<u>% Held</u>	
GD Tech (Dongguan) Co Ltd	same as above	100	PRC RMB 32,533,649
GD Precision (Shanghai) Co., Ltd	same as above	100	PRC RMB 24,198,317
GD Tech (Zhuzhou) Co Ltd	same as above	100	PRC RMB 5,346,797
GD Tech Pte Ltd	same as above	100	Singapore S\$ 10,000

For the financial year ended 31 August 2018, the Disposal Group generated revenue of HKD 269,850,868, and a profit of HKD 8,312,696 after tax, resulting in a total comprehensive income of HKD 4,365,229 for the year. The Disposal Group has a net asset value of HKD 94,145,392 as at 31 August 2018.

2.3 Information on the Purchaser

The Purchaser is a current shareholder and director of GD Tech HK. The Purchaser is also the founder of the Disposal Group. As of the date of this Circular, the Purchaser holds 10,000,000 ordinary shares in GD Tech HK, representing 34.01% of the issued and paid-up share capital of GD Tech HK. The Purchaser had initiated the sale and purchase of the Sale Shares from the Company and upon Completion, shall be, to the best of the Company's knowledge, the sole beneficial owner of the Sale Shares and shall not hold the Sale Shares on behalf of any other persons. The final shareholding of GD Tech HK upon Completion would be:-

Name	No. of share held in GD Tech HK	Percentage (%)
Ng Hoo Teng	26,900,000	91.5%
Ye Ming Wu	1,250,000	4.25%

Ng Wei Siong	1,250,000	4.25%
Total	29,400,000	100.00%

As of the Latest Practicable Date, the Purchaser holds 1,525 Shares in the Company, representing 0.005% of the entire issued and paid-up capital of the Company. Notwithstanding, the Purchaser is not related to any of the Directors, Controlling Shareholders, or their respective associates.

2.4 Principal Terms of the Proposed Disposal

- 2.4.1 **Consideration:** The Consideration for the purchase of the Sale Shares, arrived at on a willing seller willing buyer basis, derived at based on previous offers received by the Company for the prospective acquisition of GD Tech HK and current market sentiments, is Singapore Dollars Six Million Five Hundred Thousand only (S\$6,500,000) and shall be satisfied in the following manner: (i) Singapore Dollars One Million Only (S\$1,000,000) (the “**Down Payment**”) to be satisfied by way of either (a) a Cashier’s Order issued by an authorised financial institution of Hong Kong SAR and payable upon the execution of the SPA to the Company or (b) by way of telegraphic transfer to the Company’s bank account within five (05) Business Days from the Effective Date; (ii) Singapore Dollars Three Million Only (S\$3,000,000) to be satisfied by way of telegraphic transfer to the Company’s Bank Account, payable within five (05) Business Days of Completion; and (iii) Singapore Dollars Two Million Five Hundred Thousand Only (S\$2,500,000) (the “**Balance**”) to be satisfied by way of a Cashier’s Order issued by an authorised financial institution of Hong Kong SAR and payable in two (02) equal instalments, the first instalment being made two (02) months after Completion, and the second instalment being made four (04) months after Completion. Notwithstanding the aforementioned, the Purchaser shall be entitled to make payment of all remaining sums (and not some only) due under the Consideration as at the Completion Date on Completion by way of a Cashier’s Order issued by an authorised financial institution of Hong Kong SAR. In the event all outstanding sums due under the SPA is paid to the Company by the Purchaser at Completion, the latter two deadlines for the payment of S\$3,000,000 and S\$2,500,000 shall no longer be applicable.
- 2.4.2 **Conditions:** Completion is conditional on the fulfilment of the conditions precedent on or before the Completion Date. In the event that any of the conditions precedent in Paragraphs 2.4.4(i) to (iii) below, being Clauses 4.1.1 to 4.1.3 of the SPA, is not fulfilled within the stipulated time frame, the SPA shall *ipso facto* cease and determine and none of the Parties shall have any claim against the other for costs, damages, compensation or otherwise. For the avoidance of doubt, the Down Payment made pursuant to Clause 3.1.1 of the SPA shall be forfeited by the Purchaser and the Company shall be entitled to keep said Down Payment without completing the sale of any of the Sale Shares. If the Company is unable to obtain the approval of the SGX-ST and/or its Shareholders pursuant to Clauses 4.1.5 and 4.1.8 of the SPA respectively, the Company shall, or shall cause to, refund or procure the refund of the Down Payment made pursuant to Clause 3.1.1 of the SPA, without interest, to the Purchaser by way of a bank draft or telegraphic transfer within two (02) weeks of it being made aware of the same. The Parties shall use reasonable endeavours to procure the fulfilment of such conditions, and in particular shall furnish such information, supply such documents, pay such fees and do all such acts and things as may be required to enable such conditions to be fulfilled. The Company shall transfer the Sale Shares to the Purchaser only upon the full and complete satisfaction of the obligations stated in Clause 4 of the SPA. Notwithstanding, in the event the Purchaser fails and/or refuses to complete the sale and transfer for the Sale Shares despite fulfilment of Clause 4 of the SPA for any reason whatsoever, the Company shall be entitled (in addition to and without prejudice to all other rights or remedies available to it), to elect to rescind the SPA and the Down Payment made by the Purchaser shall be forfeited and the Company shall be entitled to keep said Down Payment without completing the sale of any of the Sale Shares.
- 2.4.3 **Completion:** Completion of the sale and purchase of the Sale Shares shall take place at the registered office of the Seller or at such other place as Parties may agree in writing on the Completion Date. At Completion, against fulfilment of the Purchaser’s obligations in Clause 5.2.2 of the SPA, the Company shall do or deliver (or cause to be delivered) to the Purchaser the matters or items listed in Clause 5.2.1 of the SPA. At Completion, against fulfilment of the Company’s obligations in Clause 5.2.1 of the SPA, the Purchaser shall do or deliver (or cause to be delivered) to the Company the matters or items listed in Clause 5.2.2 of the SPA.
- 2.4.4 **Conditions Precedent:** The Purchaser and the Company agree that the Proposed Disposal shall be conditional upon the following conditions (“**Conditions**”):-

- (i) the Purchaser executing a deed of share charge within ten (10) Business Days of the Effective Date charging all present and future rights, title and interest in and to the Sale Shares by way of first fixed charge in favour of the Company as a continuing security for the observance and performance by the Purchaser of his other obligations under the SPA, the terms and conditions of which are satisfactory to the Company;
- (ii) the Purchaser executing an escrow agreement within ten (10) Business Days of the Effective Date with the Escrow Agent wherein the Purchaser shall deposit the Sale Shares and all other documents (as may be required) with the Escrow Agent on Completion until such time the Purchaser has fulfilled all his obligations arising out of or in connection with the SPA and the transactions contemplated herein, the terms and conditions of which are satisfactory to the Company;
- (iii) the Purchaser executing a deed of indemnity within ten (10) Business Days of the Effective Date indemnifying the Company's Director, Mr. Teo Teck Leong, against any and all losses, claims, damages, costs and liability whatsoever that the Company's Director incurs or suffers during his term of office after Completion as a non-executive director to assist with the handover of the Disposal Group, the terms and conditions of which are satisfactory to the Company;
- (iv) such other approvals or consent (if any) as may be required from any relevant competent authority wherever located having jurisdiction over the transactions described in the SPA being obtained on terms (if any) acceptable to the Company, and not withdrawn or amended, on or before the Completion Date (or such later date as the Parties may agree in writing);
- (v) all necessary consents or approvals (if any) being granted by third parties or governmental or regulatory bodies or competent authorities having jurisdiction over the sale of the Sale Shares or the transaction contemplated under the SPA (including without limitation but only where required, by the SGX-ST) and where any such consent or approval is subject to any conditions, such conditions being reasonably acceptable to the Party on which they are imposed, and if such conditions being fulfilled before Completion and such consents or approvals not being revoked or repealed on or before Completion;
- (vi) 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 (if any)¹;
- (vii) any conditions attached to the Listing and Quotation Notice which is required to be fulfilled on or before the Completion Date having been fulfilled on or before that date to the satisfaction of the SGX-ST or waived by the SGX-ST;
- (viii) the approval of the Board of the Company; and
- (ix) the approval of the Shareholders of the Company for the transactions described in the SPA being obtained at an extraordinary general meeting of such shareholders on or before the Completion Date.

As of the date of this Circular, Conditions (i) to (iii) above have been satisfied. Conditions (vi) and (vii) are not applicable to the Proposed Disposal.

2.5 Rationale for the Proposed Disposal

The Directors are of the view that the Proposed Disposal is in the interests of the Company and believe that the Proposed Disposal allows the Company to realise value in GD Tech HK that the Company has built over the past years, thus benefitting its Shareholders and other stakeholders. This is especially in light of the recent market conditions, in which the Group has found it increasingly difficult to sustain the profitability of GD Tech HK.² The revenue, as well as the profit before and after tax figures of the Disposal Group for each of the past three (03) financial years ending on 31 August are set out below:-

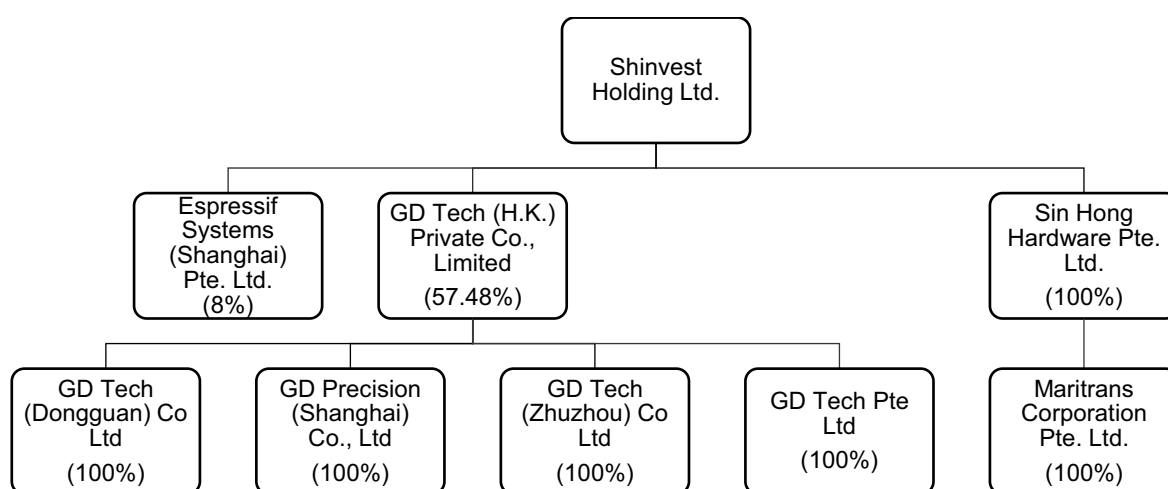
² Net profit margin decreased from 3.88% in 2017 to 3.08% in 2018 despite an increase in revenue of S\$9,688,000.

Year	Revenue (S\$ '000)	Profit before Tax (S\$ '000)	Profit after Tax (S\$ '000)
2016	37,076	1,706	1,108
2017	36,456	1,469	1,415
2018	46,144	1,702	1,421

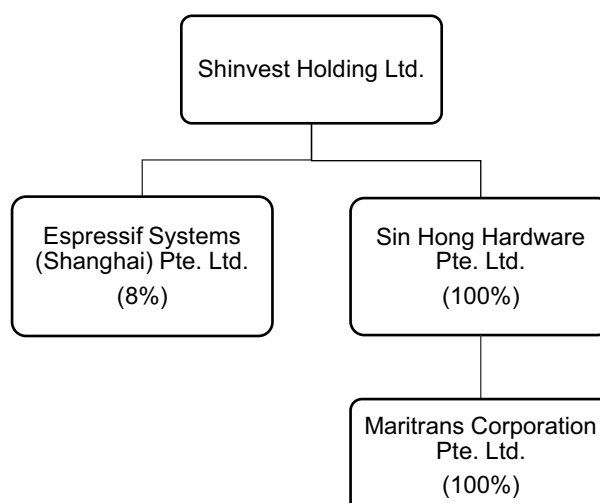
The Company is also of the view that the prospective selling price of the Sale Shares may decrease in the coming years in view of the market outlook and in light of the trade war. Hence, the Proposed Disposal comes at an opportune moment for the Company. With the Proposed Disposal, the Group will reduce its loan exposure and save on interest expense, which would consequently increase its ability to generate working capital or fund any expansion into other businesses of the Group in the future when the opportunity arises.

2.6 Group Structure

As at the Latest Practicable Date, the Group structure is as follows:



The resultant Group structure after the Proposed Disposal will be as follows:



Upon the disposal of GD Tech HK, the Company shall continue to be the sole shareholder of Sin Hong Hardware Pte. Ltd., and shall continue to hold an 8% stake in Espressif Systems (Shanghai) Pte. Ltd. The Company would not be considered a cash company as Sin Hong Hardware Pte. Ltd. remains fully operational as a distributor of a wide range of industrial fasteners, both standard and non-standard.

For the financial year ended 31 August 2018, Sin Hong Hardware Pte. Ltd. recorded sales of S\$18,008,757 and a gross profit of S\$5,760,609. Its profit before and after tax was S\$3,305,712 due to profit being generated through capital gains and was therefore not taxable. In 2018, Sin Hong Hardware Pte. Ltd. had disposed of an investment property amounting to S\$3,201,401. Accordingly, the profit before and after tax for Sin Hong Hardware Pte. Ltd. for the financial year ended 31 August 2018, had the one-time gain on disposal been excluded, would be S\$103,788. Sin Hong Hardware Pte. Ltd. has a net asset value of S\$13,962,207 as at 31 August 2018.

There has not been any material transactions between GD Tech HK and the remaining Group for the past 3 years save for inter-company loans which has since been repaid in full.

3. KEY FINANCIAL INFORMATION

3.1 Book Value

There is no open market value of the Sale Shares as they are not publicly traded.

The Consideration of S\$6,500,000 was arrived at on a “willing buyer willing seller” basis, derived at based on previous offers received by the Company for the prospective acquisition of GD Tech HK and current market sentiments. The Company had previously received offers between July 2017 and January 2018 ranging from S\$6,250,000 to S\$7,000,000 on a declining basis. However, the higher offers did not materialize and the current offer is in the best interest of the Company.

Based on the unaudited financial statement of GD Tech HK for the first half of financial year ended 31 August 2018, being the latest announced reporting period for the Group as at the Effective Date, the net asset value of the Sale Shares as at 28 February 2018 is S\$10,236,729 (based on an average exchange rate of HK\$1.00 = S\$0.171 used for the first half of FY2018 (defined below)). Accordingly, the Consideration represented a discount of approximately 36.5% of the net asset value of the Sale Shares.

3.2 Net gain/loss attributable to the disposal of the Sale Shares

Upon the Completion of the Proposed Disposal, the Group expects to record a loss of approximately S\$3,737,000. This is derived based on the difference between the accumulated investment value of the Disposal Group as at 28 February 2018 and the Consideration.

3.3 Use of Proceeds

The sale proceeds will be used to reduce the Group’s loan exposure and generate working capital. More specifically, the proceeds will be used to offset the revolving short term money market loans of S\$4,950,000 (as at 31 August 2018) taken out by the Company with financial institutions and other short term loans.

3.4 Relative Figures computed on the bases set out in Rule 1006 and the Applicability of Chapter 10 of the Listing Manual

The relative figures computed on the relevant bases set out in Rule 1006 of the Listing Manual in respect of the Proposed Disposal and based on the latest announced unaudited first half financial statements of the Group for financial year ended 31 August 2018 are as follows:

Rule 1006(a)	net asset value of the assets to be disposed of, compared with the group's net asset value	31.92% ⁽¹⁾
Rule 1006(b)	net profits attributable to the assets acquired or disposed of, compared with the group's net profits	98.01% ⁽²⁾
Rule 1006(c)	aggregate value of the consideration of S\$6,500,000, compared with the Company's market capitalization as of 8 October 2018	35.93% ⁽³⁾
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 57.48% of GD Tech HK's shares, amounting to S\$10,236,729, against the Group's net asset value as at 28 February 2018 of S\$32,071,251.27.
- (2) based on the net profit attributable to the Group as at 28 February 2018 holding 57.48% of GD Tech shares, amounting to S\$413,050, against the Group's net profits before tax of S\$421,436 as at 28 February 2018.
- (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\$ 0.605 of the Company's shares as at 1 October 2018, being the market day preceding the date of the Effective Date.

As the relative figures computed on the bases set out in Rule 1006(a), (b) and (c) of the Listing Manual exceed 20%, the Proposed Disposal constitutes a major transaction under Chapter 10 of the Listing Manual. Accordingly, the Company is required to seek the approval of its Shareholders for the Proposed Disposal at an EGM to be convened.

3.5 Financial Effects of the Proposed Disposal

For the purposes of illustration only, the following is an analysis and illustration of the proforma financial effects of the Proposed Disposal on the net tangible assets per share and earnings per share of the Company based on the most recently completed financial year of the Group for financial year ended 31 August 2018 ("FY2018"). The financial effects set out below are on the following bases and assumptions:

- (a) the financial impact on the net tangible assets ("NTA") per share is computed based on the assumption that the Proposed Disposal had been effected at the end of FY2018; and
- (b) the financial impact on the earnings per share ("EPS") is computed based on the assumption that the Proposed Disposal had been effected at the beginning of FY2018.

3.5.1 NTA per Share

	Before the Proposed Disposal	After the Proposed Disposal
Consolidated NTA attributable to Shareholders (S\$'000)	55,666	39,247 ⁽¹⁾
Weighted Average Number of Shares ('000)	29,905	29,905
NTA per Share (S\$ cents)	1.86	1.31

3.5.2 EPS

	Before the Proposed Disposal	After the Proposed Disposal
Earning for the period attributable to equity holders of the Company (S\$'000)	3,903	2,243 ⁽²⁾
Weighted average number of issued share ('000)	29,905	29,905
Earnings per share (in S\$ cents)	13.05	7.50

Notes:

- (1) NTA less goodwill of GD Tech HK for the corresponding period is S\$16,381,298. Accordingly, upon the disposal of GD Tech HK, the NTA attributable to Shareholders will be S\$39,247,491.
- (2) Earnings attributable to GD Tech HK for the corresponding period is S\$1,702,378. Accordingly, upon the disposal of GD Tech HK, the earnings for the period attributable to Shareholders will be S\$2,243,504.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

4.1 In the Proposed Disposal

None of the Directors and to the best of the knowledge of the Directors, none of the Substantial Shareholders, have any connection with the Purchaser or have any interest, direct or indirect, in the Proposed Disposal other than their respective capacities as Directors or Shareholders of the Company.

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

4.2 In the Company

Name of Director	Direct Interest		Indirect Interest		Total Interest
	No. of Shares	%	No. of Shares	%	(%)
Teo Eng Thian ⁽⁵⁾	1,477,500	4.941	-	-	4.941
Loh Suan Len	526,375	1.760	202,400 ⁽¹⁾	0.677	2.437
Teo Teck Leong	20	-	2,713,000 ⁽²⁾	9.072	9.072
Chau Sik Ting @ Chao Sik Ting	73,400	0.245	-	-	0.245

Substantial Shareholder	Direct Interest		Indirect Interest		Total Interest
	No. of Shares	%	No. of Shares	%	%
SHK Investment Pte. Ltd.	2,375,000 ⁽³⁾	7.942	-	-	7.942
Low Chin Kwee and Ng Ban Low	-	-	2,370,000 ⁽⁴⁾	7.925	7.925
Teo Eng Hwee ⁽⁵⁾	1,925,000	6.437	-	-	6.437
Teo Eng Shing ⁽⁵⁾	1,925,000	6.437	-	-	6.437
Ong Tze King	-	-	1,495,758 ⁽⁴⁾	5.002	5.002

Notes:

(1) Held by Mr. Loh Suan Len's wife.

(2) 2,375,000 Shares are held in the name of SHK Investments Pte Ltd, 326,000 Shares are held in the name of Maybank Kim Eng Secs Pte Ltd, and 12,000 Shares are held in the name of Mr. Teo Teck Leong's wife.

(3) 2,375,000 Shares are held for Teo Teck Leong.

(4) Held by DBS Nominees Pte. Ltd.

(5) Teo Eng Thian, Teo Eng Hwee, and Teo Eng Shing are the siblings or nephews of Teo Teck Leong.

5. EXTRAORDINARY GENERAL MEETING

An EGM notice of which is attached to this Circular, will be held at Safra Jurong, 333 Boon Lay Way, Singapore 649848 on 1 March 2019 at 10.00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications the ordinary resolutions set out in the Notice of EGM; namely, the Proposed Disposal.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

6.1 Appointment of proxies

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf, should complete, sign and return the attached proxy form in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company not less than 72 hours before the time fixed for the EGM. The completion and lodgment of a proxy form by a Shareholder does not preclude him from attending and voting in person at the EGM in place of his proxy if he so wishes. However, any appointment of a proxy or proxies by such Shareholder shall be deemed to be revoked if the Shareholder attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the EGM.

6.2 When Depositor regarded as a Shareholder

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by the CDP, at least 72 hours before the time fixed for the EGM.

7. DIRECTORS' RECOMMENDATION

7.1 Proposed Disposal

The Proposed Disposal is in the interest of the Company due to it being increasingly difficult to sustain the profitability of GD Tech HK in light of the current market sentiments for the industry in the People's Republic of China. Further, the Board is of the opinion that the prospective selling price of the Sale Shares may decrease in the coming years. The Proposed Disposal would also allow the Company to realise value in GD Tech HK at an opportune moment.

The Directors, having considered and reviewed, *inter alia*, the terms of the SPA and the rationale for the Proposed Disposal, are of the view that the Proposed Disposal is in the interest of the Company, and recommend that Shareholders vote in favour of the resolutions relating to the Proposed Disposal at the EGM.

7.2 In giving the above recommendations, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

8. DIRECTORS' RESPONSIBILITY STATEMENT

8.1 The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

8.2 Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the office of the Company at during normal business hours from the date hereof up to and including the date of the EGM:

- (a) The Sale and Purchase Agreement for the disposal of the Sale Shares;
- (b) The Annual Report for FY2018; and
- (c) The Constitution of the Company.

Yours faithfully
For and on behalf of the Board of Directors of
Shinvest Holding Ltd.

Teo Teck Leong
Managing Director

SHINVEST HOLDING LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198905519R)

Unless otherwise defined, all capitalised terms herein shall bear the same meaning as used in the circular dated 31 January 2019 issued by Shinvest Holding Ltd. (the "Circular").

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting of Shinvest Holding Ltd. (the "**Company**") will be held at Safra Jurong, 333 Boon Lay Way, Singapore 649848 on 1 March 2019 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without any amendments, the following resolutions:

AS ORDINARY RESOLUTION

ORDINARY RESOLUTION 1: THE PROPOSED DISPOSAL OF 16,900,000 ORDINARY SHARES HELD BY THE COMPANY IN ITS SUBSIDIARY, GD TECH (H.K.) PRIVATE CO. LIMITED, FOR A CONSIDERATION OF SINGAPORE DOLLARS SIX MILLION FIVE HUNDRED THOUSAND ONLY (S\$6,500,000)

That:

- (a) approval be and is hereby given for the proposed disposal of 16,900,000 ordinary shares held by the Company in its Subsidiary, GD Tech (H.K.) Private Co. Limited, to the Purchaser for a consideration of S\$6,500,000.00 on the terms and subject to the conditions of the Sale and Purchase Agreement (the "**SPA**"). The consideration shall be paid by way of (i) a Down Payment of S\$1,000,000 payable within 5 Business Days from the Effective Date, (ii) S\$3,000,000 payable within 5 Business Days of Completion, and (iii) a Balance of S\$2,500,000 payable in two equal instalments within 4 months of Completion (the "**Proposed Disposal**").
- (b) the Directors of the Company and each of them be and are hereby authorised to complete and to do all acts and things as they and/or each of them may consider desirable, necessary or expedient for the purposes of or in connection with the Proposed Disposal and to give effect to this resolution (including any amendment to the SPA, execution of any other agreements or documents and procurement of third party consents as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company).

By Order of the Board

TEO TECK LEONG

Managing Director
31 January 2019

IMPORTANT: Please read the notes below.

Notes:

- (a) A member entitled to attend and vote at the Extraordinary General Meeting ("**EGM**") is entitled to appoint a proxy or proxies (not more than two (2)) to attend and vote on his/her behalf. A proxy need not be a member of the Company. Where a shareholder appoints two (2) proxies, he must specify the proportion of his shareholdings percentage to be represented by each proxy.
- (b) A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend and vote at the EGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.
- (c) A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. A proxy need not to be a member of the Company.

"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.
- (d) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

- (e) The instrument appointing a proxy or proxies must be deposited at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than seventy-two (72) hours before the time fixed for the EGM.
 - (f) An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his/her vote(s) at the EGM in person. CPF and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.
-

Personal Data Privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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SHINVEST HOLDING LTD.

(Incorporated in the Republic of Singapore)
 (Company Registration Number: 198905519R)

**PROXY FORM
 EXTRAORDINARY GENERAL MEETING**
IMPORTANT:

1. A relevant intermediary as defined in Section 181 of the Companies Act, Cap. 50 may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting (please see note 2 for definition of "Relevant Intermediary").
2. For CPF/SRS investors who have used their CPF/SRS monies to buy Shinvest Holding Ltd.'s shares, this Proxy Form is not valid for use by them and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF and SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

Personal Data Policy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of the EGM dated 31 January 2019.

I/We, _____ (Name) _____ (NRIC No. / Passport No.)
 of _____ (Address)
 being a member/members of Shinvest Holding Ltd. ("**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Extraordinary General Meeting ("**EGM**") of the Company to be held at Safra Jurong, 333 Boon Lay Way, Singapore 649848 on 1 March 2019 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the EGM.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	Ordinary Resolutions Relating to:	No. of Votes For	No. of Votes Against
1	To approve the disposal of GD Tech (H.K.) Private Co. Limited		

Dated this _____ day of _____ 2019.

 Signature of Shareholder(s)
 or, Common Seal of Corporate Shareholder

*Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF

Number of Shares held in	
CDP register	
Member's Register	
TOTAL	



Notes:

1. Please insert the total number of shares held by you. If you have Shares registered in your name in the Depository Register (as defined in Section 81SF of the Securities and Future Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Share entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the EGM. Where such member's form of proxy appoints more than one (1) proxy, the proportion of his/her shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
(b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 (the "Act").
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than seventy-two (72) hours before the time set for the EGM.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorized officer.
6. Where an instrument appointing a proxy or proxies is signed on behalf of the appoint or by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
8. The submission of an instrument or form appointing a proxy by a member of the Company does not preclude him/her from attending and voting in person at the EGM if he is able to do so.
9. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his/her vote(s) at the EGM in person. CPF and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.

General:

The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PROTECTION ACT CONSENT

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 31 January 2019.

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