



## **SHINVEST HOLDING LTD.**

(Company registration number: 198905519R)

### **Condensed interim financial statements For the six months and financial year ended 31 August 2021**

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**Shinest Holding Ltd.**  
**Condensed interim consolidated statement of comprehensive income**  
**For the six months and financial year ended 31 August 2021**  
*SGX Appendix 7.2 para 1(a)(i) and 6*

	Note	Group					
		6 months ended	6 months ended	Increase/	12 months ended	12 months ended	Increase/
		31 August 2021	31 August 2020	(Decrease)	31 August 2021	31 August 2020	(Decrease)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	4.2	7,421	5,144	44.3%	14,117	12,569	12.3%
Cost of sales		(5,050)	(3,359)	50.3%	(9,242)	(8,071)	14.5%
Gross profit		2,371	1,785	32.8%	4,875	4,498	8.4%
<i>Other items of income</i>							
Other income		(896)	1,667	-153.7%	1,054	1,916	-45.0%
Fair value gain/(loss) on financial assets at FVTPL		76,824	(57,756)	-233.0%	43,192	42,432	1.8%
<i>Other items of expense</i>							
Loss allowance on trade and other receivables		(206)	(159)	29.6%	(129)	(129)	0.0%
Selling and distribution expenses		(1,251)	(1,220)	2.5%	(2,478)	(2,487)	-0.4%
Administrative expenses		(4,583)	1,011	-553.3%	(7,022)	(6,889)	1.9%
Finance costs		(112)	(210)	-46.7%	(287)	(403)	-28.8%
Other expenses		(437)	(135)	223.7%	(510)	(135)	277.8%
Share of loss of a joint venture	2.2	(29)	(55)	-47.3%	(91)	(67)	35.8%
Profit/(Loss) before income tax	6	71,681	(55,072)	-230.2%	38,604	38,736	-0.3%
Income tax (expense)/credit	7	(7,174)	5,991	-219.7%	(3,886)	(4,084)	-4.8%
<b>Profit/(Loss) representing total comprehensive income/(loss) for the year</b>		<b>64,507</b>	<b>(49,081)</b>	<b>-231.4%</b>	<b>34,718</b>	<b>34,652</b>	<b>0.2%</b>
<b>Profit/(Loss) representing total comprehensive income/(loss) attributable to:</b>							
Owners of the parent		64,507	(49,081)	-231.4%	34,718	34,652	0.2%
Non-controlling interests		-	-	N.M.	-	-	N.M.
		<b>64,507</b>	<b>(49,081)</b>	<b>-231.4%</b>	<b>34,718</b>	<b>34,652</b>	<b>0.2%</b>
<b>Earnings/(loss) per share attributable to owners of the parent</b>							
Basic and diluted (SGD in cents)		215.705	(164.122)		116.093	115.873	

*N.M. = Not meaningful*

**Shinvest Holding Ltd.**  
**Condensed interim statements of financial position**  
**As at 31 August 2021**  
*SGX Appendix 7.2 para 1(b)(i)*

Note	Group		Company		
	31 August 2021	31 August 2020	31 August 2021	31 August 2020	
	S\$'000	S\$'000	S\$'000	S\$'000	
<b>Non-current assets</b>					
Property, plant and equipment	15	1,096	1,097	-	-
Right-of-use ("ROU") assets	16	5,296	5,261	640	308
Intangible assets	14	1,647	1,647	-	-
Investment property	17	615	654	-	-
Investments in subsidiaries		-	-	18,000	18,000
Investment in a joint venture	2.2	149	433	149	500
Financial assets at fair value through profit or loss ("FVTPL")	11	152,083	166,682	152,083	166,682
Other receivable		-	169	-	-
		160,886	175,943	170,872	185,490
<b>Current assets</b>					
Inventories		13,373	14,852	-	-
Trade and other receivables		3,224	3,203	4,585	260
Prepayments		67	60	23	21
Current income tax recoverable		225	-	225	-
Cash and bank balances		28,535	106	27,303	5
		45,424	18,221	32,136	286
Less:					
<b>Current liabilities</b>					
Trade and other payables		3,574	7,334	2,572	8,772
Interest bearing liabilities	18	980	5,467	-	-
Lease liabilities	18	155	105	65	14
Derivative financial instruments	12	-	34	-	-
Current income tax payable		-	29	-	-
		4,709	12,969	2,637	8,786
<b>Net current assets/(liabilities)</b>		40,715	5,252	29,499	(8,500)
Less:					
<b>Non-current liabilities</b>					
Other payables		6,857	6,971	6,857	6,971
Interest bearing liabilities	18	2,818	5,276	-	-
Lease liabilities	18	1,250	1,188	449	298
Deferred tax liabilities		14,330	15,665	14,021	15,334
		25,255	29,100	21,327	22,603
<b>Net assets</b>		176,346	152,095	179,044	154,387
<b>Equity</b>					
Share capital	19	26,700	26,700	26,700	26,700
Retained earnings		149,646	125,395	152,344	127,687
<b>Total equity attributable to owners of the parent</b>		176,346	152,095	179,044	154,387

**Shinvest Holding Ltd.**  
**Condensed interim statements of changes in equity**  
**For the financial year ended 31 August 2021**  
*SGX Appendix 7.2 para 1(d)(i)*

	Note	Group		
		Share capital	Retained earnings	Total equity
		S\$'000	S\$'000	S\$'000
<b>2021</b>				
<b>Balance at 1 September 2020</b>		26,700	125,395	152,095
Profit for the financial year, representing total comprehensive income		-	34,718	34,718
<b>Transactions with owners, recognised directly in equity</b>				
Dividend paid	9	-	(10,467)	(10,467)
<b>Balance at 31 August 2021</b>		<u>26,700</u>	<u>149,646</u>	<u>176,346</u>
<b>2020</b>				
<b>Balance at 1 September 2019</b>		26,700	91,640	118,340
Profit for the financial year, representing total comprehensive income		-	34,652	34,652
<b>Transactions with owners, recognised directly in equity</b>				
Dividend paid	9	-	(897)	(897)
<b>Balance at 31 August 2020</b>		<u>26,700</u>	<u>125,395</u>	<u>152,095</u>

	Note	Company		
		Share capital	Retained earnings	Total equity
		S\$'000	S\$'000	S\$'000
<b>2021</b>				
<b>Balance at 1 September 2020</b>		26,700	127,687	154,387
Profit for the financial year, representing total comprehensive income		-	35,124	35,124
<b>Transactions with owners, recognised directly in equity</b>				
Dividend paid	9	-	(10,467)	(10,467)
<b>Balance at 31 August 2021</b>		<u>26,700</u>	<u>152,344</u>	<u>179,044</u>
<b>2020</b>				
<b>Balance at 1 September 2019</b>		26,700	93,359	120,059
Profit for the financial year, representing total comprehensive income		-	35,225	35,225
<b>Transactions with owners, recognised directly in equity</b>				
Dividend paid	9	-	(897)	(897)
<b>Balance at 31 August 2020</b>		<u>26,700</u>	<u>127,687</u>	<u>154,387</u>

**Shinvest Holding Ltd.**  
**Condensed interim consolidated statement of cash flows**  
**For the financial year ended 31 August 2021**  
*SGX Appendix 7.2 para 1(c)*

	Note	Group	
		12 months ended	12 months ended
		31 August 2021	31 August 2020
		S\$'000	S\$'000
<b>Operating activities</b>			
Profit before income tax		38,604	38,736
Adjustments for:			
Bad debts written off - other receivables		-	2
Bad debts written off - trade receivables		6	*
Loss allowance on other receivables		4	129
Loss allowance on trade receivables		299	37
Reversal of loss allowance on other receivables		(45)	(11)
Reversal of loss allowance on trade receivables		(129)	(26)
Amortisation of right-of-use assets	16	377	331
Depreciation of investment property	17	39	39
Depreciation of property, plant and equipment		181	85
Dividend income from financial assets at FVTPL		(429)	(837)
Fair value loss on derivative financial instruments	12	-	34
Fair value gain on financial assets at FVTPL		(43,192)	(42,432)
Gain on disposal of property, plant and equipment		(60)	(6)
Impairment loss on right-of-use assets	16	-	99
Impairment loss on investment in a joint venture	2.2	343	-
Interest expenses		252	363
Interest income		(9)	(4)
Inventories written off		42	39
Reversal of inventories write-down	2.2	(257)	(208)
Write-down for inventories obsolescence	2.2	1,044	386
Share of loss of a joint venture	2.2	91	67
Unrealised foreign exchange gain		(123)	(95)
Operating cash flows before working capital changes		(2,962)	(3,272)
Changes in working capital:			
Inventories		650	(500)
Trade and other receivables		(221)	575
Prepayments		(7)	24
Trade and other payables		(6,494)	876
Cash used in operations		(9,034)	(2,297)
Interest received		6	4
Income taxes paid		(5,475)	(115)
<b>Net cash used in operating activities</b>		<b>(14,503)</b>	<b>(2,408)</b>
<b>Investing activities</b>			
Investment in a joint venture		(150)	(500)
Deposits placed to purchase of property, plant and equipment		-	(122)
Dividend income from financial assets at FVTPL		429	837
Loan to a joint venture		-	(200)
Repayment of loan from a joint venture		200	-
Interest received from a joint venture		3	-
Proceeds from disposal of financial assets at FVTPL		60,275	-
Proceeds from disposal of property, plant and equipment		60	6
Purchase of property, plant and equipment		(11)	(205)
Advances made to right-of-use assets		(163)	(39)
<b>Net cash from/(used in) investing activities</b>		<b>60,643</b>	<b>(223)</b>

Shinvest Holding Ltd.  
**Condensed interim consolidated statement of cash flows**  
**For the financial year ended 31 August 2021**  
*SGX Appendix 7.2 para 1(c)*

	Note	Group	
		12 months ended	12 months ended
		31 August 2021	31 August 2020
		S\$'000	S\$'000
<b>Financing activities</b>			
Dividend paid to shareholders	9	(10,467)	(897)
Repayment of obligations under leases		(137)	(114)
Proceeds from bank borrowings		2,900	8,650
Repayment of bank borrowings		(9,673)	(5,106)
Interest paid		(252)	(363)
<b>Net cash (used in)/from financing activities</b>		<b>(17,629)</b>	<b>2,170</b>
Net change in cash and cash equivalents		28,511	(461)
Cash and cash equivalents at beginning of financial year		(136)	325
Effect of foreign exchange rate changes on cash and cash equivalents		160	*
<b>Cash and cash equivalents at end of financial year</b>		<b>28,535</b>	<b>(136)</b>
<b>Cash and cash equivalents comprise the following:</b>			
Cash and bank balances		28,535	106
Less: Bank overdraft		-	(242)
<b>Cash and cash equivalents</b>		<b>28,535</b>	<b>(136)</b>

\* denotes amounts less than \$1,000

## Shinvest Holding Ltd.

### Notes to the condensed interim consolidated financial statements

#### 1. Corporate information

Shinvest Holding Ltd. (the "Company") is a public limited company, incorporated and domiciled in Singapore. The Company is listed on the Mainboard of the Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the six months ended 31 August 2021 comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is that of an investment holding company.

The principal activities of the subsidiaries are:

- (a) Importers, exporters, marketing of building materials, general merchants and hardware dealers
- (b) Investment holding

#### 2. Basis of preparation

*SGX Appendix 7.2 para 4*

The condensed interim consolidated financial statements for the six months ended 31 August 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last half year financial statements for the period ended 28 February 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim consolidated financial statements are presented in Singapore dollar which is the Company's functional currency.

##### 2.1 New and amended standards

*SGX Appendix 7.2 para 5*

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

The adoption of amended standards did not have a material impact on the financial statements of the Group.

The same accounting policies and methods of computation as in the Group's most recently audited financial statements for the financial year ended 31 August 2020 have been applied.

##### 2.2 Use of judgements and estimates

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements as at and for the financial year ended 31 August 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

###### (i) *Impairment of investments in subsidiaries*

The Company follow the guidance of SFRS(I) 1-36 Impairment of Assets in determining whether investments in subsidiaries are impaired. This process requires significant judgement. The Company evaluate, among other factors, the duration and extent to which the recoverable amount of an investment in subsidiary is less than its carrying amount, and the financial health and near-term business outlook of the investment. Factors, such as industry and sector performance, changes in technology and operational and financing cash flows were used.

**Shinvest Holding Ltd.****Notes to the condensed interim consolidated financial statements***(ii) Impairment of investment in a joint venture*

During the financial year, Management had engaged external valuation specialist ("Management Expert") to assist in the impairment assessment to determine the recoverable amount of the investment cost in a joint venture by estimating its value-in-use ("VIU") based on discounted cash flow forecasts. In carrying out the impairment assessment, significant estimation are required to determine the discount rates.

The review led to the recognition of an impairment loss of approximately S\$343,000 and S\$501,000 for the Group and the Company respectively that had been recognised in the profit or loss and included in other expenses. As at 31 August 2021, the recoverable amount of the investment in a joint venture of approximately S\$149,000 had been determined on the basis of its VIU, based on a 5-year discounted cash flows forecasts by the Management, which was lower than the 25% equity investment cost in the joint venture. The discount rate used in measuring VIU was 35%. Management has been prudent in assessing the cash flows forecasts due to the current uncertainty of the COVID-19 pandemic.

Movements in the investment in a joint venture was as follows:

	Group		Company	
	31 August 2021	31 August 2020	31 August 2021	31 August 2020
	S\$'000	S\$'000	S\$'000	S\$'000
At 1 September	433	-	500	-
Addition	-	500	-	500
Capital injection	150	-	150	-
	583	500	650	500
Less:				
Impairment loss	(343)	-	(501)	-
Share of post-acquisition losses, net of dividends received	(91)	(67)	-	-
At 31 August	149	433	149	500

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

*(i) Impairment of property, plant and equipment, right-of-use assets and investment property*

Property, plant and equipment, right-of-use assets and investment property are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets and, where applicable, cash-generating unit ("CGU") are determined by the management based on fair value less costs of disposal. In determining the fair value less costs of disposal, the management exercised judgement in estimating the amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal.

*(ii) Taxes*

The Group recognises expected liabilities for income tax based on estimation of the likely taxes due. This requires significant judgement as to the ultimate tax determination of certain items. Where the final tax outcome of these matters differs from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the financial year in which such determination is made.



## Shinvest Holding Ltd.

### Notes to the condensed interim consolidated financial statements

#### (iii) Write-down for inventories obsolescence

Inventories are valued at the lower of cost and net realisable value. The management determines cost of inventories primarily using the weighted average method, and the determination of the net realisable value of inventories is based on current market conditions and historical sales experience. Inventories may be written down to net realisable value if they are slow-moving, become obsolete due to no market demand, or if their selling prices have declined. In determining excess quantities, the management considers recent sales quantities, related margins and the market positioning of its products. Nonetheless, the Group may be required to reduce the value of its inventories when faced with factors beyond its control, such as customer specification requirements, demand levels and price competition in response to the industry cycles.

Movements in the write-down for inventories obsolescence were as follows:

	Group	
	31 August 2021	31 August 2020
	S\$'000	S\$'000
At 1 September	1,500	1,420
Inventories write-down	1,044	386
Reversal of inventories write-down	(257)	(208)
Inventories written off	(52)	(98)
At 31 August	2,235	1,500

#### (iv) Estimating expected credit loss allowance for trade and other receivables

##### Trade receivables

The Group and the Company have elected to apply the simplified approach within SFRS(I) 9, based on lifetime expected credit losses ("ECL"), in determining the loss allowance on trade receivables at the end of each reporting period.

The lifetime expected credit losses are determined based on expected credit loss rates. The expected credit loss rates are determined based on historical loss rates and historical payment pattern, adjusted for the current conditions and forecast of future economic conditions that may affect the ability of the customers to settle the trade receivables. For credit-impaired trade receivables, ECL is determined as the difference between the gross carrying amount and the present value of the estimated future cash flows.

##### Non-trade amounts due from third parties, subsidiary and joint venture

At each reporting date, management determines whether there is change in credit risk of the non-trade receivables since initial recognition. In measurement of the ECL, management evaluated historical payment patterns of non-trade amount due from third parties, operating performance ratios and liquidity ratios of non-trade amount due from subsidiary and joint venture.

### 3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### 4. Segment information

SGX Appendix 7.2 para 16

The Group is organised into strategic business units ("SBU"), catering to the need of different customer segments. The SBUs are:-

- 'Retail' SBU which operates two retail shops in Singapore and partners with other hardware distributors, stockists and retail hardware stores in Singapore to reach the small and medium enterprises.
- 'Original Equipment Manufacturing ("OEM")' SBU which serves a wide spectrum of manufacturing sectors in Singapore. The customers are mainly from the machine manufacturing and assembly, automation assembly, electronic assembly, metal stamping, construction building, shipyard and aerospace aviation industries.
- 'Export' SBU which manages overseas customers, mainly distributors and traders, and provides freight and shipment services.
- 'Others' SBU which comprises investment holding.

These operating segments are reported in a manner consistent with internal reporting provided to Chief Executive Officer and Chief Operating Officer who are responsible for allocating resources and assessing performance of the operating segments.

## 4.1 Business segments

	Trading of hardware and fasteners				Others \$'000	Eliminations \$'000	Consolidated \$'000
	Retail S\$'000	OEM \$'000	Export \$'000	Total \$'000			
<b>1 March 2021 to 31 August 2021</b>							
<b>Revenue</b>							
External operating revenue	2,639	1,542	3,240	7,421	-	-	7,421
Inter-segment sales	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>2,639</b>	<b>1,542</b>	<b>3,240</b>	<b>7,421</b>	<b>-</b>	<b>-</b>	<b>7,421</b>
<b>Segment results</b>	73	(60)	(147)	(134)	71,954	-	71,820
Interest income	*	*	*	*	2	-	2
Finance costs	(29)	(29)	(32)	(90)	(22)	-	(112)
Share of loss of a joint venture	-	-	-	-	(29)	-	(29)
Profit/(Loss) before income tax	44	(89)	(179)	(224)	71,905	-	71,681
Income tax credit/(expense)	5	4	4	13	(7,187)	-	(7,174)
<b>Profit/(Loss) after income tax</b>	<b>49</b>	<b>(85)</b>	<b>(175)</b>	<b>(211)</b>	<b>64,718</b>	<b>-</b>	<b>64,507</b>
<b>Segment assets</b>				26,556	208,876	(29,122)	206,310
<b>Segment liabilities</b>				13,847	25,376	(9,259)	29,964
<b>Capital Expenditure</b>							
Property, plant and equipment				(29)	-	-	(29)
Right-of-use assets				-	-	-	-
<b>1 March 2020 to 31 August 2020</b>							
<b>Revenue</b>							
External operating revenue	1,689	1,042	2,413	5,144	-	-	5,144
Inter-segment sales	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>1,689</b>	<b>1,042</b>	<b>2,413</b>	<b>5,144</b>	<b>-</b>	<b>-</b>	<b>5,144</b>
<b>Segment results</b>	(70)	(38)	41	(67)	(54,744)	-	(54,811)
Interest income	*	*	*	*	4	-	4
Finance costs	(72)	(58)	(61)	(191)	(19)	-	(210)
Share of loss of a joint venture	-	-	-	-	(55)	-	(55)
Loss before income tax	(142)	(96)	(20)	(258)	(54,814)	-	(55,072)
Income tax (expense)/credit	(1)	(2)	(2)	(5)	5,996	-	5,991
<b>Loss after income tax</b>	<b>(143)</b>	<b>(98)</b>	<b>(22)</b>	<b>(263)</b>	<b>(48,818)</b>	<b>-</b>	<b>(49,081)</b>
<b>Segment assets</b>				29,708	191,785	(27,329)	194,164
<b>Segment liabilities</b>				16,501	32,977	(7,409)	42,069
<b>Capital Expenditure</b>							
Property, plant and equipment				142	-	-	142
Right-of-use assets				-	-	-	-

\* denotes amounts less than \$1,000

## 4.1 Business segments

	Trading of hardware and fasteners				Others \$'000	Consolidated \$'000
	Retail S\$'000	OEM \$'000	Export \$'000	Total \$'000		
<b>1 March 2021 to 31 August 2021</b>						
<b>Significant non-cash items</b>						
Amortisation of right-of-use assets	-	-	-	46	154	200
Depreciation of investment property	-	-	-	-	20	20
Depreciation of property, plant and equipment	-	-	-	97	1	98
Impairment loss on investment in a joint venture	-	-	-	-	343	343
Loss allowance on other receivables	-	-	-	-	4	4
Loss allowance on trade receivables	-	-	-	299	-	299
Reversal of loss allowance on other receivables	-	-	-	-	(45)	(45)
Reversal of loss allowance on trade receivables	-	-	-	(52)	-	(52)
Inventories written off	-	-	-	7	-	7
Reversal of inventories write-down	-	-	-	(257)	-	(257)
Write-down for inventories obsolescence	-	-	-	1,044	-	1,044
<b>1 March 2020 to 31 August 2020</b>						
<b>Significant non-cash items</b>						
Amortisation of right-of-use assets	-	-	-	111	188	299
Depreciation of investment property	-	-	-	-	23	23
Depreciation of property, plant and equipment	-	-	-	(13)	(80)	(93)
Impairment loss on right-of-use assets	-	-	-	99	-	99
Loss allowance on other receivables	-	-	-	-	129	129
Loss allowance on trade receivables	-	-	-	37	-	37
Reversal of loss allowance on other receivables	-	-	-	(6)	-	(6)
Reversal of loss allowance on trade receivables	-	-	-	(1)	-	(1)
Inventories written off	-	-	-	11	-	11
Reversal of inventories write-down	-	-	-	(208)	-	(208)
Write-down for inventories obsolescence	-	-	-	386	-	386

## 4.1 Business segments

	Trading of hardware and fasteners						Consolidated \$'000
	Retail S\$'000	OEM \$'000	Export \$'000	Total \$'000	Others \$'000	Eliminations \$'000	
<b>1 September 2020 to 31 August 2021</b>							
<b>Revenue</b>							
External operating revenue	4,817	2,848	6,452	14,117	-	-	14,117
Inter-segment sales	-	-	-	-	-	-	-
Total revenue	<u>4,817</u>	<u>2,848</u>	<u>6,452</u>	<u>14,117</u>	<u>-</u>	<u>-</u>	<u>14,117</u>
<b>Segment results</b>							
Interest income	200	28	13	241	38,732	-	38,973
Finance costs	*	*	*	*	9	-	9
Share of loss of a joint venture	(89)	(75)	(81)	(245)	(42)	-	(287)
Profit/(Loss) before income tax	-	-	-	-	(91)	-	(91)
Income tax credit/(expense)	111	(47)	(68)	(4)	38,608	-	38,604
Profit/(Loss) after income tax	<u>5</u>	<u>4</u>	<u>4</u>	<u>13</u>	<u>(3,899)</u>	<u>-</u>	<u>(3,886)</u>
Profit/(Loss) after income tax	<u>116</u>	<u>(43)</u>	<u>(64)</u>	<u>9</u>	<u>34,709</u>	<u>-</u>	<u>34,718</u>
<b>Segment assets</b>				26,556	208,876	(29,122)	206,310
<b>Segment liabilities</b>				13,847	25,376	(9,259)	29,964
<b>Capital Expenditure</b>							
Property, plant and equipment				180	-	-	180
Right-of-use assets				-	412	-	412
<b>1 September 2019 to 31 August 2020</b>							
<b>Revenue</b>							
External operating revenue	4,336	2,336	5,897	12,569	-	-	12,569
Inter-segment sales	-	-	-	-	-	-	-
Total revenue	<u>4,336</u>	<u>2,336</u>	<u>5,897</u>	<u>12,569</u>	<u>-</u>	<u>-</u>	<u>12,569</u>
<b>Segment results</b>							
Interest income	159	(67)	228	320	38,882	-	39,202
Finance costs	*	*	*	*	4	-	4
Share of loss of a joint venture	(137)	(111)	(117)	(365)	(38)	-	(403)
Profit/(Loss) before income tax	-	-	-	-	(67)	-	(67)
Income tax expense	22	(178)	111	(45)	38,781	-	38,736
Profit/(Loss) after income tax	<u>(17)</u>	<u>(17)</u>	<u>(17)</u>	<u>(51)</u>	<u>(4,033)</u>	<u>-</u>	<u>(4,084)</u>
Profit/(Loss) after income tax	<u>5</u>	<u>(195)</u>	<u>94</u>	<u>(96)</u>	<u>34,748</u>	<u>-</u>	<u>34,652</u>
<b>Segment assets</b>				29,708	191,785	(27,329)	194,164
<b>Segment liabilities</b>				16,501	32,977	(7,409)	42,069
<b>Capital Expenditure</b>							
Property, plant and equipment				212	-	-	212
Right-of-use assets				145	-	-	145

\* denotes amounts less than \$1,000

## 4.1 Business segments

	Trading of hardware and fasteners				Others \$'000	Consolidated \$'000
	Retail S\$'000	OEM \$'000	Export \$'000	Total \$'000		
<b>1 September 2020 to 31 August 2021</b>						
<b>Significant non-cash items</b>						
Amortisation of right-of-use assets	-	-	-	96	281	377
Depreciation of investment property	-	-	-	-	39	39
Depreciation of property, plant and equipment	-	-	-	179	2	181
Impairment loss on investment in a joint venture	-	-	-	-	343	343
Loss allowance on other receivables	-	-	-	-	4	4
Loss allowance on trade receivables	-	-	-	299	-	299
Reversal of loss allowance on other receivables	-	-	-	-	(45)	(45)
Reversal of loss allowance on trade receivables	-	-	-	(129)	-	(129)
Inventories written off	-	-	-	42	-	42
Reversal of inventories write-down	-	-	-	(257)	-	(257)
Write-down for inventories obsolescence	-	-	-	1,044	-	1,044
<b>1 September 2019 to 31 August 2020</b>						
<b>Significant non-cash items</b>						
Amortisation of right-of-use assets	-	-	-	111	220	331
Depreciation of investment property	-	-	-	-	39	39
Depreciation of property, plant and equipment	-	-	-	83	2	85
Impairment loss on right-of-use assets	-	-	-	99	-	99
Loss allowance on other receivables	-	-	-	-	129	129
Loss allowance on trade receivables	-	-	-	37	-	37
Reversal of loss allowance on other receivables	-	-	-	(11)	-	(11)
Reversal of loss allowance on trade receivables	-	-	-	(26)	-	(26)
Inventories written off	-	-	-	39	-	39
Reversal of inventories write-down	-	-	-	(208)	-	(208)
Write-down for inventories obsolescence	-	-	-	386	-	386

Shinvest Holding Ltd.  
Notes to the condensed interim consolidated financial statements

4.2 Disaggregation of revenue

	Group			
	6 months ended	6 months ended	12 months ended	12 months ended
	31 August	31 August	31 August	31 August
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Sales of goods</b>				
Retail	2,639	1,689	4,817	4,336
OEM	1,542	1,042	2,848	2,336
Export	3,240	2,413	6,452	5,897
Total revenue	7,421	5,144	14,117	12,569

The Group's revenue comprised of invoiced value of goods sold and is recognised at point in time.

**Geographical information**

	31 August	31 August	31 August	31 August
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	3,802	2,447	6,869	6,043
Indonesia	835	772	1,505	2,403
Malaysia	1,657	1,222	3,365	2,886
China	323	239	830	274
Others	804	464	1,548	963
Total revenue	7,421	5,144	14,117	12,569

The Group's business segments operate in four main geographical areas. Sales revenue is based on the country in which goods are delivered and services are provided.

Others comprise of revenues from external customers attributed to foreign countries which are individually not material.

**A breakdown of sales as follows:-**

SGX Appendix 7.2 para 18

	Group		
	12 months ended	12 months ended	Increase/ (decrease)
	31 August	31 August	
	2021	2020	
	S\$'000	S\$'000	
(a) Revenue reported for first half year	6,696	7,425	-9.8%
(b) (Loss)/Profit after income tax reported for first half year	(29,789)	83,733	-135.6%
(c) Revenue reported for second half year	7,421	5,144	44.3%
(d) Profit/(Loss) after income tax reported for second half year	64,507	(49,081)	-231.4%

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities as at:

Note	Group		Company	
	31 August	31 August	31 August	31 August
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial assets</b>				
Financial assets at FVTPL	152,083	166,682	152,083	166,682
Cash and bank balances and trade and other receivables (Amortised cost)	31,676	3,305	31,805	256
	183,759	169,987	183,888	166,938
<b>Financial liabilities</b>				
Trade and other payables and interest bearing liabilities and lease liabilities (Amortised cost)	8,823	19,268	3,264	9,256

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Notes to the condensed interim consolidated financial statements

6. Profit/(Loss) before income tax

SGX Appendix 7.2 para 1(a)(ii)

	Group					
	6 months	6 months	Increase/ (Decrease)	12 months	12 months	Increase/ (Decrease)
	ended	ended		ended	ended	
	31 August	31 August	31 August	31 August		
2021	2020	2021	2020			
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Bad debts recovered - trade receivables	10	4	150.0%	16	14	14.3%
Bad debts written off - other receivables	-	(2)	N.M.	-	(2)	N.M.
Bad debts written off - trade receivables	(6)	*	N.M.	(6)	*	N.M.
Loss allowance on other receivables	(4)	(129)	-96.9%	(4)	(129)	-96.9%
Loss allowance on trade receivables	(299)	(37)	708.1%	(299)	(37)	708.1%
Reversal of loss allowance on other receivables	45	6	650.0%	45	11	309.1%
Reversal of loss allowance on trade receivables	52	1	5100.0%	129	26	396.2%
Amortisation of right-of-use assets	(200)	(299)	-33.1%	(377)	(331)	13.9%
Depreciation of investment property	(20)	(23)	-13.0%	(39)	(39)	0.0%
Depreciation of property, plant and equipment	(98)	93	-205.4%	(181)	(85)	112.9%
Dividend income from financial assets at FVTPL	429	837	-48.7%	429	837	-48.7%
Employee benefits expenses	(4,961)	465	-1166.9%	(7,863)	(7,836)	0.3%
Fair value loss on derivative financial instruments	-	(34)	N.M.	-	(34)	N.M.
Reversal of gain on disposal of financial assets at FVTPL	(1,556)	-	N.M.	-	-	N.M.
Gain/(Loss) on foreign exchange, net	(88)	88	-200.0%	(161)	120	-234.2%
Gain on disposal of property, plant and equipment	-	-	N.M.	60	6	900.0%
Government grants	158	490	-67.8%	418	498	-16.1%
Impairment loss on right-of-use assets	-	(99)	N.M.	-	(99)	N.M.
Impairment loss on investment in a joint venture	(343)	-	N.M.	(343)	-	N.M.
Interest expenses	(96)	(193)	-50.3%	(252)	(363)	-30.6%
Interest income	2	4	-50.0%	9	4	125.0%
Rental income	43	159	-73.0%	69	342	-79.8%
Inventories written off	(7)	(11)	-36.4%	(42)	(39)	7.7%
Reversal of inventories write-down	257	208	23.6%	257	208	23.6%
Write-down for inventories obsolescence	(1,044)	(386)	170.5%	(1,044)	(386)	170.5%

N.M. = Not meaningful

\* denotes amounts less than \$1,000

7. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group			
	6 months	6 months	12 months	12 months
	ended	ended	ended	ended
	31 August	31 August	31 August	31 August
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Income tax				
- current financial year		39	43	83
- (over)/under provision in respect of prior financial years		(13)	(12)	47
		26	31	130
Deferred income tax				
- current financial year		7,148	3,855	3,933
- under provision in respect of prior financial years		-	-	21
		7,148	3,855	3,954
Total income tax expense/(credit) recognised in profit or loss		7,174	3,886	4,084

**Shinvest Holding Ltd.**

**Notes to the condensed interim consolidated financial statements**

**8. Significant related party transactions**

The following are significant related party transactions apart from those disclosed elsewhere in the financial statements.

	Group		Company	
	31 August 2021	31 August 2020	31 August 2021	31 August 2020
	S\$'000	S\$'000	S\$'000	S\$'000
<b>With related parties</b>				
Loan to a joint venture	-	200	-	200
Interest income from a joint venture	3	4	3	4
* Salaries and other benefits to related party	168	172	-	-

\* The related party is close family member of certain directors of the Company.

	Company	
	31 August 2021	31 August 2020
	S\$'000	S\$'000
<b>With subsidiaries</b>		
Management service income	180	180
Rental expenses	24	24
Grant income from rental rebate	-	1
Loan to a subsidiary	7,534	-
Loan from a subsidiary	1,487	4,759
Payment on behalf for subsidiaries	(13)	(13)
Payment on behalf by subsidiaries	64	35

**9. Dividends**

*SGX Appendix 7.2 para 19*

	Group and Company	
	31 August 2021	31 August 2020
	S\$'000	S\$'000
Dividend paid in respect of financial year ended 31 August 2019: Final tax-exempt dividend of S\$0.03 per ordinary share	-	897
Dividends paid in respect of financial year ended 31 August 2020: Final tax-exempt dividend of S\$0.03 per ordinary share Special tax-exempt dividend of S\$0.30 per ordinary share	897 8,972	- -
Dividend paid in respect of financial year ended 31 August 2021: Interim tax-exempt dividend of S\$0.02 per ordinary share	598	-
	10,467	897

**10. Net asset value**

*SGX Appendix 7.2 para 7*

Net asset value per ordinary share based on the total number of issued share capital excluding treasury shares as at:

	Group		Company	
	31 August 2021	31 August 2020	31 August 2021	31 August 2020
Net assets value per ordinary share (SGD in cents)	589.68	508.59	598.70	516.25
Total number of issued shares capital excluding treasury shares	29,905,222	29,905,222	29,905,222	29,905,222



Shinvest Holding Ltd.

Notes to the condensed interim consolidated financial statements

11. Financial assets at fair value through profit or loss ("FVTPL")

	Group and Company	
	31 August 2021	31 August 2020
	S\$'000	S\$'000
<b>Quoted equity shares</b>		
At 1 September	166,682	124,967
Less: Disposal during the financial year	(60,275)	-
Fair value change recognised in profit or loss	45,676	41,715
At 31 August	<u>152,083</u>	<u>166,682</u>
Details of investment is as follow:		
Espressif Systems (Shanghai) Co., Ltd.		
- listed in Shanghai, People's Republic of China	<u>152,083</u>	<u>166,682</u>

Fair value measurement

The investments in quoted equity securities have no fixed maturity date nor coupon rate. The fair values of these securities are based on closing quoted market prices on the last market day of the financial year.

During the financial year ended 31 August 2021, the Group disposed a total number of 1,358,405 shares in Espressif Systems (Shanghai) Co., Ltd. for a total consideration of RMB 291,973,704 (approximately S\$60,275,000). The gain from the disposal of the financial assets at FVTPL inclusive of VAT payables, brokerage fees and withholding tax approximates to S\$16,079,000.

12. Derivative financial instruments

	Group	
	31 August 2021	31 August 2020
	S\$'000	S\$'000
Fair value loss on foreign currency forward contracts	-	(34)
Total financial liabilities at fair value through profit or loss	<u>-</u>	<u>(34)</u>

The above derivatives are measured at fair values at the end of the financial year.

Foreign currency forward contracts

Foreign currency forward contracts are agreements to buy or sell fixed amounts of currency at agreed exchange rates to be settled in the future. The Group enters into various foreign currency forward contracts to reduce its exposure on anticipated transactions denominated in currency other than the subsidiary's functional currency. These foreign currency forward contracts generally have maturity dates of less than or equal to 6 months. The Group will settle the foreign currency forward contracts on a gross basis.

As at the end of the financial year, the Group entered into foreign currency forward contracts as follows:

Group	Average exchange rate	Foreign currency	Notional amount	Fair value	Settlement date
		USD'000	S\$'000	S\$'000	
<b>31 August 2021</b>					
Buy United States dollar	-	-	-	-	-
<b>31 August 2020</b>					
Buy United States dollar	1.403	770	1,048	(34)	October 2020 to January 2021

**Shinvest Holding Ltd.**

**Notes to the condensed interim consolidated financial statements**

**13. Fair value of financial assets and financial liabilities**

The Group and the Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The table below analyses financial instruments carried at fair value by the valuation method. The fair value hierarchy has the following levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments carried at fair value classified by level of fair value hierarchy are as follows:

	Group		
	Fair value measurement using		
	Level 1	Level 2	Level 3
	S\$'000	S\$'000	S\$'000
<b>31 August 2021</b>			
<b>Financial assets</b>			
Financial assets at FVTPL			
- Quoted equity shares	152,083	-	-
<b>31 August 2020</b>			
<b>Financial assets/(liabilities)</b>			
Financial assets at FVTPL			
- Quoted equity shares	166,682	-	-
Derivative financial instruments	-	(34)	-

There were no transfers between levels during the financial year.

**14. Intangible assets**

	Group		
	Goodwill	Customer relationship	Total
	S\$'000	S\$'000	S\$'000
<b>2021</b>			
<b>Cost</b>			
Balance at 1 September 2020 and 31 August 2021	1,647	1,081	2,728
<b>Accumulated amortisation</b>			
Balance at 1 September 2020 and 31 August 2021	-	1,081	1,081
<b>Net carrying amount</b>			
Balance at 31 August 2021	1,647	-	1,647
<b>2020</b>			
<b>Cost</b>			
Balance at 1 September 2019 and 31 August 2020	1,647	1,081	2,728
<b>Accumulated amortisation</b>			
Balance at 1 September 2019 and 31 August 2020	-	1,081	1,081
<b>Net carrying amount</b>			
Balance at 31 August 2020	1,647	-	1,647

The Group's intangible assets arose from the Group's acquisitions of a subsidiary.

**Shinvest Holding Ltd.**

**Notes to the condensed interim consolidated financial statements**

**14. Intangible assets**

Goodwill acquired in a business combination is allocated to the cash-generating units ("CGU") that are expected to benefit from that business combination, which is also the reportable operating segment. The carrying amount of goodwill had been allocated to the following segments:

	<b>Trading of hardware and fasteners</b>	
	<b>31 August 2021</b>	<b>31 August 2020</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Goodwill	<u>1,647</u>	<u>1,647</u>

The recoverable amounts of the CGUs are determined based on the higher of its value-in-use and fair value less cost of disposal.

During the financial year ended 31 August 2021, the recoverable amount of the CGU has been determined based on fair value less cost of disposal. The recoverable amount is determined based on the fair value of certain properties using direct comparison approach and based on most recent transacted prices.

As at the end of the current and previous financial years, the recoverable amount of the CGU for trading of hardware and fasteners was determined to be higher than the carrying amount and thus, no impairment loss needs to be recognised.

**15. Property, plant and equipment**

During the financial year ended 31 August 2021, the Group's addition of assets amounting to S\$180,000 (31 August 2020: S\$212,000) and disposed of assets amounting to S\$301,000 (31 August 2020: S\$72,000).

Shinvest Holding Ltd.

Notes to the condensed interim consolidated financial statements

16. Right-of-use ("ROU") assets

	Group				
	Leasehold land	Leasehold buildings	Plant and machinery	Motor vehicles	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>2021</b>					
Balance at 1 September 2020	949	4,034	116	162	5,261
Addition for the financial year	-	-	-	412	412
Amortisation for the financial year	(57)	(197)	(14)	(109)	(377)
Balance at 31 August 2021	892	3,837	102	465	5,296
<b>2020</b>					
Balance at 1 September 2019	1,005	4,331	130	80	5,546
Addition for the financial year	-	-	-	145	145
Amortisation for the financial year	(56)	(198)	(14)	(63)	(331)
Impairment loss for the financial year	-	(99)	-	-	(99)
Balance at 31 August 2020	949	4,034	116	162	5,261

During the previous financial year, the Group carried out a review of the recoverable amount of its leasehold buildings. The review led to the recognition of an impairment loss of approximately S\$99,000 that had been recognised in profit or loss, and included in other expenses (Note 6). The recoverable amount of the relevant assets of approximately S\$1,295,000 had been determined on the basis of its fair value less costs to sell with reference to indicative market values by a third party valuer on an individual basis using the replacement cost approach by making reference to recent transactions of similar assets with appropriate adjustments (Level 3 hierarchy).

	Company		
	Office Premises	Motor vehicles	Total
	S\$'000	S\$'000	S\$'000
<b>2021</b>			
Balance at 1 September 2020	308	-	308
Addition for the financial year	-	412	412
Amortisation for the financial year	(19)	(61)	(80)
Balance at 31 August 2021	289	351	640
<b>2020</b>			
Balance at 1 September 2019	326	-	326
Amortisation for the financial year	(18)	-	(18)
Balance at 31 August 2020	308	-	308

**Shinvest Holding Ltd.**

**Notes to the condensed interim consolidated financial statements**

**17. Investment property**

	<b>Group</b>	
	<b>31 August 2021</b>	<b>31 August 2020</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cost</b>		
Balance at beginning and end of the financial year	943	943
<b>Accumulated depreciation</b>		
Balance at beginning of the financial year	289	250
Depreciation for the financial year	39	39
Balance at end of the financial year	328	289
<b>Net carrying amount</b>		
Balance at end of the financial year	615	654

The fair value of the Group's investment property as at 31 August 2021 was assessed by management to be approximately S\$653,000 (2020: S\$1,111,000). The Group's investment property's fair value was derived based on comparison made to similar properties transacted in vicinity. The valuation is based on the asset's highest and best use, which is in line with its actual use. Management considers the key unobservable inputs include the price per square meter and the premium (discount) on the quality of the building and remaining lease terms. The resulting fair value of investment property is considered level 3 recurring fair value measurement.

There were no changes to the valuation techniques of the investment property as at the end of the reporting period. There were no transfers between levels during the financial year.

**18. Aggregate amount of the group's borrowings and debt securities**

*SGX Appendix 7.2 para 1(b)(ii)*

	<b>Group</b>		<b>Company</b>	
	<b>31 August 2021</b>	<b>31 August 2020</b>	<b>31 August 2021</b>	<b>31 August 2020</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>The amount repayable in one year or less, or on demand (Secured)</b>				
Interest bearing liabilities	980	5,467	-	-
Lease liabilities	155	105	65	14
<b>The amount repayable after one year (Secured)</b>				
Interest bearing liabilities	2,818	5,276	-	-
Lease liabilities	1,250	1,188	449	298
	5,203	12,036	514	312

Details of collaterals

The Group's borrowings are secured by:

- Corporate guarantee by the Company.
- First legal mortgage of subsidiaries' properties and investment property.

The Group's obligation under leases which include certain plant and machinery and motor vehicles are secured by:

- Leased assets.
- Corporate guarantee by the Company.

**Shininvest Holding Ltd.****Notes to the condensed interim consolidated financial statements****19. Share capital**

- (a) Details of any changes in the company's share capital as at the end of:

*SGX Appendix 7.2 para 1(d)(ii)*

	<b>Group and Company</b>			
	<b>31 August 2021</b>	<b>31 August 2020</b>	<b>31 August 2021</b>	<b>31 August 2020</b>
			<b>S\$'000</b>	<b>S\$'000</b>
Issued and fully paid:				
Balance at beginning and end of financial year	29,905,222	29,905,222	26,700	26,700

- (b) Total number of issued shares excluding treasury shares as at the end of:

*SGX Appendix 7.2 para 1(d)(iii)*

	<b>Group and Company</b>	
	<b>31 August 2021</b>	<b>31 August 2020</b>
Total number of issued shares	29,905,222	29,905,222
Less: Treasury shares	-	-
Total number of issued shares excluding treasury shares	<u>29,905,222</u>	<u>29,905,222</u>

- (c) All sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period.

*SGX Appendix 7.2 para 1(d)(iv)*

The Company did not hold any treasury shares as at 31 August 2021 and 31 August 2020.

- (d) All sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period.

*SGX Appendix 7.2 para 1(d)(v)*

The Company's subsidiaries do not hold any shares in the Company as at 31 August 2021 and 31 August 2020.

**20 Allotment and issuance ordinary shares of a joint venture**

On 2 December 2020, the Company was allotted and issued with 37,234 ordinary shares in investment in the joint venture ESSE PI Pte. Ltd. ("ESSE") for a total cash consideration of S\$150,000. As the share issuance rank pari passu with other shareholder, the effective equity interest held by the Company remains at 25%.

**21. Subsequent events**

As at the date of these condensed consolidated interim financial statements, a total number of 142,859 shares in Espressif Systems (Shanghai) Co., Ltd. ("Espressif") had been disposed for a total consideration of RMB 28,172,082 (approximately S\$5,944,000). The loss from the disposal of the financial assets at FVTPL inclusive of VAT payables, brokerage fees and withholding tax approximates to S\$309,000.

As at 31 August 2021, the fair value of the financial assets at FVTPL as disclosed in Note 11 to the condensed interim consolidated financial statements are based on the closing quoted market price on the last day of the financial year. Based on the closing quoted market price as at the date of authorisation of these condensed interim consolidated financial statements which is 27 October 2021, the fair value of the remaining 3,298,736 equity shares as at 31 August 2021 had declined from approximately S\$145,770,000 (excluding the 142,859 shares disposed as mentioned above) to approximately S\$111,706,000. Depending on Espressif's closing share price as at 28 February 2022, the fair value changes of approximately S\$28,650,000 as at 27 October 2021 or any fair value changes thereon inclusive of VAT payable, brokerage fees and deferred tax may affect the half-year results of the Group for the financial period ending 28 February 2022.

## Shinvest Holding Ltd.

### Other information

#### 1. Review

- (a) Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

*SGX Appendix 7.2 para 2*

The condensed consolidated statement of financial position of Shinvest Holding Ltd. and its subsidiaries as at 31 August 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

- (b) Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

*SGX Appendix 7.2 para 3*

Not Applicable.

- (c) Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

*SGX Appendix 7.2 para 3A*

- (i) Updates on the efforts taken to resolve each outstanding audit issue.

Not Applicable.

- (ii) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not Applicable.

#### 2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

*SGX Appendix 7.2 para 8*

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

The Group recorded a revenue of S\$14.117 million for the FY2021 ended 31 August 2021, a 12.3% increase from S\$12.569 million compared to the last corresponding period. The increase was mainly due to the significant contribution of S\$0.826 million (13.7%) in the local market, S\$0.479 million (16.6%) in the Malaysia market, and S\$0.556 million (202.9%) in the China market, primarily from the slow economic recovery from the COVID-19 pandemic. On the other hand, the decrease of \$0.898 (37.4%) million in the Indonesian market has slightly offset against the revenue contribution.

For the Group revenue, the Retail business segment contributed 34.1%, the Export business segment contributed 45.7%, and the remaining 20.2% from the OEM business segment. Thus, all business segments contributed to the increase of group revenue. Geographically, sales from the local and overseas markets were 48.7% and 51.3%, respectively. Sales from the overseas market were mainly from Malaysia (23.8%), Indonesia (10.7%), and China (5.9%).

Given the sluggish recovery in global growth, the gross profit of the Group increased by 8.4% as compared to the corresponding period. However, the gross profit margin decreased from 35.8% to 34.5% in the current financial year.

Rental income dropped by S\$0.273 million (79.8%) due to decreased occupancy of the workers' dormitory. Besides, the Group received a dividend income of S\$0.429 million from Espressif Shanghai in FY2021. Furthermore, the Group received several government grants of S\$0.418 million to curb the COVID-19 pandemic. In addition, the Group made a disposal gain of S\$0.060 million from the scrapped of a motor vehicle.

In FY2021, the Group disposed of 1,358,405 shares in Espressif Systems (Shanghai) Co., Ltd. ("**Espressif Shanghai**") (the "**Disposal**"). In addition, based on the market closing price in the Shanghai Stock Exchange "STAR Market" "**SSE STAR Market**" on 31 August 2021, the Group had revalued the holding value of Espressif Shanghai. As a result, the Group recognised a fair value gain on financial assets at fair value through profit or loss ("**FVTPL**") of S\$43.192 million after offsetting the value-added tax ("**VAT**") plus related VAT surcharge and related transaction fees.

The Group reassessed the expected credit loss of trade and other receivables at the end of the current year using provision matrix as required under SFRS (I) 9, which resulted in a reversal of allowance on trade and other receivables of S\$0.174 million. In addition, the Group provided a specific loss allowance on trade receivables of S\$0.299 million due to a payment delay in long-overdue balances.

**Shinvest Holding Ltd.**

**Other information**

**2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:** (Continued)

*SGX Appendix 7.2 para 8*

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

In FY2021, amortisation of right-of-use ("ROU") assets increased by S\$0.046 million (13.9%) due to the purchase of 2 motor vehicles under hire purchase; depreciation for property, plant, and equipment ("PPE") increased by S\$0.096 million (112.9%) due to capitalisation of computer software purchased (S\$0.248 million) and office renovation work (S\$0.052 million).

In FY2021, the Group provided a higher write-down for inventories obsolescence of S\$0.658 million (170.5%) due to a change in obsolete inventory policy.

In FY2021, finance costs decreased by S\$0.116 million (28.8%) due to lower Trust Receipt interest costs from repayment of S\$1.803 million Trust Receipts financing; and lower term loans interest costs from the full repayment of Commercial Property Loans (S\$1.697 million) and Revolving Loans (S\$2.25 million).

In FY2021, the Group incurred a foreign exchange loss of S\$0.161 million due to strengthening United States Dollars (USD) against Singapore Dollars (SGD).

During the financial year, the Group incurred a share of loss of investment in ESSE PI Pte Ltd ("ESSE") for S\$0.091 million due to the impact of the COVID-19 pandemic on the business. Besides, the Group provided an impairment loss of S\$0.343 million in the investment cost in ESSE in FY2021 due to a lower recoverable amount of S\$0.149 million.

Overall, the Group recorded a gain before tax of S\$38.604 million compared to S\$38.736 million in the last corresponding period.

- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The financial assets at fair value through profit or loss ("FVTPL") decreased by S\$14.599 million (8.8%) due to the disposal of 1.7% in Espressif Shanghai's shares in FY2021. In addition, in the year ended 31 August 2021, the Group revalued the current balance holding of 4.3% Espressif Shanghai's shares based on the closing price of 31 August 2021 in the SSE STAR Market.

In FY2021, the Group applied for the allotment of 37,234 ordinary shares in the capital of ESSE for an aggregate cash consideration of S\$0.150 million, which ranks pari passu with all the issued ordinary shares of ESSE. The Group holds 25% of equity interest in ESSE after the share allotment.

Inventories decreased by S\$1.479 million (10%) due to lower goods purchased and a change of inventory policy on the obsolete stock provision in FY2021.

The Group accrued a current income tax recoverable of S\$0.225 million from China's tax authority for the taxes paid on Espressif's shares disposal in FY2021.

Trade and other payables in current liabilities decreased by S\$3.76 million mainly due to repayment for a variable bonus.

Interest-bearing liabilities decreased by S\$6.945 million, mainly consisting of lower bank loans of S\$4.9 million and lower trust receipts utilisation of S\$1.803 million to fund the Group's working capital needs.

As compared to 31 August 2020, the Group's liquidity position has improved in FY2021. The Group received net cash proceeds of approximately S\$51.985 million from the disposal of 1.7% shares in Espressif Shanghai. The Group utilised the cash proceeds to reduce the interest-bearing liabilities of S\$6.945 million, variable bonus repayment of S\$5.634 million, and dividend payment of S\$10.467 million to the Shareholders in FY2021.

**3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

*SGX Appendix 7.2 para 9*

Not Applicable.



**Shinvest Holding Ltd.****Other information****4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.***SGX Appendix 7.2 para 10*

The GDP Growth forecast released on 11 August 2021 by Singapore's Ministry of Trade and Industry indicated that Singapore's GDP expanded by 14.7% on a year-on-year basis in 2Q 2021 due to the low base in the same period last year affected by the COVID-19 "circuit breaker" measures. As a result, the wholesale trade sector expanded by 2.9% year on year, easing from the 3.5% growth in the first quarter of 2021. However, the outlook for the key Southeast Asian economies in the second half of 2021 is likely to be slower than earlier projected, particularly for the domestic demand in countries such as Malaysia and Indonesia are expected to be dampened by the tightening of restrictions to contain the surge in COVID-19 infections.

The Group's financial performance for the year ended 31 August 2021 showed improvement from the slow economic recovery. Barring a significant setback in the global economy, the Singapore economy is expected to recover gradually.

Given the ongoing COVID-19 pandemic and economic uncertainties, the Group will continue to optimise its balance sheet, monitor the risk exposures faced by the business, and adjust our response to the evolving situation where possible. Furthermore, with a healthy balance sheet and cash reserves, the Group will continue looking for suitable opportunities to grow its business strategically.

**5. Dividend Information***SGX Appendix 7.2 para 11***(a) Current financial period reported on**

Any dividend declared for the current financial period reported on? Yes.

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount (SGD)	3.0 cents per ordinary share
Tax Rate	One-tier tax exempt

**(b) Corresponding period of the immediately preceding financial year**

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

Name of Dividend	Final	Special
Dividend Type	Cash	Cash
Dividend Amount (SGD)	3.0 cents per ordinary share	30.0 cents per ordinary share
Tax Rate	One-tier tax exempt	One-tier tax exempt

**(c) Date payable**

The date of payment of the final dividend will be announced at a later date.

**(d) Books closure date**

The books closure date for the final dividend will be announced at a later date.

**6. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.***SGX Appendix 7.2 para 12*

Not Applicable.

**7. Interested person transactions pursuant to Rule 920(1)(a)(ii).***SGX Appendix 7.2 para 13*

No mandate was sought or obtained from shareholders for the Company to deal with interested persons in recurrent transactions of a revenue or trading nature or in transactions necessary for day-to-day operations.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
-	S\$'000 -	S\$'000 -

**Shinvest Holding Ltd.****Other information****8. Confirmation by the Board pursuant to Rule 705(5).***SGX Appendix 7.2 para 14*

We, Loh Suan Len and Teo Teck Leong, being two directors of the Company, do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the year ended 31 Aug 2021 to be false or misleading.

**9. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).***SGX Appendix 7.2 para 15*

The Company confirms that all the required undertakings under Rule 720(1) have been obtained from all its directors and Group Financial Controller.

**10. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.***SGX Appendix 7.2 para 17*

Not Applicable.

**11. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.***SGX Appendix 7.2 para 20*

Name	Age	Family relationship with any director and/or substantial shareholder	(a) Current position; (b) Duties; and (c) the year position was held	Details of changes in duties and position held, if any
Teo Teck Loo @ Teo Teck Puay	84	Brother of Mr Teo Teck Leong (1) Father of Mr Teo Eng Thian (2)	(a) Consultant of Sin Hong Hardware Pte Ltd ("Sin Hong"), a wholly-owned subsidiary of the Company (b) Advises on the operations in the retail strategic business unit of Sin Hong and its subsidiaries ("Sin Hong Group") (c) 2010	N.A.
Teo Eng Hwee	55	Substantial shareholder of the Company Nephew of Mr Teo Teck Leong (1) Brother of Mr Teo Eng Thian (2)	(a) Managing director of Sin Hong Group (b) Oversees the operations of Sin Hong Group and assists directors of the Company in strategic business development since 2012 (c) 2019	N.A.
Teo Eng Shing	50	Substantial shareholder of the Company Nephew of Mr Teo Teck Leong (1) Brother of Mr Teo Eng Thian (2)	(a) Director of Sin Hong (b) Oversees the operations in the retail strategic business unit of Sin Hong Group (c) 2006	N.A.

(1) Mr Teo Teck Leong is a managing director and a substantial shareholder of the Company.

(2) Mr Teo Eng Thian is a director and a substantial shareholder of the Company

**BY ORDER OF THE BOARD**

Teo Teck Leong  
Managing Director  
28 Oct 2021