

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

RESPONSE TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERY OF 23 NOVEMBER 2021 RELATING TO THE FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 MADE ON 28 OCTOBER 2021

The Board of Directors (the “**Board**”) of Shinvest Holding Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the Company’s responses to the queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 23 November 2021 in relation to the Company’s full year financial statements for the year ended 31 August 2021.

Question 1: (a) Please explain why interest income amounted to only S\$9,000 for the 12 months ended 31 August 2021 when the Group has cash and bank balances amounting to S\$28,535,000.

Company’s Response

The interest income amounted to only S\$9,000 for FY2021 as the Group had just transferred the net cash proceeds for the partial share disposal of Espressif Systems (Shanghai) Co., Ltd (“Espressif Shanghai”) from China Merchant Securities Co., Ltd’s account to Bank of China’s account on 13 July 2021 and 4 August 2021, details as below:

| Bank Deposit Date | Share Disposal Period of Espressif Shanghai | Net Cash Proceeds (After taxes) |
|--------------------------|--|---|
| 13 July 2021 | 28 June 2021 – 8 July 2021 | RMB 90,775,000 (Approximately S\$18,881,000) |
| 4 August 2021 | 12 July 2021 – 30 July 2021 | RMB 53,263,000 (Approximately S\$11,079,000) |

Question 1: (b) It is noted that the Group has net cash used in operating activities of S\$14,503,000 and a net profit of S\$34,718,000 for the 12 months ended 31 August 2021. Please explain why the Group is unable to generate net cash inflow from its operating activities, despite the Group’s net profit position for the financial year.

Company’s Response

Despite the Group’s net profit position for the financial year, the Group was unable to generate net cash inflow from its operating activities due to the S\$43,192,000 fair value adjustment of Espressif Shanghai quoted share price as at 31 August 2021 (fair value gain on financial assets at Fair Value through Profit or Loss (“FVTPL”)) was reclassified under investing activities.

By Order of the Board

Teo Teck Leong
Managing Director

25 November 2021