

Issuer: Shinvest Holding Ltd.

Security: Shinvest Holding Ltd.

Meeting details:

Date: 29 December 2017

Time: 10.00 a.m.

Venue: RELC International Hotel, Room 503, Level 5, 30 Orange Grove Road (off Orchard Road), Singapore 258352

Company Description

Shinvest Holding Ltd., an investment holding company, manufactures and sells precision components and electromechanical assemblies for the semiconductor equipment, oil and gas, medical, and solar manufacturers in Singapore, Indonesia, Malaysia, China, the United States, and internationally. It operates through Retail, Original Equipment Manufacturing, Export, Precision Engineering, and Others strategic business units. The company also provides fasteners; hole drilling, turnkey manufacturing, and engineering services to oilfield service companies; and freight and shipment services, as well as engages in the retailing and general trading activities. In addition, it provides original equipment manufacturing services for machine manufacturing and assembly, automation assembly, electronic assembly, metal stamping, construction building, shipyard, and aerospace aviation industries. The company was formerly known as Eastgate Technology Ltd. and changed its name to Shinvest Holding Ltd. in October 2015. Shinvest Holding Ltd. was incorporated in 1989 and is based in Singapore.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=BJW)

Q1. As noted in the Corporate Profile (page 1 of the annual report), the group's 10% stake in Espressif Group was restructured into a 10.41% stake in Espressif Technology Inc. Cayman. As announced on 8 December 2017, a further restructuring is underway to allow the shareholders of Espressif Technology Inc. Cayman to directly hold interests in Espressif Systems (Shanghai) Pte. Ltd. It was disclosed that the further restructuring is to prepare for an *"IPO listing in Shanghai"*.

- a) **Can the company help shareholders understand the level of influence and oversight in the operations and strategic direction of Espressif?**
- b) **What is the level of involvement by management in the current restructuring process and in the preparation of the potential IPO listing?**

Q2. On 4 August 2017, the company announced the proposed disposal of the entire 51% equity interest in Focal Oilfield Solutions Private Limited to FCL Management Holdings. Pte. Ltd. for a consideration of \$1 in cash.

It was disclosed in the announcement that the proposed disposal is expected to result in a gain of approximately S\$747,700 for the Company.

As noted in the Board Statement, the disposal resulted in a gain of approximately \$23,000 for the group (page 3 of the annual report).

- a) **Can the company help shareholders understand how the initial figure of \$747,700 was arrived at?**
- b) **Can management reconcile how the expected gain of \$747,700 dropped to \$23,000 as reported in the Board Statement on page 3?**

Q3. Guideline 2.2 of the 2012 Code of Corporate Governance (CG Code) issued by the Monetary Authority of Singapore states that independent directors should make up at least half of the board where:

- (a) the Chairman of the Board (the "Chairman") and the chief executive officer (or equivalent) (the "CEO") is the same person;*
- (b) the Chairman and the CEO are immediate family members;*
- (c) the Chairman is part of the management team; or*
- (d) the Chairman is not an independent director.*

As Mr. Teo Cher Cheong is the executive chairman, independent directors should make up at least half of the board to comply with the CG Code.

- a) **As the 5-member board currently has two independent directors, would the nominating committee and the board explain why it had deviated from the CG Code?**
- b) **Would the board reconsider its deviation from Guideline 2.2?**

A copy of the questions for the Annual Report for the financial year ended 31 August 2016 could be found here:

<https://sias.org.sg/qa-on-annual-reports/?company=Shinvest%20Holding%20Ltd>

The company's response could be found here: -----