SHANAYA LIMITED

(Company Registration Number 199804583E)

AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

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Shanaya Limited
(Formerly known as CPH Ltd.)
(Incorporated in the Republic of Singapore)
(Company Registration Number 199804583E)

PREAMBLE

Background

Formerly known as CPH Ltd., Shanaya Limited (the "**Company**"), and collectively with its subsidiaries (the “**Group**”) were formed pursuant to a reverse takeover (“**RTO**”) of the entire issued share capital of Shanaya Environmental Services Pte. Ltd. ("**SES**"). The RTO was completed on 18 August 2021, and the Company changed its name to "Shanaya Limited". SES is a home-grown Singapore waste management company, specialising in the collection, transfer, and disposal of waste for industrial and commercial clients, primarily serving the shipping and cruise industries in Singapore.

Please refer to the Company’s Circular dated 29 June 2021 for further details on the RTO and restructuring exercise.

On 18 August 2021, the Company announced the change of financial year end from 31 March to 31 December to align with that of SES. With the change, the Company's financial year will commence from 1 April 2021 and ended on 31 December 2021, and the first set of audited financial statements of the Group covers the 12-month period from 1 January 2021 to 31 December 2021.

Group Level

Following the completion of the RTO, the wholly-owned subsidiary, SES, is deemed as the accounting acquirer that has acquired the Company (the accounting acquiree) for accounting purpose. As such, the consolidated financial statements have been prepared and presented as a continuation of SES.

Accordingly, the consolidated financial statements of the Group for the 6 months and full year ended 31 December 2021 have been presented as a continuation of SES’s financial results and operations, in accordance with the following:

1) the assets and liabilities of the accounting acquirer, SES, are recognised and measured in the consolidated statement of financial position at their pre-acquisition carrying amount;
2) the assets and liabilities of the accounting acquiree, the Company, are recognised and measured in accordance with their acquisition date fair value;
3) the retained earnings and other equity balances recognised in the consolidated financial statements of the Group are the retained earnings and other equity balances of SES immediately before the RTO;
4) the amount recognised in the issued equity interest in the consolidated financial statements of the Group is computed by adding the issued equity of SES immediately before the RTO to the fair value of the consideration effectively transferred based on the share price of the Company at the acquisition date. However, the equity structure presented in the consolidated financial statements of the Group (i.e. the number and type of equity instruments issued) shall reflect the equity structure of the Company, including the equity instruments issued by the Company to effect the combination; and
5) the comparative figures presented in these consolidated financial statements of the Group are those of financial statements of SES.

Following the completion of the RTO, the principal business of the Group is those of SES. The consolidated financial statements of the Group have been prepared using the reverse acquisition accounting as set out in SFRS(I) 3 – “Business Combinations”, but it does not result in the recognition of goodwill, as the Company was deemed as a cash company under the Rule 1017 of the Listing Manual Section B: Rules of Catalist and did not meet the definition of a business as set out in SFRS(I) 103. Instead, such transaction falls within the scope of SFRS(I) 2 “Share-based Payment”, which requires the deemed shares issued by the legal subsidiary corporation (as consideration for the acquisition of the Company) to be recognised at fair value. Any difference between the consideration sum and the fair value of the Company's identifiable net assets acquired is treated as cost of obtaining a listing (paid in shares) by the legal subsidiary, SES, and be recognised as an expense in the consolidated statement of comprehensive income.

Company Level

Reverse acquisition accounting applies only to the consolidated financial statements at the Group level. As such, the investment in SES recorded in the Company's financial statements was accounted for at cost less accumulated impairment losses, if any.

Notes:

1) The Group's consolidated statement of comprehensive income and consolidated statement of cash flows for the 6 months end 31 December 2021 ("**2HFY2021**") refer to the enlarged group which included the results of SES from 1 July 2021 to 31 December 2021 and the results of the Company from 19 August 2021 to 31 December 2021.

2) The Group's consolidated statement of comprehensive income and consolidated statement of cash flows for the full year ended 31 December 2021 ("**FY2021**") refer to the enlarged group which included the results of SES from 1 January 2021 to 31 December 2021 and the results of the Company from 19 August 2021 to 31 December 2021. The Group's consolidated statement of changes in equity for FY2021 include the results of SES for FY2021 and the results of the Company from 19 August 2021 to 31 December 2021.

3) The Group's consolidated statement of comprehensive income and consolidated statement of cash flows for the 6 months ended 31 December 2020 ("**2HFY2020**") refer to the results of SES from 1 July 2020 to 31 December 2020.

4) The Group's consolidated statement of comprehensive income and consolidated statement of cash flows for the full year ended 31 December 2020 ("**FY2020**") refer to the results of SES from 1 January 2020 to 31 December 2020. The Group's consolidated statement of changes in equity for FY2020 refer to the results of SES only.

5) The Group's consolidated statement of financial position as at 31 December 2021 refers to the consolidated statement of financial position of the enlarged group comprising SES and the Company.

6) The Group's consolidated statement of financial position as at 31 December 2020 refers to the consolidated statement of financial position of SES only.

7) The Company's statement of financial position as at 31 December 2021 and 31 December 2020 refers to that of the Company.

SHANAYA LIMITED

(Formerly known as CPH Ltd.)

(Incorporated in the Republic of Singapore)

(Company Registration Number 199804583E)

UNAUDITED FINANCIAL STATEMENTS FOR THE 6 MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Group			Group		
	Note	2HFY2021	2HFY2020	Change	FY2021	FY2020	Change
		$'000	$'000	%	$'000	$'000	%
Revenue		3,200	2,912	10%	6,381	5,939	7%
Other income		56	65	-14%	172	238	-28%
Employee benefits expense		(1,029)	(849)	21%	(1,808)	(1,591)	14%
Amortisation of right-of-use assets		(276)	(94)	194%	(374)	(202)	85%
Depreciation of property, plant and equipment		(509)	(167)	205%	(678)	(334)	103%
Loss allowance on trade receivables		(79)	(23)	243%	(79)	(23)	243%
Other operating expenses		(2,039)	(1,354)	51%	(3,668)	(2,667)	38%
Finance costs	7	(263)	(147)	79%	(405)	(288)	41%
Profit before exceptional items		(939)	343	n/m	(459)	1,072	n/m
Exceptional items:							
Acquisition-related cost		(832)	(131)	535%	(1,022)	(131)	680%
Loss on reverse acquisition		(3,262)	-	n/m	(3,262)	-	n/m
(Loss)/Profit before tax	8	(5,033)	212	n/m	(4,743)	941	n/m
Income tax expense	9	96	(118)	n/m	32	(167)	n/m
(Loss)/Profit for the period, net of tax		(4,937)	94	n/m	(4,711)	774	n/m
Other comprehensive income		-	-	n/m	-	-	n/m
(Loss)/Profit attributable to the owners of the Company		(4,937)	94	n/m	(4,711)	774	n/m
Total comprehensive (loss)/income attributable to the owners of the Company		(4,937)	94	n/m	(4,711)	774	n/m
(Loss)/Earnings per share attributable to equity holders of the Company:							
Basic and diluted (cents per share)	10				(5.13)	0.98	n/m

n/m: not meaningful

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

		Group		Company	
	Note	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.03.2021**
		$'000	**$'000**	**$'000**	**$'000**
ASSETS					
Non-current assets					
Property, plant and equipment	12	13,331	11,520	-	-
Right-of-use assets	13	6,355	6,420	-	-
Investment in subsidiaries		-	-	25,884	4,014
Total non-current assets		19,686	17,940	25,884	4,014
Current assets					
Trade and other receivables	14	1,415	1,545	756	1,786
Cash and bank balances	15	5,298	1,481	3,148	27
Total current assets		6,713	3,026	3,904	1,813
Total assets		26,399	20,966	29,788	5,827
LIABILITIES AND EQUITY					
Non-current liabilities					
Loans and borrowings	16	8,228	8,155	-	-
Lease liabilities	17	6,025	6,105	-	-
Non-trade payables to shareholders	18	2,798	-	2,798	-
Deferred tax liabilities		302	293	-	-
Total non-current liabilities		17,353	14,553	2,798	-
Current liabilities					
Loans and borrowings	16	2,156	1,101	-	-
Lease liabilities	17	481	409	-	-
Trade and other payables	19	1,077	767	2,954	363
Income tax payable		42	221	-	-
Total current liabilities		3,756	2,498	2,954	363
Equity					
Share capital	20	10,344	1,500	44,464	24,764
(Accumulated losses) / Retained earnings		(2,296)	2,415	(20,438)	(19,310)
Share-based payment reserve		-	-	10	10
Reverse acquisition reserve	19	(2,758)	-	-	-
Total equity		5,290	3,915	24,036	5,464
Total liabilities and equity		26,399	20,966	29,788	5,827
		-			

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group		Group	
		2HFY2021	2HFY2020	FY2021	FY2020
		$'000	$'000	$'000	$'000
Operating activities					
(Loss)/Profit before tax		(5,033)	212	(4,743)	941
Adjustments for:					
Amortisation on right-of-use assets		276	94	374	202
Depreciation of property, plant and equipment		509	167	678	334
Allowance for impairment of right-of-use assets		94	-	94	-
Gain on disposal of property, plant and equipment		-	(25)	-	(25)
Write off of property, plant and equipment		21	-	21	-
Allowance for impairment of trade receivables		79	23	79	23
Acquisition-related cost		832	131	1,022	131
Loss on reverse acquisition		3,262	-	3,262	-
Interest expense		263	147	405	288
Operating cash flows before movements in working capital		303	749	1,192	1,894
Trade and other receivables		613	210	577	156
Trade and other payables		(1,390)	1,207	(1,023)	217
Cash (used in) / generated from operations		(474)	2,166	746	2,267
Income tax paid		(47)	(23)	(138)	(23)
Net cash (used in) / generated from operating activities		(521)	2,143	608	2,244
Investing activities					
Purchase of property, plant and equipment		(301)	(1,289)	(878)	(1,380)
Advance payments for acquisition of property, plant and equipment		(78)	-	(78)	-
Additions to right-of-use assets		(41)	-	(108)	(17)
Proceeds from disposal of non-current assets classified as held for sale		6,500	-	6,500	-
Proceeds from disposal of property, plant and equipment		-	30	-	30
Cash and cash equivalents acquired on completion of reverse acquisition	2	59	-	59	-
Net cash generated from/(used in) investing activities		6,139	(1,259)	5,495	(1,367)
Financing activities					
Interest paid		(255)	(280)	(532)	(524)
Proceeds from bank loan		1,202	702	1,202	3,000
Repayment of bank borrowings		(1,690)	(238)	(2,191)	(469)
Repayment of lease obligations		(235)	(195)	(443)	(417)
Repayment of third party loans		-	-	-	(1,200)
Increase in restricted cash		-	-	-	(396)
Dividends paid		-	(60)	-	(60)
Acquisition-related cost paid		(131)	(131)	(322)	(131)
Net cash used in financing activities		(1,109)	(202)	(2,286)	(197)
Net increase in cash and cash equivalents		4,509	682	3,817	680
Cash and cash equivalents at beginning of period		393	403	1,085	405
Cash and cash equivalents at end of period	15	4,902	1,085	4,902	1,085

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Group			
	Share capital	Reverse acquisition reserve	Retained earnings	Total
	$'000	$'000	$'000	$'000
FY2020				
Balance at 01.01.2020	1,500	-	1,641	3,141
Profit for the financial year, representing total comprehensive income for the financial year	-	-	774	774
Balance at 31.12.2020	1,500	-	2,415	3,915
FY2021				
Balance at 01.01.2021	1,500	-	2,415	3,915
Loss for the financial year	-	-	(4,711)	(4,711)
Other comprehensive loss for the financial year	-	-	-	-
Transaction with owner recognised directly in equity				
Issuance of new shares pursuant to RTO	8,844	(2,758)	-	6,086
Balance at 31.12.2021	10,344	(2,758)	(2,296)	5,290

	Company			
	Share capital	Share-based payment reserve	Accumulated losses	Total
	$'000	$'000	$'000	$'000
FY2020				
Balance at 01.04.2020	24,764	10	(17,096)	7,678
Loss for the financial year representing total comprehensive loss for the financial year	-	-	(2,214)	(2,214)
Balance at 31.03.2021	24,764	10	(19,310)	5,464
FY2021				
Balance at 01.04.2021	24,764	10	(19,310)	5,464
Loss for the financial year representing total comprehensive loss for the financial period	-	-	(1,128)	(1,128)
Transaction with owners recognised directly in equity				
Issuance of Consideration Shares pursuant to RTO (Note 2)	19,000	-	-	19,000
Issuance of PPCF Shares pursuant to RTO (Note 2)	400	-	-	400
Issuance of Introducer Shares pursuant to RTO (Note 2)	300	-	-	300
Balance at 31.12.2021	44,464	10	(20,438)	24,036

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

Shanaya Limited (formerly known as CPH Ltd.) (the "**Company**") is incorporated and domiciled in Singapore and its shares are publicly traded on the Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Company's registered office and principal place of business is at 3A Tuas South Street 15, Singapore 636845.

The Company and its subsidiaries (collectively, the "**Group**") were formed pursuant to a reverse takeover by Shanaya Environmental Services Pte. Ltd. ("**SES**") which was completed and announced on 18 August 2021 through the issuance of 79,166,665 new ordinary shares (on post-consolidation basis) to the shareholders of SES.

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

These condensed interim consolidated financial statements as at and for the 6 months and full year ended 31 December 2021 comprise the Company and the Group.

2 Reverse acquisition

On 29 September 2020, the Company entered into a conditional sale and purchase agreement ("**SPA**") with Shitthi Nabesathul Bathuria D/O Abdul Hamid, Sivakumar Martin S/O Sivanesan and Perumal S/O Gopal (collectively, the "**Vendors**") and SES, pursuant to which the Company acquired the entire issued and paid-up share capital of SES from the Vendors, based on the terms and conditions of the SPA (the "**Proposed Acquisition**").

Under the terms of the Proposed Acquisition, the Company paid a consideration of $22,000,000 ("**Purchase Consideration**"), to be satisfied by a combination of (i) the payment of $3,000,000 in cash ("**Deferred Payment Consideration**") to the Vendors within 24 months from the date of completion of the Proposed Acquisition, and (ii) the issuance and allotment of 3,166,666,667 new ordinary shares of the Company (on a pre-consolidation basis) at an issue price of $0.006 per Consideration Share ("**Issue Price**") to the Vendors.

On 16 August 2021, the shares in the Company were consolidated on the basis of one share for every forty (40) shares held by shareholders (the "**Share Consolidation**"). As a result, the Company has an issued share capital of approximately $24,764,175 divided into 30,730,539 whole consolidated shares (the "**Consolidated Shares**"), after disregarding any fractions of Consolidated Shares arising from the Share Consolidation.

On 18 August 2021, the Company completed the acquisition of the entire issued and paid-up share capital of SES ("**Completion**").

Pursuant to Completion, the Company has:

i) acquired the entire issued share capital of SES;

ii) issued and allotted 79,166,665 Consolidated Shares to the Vendors ("**Consideration Shares**") at the Issue Price, in partial satisfaction of the Purchase Consideration for the Proposed Acquisition;

iii) issued and allotted 1,250,000 Consolidated Shares to the Introducer (who provided management consultation services to the Vendors and SES in relation to the Proposed Acquisition) ("**Introducer Shares**") at the Issue Price, in full settlement of the Introducer Fee; and

iv) issued and allotted 1,666,666 Consolidated Shares to PPCF (who provided financial advisory services rendered as the Financial Adviser and Sponsor to the Company in connection to the Proposed Acquisition) ("**PPCF Shares**") at the Issue Price, in partial settlement of PPCF's professional fees.

For accounting purposes, the transaction is accounted for as a reverse acquisition and SES is regarded as the acquirer and the Company is regarded as the acquiree. As such, the consolidated financial statements have been prepared and presented as a continuation of SES's financial statements.

<u>At Group level</u>

The consolidated financial statements of the Group have been prepared using the reverse acquisition accounting as set out in Singapore Financial Reporting Standards (International) SFRS(I) 3 Business Combinations ("**SFRS(I) 3**"), but it does not result in the recognition of goodwill, as the Company was deemed as a cash company and did not meet the definition of a business as set out in SFRS(I) 3. Instead, such transaction falls within the scope of SFRS(I) 2 Share-based Payment, which requires the shares deemed issued by the legal subsidiary (as consideration for the acquisition of the Company) to be recognised at fair value. Any difference between the consideration sum and the fair value of the Company's identifiable net assets represents a service received by the legal subsidiary, SES, and is recognised as an expense or income in the statement of comprehensive income. For the purpose of reverse acquisition accounting, the Company is the legal acquirer (accounting acquiree) whilst SES is the legal acquiree (accounting acquirer)

The fair value of the identifiable assets and liabilities of the Company recognised as at the date of the reverse acquisition were:

	At date of reverse acquisition
	$'000
Cash and cash equivalents	59
Other receivables	6,948
Other payables	(1,333)
Loans and borrowings	(792)
Total identifiable net assets at fair value	4,882
Fair value of shares deemed issued	8,144
Loss on reverse acquisition	(3,262)
Consideration settled in cash	-
Add: Cash and cash equivalents of the Company acquired	59
Cash inflow from reverse acquisition	59

Loss on reverse acquisition of $3,261,845 had been recorded in the consolidated statement of comprehensive income for the financial year ended 31 December 2021. The Group had also incurred one-off reverse acquisition related costs of $1,022,394 during the year.

The fair value of the shares deemed to be issued by the accounting acquirer (legal subsidiary) is based on the number of equity interests that the accounting acquirer (legal subsidiary) would have had to issue to give the owners of the accounting acquiree (legal parent) the same percentage equity interest in the combined entity that results from the reverse acquisition.

The Deferred Payment Consideration were deemed to be cash distributable to Vendors and are recorded under the reverse acquisition reserve.

Since such consolidated financial statements represent a continuation of the financial statements of SES:

i) the assets and liabilities of SES are recognised and measured in the consolidated statement of financial position of the Group at their pre-acquisition carrying amounts;

ii) the assets and liabilities of the Company are recognised and measured in the consolidated statement of financial position of the Group at their acquisition-date fair values;

iii) the revenue reserve and other equity balances recognised in the consolidated financial statements are the revenue reserve and other equity balances of SES immediately before the reverse acquisition;

iv) the amount recognised as issued equity interests in the consolidated financial statements is determined by adding the costs of acquisition to the issued equity of SES immediately before the reverse acquisition. However, the equity structure appearing in the consolidated financial statements (i.e. the number and type of equity instruments issued) reflects the equity structure of the legal parent (i.e. the Company), including the equity instruments issued by the Company to effect the reverse acquisition; and

v) the consolidated statement of comprehensive income for the financial period from 1 January 2021 to 31 December 2021 reflects the full year result of SES together with the post-acquisition results of the Company.

At Company level

Reverse acquisition accounting applies only at the consolidated financial statements at the Group level. Therefore, in the Company's separate financial statements, the investment in subsidiaries is accounted for at cost less accumulated impairment losses, if any, in the Company's statement of financial position.

3 Basis of Preparation

The condensed interim financial statements for the 6 months and full year ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim 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.

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 3.1.

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

3.1 New and amended standards adopted by the Group

On 1 January 2021, the Group adopted new and amended SFRS(I) and interpretations to SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial period. The adoption of these new or amended SFRS(I) and INT SFRS(I) did not have a material effect on the financial statements. The Group also did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

3.2 New and Revised Standards Issued but Not Yet Effective

There are a number of standards, amendments to standards, and interpretations, which have been issued by the Accounting Standards Council that are effective in future accounting periods and the Group has not decided to early adopt. The Group does not expect any of these standards upon adoption to have a material impact to the Group.

3.3 Use of judgements and estimates

In preparing the condensed interim 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 were applied to SES's financial statements as at and for the financial year ended 31 December 2020, except in the area of determining the date of commencing depreciation of certain property, plant and equipment during the financial year ended 31 December 2021.

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.

4 Seasonal operations

Generally, the business activities of the Group are not subject to any significant seasonal trends as the Group is engaged in the provision of waste management and disposal services, which are considered to be essential services, to mainly shipping agents who serve a broad spectrum of ships ranging from cargo vessels to cruise ships that are porting in Singapore or anchoring in the surrounding waters of Singapore and the South China Sea.

Notwithstanding the above and barring the impact of COVID-19, a seasonal trend may be observed for cruise ships porting in Singapore where a higher number of port calls by international cruises into Singapore is typically seen during the peak season from November to April, which coincides with the year-end holiday season and the seasonally colder months in the Northern Hemisphere. This seasonal trend in the cruise industry alone is not regarded to be significant due to the diversified nature of the Group's revenue streams.

Ships involved in trade and the transport of cargoes are generally not subject to any seasonal trends.

5 Segment and revenue information

The Group's revenue, capital expenditure, assets and liabilities were mainly derived from only one primary business segment in Singapore which is that of the provision of waste management and disposal services to industrial and commercial clients. Accordingly, no segmental information is prepared based on business or geographical segment as it is not meaningful.

6 Financial assets and financial liabilities

	Group		Company	
	31.12.2021 $'000	31.12.2020 $'000	31.12.2021 $'000	31.03.2021 $'000
Financial assets				
Financial assets at amortised cost				
- Trade and other receivables ^	1,374	1,469	756	1,786
- Cash and bank balances	5,298	1,481	3,148	27
	6,672	2,950	3,904	1,813
Financial liabilities				
Financial liabilities at amortised cost				
- Trade and other payables ^	1,077	747	2,954	363
- Lease liabilities	6,506	6,514	-	-
- Loans and borrowings	10,384	9,256	-	-
- Non-trade payables to shareholders	2,798	-	2,798	-
	20,765	16,517	5,752	363

^ Excluding government grant receivable and net GST receivable.

^ Excluding deferred government grant income.

7 Finance costs

	Group		Group	
	2HFY2021	2HFY2020	FY2021	FY2020
	$'000	$'000	$'000	$'000
Interest expenses				
- Lease liabilities	122	43	163	71
- Term loans	101	103	202	170
- Loan from a third party	-	-	-	45
- Non-trade payables to shareholders	40	-	40	-
Others	-	1	-	2
	263	147	405	288

8 (Loss)/Profit before tax

8.1 Significant items

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the (loss)/profit before tax includes the following credit/(charges):

	Group		Group	
	2HFY2021	2HFY2020	FY2021	FY2020
	$'000	$'000	$'000	$'000
Income:				
Government grant	88	151	123	213
Expenses:				
Crane and wharfage expenses	(279)	(246)	(550)	(530)
Diesel expenses	(155)	(82)	(273)	(162)
Waste disposal fees	(698)	(708)	(1,346)	(1,232)
Subcontractor and other labor costs	(260)	(194)	(494)	(325)

8.2 Related party transactions

There were no material related party transactions during the financial period reported on.

9 Taxation

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 and other comprehensive income are:

	Group		Group	
	2HFY2021	2HFY2020	FY2021	FY2020
	$'000	$'000	$'000	$'000
Current income tax expense				
- Current year	(57)	47	7	96
- Overprovision for prior year	(48)	-	(48)	-
Deferred income tax expense relating to origination/reversal of temporary differences	9	71	9	71
	(96)	118	(32)	167

10 Earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue of 91,784,367 (FY2020: 79,166,665) during the financial year.

The basic and diluted earnings per share are the same as there were no potentially dilutive instruments.

11 Net asset value

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.03.2021
	$ cents	$ cents	$ cents	$ cents
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on	5.17	0.35	23.49	0.49

12 Property, plant and equipment

During FY2021, the Group acquired assets amounting to $2.51 million (FY2020: $3.82 million), and disposed of assets amounting to $Nil (FY2020: $0.09 million). The assets acquired during the year primarily relate to the construction of the Group's building at Tuas South Street 15 ("**Tuas Facility**") and purchase of plant and machinery for the general waste management and toxic waste management operations. $1.32 million of the assets acquired were financed by bank loans.

As at 31 December 2021, capital expenditure of approximately $0.43 million (FY2020: $0.96 million) had been contracted but not provided for.

13 Right-of-use assets

	Group			
	Leasehold lands	Motor vehicles	Plant and machinery	Total
	$'000	$'000	$'000	$'000
FY2020				
Balance at 01.01.2020	5,996	795	299	7,090
Reclassified to property, plant and equipment	-	(182)	(30)	(212)
Additions	-	85	-	85
Amortisation charges				
- Charged to profit or loss	(26)	(120)	(56)	(202)
- Capitalised under property, plant and equipment	(341)	-	-	(341)
	(367)	(120)	(56)	(543)
Balance at 31.12.2020	5,629	578	213	6,420
FY2021				
Balance at 01.01.2021	5,629	578	213	6,420
Additions	-	544	-	544
Allowance for impairment	-	-	(94)	(94)
Amortisation charges				
- Charged to profit or loss	(225)	(111)	(37)	(373)
- Capitalised under property, plant and equipment	(142)	-	-	(142)
	(367)	(111)	(37)	(515)
Balance at 31.12.2021	5,262	1,011	82	6,355

An impairment loss of $0.09 million (FY2020: $Nil) was recognised in respect of right-of-use assets in the income statement for FY2021, arising from damage caused by a fire incident in December 2021.

14 Trade and other receivables

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.03.2021
	$'000	$'000	$'000	$'000
Trade receivables				
- Third parties	1,249	1,409	-	-
- Less: Loss allowance	(118)	(39)	-	-
	1,131	1,370	-	-
Non-trade receivables				
- Loan to a subsidiary	-	-	733	1,778
- Amount due from a subsidiary	-	-	197	191
- Less: Loss allowance	-	-	(197)	(191)
	-	-	-	-
- Deposits	118	99	-	-
- Prepayments	125	-	23	8
- GST receivables	41	56	-	-
- Government grant receivables	-	20	-	-
	1,415	1,545	756	1,786

Trade receivables from third parties are unsecured, non–interest bearing and generally on a 30 to 90 (FY2020: 30 to 90) days credit terms.

The loan to a subsidiary is unsecured, bears interest at a rate of 2.25% (FY2020: 2.25%) per annum and repayable on demand.

The non-trade amounts due from third parties and subsidiary are unsecured, non-interest bearing and repayable on demand.

15 Cash and bank balances

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.03.2021
	$'000	$'000	$'000	$'000
Cash and bank balances	5,298	1,481	3,148	27
Less: Restricted cash	(396)	(396)	-	-
Cash and cash equivalents	4,902	1,085	3,148	27

Restricted cash as at 31 December 2021 comprises $0.40 million held by a bank for the banking facilities granted.

Cash and bank balances are denominated in Singapore dollar.

16 Loans and borrowings

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.03.2021
	$'000	$'000	$'000	$'000
Amount repayable within one year or on demand				
Secured	2,156	1,101	-	-
Unsecured	-	-	-	-
Amount repayable after one year				
Secured	8,228	8,155	-	-
Unsecured	-	-	-	-

The bank borrowings and credit facilities of the Group are secured by first legal mortgage over certain leasehold properties of the Group, guarantees by directors, and fixed and floating charge over certain plant and machinery.

17 Lease liabilities

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.03.2021
	$'000	$'000	$'000	$'000
Non-current portion				
Leasehold lands	5,530	5,760	-	-
Motor vehicles	438	229	-	-
Plant and machinery	57	116	-	-
	6,025	6,105	-	-
Current portion				
Leasehold lands	233	213	-	-
Motor vehicles	189	139	-	-
Plant and machinery	59	57	-	-
	481	409	-	-

The Group leases leasehold lands in Singapore. As at 31 December 2021, the average incremental borrowing rate applied was 3.60% (31 December 2020: 3.60%).

The Group also leases certain motor vehicles and plant and machinery with lease term ranging from 4 to 5 years (31 December 2020: 4 to 5 years). The average interest rates implicit in the lease range from 1.78% to 3.69% per annum (31 December 2020: 1.78% to 3.69% per annum).

The Group's lease liabilities of $743,000 (31 December 2020: $541,000) are secured over certain right-of-use assets in respect of motor vehicles and plant and machinery, which will revert to the lessors in the event of default by the Group. These are guaranteed by the Directors of a subsidiary company.

All lease liabilities are denominated in Singapore dollar.

18 Non-trade payables to shareholders

The non-trade payables to shareholders relates to the deferred payment consideration of $3,000,000 payable to the Vendors (who are existing shareholders of the Company) pursuant to the RTO disclosed in Note 2 to the financial statements. Given that the Company plans to pay the amount within 24 months from the date of completion of the RTO, the balance was discounted at an effective interest rate of 4.25% per annum.

19 Trade and other payables

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.03.2021
	$'000	$'000	$'000	$'000
Trade payables				
- third parties	178	151	-	-
Non-trade payables				
- third parties	598	418	34	229
- subsidiary	-	-	2,785	-
Accrued expenses	301	178	135	134
Deferred government grant income	-	20	-	-
	1,077	767	2,954	363

Trade payables are unsecured, non-interest bearing and normally settled on 30 days' credit term.

Trade and other payables are denominated in Singapore dollar.

20 Share capital

	31.12.2021	31.12.2020	31.12.2021	31.03.2021
Group	Number of shares ('000)		$'000	$'000
Ordinary shares				
At beginning of financial period	1,229,226	1,229,226	1,500	1,500
Effect of share consolidation (Note 2)	(1,198,495)	-	-	-
Balance after share consolidation	30,731	1,229,226	1,500	1,500
Issuance of shares pursuant to reverse acquisition (Note 2)	82,083	-	8,844	-
At end of financial period	112,814	1,229,226	10,344	1,500

	31.12.2021	31.12.2020	31.12.2021	31.03.2021
Company	Number of shares ('000)		$'000	$'000
Ordinary shares				
At beginning of financial period	1,229,226	1,229,226	24,764	24,764
Effect of share consolidation (Note 2)	(1,198,495)	-	-	-
Balance after share consolidation	30,731	1,229,226	24,764	24,764
Issuance of shares pursuant to reverse acquisition (Note 2)	82,083	-	19,700	-
At end of financial period	112,814	1,229,226	44,464	24,764

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

The Company did not have any outstanding treasury shares or subsidiary holdings as at 31 December 2021 and 31 March 2021.

The Company has no outstanding options and convertible securities as at 31 December 2021 and 31 March 2021.

21 Subsequent events (after 31 December 2021)

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

22 Restatement of comparative figures

Certain reclassifications have been made to the prior year's financial statements to enhance the comparability with current year's financial statements As a result, certain line items have been amended in the statement of comprehensive income. Comparative figures have been reclassified to conform to the current financial year's presentation.

	FY2020	
	As previously reported	As restated
	$'000	$'000
Revenue	5,840	5,939
Other income	337	238

OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

1 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The condensed statements of financial position of Shanaya Limited and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed statements of changes in equity and condensed consolidated statement of cash flows for the 6 months and full year then ended and certain explanatory notes have not been audited or reviewed.

The Group's latest financial statements for the year ended 31 March 2021 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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

Not applicable.

3 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:

(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

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

REVIEW OF STATEMENT OF PROFIT OR LOSS

<u>FY2021 vs FY2020</u>

Group revenue increased by $0.44 million, or 7%, from $5.94 million to $6.38 million for FY2021. The improvement was mainly driven by higher recycling revenue generated as well as collection of oily waste to commence trial run on the treatment and disposal of oil sludge and oily water. Notwithstanding the Group had commenced its operations at its Tuas Facility since mid-2021, the revenue contribution did not increase significantly as the Singapore cruise industry had not recovered during the entire FY2021, whereas the FY2020 had 2 months of normal cruise volume during the pre-COVID-19 period of January and February 2020.

Other income relates largely to Government grants. The decrease of $0.07 million, or 28%, from $0.24 million to $0.17 million for FY2021 was primarily due to the decline in the amount of grant received under the Job Support Scheme during FY2021.

Employee benefits expense increased by $0.22 million, or 14%, from $1.59 million to $1.81 million for FY2021. The increase was mainly due to salary increment and higher trip-based wages incurred to support the revenue increase.

Amortisation of right-of-use assets increased by $0.17 million, or 85%, from $0.20 million to $0.37 million for FY2021. The increase was mainly due to cessation of capitalisation of amortisation in respect of land lease at 3A Tuas South Street 15 w.e.f. 1 June 2021, partially offset by the effect of full settlement made in respect of certain motor vehicles during FY2020.

Depreciation of property, plant and equipment ("**PPE**") increased by $0.35 million, or 103%, from $0.33 million to $0.68 million for FY2021. The increases were mainly due to the commencement of depreciation w.e.f. 1 June 2021 in respect of the Tuas Facility, as well as reclassification of certain motor vehicles from right-of-use assets to property, plant and equipment for depreciation purpose following full settlement of their lease liabilities towards end of FY2020.

Other operating expenses increased by $1.00 million, or 38%, from $2.67 million to $3.67 million for FY2021. The increase was primarily attributable to the following:

i) Increase in direct operating costs of $0.51 million, or 24%, which was disproportionately higher as compared to the revenue increase, for the following reasons:

   a) Port subcontractor cost increased as labour cost rate increased amidst the pandemic-triggered labour shortage;

   b) Profit margin advantage was relatively compromised during FY2021 due to the shift towards servicing more cargo shipping customers which generally had lower propensity to go beyond the concessionary charge rate for minimum volume given their typically low volume of waste discharge compared to cruise; and

   c) Increase in purchase of scrap to generate recycling revenue.

ii) Increase in vehicle overhead of $0.15 million, or 52%, largely due to higher diesel cost driven by higher diesel price.

iii) Increase in general and administrative expenses of $0.33 million, or 139%, largely due to the following:

   a) $0.09 million of allowance for impairment of right-of-use assets in recognition of the damage caused by fire in December 2021;

   b) $0.05 million of increase in property tax associated with Tuas Facility; and

   c) additional administrative and compliance expenses incurred after the completion of RTO in August 2021, including directors' fees of $0.05 million.

Finance costs increased by $0.12 million, or 41%, from $0.29 million to $0.41 million for FY2021. The increase was mainly due to increase in interest on term loans, lease liabilities and non-trade payables to shareholders, partially offset by absence of interest expense incurred on loan from third party.

The acquisition-related cost comprises non-recurring professional fee incurred for the reverse acquisition.

The Company completed its acquisition of the entire share capital of SES by way of the issuance of 79,166,665 new consolidated ordinary shares in capital of the Company to the shareholders of SES. The transaction is treated as a reverse acquisition for accounting purposes as the shareholders of SES became the controlling shareholders of the Company upon completion of the transaction. SES is thus deemed to have issued equity shares as purchase consideration for the assets and liabilities of the Company using the accounting principles in SFRS(I) 2 Share-based Payment, as the Company's operation did not constitute a business under SFRS(I) 3 Business Combinations at the time of completion of the reverse acquisition. The excess of the purchase consideration over the net identifiable assets of the Company acquired, amounting to $3.26 million, has been recognised in profit or loss as acquisition costs arising from the reverse acquisition incurred by SES in accordance with SFRS(I) 2 Share-based Payment.

As a result of the above, the Group reported net loss $4.71 million for FY2021, reversing from net profit of $0.77 million for FY2020, due mainly to the financial effect of the reverse acquisition. Excluding the exceptional items of the acquisition-related costs and loss on reverse acquisition, the Group would have incurred net loss of $0.43 million for FY2021.

<u>2HFY2021 vs 2HFY2020</u>

Group revenue increased by $0.29 million, or 10%, from $2.91 million to $3.20 million for 2HFY2021. The improvement was mainly driven by higher recycling revenue generated as well as collection of oily waste to commence trial run on the treatment and disposal of oil sludge and oily water.

Net loss of $4.94 million was incurred for 2HFY2021 as compared to net profit $0.09 million made for 2HFY2020. The reversal from net profit to net loss was largely attributable to the loss on reverse acquisition, acquisition-related cost, commencement of depreciation of the cost of Tuas Facility w.e.f. 1 June 2021, non-capitalisation of amortisation of the land lease in respect of Tuas Facility w.e.f. 1 June 2021, and increase in employee benefits expenses and other operating expenses following the completion of the RTO.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Non-current assets

Non-current assets increased by $1.75 million from $17.94 million as at 31 December 2020 to $19.69 million as at 31 December 2021, mainly due to the following:

i) further cost incurred for the construction of Tuas Facility of $0.99 million;
ii) purchase of motor vehicles of $0.23 million;
iii) purchase of plant and machinery largely for the general waste management and toxic waste management operations of $1.28 million; and
iv) recognition of additional right-of-use assets in respect of new motor vehicles purchased under finance lease of $0.54 million;

partially offset by depreciation of $0.68 million, amortisation of right-of-use assets of $0.52 million (including capitalised portion), and allowance for impairment of right-of-use assets of $0.09 million.

Current assets

Current assets increased by $3.68 million from $3.03 million as at 31 December 2020 to $6.71 million as at 31 December 2021, mainly due to an increase in cash and bank balances of $3.81 million, offset by an decrease in trade and other receivables of $0.13 million.

Non-current Liabilities

Non-current liabilities increased by $2.80 million from $14.55 million as at 31 December 2020 to $17.35 million as at 31 December 2021, mainly due to the following:

i) non-trade payables to shareholders of S$2.80 million in respect of the Deferred Payment Consideration pursuant to the Proposed Acquisition mentioned in note 2 to the condensed interim consolidated financial statements.
ii) drawdown of additional bank term loans of $1.32 million for purchase of new machinery and construction of Tuas Facility;
iii) drawdown of additional bank term loans of $1.00 million for working purpose;
iv) additional lease liabilities of $0.44 million arising from purchase of motor vehicles; and
v) increase in deferred tax liabilities of $0.01 million

partially offset by

i) reclassification of bank term loans from non-current to current of $2.25 million; and
ii) reclassification of lease liabilities from non-current to current of $0.52 million.

Current liabilities

Current liabilities increased by $1.26 million from $2.50 million as at 31 December 2020 to $3.76 million as at 31 December 2021, mainly due to the following:

i) drawdown of additional bank revolving loans of S$0.20 million for working capital requirement;
ii) loan of $0.79 million acquired upon completion of reverse acquisition;

iii) reclassification from non-current portion to current portion in respect of bank term loans of S$2.25 million;

iv) reclassification from non-current to current portion in respect of lease liabilities of $0.52 million; and

v) increase in trade payables and payables of $0.31 million;

partially offset by

i) repayment of $2.19 million of bank loans;

ii) repayment of $0.44 million of lease liabilities; and

iii) decrease in income tax payable of $0.18 million.

Equity

Total equity, after accounting for current year results for FY2021, was $5.29 million as at 31 December 2021 as compared to $3.92 million as at 31 December 2020.

Retained earnings reversed from $2.42 million as at 31 December 2020 to accumulated losses of $2.30 million as at 31 December 2021, mainly due to the one-off exceptional items relating to loss on reverse acquisition and acquisition-related expenses.

REVIEW OF STATEMENT OF CASH FLOWS

Operating activities

In FY2021, net cash generated from operating activities was $0.61 million after accounting for operating cash flows before working capital changes of $1.19 million and net working capital change of $0.44 million which were partially offset by tax paid of $0.14 million. The net cash outflow from working capital changes of $0.44 million resulted from a decrease in trade and other payables of $1.02 million offset by a decrease in trade and other receivables of $0.58 million.

Investing activities

In FY2021, net cash generated from investing activities was $5.49 million due to i) proceeds from disposal of a property held-for-sale of $6.50 million; and ii) net proceeds from reverse acquisition of $0.06 million; partially offset by i) purchase of new plant and equipment of $0.88 million; ii) advance payments made for acquisition of plant and equipment of $0.08 million; and iii) additions to right-of-use assets of $0.11 million.

Financing activities

In FY2021, net cash used in financing activities was $2.28 million due to i) repayment of bank borrowings of $2.19 million; ii) repayment of obligations under lease liabilities of $0.44 million; iii) interest payments of $0.53 million; and iv) payment of acquisition-related cost of $0.32 million; partially offset by fresh proceeds of bank borrowings of $1.20 million.

As a result of the above, cash and cash equivalents increased by $3.82 million to S$4.90 million as at 31 December 2021.

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

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

5 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

With Covid-19 pandemic showing no sign of sustainable recovery, the Singapore cruise industry entered 2022 with uncertainty. One of its two cruise operators, Dream Cruises, had recently filed for liquidation and suspended new bookings for its World Dreams from 4 February 2022 onwards until further notice. The Group will closely monitor the cruise industry over the next 12 months and its potential impact on the Group's earnings and growth plans.

Whilst waiting for the full resumption of cruise activities, the Group continues to rigorously explore opportunities in providing waste collection and management services for customers in the cargo shipping and other land-based sectors, notably the logistics, oil & gas, food & beverage, and construction, in a bid to increase its general waste collection volume and revenue.

On the toxic industrial waste management front, the Group had, on 26 January 2022, obtained licence from NEA for the collection of i) oil sludge and oily water from cruise and ships, ii) waste lead-acid batteries, and iii) polyvinyl Chloride (PVC). With the license, the Group has started collecting and treating oil sludge and oily water waste, generating income from both oil waste collection service and the sale of recovered oil.

On the biomedical waste management front, the Group had placed an order for the biomedical waste treatment plant which is slated to arrive by March 2022. Upon installation and commissioning, and subject to the approval by relevant authorities, the Group hopes to commence generating income from the treatment of biomedical waste by first half of FY2022.

To broaden its income streams further, the Group is also working with potential partners on plastic-to-chemical recycling collaboration and food waste recycling initiatives as previously announced.

6 If a decision regarding dividend has been made:

(a) Whether a final ordinary dividend has been recommended for present period;

No.

(b) Previous corresponding period;

No.

(c) State the tax rate and the country where the dividend is derived

Not applicable.

(d) Date payable

Not applicable.

7 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the financial period reported on due to the accumulated losses of the Group.

8 If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained for the period under review.

9 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720(1) of the Catalist Rules.

10 Acquisition or sale of shares in subsidiaries and/or associated companies under Rule 706A

The Company's wholly-owned subsidiary, CP Lifestyle Pte. Ltd. ("**CPL**"), had disposed of its 25% shareholding interest in Pearl Garden Restaurant Pte. Ltd. as announced on 30 September 2021. Save for the foregoing, the Group has not undertaken any acquisition or sales of shares in subsidiaries and/or associated companies during the financial year ended 31 December 2021.

11 Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group has only one primary business segment, which is that of the provision of waste management and disposal services to industrial and commercial clients. It derives revenue from Singapore only. Accordingly, no segmental information is prepared based on business and geographical segments as it is not meaningful.

12 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Not applicable, given the Group's business being single-segment.

13 A breakdown of sales as follows:

	Group		
	FY2021	FY2020	Change
	$'000	$'000	%
Sales reported for first half year	3,181	3,027	5%
Profit after tax before non-controlling interest for first half year	226	680	-67%
Sales reported for second half year	3,200	2,912	10%
(Loss)/profit after tax before non-controlling interest for second half year	(4,937)	94	n/m

14 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:—

		FY2021	FY2020
		$'000	$'000
(a)	**Ordinary**	-	-
(b)	**Preference**	-	-
(c)	**Total**	-	-

15 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(10) in the format below. If there are no such person, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Shitthi Nabesathul Bathuria D/O Abdul Hamid	54	Spouse of Mohamed Gani Mohamed Ansari	Chief Administrative Officer (since 2021) Responsible for administration and human resources functions.	No change

BY ORDER OF THE BOARD

Yoo Loo Ping
Company Secretary
28 February 2022

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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