



SHANAYA LIMITED
(Company Registration Number 199804583E)
AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE 6 MONTHS AND FULL YEAR ENDED 31 DECEMBER 2022

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SHANAYA LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 199804583E)

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 6 MONTHS AND FULL YEAR ENDED 31 DECEMBER 2022**

	<u>Note</u>	<u>Group</u>			<u>Group</u>		
		<u>2HFY2022</u>	<u>2HFY2021</u>	<u>Change</u>	<u>FY2022</u>	<u>FY2021</u>	<u>Change</u>
		<u>Unaudited</u> <u>\$'000</u>	<u>Unaudited</u> <u>\$'000</u>	<u>%</u>	<u>Unaudited</u> <u>\$'000</u>	<u>Audited</u> <u>\$'000</u>	<u>%</u>
Revenue		4,133	3,200	29	7,726	6,381	21
Other income		129	56	130	311	172	81
Employee benefits expense		(887)	(1,026)	-14	(2,003)	(1,808)	11
Amortisation of right-of-use assets		(262)	(276)	-5	(526)	(374)	41
Depreciation of property, plant and equipment		(667)	(509)	31	(1,191)	(678)	76
Loss allowance on trade receivables		(18)	(79)	-1	(18)	(79)	-1
Other operating expenses		(2,696)	(2,042)	32	(5,047)	(3,668)	38
Finance costs	6	(357)	(263)	36	(658)	(405)	62
Loss before exceptional items	7	(625)	(939)	-33%	(1,406)	(459)	206%
Exceptional items:							
Acquisition-related cost		-	(832)	n/m	-	(1,022)	n/m
Loss on reverse acquisition		-	(3,262)	n/m	-	(3,262)	n/m
Loss before tax		(625)	(5,033)	-88%	(1,406)	(4,743)	-70%
Income tax (expense)/credit	8	(70)	58	n/m	(22)	32	n/m
Loss for the period/year, net of tax		(695)	(4,975)	-86%	(1,428)	(4,711)	-70%
Other comprehensive income		-	-	n/m	-	-	n/m
Loss attributable to the owners of the Company		(695)	(4,975)	-86%	(1,428)	(4,711)	-70%
Total comprehensive loss attributable to the owners of the Company		(695)	(4,975)	-86%	(1,428)	(4,711)	-70%
Loss per share attributable to equity holders of the Company:							
Basic and diluted (cents per share)	9	(0.62)	(4.77)	-87%	(1.27)	(5.13)	-75%

"2HFY2022" denotes the second half financial year ended 31 December 2022.

"2HFY2021" denotes the second half financial year ended 31 December 2021.

"n/m" denotes not meaningful

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>31.12.2022</u>	<u>31.12.2021</u>	<u>31.12.2022</u>	<u>31.12.2021</u>
		<u>Unaudited</u>	<u>Audited</u>	<u>Unaudited</u>	<u>Audited</u>
		<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<u>ASSETS</u>					
Non-current assets					
Property, plant and equipment	11	13,112	13,331	-	-
Right-of-use assets	12	5,914	6,355	-	-
Investment in subsidiaries		-	-	8,409	25,761
Amount due from a subsidiary	13	-	-	3,931	-
Total non-current assets		19,026	19,686	12,340	25,761
Current assets					
Trade and other receivables	13	1,890	1,290	-	733
Prepayments		124	125	18	23
Cash and bank balances	14	1,854	5,298	670	3,148
Total current assets		3,868	6,713	688	3,904
Total assets		22,894	26,399	13,028	29,665
<u>LIABILITIES AND EQUITY</u>					
Non-current liabilities					
Loans and borrowings	15	7,095	8,228	-	-
Lease liabilities	16	5,667	6,025	-	-
Non-trade payables to shareholders	17	2,607	2,798	2,607	2,798
Deferred tax liabilities		332	302	-	-
Total non-current liabilities		15,701	17,353	2,607	2,798
Current liabilities					
Trade and other payables	18	1,152	1,077	639	2,954
Loans and borrowings	15	1,379	2,156	-	-
Lease liabilities	16	490	481	-	-
Income tax payable		-	42	-	-
Total current liabilities		3,021	3,756	639	2,954
Equity					
Share capital	19	10,344	10,344	44,464	44,464
Accumulated losses		(3,724)	(2,296)	(38,298)	(20,561)
Share-based payment reserve		-	-	10	10
Reverse acquisition reserve	20	(2,448)	(2,758)	-	-
Capital reserve		-	-	3,606	-
Total equity		4,172	5,290	9,782	23,913
Total liabilities and equity		22,894	26,399	13,028	29,665

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS AND FULL YEAR ENDED 31 DECEMBER 2022**

	Group		Group	
	2HFY2022 Unaudited \$'000	2HFY2021 Unaudited \$'000	FY2022 Unaudited \$'000	FY2021 Audited \$'000
Operating activities				
Loss before tax	(625)	(5,033)	(1,406)	(4,743)
Adjustments for:				
Amortisation on right-of-use assets	262	276	526	374
Depreciation of property, plant and equipment	667	509	1,191	678
Allowance for impairment of right-of-use assets	-	94	-	94
Write off of property, plant and equipment	-	21	-	21
Allowance for impairment of trade receivables	18	79	18	79
Acquisition-related cost	-	832	-	1,022
Loss on reverse acquisition	-	3,262	-	3,262
Interest expense	357	263	658	405
Operating cash flows before movements in working capital	679	303	987	1,192
Trade and other receivables	23	613	(646)	702
Prepayments	28	-	(23)	(125)
Trade and other payables	28	(1,390)	64	(1,023)
Cash generated from /(used in) operations	758	(474)	382	746
Income tax refunded/(paid)	4	(47)	(34)	(138)
Net cash generated from /(used in) operating activities	762	(521)	348	608
Investing activities				
Purchase of property, plant and equipment	(284)	(301)	(932)	(878)
Advance payments for acquisition of property, plant and equipment	(36)	(78)	(53)	(78)
Additions to right-of-use assets	-	(41)	-	(108)
Proceeds from disposal of non-current assets classified as held for sale	-	6,500	-	6,500
Cash and cash equivalents acquired on completion of reverse acquisition	-	59	-	59
Net cash (used in) /generated from investing activities	(320)	6,139	(985)	5,495
Financing activities				
Proceeds from bank loan	-	1,202	-	1,203
Proceeds from lease financing	-	-	187	-
Repayment of bank borrowings	(941)	(1,690)	(1,910)	(2,192)
Repayment of lease obligations	(284)	(235)	(537)	(443)
Interest paid	(284)	(255)	(547)	(532)
Acquisition-related cost paid	-	(131)	-	(322)
Net cash used in financing activities	(1,509)	(1,109)	(2,807)	(2,286)
Net (decrease)/increase in cash and cash equivalents	(1,067)	4,509	(3,444)	3,817
Cash and cash equivalents at beginning of period/year	2,525	393	4,902	1,085
Cash and cash equivalents at end of period/year (note 14)	1,458	4,902	1,458	4,902

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	Group			
	Share capital	Reverse acquisition reserve	Retained earnings / (accumulated losses)	Total
	\$'000	\$'000	\$'000	\$'000
<u>FY2021 (audited)</u>				
Balance at 01.01.2021	1,500	-	2,415	3,915
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	(4,711)	(4,711)
Issuance of new shares pursuant to reverse acquisition	8,844	-	-	8,844
Deferred cash consideration pursuant to reverse acquisition	-	(2,758)	-	(2,758)
Balance at 31.12.2021	10,344	(2,758)	(2,296)	5,290
<u>FY2022 (unaudited)</u>				
Balance at 01.01.2022	10,344	(2,758)	(2,296)	5,290
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	(1,428)	(1,428)
Fair value adjustment of the deferred cash consideration pursuant to reverse acquisition	-	310	-	310
Balance at 31.12.2022	10,344	(2,448)	(3,724)	4,172

	Company				
	Share capital	Capital reserve	Share-based payment reserve	Accumulated losses	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>FY2021 (audited)</u>					
Balance at 01.04.2021	24,764	-	10	(19,310)	5,464
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	(1,251)	(1,251)
Issuance of new shares pursuant to reverse acquisition	19,700	-	-	-	19,700
Balance at 31.12.2021	44,464	-	10	(20,561)	23,913
<u>FY2022 (unaudited)</u>					
Balance at 01.01.2022	44,464	-	10	(20,561)	23,913
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	(17,737)	(17,737)
Gain from waiver of debts due to a subsidiary company	-	3,606	-	-	3,606
Balance at 31.12.2022	44,464	3,606	10	(38,298)	9,782

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. These condensed interim consolidated financial statements as at, and for the 6 months and full year ended, 31 December 2022 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activity of the Company is that of the provision of management and office administration services on a fee, and investment holding. Through its subsidiaries, the Group is engaged in the provision of waste collection and waste management services.

2 Basis of Preparation

The condensed interim financial statements for the 6 months and full year ended 31 December 2022 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 since the last audited annual financial statements for the year ended 31 December 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 financial statements are presented in Singapore dollar (“\$”) which is the Company’s functional currency and all values presented are rounded to the nearest thousand (“\$’000”) except where otherwise indicated.

2.1 New and amended standards adopted by the Group

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.

2.2 New standards, amendments and interpretations 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 Singapore 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.

2.3 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 Group’s financial statements as at and for the financial year ended 31 December 2021, except in the area of determining the date of commencing depreciation of certain property, plant and equipment during the financial year ended 31 December 2022.

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.

3 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.

4 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 and sales of recycling materials. Accordingly, no segmental information is prepared based on business or geographical segment as it is not meaningful.

5 Financial assets and financial liabilities

	Group		Company	
	31.12.2022 Unaudited \$'000	31.12.2021 Audited \$'000	31.12.2022 Unaudited \$'000	31.12.2021 Audited \$'000
Financial assets				
Financial assets at amortised cost				
- Trade and other receivables ^	1,852	1,249	-	733
- Cash and bank balances	1,854	5,298	670	3,148
	<u>3,706</u>	<u>6,547</u>	<u>670</u>	<u>3,881</u>
Financial liabilities				
Financial liabilities at amortised cost				
- Trade and other payables	1,152	1,077	639	2,954
- Lease liabilities	6,157	6,506	-	-
- Loans and borrowings	8,474	10,384	-	-
- Non-trade payables to shareholders	2,607	2,798	2,607	2,798
	<u>18,390</u>	<u>20,765</u>	<u>3,246</u>	<u>5,752</u>

^ Excluding net GST receivable.

6 Finance costs

	Group		Group	
	2HFY2022 Unaudited \$'000	2HFY2021 Unaudited \$'000	FY2022 Unaudited \$'000	FY2021 Audited \$'000
Interest expenses				
- Lease liabilities	117	122	239	163
- Term loans	178	100	301	202
- Non-trade payables to shareholders	62	41	119	40
	<u>357</u>	<u>263</u>	<u>658</u>	<u>405</u>

7 Loss before exceptional items
7.1 Significant items

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

	Group		Group	
	2HFY2022 Unaudited \$'000	2HFY2021 Unaudited \$'000	FY2022 Unaudited \$'000	FY2021 Audited \$'000
Income:				
Government grant	12	55	194	144
Expenses:				
Crane and wharfage expenses	(312)	(279)	(611)	(550)
Diesel expenses	(256)	(155)	(489)	(273)
Waste disposal fees	(793)	(698)	(1,673)	(1,346)
Subcontractor and other labour costs	(540)	(260)	(919)	(494)

7.2 Related party transactions

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

8 Income tax (expense)/credit

The Group calculates the income tax (expense)/credit using the tax rate that would be applicable to the expected total earnings for the year. The major components of income tax (expense)/credit in the condensed interim consolidated statement of profit or loss and other comprehensive income are:

	Group		Group	
	2HFY2022 Unaudited \$'000	2HFY2021 Unaudited \$'000	FY2022 Unaudited \$'000	FY2021 Audited \$'000
Current income tax credit/(expense)				
- Current year	-	39	-	(7)
- Overprovision for prior year	8	(32)	8	48
Deferred income tax credit/(expense) relating to origination/reversal of temporary differences	(78)	51	(30)	(9)
	(70)	58	(22)	32

9 Loss per share

Basic and diluted loss per share are calculated by dividing the net loss for the period/year attributable to owners of the Company by the weighted average number of ordinary shares in issue of 112,813,870 (FY2021: 91,784,367) during the financial period/year.

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

10 Net asset value

	Group		Company	
	31.12.2022 \$ cents	31.12.2021 \$ cents	31.12.2022 \$ cents	31.12.2021 \$ cents
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on	3.70	4.69	8.67	21.20

11 Property, plant and equipment

During FY2022, the Group acquired assets amounting to \$1.06 million (FY2021: \$2.51 million), and disposed of assets amounting to \$Nil (FY2021: \$Nil). The assets acquired during the period primarily relate to the purchase of motor vehicle and plant and machinery. None of the assets acquired during the FY2022 were financed by bank loans (FY2021: \$1.32 million).

As at 31 December 2022, capital expenditure of approximately \$0.16 million (31 December 2021: \$0.39 million) had been contracted but not provided for.

12 Right-of-use assets

	Group			
	Leasehold lands \$'000	Motor vehicles \$'000	Plant and machinery \$'000	Total \$'000
<u>FY2021 (audited)</u>				
Balance at 01.01.2021	5,628	579	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	5,261	1,012	82	6,355
<u>FY2022 (unaudited)</u>				
Balance at 01.01.2022	5,261	1,012	82	6,355
Reclassifications (to)/from property, plant and equipment	-	(142)	227	85
Amortisation charges, as charged to profit or loss	(367)	(116)	(43)	(526)
Balance at 31.12.2022	4,894	754	266	5,914

13 Trade and other receivables

	Group		Company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	Unaudited	Audited	Unaudited	Audited
	\$'000	\$'000	\$'000	\$'000
<u>Non-current</u>				
Amount due from a subsidiary	-	-	3,931	-
<u>Current</u>				
Trade receivables				
- Third parties	1,704	1,249	-	-
- Less: Loss allowance for trade receivables	(136)	(118)	-	-
	1,568	1,131	-	-
Non-trade receivables				
- Amount due from a subsidiary	-	-	-	433
- Less: Loss allowance for non-trade receivables	-	-	-	-
	-	-	-	433
Loan to subsidiaries	-	-	-	300
Deposits	284	118	-	-
GST receivables	38	41	-	-
	1,890	1,290	-	733

Trade receivables from third parties are unsecured, non-interest bearing and generally on a 30 to 90 (FY2021: 30 to 90) days credit terms.

The loan to a subsidiary is unsecured, bears interest at a rate of 2.25% (FY2021: 2.25%) per annum and repayable on demand.

The carrying amount of the non-current amount due from a subsidiary approximates their fair value.

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

14 Cash and bank balances

	Group		Company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	Unaudited	Audited	Unaudited	Audited
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	1,854	5,298	670	3,148
Less: Restricted cash	(396)	(396)	-	-
Cash and cash equivalents	1,458	4,902	670	3,148

Restricted cash as at 31 December 2022 comprises \$0.40 million held by a bank for the banking facilities granted.

Cash and bank balances are denominated in Singapore dollar.

15 Loans and borrowings

	Group		Company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	Unaudited	Audited	Unaudited	Audited
	\$'000	\$'000	\$'000	\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	1,379	2,156	-	-
Unsecured	-	-	-	-
<u>Amount repayable after one year</u>				
Secured	7,095	8,228	-	-
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.

16 Lease liabilities

	Group		Company	
	31.12.2022 Unaudited \$'000	31.12.2021 Audited \$'000	31.12.2022 Unaudited \$'000	31.12.2021 Audited \$'000
<u>Non-current portion</u>				
Leasehold lands	5,277	5,530	-	-
Motor vehicles	265	438	-	-
Plant and machinery	125	57	-	-
	5,667	6,025	-	-
<u>Current portion</u>				
Leasehold lands	254	233	-	-
Motor vehicles	174	189	-	-
Plant and machinery	62	59	-	-
	490	481	-	-

The Group leases leasehold lands in Singapore. As at 31 December 2022, the average incremental borrowing rate applied was 3.60% (31 December 2021: 3.60%).

The Group also leases certain motor vehicles and plant and machinery with lease term ranging from 4 to 5 years (31 December 2021: 4 to 5 years). The average interest rates implicit in the lease range from 3.26% to 6.92% per annum (31 December 2021: 3.41% to 6.92% per annum).

The Group's lease liabilities of \$626,000 (31 December 2021: \$743,000) 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.

17 Non-trade payables to shareholders

The Group's non-trade payables to shareholders relates to discounted value of the deferred consideration of \$3,000,000 due to shareholders pursuant to the reverse acquisition ("**Reverse Acquisition**") completed in August 2021. The amount is unsecured, non-interest bearing and repayable within 48 months from the date of completion of the Reverse Acquisition. The carrying amount of the non-trade payables to shareholders approximate their fair value.

18 Trade and other payables

	Group		Company	
	31.12.2022 Unaudited \$'000	31.12.2021 Audited \$'000	31.12.2022 Unaudited \$'000	31.12.2021 Audited \$'000
Trade payables				
- third parties	213	178	-	-
Non-trade payables				
- third parties	403	598	40	34
- subsidiary	-	-	518	223
- loan from subsidiary	-	-	-	2,562
Accrued expenses	536	301	81	135
	1,152	1,077	639	2,954

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

Trade and other payables are denominated in Singapore dollar.

19 Share capital

<u>Group</u>	FY2022	FY2021	FY2022	FY2021
	Unaudited Number of shares ('000)	Audited	Unaudited \$'000	Audited \$'000
<i>Ordinary shares</i>				
At beginning of financial year	112,814	1,229,226	10,344	1,500
Effect of share consolidation	-	(1,198,495)	-	-
Balance after share consolidation	112,814	30,731	10,344	1,500
Issuance of shares pursuant to Reverse Acquisition	-	82,083	-	8,844
At end of financial year	112,814	112,814	10,344	10,344
<u>Company</u>	FY2022	FY2021	FY2022	FY2021
	Unaudited Number of shares ('000)	Audited	Unaudited \$'000	Audited \$'000
<i>Ordinary shares</i>				
At beginning of financial year	112,814	1,229,226	44,464	24,764
Effect of share consolidation	-	(1,198,495)	-	-
Balance after share consolidation	112,814	30,731	44,464	24,764
Issuance of shares pursuant to Reverse Acquisition	-	82,083	-	19,700
At end of financial year	112,814	112,814	44,464	44,464

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 2022 and 31 December 2021.

The Company has no outstanding options and convertible securities as at 31 December 2022 and 31 December 2021.

20 Reverse acquisition reserve

Reverse acquisition reserve is the cash consideration payable for the acquisition of Shanaya Environmental Services Pte. Ltd. ("SES") which was accounted for as cash distribution from consolidated group to SES's shareholders. In view that the consolidated financial statement are a continuation of SES's financial statement in conjunction with the Reverse Acquisition, the cash consideration cannot form part of the consideration transferred by acquirer as the Company is the accounting acquiree.

21 Capital commitments

At each reporting date, commitments in respect of capital expenditure are as follows:

	Group	
	31.12.2022 Unaudited \$'000	31.12.2021 Audited \$'000
Capital expenditure contracted but not provided for		
- Property, plant and equipment	160	388

22 Subsequent events (after 31 December 2022)

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

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 2022 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 financial year then ended and certain explanatory notes have not been audited or reviewed.

The Group's latest financial statements for the year ended 31 December 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

FY2022 vs FY2021

The Group's revenue increased by \$1.35 million, or 21%, from \$6.38 million to \$7.73 million for FY2022. The increase was primarily driven by one-time project-based services rendered for the disposal of near-expired grocery items and damaged ship cargo, as well as increase in sale of scrap metal during FY2022.

Other income increased by \$0.14 million, or 81%, from \$0.17 million to \$0.31 million for FY2022, largely due to insurance claim in respect of damaged equipment and increased grant from Government.

Employee benefits expense increased by \$0.20 million, or 11%, from \$1.81 million to \$2.00 million for FY2022. The increase was mainly due to the increase in salaries following the Reverse Acquisition in August 2021 offset by decrease in foreign worker levy and provision for unutilised leave.

Amortisation of right-of-use ("RoU") assets increased by \$0.15 million, or 41%, from \$0.37 million to \$0.53 million for FY2022. The increase was mainly due to capitalisation of the amortisation in respect of the Group's land lease at 3A Tuas South Street 15 prior to 1 June 2021.

Depreciation of property, plant and equipment ("PPE") increased by \$0.51 million, or 76%, from \$0.68 million to \$1.19 million for FY2022. The increase was mainly due to i) depreciation of the Group's Tuas facility ("Tuas Facility") w.e.f. 1 June 2021; and ii) depreciation of the major portion of the Group's integrated recycling plant w.e.f. 1 May 2022.

Other operating expenses increased by \$1.38 million, or 38%, from \$3.67 million to \$5.05 million for FY2022. The increase was primarily attributable to the following:

- i) Increase in direct operating costs of \$1.03 million, or 39%, which was disproportionately higher as compared to the revenue increase, largely due to increase in purchase of scrap metal for recycling and substantial subcontracted services engaged for project-based waste disposals.
- ii) Increase in vehicle overhead of \$0.23 million, or 55%, largely due to higher diesel cost driven by higher diesel price.
- iii) Increase in general and administrative expenses of \$0.13 million, or 24%, was attributable largely to the higher compliance-related expenses following the completion of the Reverse Acquisition in August 2021, which mainly comprised of professionals' fees and directors' fees.

Finance costs increased by \$0.25 million, or 62%, from \$0.41 million to \$0.66 million for FY2022. The increase was mainly due to i) capitalisation of interest on bank loan taken to construct the Tuas Facility prior to 1 June 2021; ii) increase in bank loan interest; and iii) interest on amount due to shareholders which arose after the completion of the Reverse Acquisition.

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As a result of the above, the Group reported net loss of \$1.43 million for FY2022, a decrease of \$3.28 million, or 70% from the loss of FY2021. Excluding the effect of the exceptional items relating to reverse acquisition as incurred in FY2021, the Group's loss for FY2022 would have increased by \$1.00 million, or 234%, from the loss of FY2021.

2HFY2022 vs 2HFY2021

Group revenue increased by \$0.93 million, or 29%, from \$3.20 million to \$4.13 million for 2HFY2022. The improvement was primarily driven by a one-time project-based disposal of damaged ship cargo and increased sale of scrap metal in 2HFY2022.

Net loss (before exception items) of \$0.63 million was incurred for 2HFY2022, a decrease of \$0.31 million, or 33%, as compared to net loss of \$0.94 million incurred for 2HFY2021 before exceptional items. The improvement was largely attributable to the increased revenue at improved margin as well as the decrease in employment benefits expense as a result of headcount reduction and writeback of excess provision for unutilised leave and bonus.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Non-current assets

Non-current assets decreased by \$0.66 million from \$19.69 million as at 31 December 2021 to \$19.03 million as at 31 December 2022, mainly due to the following:

- i) depreciation of PPE of \$1.19 million; and
- ii) amortisation of RoU assets of \$0.53 million;

partially offset by purchase of additional plant and machinery of \$1.04 million.

Current assets

Current assets decreased by \$2.84 million from \$6.71 million as at 31 December 2021 to \$3.87 million as at 31 December 2022, mainly due to a decrease in cash and bank balances of \$3.44 million (further explained in the review of the statement of cash flows below), offset by an increase in trade and other receivables of \$0.60 million. The increase in trade and other receivables was largely due to substantial increase in revenue towards the end of FY2022.

Current liabilities

Current liabilities decreased by \$0.74 million from \$3.76 million as at 31 December 2021 to \$3.02 million as of 31 December 2022, mainly due to the reclassification of certain loan portions from current to non-current following the completion of certain loan restructuring towards end of FY2022.

Non-current Liabilities

Non-current liabilities decreased by \$1.58 million from \$17.35 million as at 31 December 2021 to \$15.78 million as at 31 December 2022. The decrease was mainly due to the repayment of term loans and lease liabilities during FY2022, the effect of further deferment of the settlement date in respect of loans due to shareholders, offset by reclassification of certain loan portions from current to non-current.

Equity

Total equity, after accounting for the loss for FY2022, was \$4.10 million as at 31 December 2022 which compares against \$5.29 million as at 31 December 2021.

REVIEW OF STATEMENT OF CASH FLOWS

Operating activities

In FY2022, net cash generated from operating activities was \$0.35 million. This was largely due to operating cash inflows before working capital movement of \$0.99 million which was partially offset by negative net working capital movement of \$0.61 million and income tax payment of \$0.04 million. The negative net working capital movement of \$0.61 million resulted from an increase in trade and other receivables of \$0.65 million and increase in prepayments of \$0.02 million, partially offset by a decrease in trade and other payables of \$0.06 million. The increase in trade and other receivables was largely attributable to temporary build up of receivables arising from substantial increase in revenue in December 2022.

Investing activities

In FY2022, net cash used in investing activities was \$0.99 million due to i) purchase of new plant and equipment of \$0.93 million; ii) advance payments made for acquisition of plant and equipment of \$0.05 million.

Financing activities

In FY2022, net cash used in financing activities was \$2.81 million due to i) repayment of bank borrowings of \$1.91 million; ii) repayment of obligations under lease liabilities of \$0.54 million; and iii) interest payments of \$0.55 million; partially offset by fresh proceeds of lease financing of \$0.19 million.

As a result of the above, cash and cash equivalents decreased by \$3.44 million to S\$1.46 million as at 31 December 2022 from \$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

Notwithstanding the Covid-19 pandemic progressively fading away, 2022 was fraught with new challenges on several fronts, notably the renewed geopolitical rivalry between major world powers triggered by the Russia-Ukraine war, as well as macro-economic concerns surrounding the global price inflation and interest rate hike. A confluence of negative factors ranging from logistics disruptions to production delays had placed the global supply chain disruption under tremendous strain. For many industries, the post-pandemic recovery has in fact been complicated by severe labour market shortages. Singapore was not spared from these adverse trends. The Group - with Singapore as its sole market, had navigated 2022 with resilience in handling the obstacles encountered.

The following are key indicators guiding the Group's near-term business operations:

i) Cruise ship waste handling:

Resorts World Cruises' Genting Dream had started sailing to Indonesia and Malaysia since July 2022, and to Thailand from October 2022 onwards. The Singapore cruise industry appears to display signs of business recovery in 2022, particularly from 4th quarter of 2022 onwards. Riding on such trend, the Group experienced gradual recovery of its waste collection volume from the cruise sector towards end of 2022. How the recovery of Singapore cruise industry gains traction hereon would be crucial in shaping the Group's recovery trajectory of its cruise waste handling business in 2023.

ii) Biomedical waste handling:

The Group had taken delivery and installed the biomedical waste incineration plant at its Kian Teck Drive premises. It is presently working on fulfilling certain requirements imposed by NEA.

iii) Oil sludge and oily water treatment and handling:

The Group observed the trend where ships berthing at Singapore ports tend to discharge their oil waste at ports other than those in Singapore for cost reason. With the oil waste discharge fees being generally less competitive in the Singapore market relative to those in other countries, the Group may continue to experience muted demand for its oil waste collection and treatment services. It will explore other alternative industry channels to possibly source for such demand.

iv) Wood pelletising:

The Group targets to have its wood pelletising system installed and utilised for the conversion of wood waste into wood pellets for sales in first half of 2023.

On the overhead front, the Group continues to grapple with inflationary pressure experienced across its business cost structure, in particular the cost of diesel consumption, as well as the increasing interest expenses led by elevated borrowing rates. The Group is also in the meantime actively managing its operation's limitation arising from manpower shortage.

Given the foregoing, the Group will exercise greater prudence in managing its business operations and cash flows.

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 given the losses incurred by 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. was struck off from the Register of Companies on 6 June 2022. On 12 November 2022, the Company's wholly-owned subsidiary, Shanaya Environmental Services Pte. Ltd. had incorporated a wholly-owned subsidiary company, Shanaya Engineering Pte. Ltd. for engaging in the business of wrecking and demolition works and electrical works. 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 2022.

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 and sales of recycling materials. 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 half-yearly revenue and profit contribution as follows:

	Group		
	FY2022	FY2021	Change
	\$'000	\$'000	%
Revenue reported for first half year	3,593	3,181	13%
(Loss)/profit after tax before non-controlling interest for first half year	(733)	264	n/m
Revenue reported for second half year	4,133	3,200	29%
(Loss)/profit after tax before non-controlling interest for second half year	(695)	(4,975)	-86%

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:—

	FY2022	FY2021
	\$'000	\$'000
(a) Ordinary	-	-
(b) Preference	-	-
(c) Total	-	-

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- 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	55	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
Singapore
28 February 2023

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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