SHANAYA LIMITED

(Co. Reg. No. 199804583E)
(Incorporated in the Republic of Singapore)

ENTERING INTO A SALE & PURCHASE CONTRACT ON DISPOSAL OF A SHIPWRECK

The Board of Directors (the "**Board**") of Shanaya Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce that its wholly-owned subsidiary, Shanaya Environmental Services Pte Ltd ("**SES**"), had on 21 November 2022, along with Crystal Offshore Pte Ltd ("**Crystal**") (collectively, the "**Buyer**"), entered into a sale & purchase contract ("**Contract**") to jointly acquire from Shanghai Salvage Company ("**SSC**") the recovered wreck of X-press Pearl which sank off the Sri Lanka coast on 2 June 2021 ("**Scrap**"). The Scrap comprises the vessel, or sections thereof, and all steel scrap, cargo, containers and debris as recovered and laid on board of SSC's semi-submersible vessel and deck barge ("**Barge**"). At the material time of the occurrence of the fire accident which culminated in the sinking of X-press Pearl then, the lightweight of the hull was 12,625MT plus 788 cargo-laden containers approximately on board.

Pursuant to the Contract, the Buyer undertakes to purchase and take delivery of the Scrap at the consideration of US$1,400,000 ("**Price**") and shall engage a contractor to take delivery of the Scrap from SSC's Barge at a designated facility in Batam, Indonesia. The Price is payable by the Buyer on milestone basis as defined segments of Scrap are progressively taken over from SSC, where it is expected that a portion of the Scrap which has commercial value can be sold in the open market for recycling.

The performance of the Contract is subject to, amongst others, the following terms:

a) SSC obtaining the requisite permission from the Sri Lankan authorities for the export of the Scrap from Sri Lanka;
b) the Buyer procuring a performance guarantee of US$1,400,000 from a financial institution in favour of SSC ("**PG**") within 15 working days from the signing the Contract;
c) SES paying US$140,000 to SSC as deposit upon signing the Contract; and
d) the Company issuing a letter of undertaking to SSC that SES shall perform its best to deliver its obligations under the Contract.

In conjunction with the Contract, SES had also signed a deed dated 23 November 2022 ("**Deed**") with Crystal where Crystal has undertaken to perform all rights and obligations of the Buyer under the Contract at a fee of US$600,000 payable to SES upon completion of the taking over of the Scrap. Under the Deed, Crystal also undertakes the Buyer's obligation (pursuant to the Contract) of providing the PG to SSC. Crystal will then refund the initial deposit of US$140,000 to SES upon completion of the project.

The Contract and the Deed are not expected to have a material impact on the Group's profitability, earnings per share and net tangible asset value per share for the financial year ending 31 December 2022. However, it is expected to have a positive material impact on the Group's profitability, earnings per share and net tangible asset value per share for the financial year ending 31 December 2023 when the recovery of the Scrap is completed.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in The Contract, save for their respective shareholdings in the Company.

CAUTION IN TRADING

The Company will continue to make the necessary announcements, in compliance with the requirements of the Catalist Rules, as and when there are material developments on the Contract. Shareholders are advised to read this announcement and any further announcements by the Company carefully and should exercise caution when trading in the shares of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

By Order of the Board

Mohamed Gani Mohamed Ansari
Executive Director & Chief Executive Officer

23 November 2022

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*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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