



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

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE 6 MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 6 MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023**

	Note	Group			Group		
		2HFY2023	2HFY2022	Change	FY2023	FY2022	Change
		Unaudited \$'000	Unaudited \$'000		Unaudited \$'000	Audited \$'000	
				%			%
Revenue		3,914	4,133	-5	7,988	7,726	3
Other income		1,579	128	1,134	1,752	310	465
Employee benefits expense		(1,121)	(887)	26	(2,150)	(2,003)	7
Amortisation of right-of-use assets		(304)	(262)	16	(567)	(526)	8
Depreciation of property, plant and equipment		(647)	(667)	-3	(1,313)	(1,191)	10
Other operating expenses		(3,772)	(2,713)	39	(6,198)	(5,064)	22
Finance costs	6	(397)	(357)	11	(782)	(658)	19
Loss before tax	7	(748)	(625)	20	(1,270)	(1,406)	-10
Income tax credit/(expenses)	8	128	(70)	n/m	183	(22)	n/m
Loss for the period/year, net of tax		(620)	(695)	-11	(1,087)	(1,428)	-24
Other comprehensive income		-	-	n/m	-	-	n/m
Loss attributable to the owners of the Company		(620)	(695)	-11	(1,087)	(1,428)	-24
Total comprehensive loss attributable to the owners of the Company		(620)	(695)	-11	(1,087)	(1,428)	-24
Loss per share attributable to equity holders of the Company:							
Basic and diluted (cents per share)	9	(0.55)	(0.62)	-11	(0.96)	(1.27)	-24

“2HFY2023” denotes the second half financial year ended 31 December 2023.

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

“n/m” denotes not meaningful

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Note	Group		Company	
		31.12.2023 Unaudited \$'000	31.12.2022 Audited \$'000	31.12.2023 Unaudited \$'000	31.12.2022 Audited \$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	11,567	13,112	-	-
Right-of-use assets	12	6,048	5,914	-	-
Investment in subsidiaries		-	-	5,869	8,409
Amount due from a subsidiary	13	-	-	4,757	3,931
Total non-current assets		17,615	19,026	10,626	12,340
Current assets					
Trade and other receivables	13	2,173	1,889	88	-
Prepayments		116	124	52	18
Cash and bank balances	14	1,351	1,854	515	670
Total current assets		3,640	3,867	655	688
Total assets		21,255	22,893	11,281	13,028
LIABILITIES AND EQUITY					
Non-current liabilities					
Loans and borrowings	15	5,832	7,094	-	-
Lease liabilities	16	5,692	5,667	-	-
Non-trade payables	17	2,846	2,607	2,748	2,607
Deferred tax liabilities		146	331	-	-
Total non-current liabilities		14,516	15,699	2,748	2,607
Current liabilities					
Trade and other payables	18	1,124	1,153	1,384	639
Loans and borrowings	15	1,981	1,380	-	-
Lease liabilities	16	549	489	-	-
Income tax payable		-	-	-	-
Total current liabilities		3,654	3,022	1,384	639
Equity					
Share capital	19	10,344	10,344	44,464	44,464
Accumulated losses		(4,811)	(3,724)	(40,931)	(38,298)
Share-based payment reserve		-	-	10	10
Reverse acquisition reserve	20	(2,448)	(2,448)	-	-
Capital reserve	22	-	-	3,606	3,606
Total equity		3,085	4,172	7,149	9,782
Total liabilities and equity		21,255	22,893	11,281	13,028

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FULL YEAR ENDED 31 DECEMBER 2023**

	Group	
	FY2023 Unaudited \$'000	FY2022 Audited \$'000
Operating activities		
Loss before tax	(1,270)	(1,406)
Adjustments for:		
Amortisation on right-of-use assets	567	526
Depreciation of property, plant and equipment	1,313	1,191
Allowance for impairment of trade receivables	-	18
Interest expense	782	658
Operating cash flows before movements in working capital	1,392	987
Trade and other receivables	(283)	(647)
Prepayments	(47)	(23)
Trade and other payables	86	58
Cash generated from operations	1,148	375
Income tax paid, net	(3)	(34)
Net cash generated from operating activities	1,145	341
Investing activities		
Purchase of property, plant and equipment	(149)	(933)
Advance payments for acquisition of property, plant and equipment	-	(53)
Additions to right-of-use assets	(55)	-
Net cash used in investing activities	(204)	(986)
Financing activities		
Proceeds from bank loan	600	-
Proceeds from lease financing	377	188
Repayment of bank borrowings	(1,260)	(1,910)
Repayment of lease obligations	(537)	(538)
Interest paid	(624)	(539)
Net cash used in financing activities	(1,444)	(2,799)
Net decrease in cash and cash equivalents	(503)	(3,444)
Cash and cash equivalents at beginning of year	1,458	4,902
Cash and cash equivalents at end of year (note 14)	955	1,458

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE FULL YEAR ENDED 31 DECEMBER 2023**

	Group			
	Share capital	Reverse acquisition reserve	Retained earnings / (accumulated losses)	Total
	\$'000	\$'000	\$'000	\$'000
<u>FY2023 (unaudited)</u>				
Balance at 01.01.2023	10,344	(2,448)	(3,724)	4,172
Loss for the year, representing total comprehensive loss for the year	-	-	(1,087)	(1,087)
Balance at 31.12.2023	10,344	(2,448)	(4,811)	3,085
<u>FY2022 (audited)</u>				
Balance at 01.01.2022	10,344	(2,758)	(2,296)	5,290
Loss for the year, representing total comprehensive loss for the 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>FY2023 (unaudited)</u>					
Balance at 01.01.2023	44,464	3,606	10	(38,298)	9,782
Loss for the year, representing total comprehensive loss for the year	-	-	-	(2,633)	(2,633)
Balance at 31.12.2023	44,464	3,606	10	(40,931)	7,149
<u>FY2022 (audited)</u>					
Balance at 01.01.2022	44,464	-	10	(20,561)	23,913
Loss for the year, representing total comprehensive loss for the 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 (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-month period and full year ended, 31 December 2023 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-month period and full year ended 31 December 2023 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 2022.

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 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 exceptional events such as a severe pandemic, 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 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	
	31.12.2023 Unaudited \$'000	31.12.2022 Audited \$'000	31.12.2023 Unaudited \$'000	31.12.2022 Audited \$'000
Financial assets				
Financial assets at amortised cost				
- Trade and other receivables ^	2,017	1,852	4,845	3,931
- Cash and bank balances	1,351	1,854	515	670
	<u>3,368</u>	<u>3,706</u>	<u>5,360</u>	<u>4,601</u>
Financial liabilities				
Financial liabilities at amortised cost				
- Trade and other payables	1,124	1,153	1,384	639
- Lease liabilities	6,241	6,156	-	-
- Loans and borrowings	7,813	8,474	-	-
- Non-trade payables (non-current liabilities)	2,846	2,607	2,748	2,607
	<u>18,024</u>	<u>18,390</u>	<u>4,132</u>	<u>3,246</u>

^ Excluding net GST receivable.

6 Finance costs

	Group	
	FY2023 Unaudited \$'000	FY2022 Audited \$'000
Interest expenses		
- Lease liabilities	230	238
- Term loans	411	301
- Non-trade payables to shareholders	141	119
	<u>782</u>	<u>658</u>

7 Loss before tax

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	
	FY2023 Unaudited \$'000	FY2022 Audited \$'000
Income:		
Government grant	203	195
Expenses:		
Crane and wharfage expenses	(564)	(611)
Diesel expenses	(510)	(489)
Purchase of recyclables	(680)	(454)
Waste disposal fees	(1,441)	(1,673)
Subcontractor and other labour costs	(636)	(919)

7.2 Related party transactions

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

8 Income tax credit/(expenses)

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

	Group	
	FY2023 Unaudited \$'000	FY2022 Audited \$'000
Current income tax credit		
- Current year	-	-
- (Under)/Over-provision for prior year	(3)	8
Deferred income tax credit relating to origination/reversal of temporary differences	186	(30)
	183	(22)

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 (FY2022: 112,813,870) during the 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	
	31.12.2023 cents	31.12.2022 cents	31.12.2023 cents	31.12.2022 cents
Net asset value per ordinary share based on existing issued share capital as at the end of the financial year reported on	2.73	3.70	6.34	8.67

11 Property, plant and equipment

During FY2023, the Group acquired assets amounting to \$0.15 million (FY2022: \$1.06 million), and disposed of assets amounting to \$Nil (FY2022: \$Nil). None of the assets acquired during FY2023 were financed by bank loans (FY2022: \$Nil).

12 Right-of-use assets

	Group			
	Leasehold lands \$'000	Motor vehicles \$'000	Plant and machinery \$'000	Total \$'000
<u>FY2023 (unaudited)</u>				
Balance at 01.01.2023	4,893	753	268	5,914
Reclassifications from property, plant and equipment	-	274	108	382
Additions	-	353	-	353
Amortisation charges	(368)	(140)	(59)	(567)
Adjustment	-	(34)	-	(34)
Balance at 31.12.2023	4,525	1,206	317	6,048
<u>FY2022 (audited)</u>				
Balance at 01.01.2022	5,261	1,011	83	6,355
Reclassifications (to)/from property, plant and equipment	-	(142)	227	85
Amortisation charges	(368)	(116)	(42)	(526)
Balance at 31.12.2022	4,893	753	268	5,914

13 Trade and other receivables

	Group		Company	
	31.12.2023 Unaudited \$'000	31.12.2022 Audited \$'000	31.12.2023 Unaudited \$'000	31.12.2022 Audited \$'000
<u>Non-current</u>				
Amount due from a subsidiary	-	-	4,757	3,931
<u>Current</u>				
Trade receivables				
- Third parties	1,888	1,704	-	-
- Less: Loss allowance for trade receivables	(136)	(136)	-	-
	1,752	1,568	-	-
Non-trade receivables				
- Amount due from a subsidiary	-	-	88	-
- Less: Loss allowance for non-trade receivables	-	-	-	-
	-	-	88	-
Deposits	265	284	-	-
GST receivables	156	37	-	-
	2,173	1,889	88	-

Trade receivables from third parties are unsecured, non-interest bearing and generally on a 30 to 90 (FY2022: 30 to 90) days credit terms.

The non-current amount due from a subsidiary is unsecured, non-interest bearing and repayable on demand. As at 31 December 2023, the balance is classified as non-current as it is only expected to be realised after 12 months. The carrying amount of the non-current amount due from a subsidiary approximates its fair value as it is discounted at market rate.

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	
	31.12.2023 Unaudited \$'000	31.12.2022 Audited \$'000	31.12.2023 Unaudited \$'000	31.12.2022 Audited \$'000
Cash and bank balances	1,351	1,854	515	670
Less: Restricted cash	(396)	(396)	-	-
Cash and cash equivalents	955	1,458	515	670

Restricted cash as at 31 December 2023 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	
	31.12.2023 Unaudited \$'000	31.12.2022 Audited \$'000	31.12.2023 Unaudited \$'000	31.12.2022 Audited \$'000
<u>Amount repayable within one year or on demand</u>				
Secured	1,981	1,380	-	-
Unsecured	-	-	-	-
<u>Amount repayable after one year</u>				
Secured	5,832	7,094	-	-
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	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Unaudited	Audited	Unaudited	Audited
	\$'000	\$'000	\$'000	\$'000
<u>Non-current portion</u>				
Leasehold lands	5,001	5,276	-	-
Motor vehicles	523	266	-	-
Plant and machinery	168	125	-	-
	5,692	5,667	-	-
<u>Current portion</u>				
Leasehold lands	276	254	-	-
Motor vehicles	216	172	-	-
Plant and machinery	57	63	-	-
	549	489	-	-

The Group leases leasehold lands in Singapore. As at 31 December 2023, the average incremental borrowing rate applied was 3.60% (31 December 2022: 3.60%).

The Group also leases certain motor vehicles and plant and machinery with lease term ranging from 4 to 5 years (31 December 2022: 4 to 5 years). The average interest rates implicit in the lease range from 1.70% to 4.75% per annum (31 December 2022: 1.70% to 3.69% per annum).

The Group's lease liabilities of \$965,000 (31 December 2022: \$626,000) 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

	Group		Company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Unaudited	Audited	Unaudited	Audited
	\$'000	\$'000	\$'000	\$'000
Non-trade payables				
- shareholders	2,748	2,607	2,748	2,607
- third parties	98	-	-	-
	2,846	2,607	2,748	2,607

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	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Unaudited	Audited	Unaudited	Audited
	\$'000	\$'000	\$'000	\$'000
Trade payables				
- third parties	399	213	-	-
Non-trade payables				
- third parties	391	403	104	40
- subsidiary	-	-	1,117	518
Accrued expenses	334	537	163	81
	1,124	1,153	1,384	639

Trade payables are unsecured, non-interest bearing and normally settled between 30 and 90 (2022: 30 and 90) days credit terms.

Trade and other payables are denominated in Singapore dollar.

19 Share capital

	FY2023 Unaudited	FY2022 Audited	FY2023 Unaudited	FY2022 Audited
<u>Group</u>	Number of shares ('000)		\$'000	
<i>Ordinary shares</i>				
At beginning and end of financial year	112,814	112,814	10,344	10,344
<u>Company</u>				
<i>Ordinary shares</i>				
At beginning and 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 2023 and 31 December 2022.

The Company has no outstanding options and convertible securities as at 31 December 2023 and 31 December 2022.

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:

	<u>Group</u>	
	31.12.2023 Unaudited \$'000	31.12.2022 Audited \$'000
Capital expenditure contracted but not provided for		
- Property, plant and equipment	-	160

22 Capital reserve

During the financial year ended 31 December 2022, the Company had loans totalling approximately \$3,606,000 payable to Circuits Plus Pte Ltd, a subsidiary of the Company. In the same financial year, the outstanding amounts were waived by CPS and was recognised in capital reserve, and is non-distributable. On 5 June 2023, Circuits Plus Pte Ltd was struck off from the Register of Companies.

23 Subsequent events (after 31 December 2023)

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 2023 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 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 December 2022 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 LOSS2HFY2023 vs 2HFY2022

The Group's revenue decreased by \$0.22 million, or 5%, from \$4.13 million to \$3.91 million for 2HFY2023. The decrease was primarily attributable to i) the absence of \$0.57 million of project-based revenue from the disposal of damaged ship cargo previously generated in 2HFY2022; ii) decrease of \$0.21 million in revenue from the collection and disposal of oil waste; partially offset by i) \$0.38 million maiden revenue from construction waste collection and disposal; ii) increase of \$0.07 million in revenue from general waste collection and disposal for cruise ships; and iii) increase of \$0.07 million in revenue from sale of scrap for recycling.

Other income increased by \$1.45 million, or 1,134%, from \$0.13 million to \$1.58 million for 2HFY2023, largely due to a one-off \$1.30 million insurance claim for repair works completed in relation to damage caused by a fire at the Group's Tuas premises in December 2021.

Employee benefits expense increased by \$0.23 million, or 26%, from \$0.89 million to \$1.12 million for 2HFY2023. The increase was mainly due to the shift from labour subcontracting to internal manpower hiring for some of its operations as well as manpower support for its new construction waste handling business.

Amortisation of right-of-use ("RoU") assets increased by \$0.04 million, or 16%, from \$0.26 million to \$0.30 million for 2HFY2023. The increase was mainly due to additional finance leases secured in respect of new motor vehicles and an excavator during FY2023.

Other operating expenses increased by \$1.06 million, or 39%, from \$2.71 million to \$3.77 million for 2HFY2023. The increase was largely due to \$1.30 million one-off expenditure to repair damage caused by a fire at the Group's Tuas premise (which was in turn offset by a similar amount under other income), partially offset by the decrease of \$0.26 million in subcontractor costs.

Finance costs increased by \$0.04 million, or 11%, from \$0.36 million to \$0.40 million for 2HFY2023. The increase was largely attributable to the increase in certain loan borrowing rates and fresh drawdowns of short-term revolving loan during FY23, partially offset by the decrease in interest cost led by progressive repayment of loan principals.

Income tax credit amounting to \$0.13 million for 2HFY2023 relates to writeback of excess deferred tax liability.

As a result of the above, the Group reported net loss of \$0.62 million for 2HFY2023, a decrease of \$0.07 million, or 11% from the loss of 2HFY2022.

FY2023 vs FY2022

Group revenue increased by \$0.26 million, or 3%, from \$7.73 million to \$7.99 million for FY2023. The increase was largely driven by increase of \$0.43 million in revenue from cruise waste handling, partially offset by decrease of \$0.19 million in revenue from cargo ship general waste handling.

Depreciation of property, plant and equipment ("PPE") increased by \$0.12 million, or 10%, from \$1.19 million to \$1.31 million for FY2023. The increase was mainly due to commencement of depreciation of major portion of the Group's integrated recycling plant with effect from 1 May 2022.

Other operating expenses increased by \$1.14 million, or 22%, from \$5.06 million to \$6.20 million for FY2023. The increase was primarily due to \$1.30 million one-off expenditure to repair damage caused by a fire at the Group's Tuas premise (which was in turn offset by a similar amount under other income) and rental of vehicles and land space of \$0.08 million, partially offset by the decrease of \$0.28 million in subcontractor costs.

The variances in other income, employee benefits expense, amortisation of right-of-use assets, finance costs and income tax credit between FY2023 and FY2022 share similar reasoning as those covered in the preceding section "2HFY2023 vs 2HFY2022".

Net loss of \$1.09 million was incurred for FY2023, a decrease of \$0.34 million, or 24%, as compared to net loss of \$1.43 million incurred for FY2022. The narrower loss was largely attributable to the improvement in revenue and writeback of \$0.18 million excess deferred tax liability.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Non-current assets

Non-current assets decreased by \$1.41 million from \$19.03 million as at 31 December 2022 to \$17.62 million as at 31 December 2023, mainly due to the following:

- i) depreciation of PPE of \$1.31 million; and
- ii) amortisation of RoU assets of \$0.57 million;

partially offset by purchase of additional PPE and RoU assets of \$0.15 million and \$0.35 million, respectively.

Current assets

Current assets decreased by \$0.23 million from \$3.87 million as at 31 December 2022 to \$3.64 million as at 31 December 2023, mainly due to a decrease in cash and bank balances of \$0.50 million (further explained in the review of the statement of cash flows below), offset by an increase in trade and other receivables of \$0.28 million. The increase in trade and other receivables was largely due to increase in revenue during the last 3 months of FY2023.

Current liabilities

Current liabilities increased by \$0.63 million from \$3.02 million as at 31 December 2022 to \$3.65 million as of 31 December 2023, mainly due to the drawdown of revolving credit of \$0.60 million.

Non-current Liabilities

Non-current liabilities decreased by \$1.18 million from \$15.70 million as at 31 December 2022 to \$14.52 million as at 31 December 2023. The decrease was mainly due to \$1.86 million of reclassification of term loans and lease liabilities from non-current portion to current portion offset by the securing of \$0.62 million of fresh finance lease during FY2023.

Equity

Total equity, after accounting for the loss for FY2023, was \$3.09 million as at 31 December 2023 which compares against \$4.17 million as at 31 December 2022.

Negative working capital

As at 31 December 2023, the Group's working capital was negative as its current liabilities exceeded its current assets by approximately \$14,000. This was primarily attributable to further drawdowns of short-term revolving loans to meet the Group's financial obligations as a loss was incurred in 2HFY2023. To address the negative working capital issue, the Group has taken steps to raise fresh equity funds through a rights issue which is expected to be completed by June 2024 with minimum net proceeds of \$987,500 expected to be received by the Group. On such basis, the Board is of the view that the Group is able to meet its short term debt obligations when they fall due and that the going concern assumption would still apply in the preparation of the FY2023 financial statements.

REVIEW OF STATEMENT OF CASH FLOWS

Operating activities

In FY2023, net cash generated from operating activities was \$1.15 million. This was largely due to operating cash inflows before working capital movement of \$1.39 million which was partially offset by negative net working capital movement of \$0.24 million. The negative net working capital movement of \$0.24 million resulted from an increase in trade and other receivables of \$0.28 million coupled with an increase in prepayments of \$0.05 million, offset by an increase in trade and other payables of \$0.09 million.

Investing activities

In FY2023, net cash used in investing activities was \$0.20 million, mainly relating to the purchase of a motor vehicle, waste-carrying bins and equipment installation.

Financing activities

In FY2023, net cash used in financing activities was \$1.44 million, primarily due to i) repayment of bank borrowings of \$1.26 million; ii) repayment of obligations under lease liabilities of \$0.54 million; and iii) interest payments of \$0.62 million; partially offset by fresh proceeds from i) drawdown from revolving credit of \$0.60 million; and ii) hire purchase of a motor vehicle and excavator previously paid fully in cash.

As a result of the above, cash and cash equivalents decreased by \$0.50 million to S\$0.96 million as at 31 December 2023 from \$1.46 million as at 31 December 2022.

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

Transitioning into the endemic phase of COVID-19, 2023 was a year fraught with challenges including elevated interest rates, protracted cost pressures, and geopolitical tensions - exacerbated by the wars in Ukraine/Russia and Israel/Hamas. The business climate remains uncertain in 2024.

The Singapore's cruise industry in 2023 picked up strongly with a record high of 2 million passenger throughput from more than 340 ship calls in 2023 (according to information released by Singapore Tourism Board on 1 February 2024). Riding on the strength of such recovery momentum, the Group shall gear up its resources to boost its general waste handling sales further in 2024.

On the biomedical waste management front, the Group had, on 9th November 2023, obtained temporary approval from NEA for the collection, treatment, and safe disposal of bio-hazardous waste of up to 80 tons over a 3-month trial run at its Kian Teck facility. The license has been extended up to 7th May 2024. With the license, the Group has started collecting bio-medical waste from its cruise and non-cruise shipping clients for incineration and safe disposal. The Group believes that upon successful trial run and fulfilment of the emission standards of Singapore, permanent license will be issued by NEA to enable the Group upscale its biomedical waste collection and treatment operations hopefully in second half of FY2024.

Amidst the uncertain and difficult operating environment, the Group shall exercise greater prudence in managing its operating costs, cashflow and business risks while exploring opportunities to provide waste management services for a wider customer base in the cargo shipping and other land-based sectors, notably the healthcare, pharmaceutical, shipyards, logistics, oil & gas, food & beverage, and construction, in a bid to grow its topline.

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, Circuits Plus Pte. Ltd. was struck off from the Register of Companies on 5 June 2023. 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 2023.

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 one primary business segment, which is that of the provision of waste management and disposal services to shipping, industrial and commercial clients and the 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		
	FY2023 \$'000	FY2022 \$'000	Change %
Revenue reported for first half year	4,074	3,593	13%
Loss after tax before non-controlling interest for first half year	(467)	(733)	-36%
Revenue reported for second half year	3,914	4,133	-5%
Loss after tax before non-controlling interest for second half year	(620)	(695)	-11%

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:—

	FY2023	FY2022
	\$'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	56	Spouse of Mohamed Gani Mohamed Ansari	Chief Administrative Officer of Shanaya Limited (since 2021) Responsible for the administration and human resources functions.	No change
Nawaz Faizullah	29	Son of Mohamed Gani Mohamed Ansari and Shitthi Nabesathul Bathuria D/O Abdul Hamid	Sales Manager of Shanaya Engineering Pte. Ltd. (since 2023) Responsible for the sales and operations functions.	No change

BY ORDER OF THE BOARD

Mohamed Gani Mohamed Ansari
Executive Director and Chief Executive Officer
Singapore

27 February 2024

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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