

SHANAYA LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199804583E)
(the “**Company**”)

**ENTRY INTO BINDING TERM SHEET FOR THE PROPOSED ACQUISITION OF 60% OF HUP LEE
LEONG ENVIRO PTE LTD**

1. INTRODUCTION

- 1.1. The board of directors (the “**Board**” or “**Directors**”) 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**”), has on 14 January 2026, entered into a binding term sheet (“**Term Sheet**”) with Chia Guan Yam (Xie Yuanyan), Chia Nguan Chwee, Chia Swee Guan, Chia Swee Peng (Xie Ruiping) and Chia Swee Song (Xie Ruisong) (each, a “**Seller**” and collectively, the “**Sellers**”), as well as Hup Lee Leong Enviro Pte Ltd (“**HLL**”) (collectively, the “**Parties**” and each as a “**Party**”), for the proposed acquisition by SES of 300,000 ordinary shares in HLL from the Sellers, representing 60% of the total issued share capital of HLL (“**Sale Shares**”) (the “**Proposed Acquisition**”).
- 1.2. Upon completion of the Proposed Acquisition, HLL will become an indirect subsidiary of the Company. The remaining 40% of the total issued share capital of HLL will continue to be held by the Sellers.
- 1.3. The Term Sheet is binding as to the commercial terms set out therein, subject to due diligence, negotiation and execution of a conditional sale and purchase agreement in the form and substance satisfactory to the Parties (the “**SPA**”).

2. INFORMATION ON HLL AND THE SELLERS

All information in respect of the Sellers is based solely on information and representations made and provided by the Sellers to SES and/or Company. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company’s responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.

2.1. Information on HLL

HLL is a private company incorporated in Singapore on 21 November 2016, and is a National Environmental Agency (“**NEA**”) licensed General Waste Collector (“**GWC**”) in the business of collection of waste (38100) with general cleaning services (including cleaning of public areas, offices and factories) except household cleaning and online marketplaces (81211) as its secondary activity. As at the date of this announcement, HLL has an issued and paid-up share capital of S\$500,000 comprising 500,000 ordinary shares.

2.1.1. Book value of the Sale Shares

Based on the latest unaudited management accounts of HLL for the 9-month financial period ended 30 September 2025, the book value of the Sale Shares is approximately S\$1,070,167 as at 30 September 2025.

2.1.2. Net tangible asset (“NTA”) attributable to the Sale Shares

Based on the latest unaudited management accounts of HLL for the 9-month financial period ended 30 September 2025, the NTA attributable to the Sale Shares is approximately S\$1,070,167 as at 30 September 2025.

2.1.3. Open market value attributable to the Sale Shares

No independent valuation on the Sale Shares has been conducted by the Company in connection with the Proposed Acquisition. An independent valuer will be appointed to conduct a valuation of HLL following execution of the SPA.

2.2. Net profits attributable to the Sale Shares

Based on the latest unaudited management accounts of HLL for the 9-month financial period ended 30 September 2025, the net profits attributable to the Sale Shares is approximately S\$184,634 for the 9-month financial period ended 30 September 2025.

2.3. **Information on the Sellers**

2.3.1. As at the date of this announcement, the Sellers are the directors of HLL, as well as the legal and beneficial owners of the entire issued and paid-up share capital of HLL, with each Seller holding 20% of the total shareholding in HLL.

2.3.2. As at the date of this announcement, neither the Sellers nor their respective associates hold shares in the capital of the Company (“**Shares**”). The Sellers are not directly or indirectly related to any of the Directors or controlling shareholders (as defined in the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”)) of the Company and/or their respective associates (as defined in the Catalist Rules).

3. **PRINCIPAL TERMS OF THE TERM SHEET**

3.1. **Purchase Consideration**

3.1.1. The consideration for the Proposed Acquisition shall be an aggregate of S\$1,800,000 (“**Consideration**”), to be satisfied in the following manner:

- (a) S\$300,000 in cash (“**Cash Consideration**”); and
- (b) 27,272,727 new Shares of the Company (“**Consideration Shares**”) at an issue price of S\$0.055 per Consideration Share which is at a premium of 22.2% to the volume weighted average price of S\$0.045 per Share for trades done in respect of the Shares on the Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 13 January 2026, being the last full market day preceding the date on which the Term Sheet was signed.

- 3.1.2. The Consideration was arrived at after negotiations with the Sellers on a willing-buyer, willing-seller basis. In arriving at the Consideration, the Company and SES have taken into account, *inter alia*, the current market conditions, the history, track record and future prospects of HLL, and the strategic merits of the Proposed Acquisition. There will be no adjustment to the Consideration. As disclosed in paragraph 3.3(f) of this announcement below, it is a condition precedent to the Proposed Acquisition that the valuation of HLL for the financial year ended 31 December 2025 is not less than S\$3,500,000. Should the valuation of HLL be lower than S\$3,500,000, the Proposed Acquisition will not proceed to completion.

3.2. **Consideration Shares and Moratorium**

- 3.2.1. The Consideration Shares represent approximately 11.9% of the existing issued and paid-up share capital of the Company comprising 229,467,740 Shares (excluding treasury) as at the date of this announcement and will represent approximately 10.6% of the enlarged issued and paid-up share capital of the Company of 256,740,467 Shares (excluding treasury shares).
- 3.2.2. The Consideration Shares will be issued and allotted pursuant to the general share issue mandate granted by shareholders of the Company ("**Shareholders**"), by way of an ordinary resolution at the annual general meeting of the Company held on 29 April 2025, or such general share issue mandate to be sought for approval at the next annual general meeting to be convened ("**General Mandate**").
- 3.2.3. The Consideration Shares will be issued free from all claims, charges, liens, pledges, mortgages, and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to the existing issued Shares, except that they will not rank for any dividend, right, allotment or other distributions, the Record Date (as defined below) for which falls on or before the date of the allotment and issue of the Consideration Shares. For the purposes of this paragraph, "**Record Date**" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.
- 3.2.4. The Consideration Shares will not be issued and allotted to any person who is a Director or a substantial shareholder of the Company as at the date of this announcement, or any other person in the categories set out in Rule 812(1) of the Catalist Rules. The issuance and allotment of the Consideration Shares will not result in any transfer of controlling interest in the Company.
- 3.2.5. Subject to the entry into the SPA, the Company will be applying to the SGX-ST, through its sponsor, PrimePartners Corporate Finance Pte. Ltd., for the dealing in, listing of and quotation for the Consideration Shares on the Catalist.
- 3.2.6. The Consideration Shares will be subject to a moratorium period of two (2) years from the date of issuance, on such terms and conditions to be set out in the SPA.

3.3. **Conditions Precedent**

The Proposed Acquisition will be conditional upon the fulfilment of various conditions precedent ("**Conditions Precedent**"), including but not limited to the following:

- (a) SES having completed financial and legal due diligence investigations on the Sellers and HLL, and the results of such due diligence investigations being satisfactory to SES;

- (b) the Parties shall have entered into a shareholders' agreement, on terms satisfactory to SES, to govern their relationship as shareholders of HLL post completion of the Proposed Acquisition;
- (c) the parties shall have entered into a waste logistics and disposal services agreement pursuant to which SES shall provide support to HLL, including the use of its available space, plant, equipment, machinery, tools, manpower resources and trucks, for the collection and disposal of general waste and industrial and commercial waste, as may be requested by HLL;
- (d) HLL to close its financial year account as of 31 December 2025 and submit its unaudited accounts to SES;
- (e) the anticipated profit of HLL after tax for the financial year ending 31 December 2025 shall not be less than S\$400,000;
- (f) SES to engage a professional valuer to value HLL based on the historical, current and future forecast value with the valuation report of HLL being not less than S\$3,500,000 for the financial year ending 31 December 2025;
- (g) HLL to present a budget forecast and financial projection for 2 years starting from 1 January 2026 to 31 December 2027;
- (h) approval from HLL's board and shareholders for the Proposed Acquisition having been obtained or satisfied;
- (i) approval from SES's board and shareholders for the Proposed Acquisition having been obtained or satisfied;
- (j) approval from the Company's Board and shareholders for the issuance and allotment of the Consideration Shares having been obtained or satisfied¹;
- (k) the Parties having come to an agreement on HLL's initial paid-up capital of S\$500,000 and on any subsequent and additional investment in proportion to the respective shareholdings in HLL;
- (l) the delivery by the Sellers to SES of such evidence satisfactory to the SES that all indebtedness owing to HLL by the Sellers (and *vice versa*) have been fully repaid or discharged;
- (m) all approvals, consents and licenses (whether governmental, corporate or otherwise, including without limitation, approvals by the Sellers and by the SGX-ST) in connection with the Proposed Acquisition having been obtained and not having been revoked or amended. Any conditions attached to such approvals shall be acceptable to the Parties and, to the extent required to be satisfied prior to completion of the Proposed Acquisition, shall have been fulfilled;
- (n) no material adverse change in the existing or prospective legal, financial, operational, business and tax positions of HLL on or before completion of the Proposed Acquisition; and

¹ As disclosed in paragraph 3.2.2 of this announcement, the Consideration Shares will be issued and allotted pursuant to the General Mandate.

- (o) other conditions precedent that are usual and customary for transactions the nature of which are similar to the Proposed Acquisition.

3.4. Profit Guarantee

- 3.4.1. Under the Proposed Acquisition, the Sellers shall, jointly and severally, undertake to SES that they shall procure that HLL achieves a minimum after-tax profit of S\$400,000 to S\$500,000 for each of the financial years ending 31 December 2026 and 31 December 2027 (the “**Guaranteed Profit**”) (the “**Profit Guarantee**”).
- 3.4.2. For any financial year during the period of the Profit Guarantee, in the event that HLL’s minimum profit after tax is less than the Guaranteed Profit for that financial year, the Sellers shall be jointly and severally obligated to pay to the Company, in cash, the shortfall between the Guaranteed Amount and the actual profit after tax of the company for that financial year.

3.4.3. Disclosure under Rule 1013 of the Catalist Rules

In view of the Profit Guarantee, the Company provides the following information in accordance with Rule 1013(1) of the Catalist Rules:

- (a) **Rule 1013(1)(a) of the Catalist Rules: the views of the Board in accepting the Profit Guarantee and the factors taken into consideration and basis for such a view.**

The Board has considered and accepted the Profit Guarantee after taking into account, among other things, the historical financial performance of HLL, its current operations, and its financial forecasts. In forming its view, the Board has also considered the business of HLL, its growth prospects, the synergistic benefits of the collaboration, and the prevailing industry conditions, and is of the opinion that the Profit Guarantee is reasonable.

- (b) **Rule 1013(1)(b) of the Catalist Rules: the principal assumptions including commercial bases and assumptions upon which the quantum of the Profit Guarantee is based.**

The quantum of the Profit Guarantee is based on, among other things, the historical financial performance of HLL, its current operations, and its financial forecasts, including the assumption that the valuation of HLL is not less than S\$3,500,000 and that the unaudited after-tax profit for the financial year ending 31 December 2025 shall not be less than S\$400,000.

- (c) **Rules 1013(1)(c) and 1013(1)(d) of the Catalist Rules: the manner and amount of compensation to be paid by the Sellers in the event that the Profit Guarantee is not met and the conditions precedent, if any, and the detailed basis for such a compensation, and the safeguards put in place to ensure the Company’s right of recourse in the event that the Profit Guarantee is not met, if any.**

In the event that the Profit Guarantee is not met, the Sellers shall compensate for any shortfall by way of cash payment, within such period and on such terms and conditions as will be set out in the SPA. The SPA will also provide for, among other things, a moratorium period in respect of the Consideration Shares. Further details relating to the Profit Guarantee will be agreed between the Parties and set out in the SPA.

3.5. **Service Agreement**

SES, the Sellers and HLL shall enter into the service agreement (the “**Service Agreement**”) pursuant to which SES shall, on a non-exclusive and as-needed basis, provide operational and support services to HLL. The scope of services, service levels, fees (if any), term, and other commercial and legal terms shall be mutually agreed and set out in the Service Agreement. The Parties agree to negotiate the terms of the Service Agreement in good faith.

3.6. **Representations, Warranties and Covenants**

The SPA shall contain such pre-completion and post-completion representations, warranties and covenants to be given by HLL and the Sellers, jointly and severally, to SES as are appropriate in transactions of this nature.

3.7. **Due Diligence**

The Sellers shall at SES’ request provide SES and its professional advisers with access to all necessary information and documents relating to the Sellers and/or HLL. The Sellers shall use their best efforts to provide assistance and access to SES and its professional advisers for the purposes of the due diligence exercise.

The Parties agree that the due diligence exercise shall be completed within two (2) months from the date of the Term Sheet or for such longer period as may be agreed on in writing between the Parties.

3.8. **Exclusivity**

Under the Term Sheet, SES shall be granted an exclusivity period of three (3) months from the date of the Term Sheet. During this period, the Sellers shall discontinue any negotiations or discussions already underway as of the date of the term Sheet and shall not directly or indirectly, solicit or initiate or enter into any negotiations or discussions with any other party for the acquisition or disposal of any interest in HLL.

3.9. **Termination of the Term Sheet**

The Term Sheet shall automatically cease to have any effect on the earlier of:

- (a) the date on which the Parties enter into the SPA;
- (b) the date on which the Term Sheet is terminated by mutual agreement of the Parties in writing; or
- (c) the date on which the Company, by written notice to the Sellers, terminates the Term Sheet.

4. **RATIONALE FOR THE PROPOSED ACQUISITION**

The Proposed Acquisition provides a strategic framework for the Company and HLL to collaborate and align their respective resources, expertise and business networks in pursuit of expansion opportunities for long-term synergistic benefits.

The Board has considered the terms of the Proposed Acquisition and the prospects of HLL and is of the view that the Proposed Acquisition is in the best interests of the Company.

5. SOURCE OF FUNDS

The Proposed Acquisition will be funded by internal resources of the Group.

6. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

Based on the Group's latest announced unaudited financial statements for the financial period ended 30 June 2025 ("HY2025"), the relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule	Description	Relative Figure (%)
1006(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	Not Applicable ⁽¹⁾
1006(b)	The net profits ⁽²⁾ attributable to the assets acquired or disposed of, compared with the group's net profits.	(31.3%) ⁽³⁾
1006(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	17.4% ⁽⁴⁾
1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	11.9% ⁽⁵⁾
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable ⁽⁶⁾

Notes:

- (1) Rule 1006(a) of the Catalist Rules is not applicable to an acquisition of assets.
- (2) Under Rule 1002(3) of the Catalist Rules, "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) The relative figure for Rule 1006(b) has been computed based on the 60% of the unaudited net profit attributable to HLL of approximately S\$139,457 for the six-month financial period ended 30

June 2025 and the Group's unaudited net loss of approximately S\$446,000 for the six-month financial period ended 30 June 2025.

- (4) The market capitalisation of S\$10,336,821 is calculated based on the volume weighted average price of S\$0.045 on 13 January 2026, being the last full market day on which the shares of the Company were traded, preceding the date of the signing of the Term Sheet, and 229,467,740 Shares in issue.
- (5) The relative figure for Rule 1006(d) has been computed based on 27,272,727 Consideration Share to be issued as partial satisfaction for the Proposed Acquisition and the 229,467,740 Shares in issue.
- (6) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

Rule 1007(1) of the Catalist Rules states, *inter alia*, that if any of the relative figures computed pursuant to Rule 1006 of the Catalist Rules involves a negative figure, Chapter 10 (specifically Practice Note 10A) of the Catalist Rules may still be applicable to the transaction in accordance with the applicable circumstances. As the figures used to compute the relative figure under Rule 1006(b) of the Catalist Rules are negative figures, Rule 1007(1) read with Practice Note 10A shall apply. Based on the guidance provided in paragraph 4.4(b) of Practice Note 10A, as (i) the absolute relative figures computed on the bases of Rules 1006(c) and 1006(d) do not exceed 75%; and (ii) the absolute value of the net profit attributable to HLL exceeds 5% of the Company's consolidated net loss, the Proposed Acquisition is a discloseable transaction. In any event, the Proposed Acquisition will be considered to be a discloseable transaction under Rule 1009 of the Catalist Rules since the Consideration will be partly satisfied by the allotment and issuance of the Consideration Shares for which listing is being sought. Accordingly, no shareholders' approval would be required for the Proposed Acquisition.

As the Proposed Acquisition is subject to due diligence being undertaken, the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules, as disclosed in this announcement, are based on information currently available to the Company and remain subject to change pending the completion of due diligence. The Company will make further announcement(s) should there be any material changes to the relative figures computed.

7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

- 7.1. The *pro forma* financial effects of the Proposed Acquisition on the Group's NTA per Share and loss per Share ("LPS") as set out below are strictly for illustrative purposes and are not indicative of the actual financial position and results of the Group following the completion of the Proposed Acquisition. As the Proposed Acquisition is subject to due diligence being undertaken, the *pro forma* financial effects of the Proposed Acquisition, as disclosed in this announcement, are based on information currently available to the Company and remain subject to change pending the completion of due diligence.
- 7.2. The *pro forma* financial effects have been prepared based on the latest audited financial results of the Group for the financial year ended 31 December 2024 ("FY2024"), on the following bases and assumptions:
 - (a) the Proposed Acquisition had been completed on 31 December 2024 for the purpose of illustrating the financial effects on the NTA;
 - (b) the Proposed Acquisition had been completed on 1 January 2024 for the purpose of illustrating the financial effects on the LPS;

- (c) the proposed sale of the Kian Teck Facility situated at 27 Kian Teck Drive, Singapore 628844 announced by the Company on 3 September 2025² had not been completed on 31 December 2024 for the purpose of illustrating the relevant financial effects;
- (d) the issue and allotment of 3,840,000 Shares on 8 January 2026 pursuant to share awards granted under the Shanaya Performance Share Plan had been completed on 31 December 2024 for the purposes of illustrating the relevant financial effects;
- (e) the share capital of the Company as at the date of this announcement comprising 229,467,740 Shares (excluding treasury shares); and
- (f) the expenses incurred in connection with the Proposed Acquisition amounting to S\$15,000.

7.3. Share Capital

	Before the Proposed Acquisition	After the Proposed Acquisition
Issued and Paid-Up Capital (S\$'000)	47,281	48,781
Total Number of issued Shares (excluding treasury shares and subsidiary holdings)	229,467,740	256,740,467

7.4. NTA per Share

Assuming that the Proposed Acquisition was completed on 31 December 2024, the *pro forma* financial effects on the Group's NTA per Share would be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA attributable to the owners of the Company (S\$'000)	4,204	4,272 ⁽¹⁾
Number of issued ordinary shares in the Company	229,467,740	256,740,467
NTA per Share (Singapore cents)	1.83	1.66

Note:

- (1) Based on minimum valuation of HLL at S\$3,500,000 required under the condition precedent stated in paragraph 3.3(f) of this announcement and assuming HLL's NTA of S\$1,783,611 (based on its unaudited management accounts as at 30 September 2025) at the completion of the Proposed Acquisition.

² Please refer to the Company's announcement dated 3 September 2025 for further information.

7.5. LPS

Assuming that the Proposed Acquisition was completed on 1 January 2024, the *pro forma* financial effects on the Group's LPS would be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Loss after income tax attributable to the owners of the Company (S\$'000)	1,432	1,186 ⁽¹⁾
Weighted average number of issued ordinary shares in the Company	155,977,208	183,249,935
Loss per Share (Singapore cents)	0.92	0.65

Note:

- (1) Factored in 60% of the net profit of HLL, extracted from HLL's unaudited management accounts for the 9-month financial period ended 30 September 2025 extrapolated to 12 months.

8. NO DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition or any other transactions contemplated in relation to the Proposed Acquisition.

9. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company or their respective associates have any interests, direct or indirect, in the Proposed Acquisition other than in their capacity as Directors or shareholders.

10. COMPLIANCE WITH GOVERNING LAWS, REGULATIONS AND CONSTITUTION

The Company confirms that the terms of the Proposed Acquisition and the Term Sheet do not contravene any laws and regulations governing the Company, SES and the respective constitutions of the Company and SES.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the matters stated herein, and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

12. FURTHER ANNOUNCEMENTS

The Company will make further announcement(s) in relation to the Proposed Acquisition as and when there are any material developments on the matter, including the signing of any definitive agreements (including the SPA).

13. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing in the Company's securities. The Proposed Acquisition is subject to the execution of definitive agreements and other conditions precedent, and there is no certainty that any transaction will materialise. Shareholders are advised to read this announcement, and any further announcements by the Company carefully. Persons in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisers.

14. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Term Sheet is available for inspection by shareholders of the Company at the registered office of the Company at 3A Tuas South Street 15, Singapore 636845 during normal business hours for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD SHANAYA LIMITED

Mohamed Gani Mohamed Ansari
Executive Director and Chief Executive Officer
14 January 2026

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

The contact person for the Sponsor is Mr. Shervyn Essex, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.