



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

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2022

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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2022**

	<u>Note</u>	<u>Group</u>		
		<u>1HFY2022</u>	<u>1HFY2021</u>	<u>Change</u>
		<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Revenue		3,593	3,181	13
Other income		182	116	57
Employee benefits expense		(1,116)	(782)	43
Amortisation of right-of-use assets		(264)	(97)	172
Depreciation of property, plant and equipment		(524)	(170)	208
Acquisition-related cost		-	(191)	n/m
Other operating expenses		(2,351)	(1,625)	45
Finance costs	6	(301)	(142)	112
(Loss)/Profit before tax	7	(781)	290	n/m
Income tax credit/(expense)	8	48	(26)	n/m
(Loss)/Profit for the period, net of tax		<u>(733)</u>	<u>264</u>	n/m
Other comprehensive income		-	-	n/m
(Loss)/Profit attributable to the owners of the Company		<u>(733)</u>	<u>264</u>	n/m
Total comprehensive (loss)/income attributable to the owners of the Company		<u>(733)</u>	<u>264</u>	n/m
(Loss)/Earnings per share attributable to equity holders of the Company:				
Basic and diluted (cents per share)	9	<u>(0.65)</u>	<u>0.33</u>	n/m

"1HFY2022" denotes the first half financial year ended 30 June 2022.

"1HFY2021" denotes the first half financial year ended 30 June 2021.

"n/m" denotes not meaningful

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>30.06.2022</u>	<u>31.12.2021</u>	<u>30.06.2022</u>	<u>31.12.2021</u>
		<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<u>ASSETS</u>					
Non-current assets					
Property, plant and equipment	11	12,828	13,331	-	-
Right-of-use assets		6,177	6,355	-	-
Investment in subsidiaries		-	-	25,761	25,761
Total non-current assets		19,005	19,686	25,761	25,761
Current assets					
Trade and other receivables	12	2,023	1,290	2,926	733
Prepayments		689	125	22	23
Cash and bank balances	13	2,921	5,298	875	3,148
Total current assets		5,633	6,713	3,823	3,904
Total assets		24,638	26,399	29,584	29,665
<u>LIABILITIES AND EQUITY</u>					
Non-current liabilities					
Loans and borrowings	14	7,276	8,228	-	-
Lease liabilities	15	5,927	6,025	-	-
Non-trade payables to shareholders	16	2,855	2,798	2,855	2,798
Deferred tax liabilities		254	302	-	-
Total non-current liabilities		16,312	17,353	2,855	2,798
Current liabilities					
Trade and other payables	17	1,113	1,077	2,930	2,954
Loans and borrowings	14	2,139	2,156	-	-
Lease liabilities	15	513	481	-	-
Income tax payable		4	42	-	-
Total current liabilities		3,769	3,756	2,930	2,954
Equity					
Share capital	18	10,344	10,344	44,464	44,464
(Accumulated losses) / Retained earnings		(3,029)	(2,296)	(20,675)	(20,561)
Share-based payment reserve		-	-	10	10
Reverse acquisition reserve	17	(2,758)	(2,758)	-	-
Total equity		4,557	5,290	23,799	23,913
Total liabilities and equity		24,638	26,399	29,584	29,665

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2022**

	<u>Note</u>	Group	
		1HFY2022	1HFY2021
		\$'000	\$'000
Operating activities			
(Loss)/Profit before tax		(781)	290
Adjustments for:			
Amortisation on right-of-use assets		264	97
Depreciation of property, plant and equipment		524	170
Write off of property, plant and equipment		-	1
Acquisition-related cost		-	191
Interest expense		301	142
Operating cash flows before movements in working capital		308	891
Trade and other receivables		(719)	(36)
Trade and other payables		36	366
Cash (used in) / generated from operations		(375)	1,221
Income tax paid		(39)	(92)
Net cash (used in) / generated from operating activities		(414)	1,129
Investing activities			
Purchase of property, plant and equipment		(87)	(577)
Advance payments for acquisition of property, plant and equipment		(578)	-
Additions to right-of-use assets		-	(68)
Net cash used in investing activities		(665)	(645)
Financing activities			
Interest paid		(263)	(277)
Proceeds from lease financing		187	-
Repayment of bank borrowings		(969)	(501)
Repayment of lease obligations		(253)	(208)
Acquisition-related cost paid		-	(191)
Net cash used in financing activities		(1,298)	(1,177)
Net decrease in cash and cash equivalents		(2,377)	(693)
Cash and cash equivalents at beginning of period		4,902	1,085
Cash and cash equivalents at end of period	13	2,525	392

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2022**

	Group			
	Share capital	Reverse acquisition reserve	Retained earnings / (accumulated losses)	Total
	\$'000	\$'000	\$'000	\$'000
<u>1HFY2021</u>				
Balance at 01.01.2021	1,500	-	2,415	3,915
Profit for the financial period, representing total comprehensive income for the financial period	-	-	264	264
Balance at 30.06.2021	<u>1,500</u>	<u>-</u>	<u>2,679</u>	<u>4,179</u>
<u>1HFY2022</u>				
Balance at 01.01.2022	10,344	(2,758)	(2,296)	5,290
Loss for the financial period	-	-	(733)	(733)
Balance at 30.06.2022	<u>10,344</u>	<u>(2,758)</u>	<u>(3,029)</u>	<u>4,557</u>
	Company			
	Share capital	Share-based payment reserve	Accumulated losses	Total
	\$'000	\$'000	\$'000	\$'000
<u>1HFY2021</u>				
Balance at 01.04.2021	24,764	10	(19,310)	5,464
Loss for the financial period representing total comprehensive loss for the financial period	-	-	(91)	(91)
Balance at 30.06.2021	<u>24,764</u>	<u>10</u>	<u>(19,401)</u>	<u>5,373</u>
<u>1HFY2022</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 period	-	-	(114)	(114)
Balance at 30.06.2022	<u>44,464</u>	<u>10</u>	<u>(20,675)</u>	<u>23,799</u>

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-month period ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activity of the Company is that of 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 ended 30 June 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 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 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied to SES’s financial statements as at and for the financial year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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. 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	
	30.06.2022 \$'000	31.12.2021 \$'000	30.06.2022 \$'000	31.12.2021 \$'000
Financial assets				
Financial assets at amortised cost				
- Trade and other receivables ^	2,002	1,250	2,926	733
- Cash and bank balances	2,921	5,298	875	3,148
	4,923	6,548	3,801	3,881
Financial liabilities				
Financial liabilities at amortised cost				
- Trade and other payables	1,113	1,077	2,930	2,954
- Lease liabilities	6,440	6,506	-	-
- Loans and borrowings	9,415	10,384	-	-
- Non-trade payables to shareholders	2,855	2,798	2,855	2,798
	19,823	20,765	5,785	5,752

^ Excluding net GST receivable.

6 Finance costs

	Group	
	1HFY2022 \$'000	1HFY2021 \$'000
Interest expenses		
- Lease liabilities	121	41
- Term loans	123	101
- Non-trade payables to shareholders	57	-
	301	142

7 (Loss)/Profit before tax

7.1 Significant items

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

	Group	
	1HFY2022 \$'000	1HFY2021 \$'000
Income:		
Government grant	182	88
Expenses:		
Crane and wharfage expenses	(299)	(271)
Diesel expenses	(233)	(118)
Waste disposal fees	(880)	(648)
Subcontractor and other labor costs	(379)	(234)

7.2 Related party transactions

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

8 Income tax (credit)/expense

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

	Group	
	1HFY2022 \$'000	1HFY2021 \$'000
Current income tax (credit)/expense		
- Current year	-	46
- Overprovision for prior year	-	(80)
Deferred income tax (credit)/expense relating to origination/reversal of temporary differences	(48)	60
	(48)	26

9 Loss/Earnings per share

Basic and diluted loss/earnings per share are calculated by dividing the net loss/profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue of 112,813,870 (1HFY2021: 79,166,665) during the financial period.

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

10 Net asset value

	Group		Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	\$ cents	\$ cents	\$ cents	\$ cents
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on	4.04	0.43	21.10	1.95

11 Property, plant and equipment

During 1HFY2022, the Group acquired assets amounting to \$0.09 million (1HFY2021: \$1.80 million), and disposed of assets amounting to \$Nil (1HFY2021: \$Nil). The assets acquired during the period primarily relate to the bins for waste collection. None of the assets acquired during the 1HFY2022 were financed by bank loans (1HFY2021: \$1.23 million).

As at 30 June 2022, capital expenditure of approximately \$0.26 million (31 December 2021: \$0.39 million) had been contracted but not provided for.

12 Trade and other receivables

	Group		Company	
	30.06.2022 \$'000	31.12.2021 \$'000	30.06.2022 \$'000	31.12.2021 \$'000
Trade receivables				
- Third parties	1,901	1,249	-	-
- Less: Loss allowance for trade receivables	(118)	(118)	-	-
	1,783	1,131	-	-
Non-trade receivables				
- Amount due from a subsidiary	-	-	1,276	433
- Less: Loss allowance for non-trade receivables	-	-	-	-
	-	-	1,276	433
Loan to subsidiaries	-	-	1,650	300
Deposits	219	118	-	-
GST receivables	21	41	-	-
	2,023	1,290	2,926	733

Trade receivables from third parties are unsecured, non-interest bearing and generally on a 30 to 90 (1HFY2021: 30 to 90) days credit terms.

The loan to a subsidiary is unsecured, bears interest at a rate of 2.25% (1HFY2021: 2.25%) per annum and repayable on demand.

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

13 Cash and bank balances

	Group		Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	2,921	5,298	875	3,148
Less: Restricted cash	(396)	(396)	-	-
Cash and cash equivalents	2,525	4,902	875	3,148

Restricted cash as at 30 June 2022 comprises \$0.40 million held by a bank for the banking facilities granted.

Cash and bank balances are denominated in Singapore dollar.

14 Loans and borrowings

	Group		Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	2,139	2,156	-	-
Unsecured	-	-	-	-
<u>Amount repayable after one year</u>				
Secured	7,276	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.

15 Lease liabilities

	Group		Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
<u>Non-current portion</u>				
Leasehold lands	5,407	5,539	-	-
Motor vehicles	351	429	-	-
Plant and machinery	169	57	-	-
	5,927	6,025	-	-
<u>Current portion</u>				
Leasehold lands	243	224	-	-
Motor vehicles	174	198	-	-
Plant and machinery	96	59	-	-
	513	481	-	-

The Group leases leasehold lands in Singapore. As at 31 December 2021, 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 \$790,000 (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.

16 Non-trade payables to shareholders

The non-trade payables to shareholders relates to the deferred payment consideration of \$3,000,000 payable to the Vendors (who are existing shareholders of the Company) pursuant to the reversed takeover completed in August 2021 ("**RTO**"). Given that the Company plans to pay the amount within 24 months from the date of completion of the RTO, the balance was discounted at an effective interest rate of 4.25% per annum.

17 Trade and other payables

	Group		Company	
	30.06.2022 \$'000	31.12.2021 \$'000	30.06.2022 \$'000	31.12.2021 \$'000
Trade payables				
- third parties	414	178	-	-
Non-trade payables				
- third parties	270	598	-	34
- subsidiary	-	-	200	223
- loan from subsidiary	-	-	2,591	2,562
Accrued expenses	429	301	139	135
	<u>1,113</u>	<u>1,077</u>	<u>2,930</u>	<u>2,954</u>

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

Trade and other payables are denominated in Singapore dollar.

18 Share capital

<u>Group</u>	1HFY2022	1HFY2021	1HFY2022	1HFY2021
	Number of shares ('000)		\$'000	\$'000
<i>Ordinary shares</i>				
At beginning and end of financial period	<u>112,814</u>	<u>1,229,226</u>	<u>10,344</u>	<u>1,500</u>
<u>Company</u>	1HFY2022	1HFY2021	1HFY2022	1HFY2021
	Number of shares ('000)		\$'000	\$'000
<i>Ordinary shares</i>				
At beginning and end of financial period	<u>112,814</u>	<u>1,229,226</u>	<u>44,464</u>	<u>24,764</u>

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 30 June 2022 and 31 December 2021.

The Company has no outstanding options and convertible securities as at 30 June 2022 and 31 December 2021.

19 Capital commitments

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

	Group	
	30.06.2022 \$'000	31.12.2021 \$'000
Capital expenditure contracted but not provided for		
- Property, plant and equipment	257	388

20 Subsequent events (after 30 June 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 30 June 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 6 months 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

1HFY2022 vs 1HFY2021

Group revenue increased by \$0.41 million, or 13%, from \$3.18 million to \$3.59 million for 1HFY2022. The increase was primarily driven by maiden revenue generated from the disposal of near-expired grocery items. Notwithstanding the Group had commenced its operations at its Tuas Facility since mid-2021, the revenue contribution had not increased significantly given that the demand for general waste collection services from the Singapore shipping industry remained muted and the Singapore cruise industry had yet recovered.

Other income increased by \$0.07 million, or 57%, from \$0.12 million to \$0.18 million for 1HFY2022, largely due to an Enterprise Singapore grant obtained during 1HFY2022 for the purchase of an oil waste treatment plant.

Employee benefits expense increased by \$0.33 million, or 43%, from \$0.78 million to \$1.12 million for 1HFY2022. The increase was mainly due to the increase in salaries following the reverse takeover in August 2021 and increase in provision for unutilised leave.

Amortisation of right-of-use assets increased by \$0.17 million, or 172%, from \$0.10 million to \$0.26 million for 1HFY2022. The increase was mainly due to capitalisation of the amortisation in respect of land lease at 3A Tuas South Street 15 prior to 1 June 2021 coupled with the purchase of motor vehicles during 2021 under finance lease.

Depreciation of property, plant and equipment ("PPE") increased by \$0.35 million, or 208%, from \$0.17 million to \$0.52 million for 1HFY2022. The increase was mainly due to i) the depreciation of the 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 \$0.73 million, or 45%, from \$1.63 million to \$2.35 million for 1HFY2022. The increase was primarily attributable to the following:

- i) Increase in direct operating costs of \$0.43 million, or 34%, which was disproportionately higher as compared to the revenue increase, largely resulting from the significant increase in waste disposal costs and subcontract labour incurred for the disposal of near-expired grocery items.
- ii) Increase in vehicle overhead of \$0.10 million, or 48%, largely due to higher diesel cost driven by higher diesel price.
- iii) Increase in general and administrative expenses of \$0.23 million, or 216%, attributable largely to the higher compliance-related expenses following the completion of the reverse acquisition in August 2021, which mainly comprised of professionals' and directors' fees.

Finance costs increased by \$0.16 million, or 112%, from \$0.14 million to \$0.30 million for 1HFY2022. The increase was mainly due to i) capitalisation of interest on bank loan taken to construct the Tuas Facility prior to 1 June 2021; and ii) interest on amount due to shareholders which arose since the completion of the reverse acquisition in August 2021.

The acquisition-related cost incurred for 1HFY21 comprises non-recurring professional fee incurred for the reverse acquisition.

As a result of the above, the Group reported net loss \$0.73 million for 1HFY2022, reversing from net profit of \$0.26 million for 1HFY2021.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Non-current assets

Non-current assets decreased by \$0.68 million from \$19.69 million as at 31 December 2021 to \$19.01 million as at 30 June 2022, mainly due to the following:

- i) depreciation of property, plant and equipment of \$0.52 million; and
- ii) amortisation of right-of-use assets of \$0.26 million.

partially offset by purchase of new equipment amounting to \$0.11 million.

Current assets

Current assets decreased by \$1.08 million from \$6.71 million as at 31 December 2021 to \$5.63 million as at 30 June 2022, mainly due to an decrease in cash and bank balances of \$2.38 million, offset by an increase in trade and other receivables of \$0.73 million and increase in prepayment of \$0.56 million. The increase in trade and other receivables was largely due to increased revenue during second quarter of 2022. The increase in prepayment was mainly due to advance payments made for the purchase of rear-end loader truck and some plant and machinery during 1HFY2022.

Non-current Liabilities

Non-current liabilities decreased by \$1.04 million from \$17.35 million as at 31 December 2021 to \$16.31 million as at 30 June 2022, mainly due to the repayment of term loans during 1HFY2022.

Current liabilities

Current liabilities remained stable at \$3.77 million as at 30 June 2022, closely similar to the level of 31 December 2021.

Equity

Total equity, after accounting for the loss for 1HFY2022, was \$4.56 million as at 30 June 2022 which compares against \$5.29 million as at 31 December 2021.

REVIEW OF STATEMENT OF CASH FLOWS

Operating activities

In 1HFY2022, net cash used in operating activities was \$0.41 million. This was largely due to negative net working capital movement of \$0.68 million and income tax payment of \$0.04 million which were partially offset by operating cash inflows before working capital movement of \$0.31 million. The negative net working capital movement of \$0.68 million resulted from an increase in trade and other receivables of \$0.72 million offset by a decrease in trade and other payables of \$0.04 million. The increase in trade and other receivables was largely attributable to temporary build up of receivables arising from substantial increase in revenue in second quarter of 2022.

Investing activities

In 1HFY2022, net cash used in investing activities was \$0.67 million due to i) purchase of new plant and equipment of \$0.09 million; ii) advance payments made for acquisition of plant and equipment of \$0.58 million.

Financing activities

In 1HFY2022, net cash used in financing activities was \$1.30 million due to i) repayment of bank borrowings of \$0.97 million; ii) repayment of obligations under lease liabilities of \$0.25 million; and iii) interest payments of \$0.26 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 \$2.38 million to S\$2.53 million as at 30 June 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

1HFY2022 was a challenging period for the Group. Although the COVID-19 pandemic had progressively come under control, the Singapore cruise industry remained weak in supporting the Group's general waste collection business. Manpower disruption, as a result of the pandemic, had also affected the roll-out of new business initiatives, notably the oil waste recycling and general waste sorting. The Group's commencement of its biomedical waste treatment operations was significantly delayed due to the Ukraine war which impacted the supply chain, resulting in late arrival of the waste incineration plant previously ordered by the Group.

For the cruise sector, Resorts World Cruises' Genting Dream had started sailing to Indonesia and Malaysia since July 2022, with Thailand possibly from October 2022 onwards. Such positive development may augur well for the Group as recovery of cruise waste handling demand gains traction. The Company will closely monitor the cruise industry over the next 12 months and its potential impact on the Company's earnings and growth plans.

On the biomedical waste management front, the Group had taken delivery of the treatment plant in first week of August 2022. Upon installation, commissioning and approval by relevant authorities, the Group hopes to commence generating income in fourth quarter of 2022.

In a bid to fortify its general waste management earnings, the Group continues to widen its customer sourcing across various industries beyond shipping, including but not limited to construction, grocery and logistics.

On the recycling front, steps have been taken to penetrate into different streams of recycling. In June 2022, the Group successfully collaborated with TRIA Pte Ltd to launch a food waste recycling project. Such initiative shall pave the way for the Group making further inroads into the food waste recycling space. As for wood recycling, upon the arrival and installation of the wood pelletiser, the Group shall organise its team to generate fresh income from sale of wood pellets, hopefully by fourth quarter of 2022.

The Group is currently facing macro-economic uncertainties coupled with significant inflationary pressures. In view of such, 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 due to 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 Catalyst 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. The striking off of the subsidiary is not expected to have a material impact on the Group's consolidated loss per share and net tangible assets per share for the financial year ending 31 December 2022. Save for the foregoing, the Group has not undertaken any acquisition or sales of shares in subsidiaries and/or associated companies during the financial period ended 30 June 2022.



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

Confirmation by the Board

We, Sukhvinder Singh Chopra and Mohamed Gani Mohamed Ansari, being two directors of Shanaya Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the unaudited condensed interim financial statements of the Group for the six-month financial period ended 30 June 2022 to be false or misleading in any material aspect.

On behalf of the Board,

Sukhvinder Singh Chopra
Chairman

Mohamed Gani Mohamed Ansari
Executive Director and Chief Executive Officer

Singapore
12 August 2022

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

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