



Shanaya Limited
(Company Registration Number 199804583E)
and its Subsidiaries

Voluntary Condensed Interim Financial Statements
For the nine months ended 30 September 2021

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PREAMBLE

Background

Formerly known as CPH Ltd., Shanaya Limited (the "**Company**"), and collectively with its subsidiaries (the "**Group**") were formed pursuant to a reverse takeover ("**RTO**") of the entire issued share capital of Shanaya Environmental Services Pte. Ltd. ("**SES**"). The RTO was completed on 18 August 2021, and the Company changed its name to "Shanaya Limited". SES is a home-grown Singapore waste management company, specialising in the collection, transfer, and disposal of waste for industrial and commercial clients, primarily serving the shipping and cruise industries in Singapore.

Please refer to the Company's Circular dated 29 June 2021 for further details on the RTO and restructuring exercise.

On 18 August 2021, the Company announced the change of financial year end from 31 March to 31 December to align with that of SES. With the change, the Company's financial year will mirror that of SES and will commence from 1 January 2021 and ending on 31 December 2021, with the first set of audited financial statements of the Group covering the same period.

The Company has elected to release this nine-month financial results announcement on a voluntary basis in order to present its shareholders with a timely update on the financials of the Group following the completion of the RTO given that the latest financial results of SES as presented in the Circular was for the financial year ended 31 December 2020

Group Level

Following the completion of the RTO, the wholly-owned subsidiary, SES, is deemed as the accounting acquirer that has acquired the Company (the accounting acquiree) for accounting purpose. As such, the consolidated financial statements have been prepared and presented as a continuation of SES.

Accordingly, the consolidated financial statements of the Group for the nine-month financial period ended 30 September 2021 have been presented as a continuation of SES's financial results and operations, in accordance with the following:

- 1) the assets and liabilities of the accounting acquirer, SES, are recognised and measured in the consolidated statement of financial position at their pre-acquisition carrying amount;
- 2) the assets and liabilities of the accounting acquiree, the Company, are recognised and measured in accordance with their acquisition date fair value;
- 3) the retained earnings and other equity balances recognised in the consolidated financial statements of the Group are the retained earnings and other equity balances of SES immediately before the RTO;
- 4) the amount recognised in the issued equity interest in the consolidated financial statements of the Group is computed by adding the issued equity of SES immediately before the RTO to the fair value of the consideration effectively transferred based on the share price of the Company at the acquisition date. However, the equity structure presented in the consolidated financial statements of the Group (i.e. the number and type of equity instruments issued) shall reflect the equity structure of the Company, including the equity instruments issued by the Company to effect the combination; and
- 5) the comparative figures presented in these consolidated financial statements of the Group are those of financial statements of SES.

Following the completion of the RTO, the principal business of the Group is those of SES. The consolidated financial statements of the Group have been prepared using the reverse acquisition accounting as set out in SFRS(I) 3 – "Business Combinations", but it does not result in the recognition of goodwill, as the Company was deemed as a cash company under the Rule 1017 of the Listing Manual Section B: Rules of Catalyst ("Catalist Rules") and did not meet the definition of a business as set out in SFRS(I) 103. Instead, such transaction falls within the scope of SFRS(I) 2 "Share-based Payment", which requires the deemed shares issued by the legal subsidiary corporation (as consideration for the acquisition of the Company) to be recognised at fair value. Any difference between the consideration sum and the fair value of the Company's identifiable net assets acquired is treated as cost of obtaining a listing (paid in shares) by the legal subsidiary, SES, and be recognised as an expense in the consolidated statement of comprehensive income.

Company Level

Reverse acquisition accounting applies only to the consolidated financial statements at the Group level. As such, the investment in SES recorded in the Company's financial statements was accounted for at cost less accumulated impairment losses, if any.

Notes:

- 1) The Group's consolidated statement of comprehensive income and consolidated statement of cash flows for the nine-month financial period ended 30 September 2021 ("**9MFY2021**") refer to the enlarged group which included the results of SES from 1 January 2021 to 30 September 2021 and the results of the Company from 19 August 2021 to 30 September 2021. The Group's consolidated statement of changes in equity for 9MFY2021 include the results of SES for 9MFY2021 and the results of the Company from 19 August 2021 to 30 September 2021.
- 2) The Group's consolidated statement of comprehensive income and consolidated statement of cash flows for the nine-month financial period ended 30 September 2020 ("**9MFY2020**") refer to the results of SES from 1 January 2020 to 30 September 2020. The Group's consolidated statement of changes in equity for the nine-month financial period ended 30 September 2020 refer to the results of SES only.
- 3) The Group's consolidated statement of financial position as at 30 September 2021 refers to the consolidated statement of financial position of the enlarged group comprising SES and the Company.
- 4) The Group's consolidated statement of financial position as at 30 September 2020 refers to the consolidated statement of financial position of SES only.
- 5) The Company's statement of financial position as at 30 September 2021 and 30 September 2020 refers to that of the Company.
- 6) The Company's statement of changes in equity for 9MFY2021 and 9MFY2020 refers to that of the Company.

VOLUNTARY DISCLOSURE - UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<u>Note</u>	Group		Change %
		9MFY2021 \$'000	9MFY2020 \$'000	
Revenue		4,845	4,457	9%
Other income		133	198	-33%
Employee benefits expense		(1,229)	(1,100)	12%
Amortisation of right-of-use assets		(210)	(151)	39%
Depreciation of property, plant and equipment		(424)	(251)	69%
Loss allowance on trade receivables		-	(27)	n/m
Other operating expenses		(2,560)	(1,952)	31%
Finance costs		(231)	(205)	13%
Profit before exceptional items		<u>324</u>	<u>969</u>	
Exceptional items:				
Acquisition-related cost		(1,022)	(38)	
Loss on reverse acquisition		(3,262)	-	
(Loss)/Profit before tax	7	<u>(3,960)</u>	<u>931</u>	n/m
Income tax expense	8	(75)	(138)	-46%
(Loss)/Profit for the period, net of tax		<u>(4,035)</u>	<u>793</u>	n/m
Other comprehensive (loss)/income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange difference on translation of subsidiaries, representing other comprehensive income for the period, net of tax		15	-	n/m
(Loss)/Profit attributable to the owners of the Company		<u>(4,035)</u>	<u>793</u>	n/m
Total comprehensive (loss)/income attributable to the owners of the Company		<u>(4,020)</u>	<u>793</u>	n/m
(Loss)/Earnings per share attributable to equity holders of the Company:				
Basic and diluted (cents per share)	9	<u>(4.76)</u>	<u>1.00</u>	n/m

n/m: not meaningful

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		30.09.2021 \$'000	31.12.2020 \$'000	30.09.2021 \$'000	31.12.2020 \$'000
ASSETS					
Non-current assets					
Property, plan and equipment	11	13,331	11,520	-	-
Right-of-use assets		6,584	6,420	-	-
Investment in subsidiaries		-	-	25,355	5,533
Total non-current assets		19,915	17,940	25,355	5,533
Current assets					
Trade and other receivables	12	1,805	1,545	778	1,963
Cash and bank balances	13	5,663	1,481	3,500	26
Total current assets		7,468	3,026	4,278	1,989
Total assets		27,383	20,966	29,633	7,522
LIABILITIES AND EQUITY					
Non-current liabilities					
Loans and borrowings	14	7,907	8,155	-	-
Lease liabilities	15	6,011	6,105	-	-
Deferred tax liabilities		352	293	-	-
Total non-current liabilities		14,270	14,553	-	-
Current liabilities					
Loans and borrowings	14	1,941	1,101	-	-
Lease liabilities	15	453	409	-	-
Trade and other payables	16	4,836	767	5,651	85
Income tax payable		144	221	-	-
Total current liabilities		7,374	2,498	5,651	85
Equity					
Share capital	17	10,344	1,500	44,464	24,764
(Accumulated losses) / Retained earnings		(1,620)	2,415	(20,492)	(17,337)
Share-based payment reserve		-	-	10	10
Foreign exchange translation reserve		15	-	-	-
Reverse acquisition reserve	18	(3,000)	-	-	-
Total equity		5,739	3,915	23,982	7,437
Total liabilities and equity		27,383	20,966	29,633	7,522

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	<u>Note</u>	Group	
		9MFY2021 \$'000	9MFY2020 \$'000
Operating activities			
(Loss)/Profit before tax		(3,960)	931
Adjustments for:			
Depreciation of property, plant and equipment		424	251
Amortisation on right-of-use assets		210	151
Loss allowance on trade receivables		-	27
Gain on disposal of property, plant and equipment		-	(15)
Write-off of property, plant and equipment		23	-
Acquisition-related cost		1,022	38
Loss on reverse acquisition		3,262	-
Interest expense		231	205
Operating cash flows before movements in working capital		1,212	1,588
Trade and other receivables		423	112
Trade and other payables		(264)	(1,079)
Cash generated from operations		1,371	621
Income tax paid		(93)	-
Net cash generated from operating activities		1,278	621
Investing activities			
Purchase of property, plant and equipment		(590)	(65)
Advance payments for acquisition of property, plant and equipment		(234)	-
Additions to right-of-use assets		(272)	(17)
Proceeds from disposal of property, plant and equipment		6,500	20
Cash and cash equivalents acquired on completion of reverse acquisition		59	-
Net cash generated from/(used in) investing activities		5,463	(62)
Financing activities			
Interest paid		(404)	(371)
Proceeds from bank loan		202	3,002
Repayment of bank borrowings		(1,728)	(349)
Repayment of lease obligations		(322)	(320)
Repayment of third party loans		-	(1,200)
Increase in restricted cash		(18)	(396)
Dividends paid		-	(60)
Acquisition-related cost paid		(322)	(38)
Net cash (used in)/generated from financing activities		(2,592)	268
Net increase in cash and cash equivalents		4,149	827
Cash and cash equivalents at beginning of period		1,085	405
Effect of foreign exchange rate changes on cash and cash equivalents		15	-
Cash and cash equivalents at end of period	13	5,249	1,232

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the 9 months ended 30 September

	Share capital	Foreign exchange translation reserve	Reverse acquisition reserve	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
Balance at 01.01.2020	1,500	-	-	1,641	3,141
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	793	793
Balance at 30.09.2020	1,500	-	-	2,434	3,934
Balance at 01.01.2021	1,500	-	-	2,415	3,915
Loss for the financial period	-	-	-	(4,035)	(4,035)
<i>Other comprehensive loss for the financial period</i>					
Foreign currency translation differences	-	15	-	-	15
<i>Transaction with owner recognised directly in equity</i>					
Issuance of new shares pursuant to RTO	8,844	-	(3,000)	-	5,844
Balance at 30.09.2021	10,344	15	(3,000)	(1,620)	5,739
	Share capital	Share-based payment reserve	Accumulated losses	Total	
	\$'000	\$'000	\$'000	\$'000	
Company					
Balance at 01.01.2020	24,764	10	(14,047)	10,727	
Loss for the financial period representing total comprehensive loss for the financial period	-	-	(3,215)	(3,215)	
Balance at 30.09.2020	24,764	10	(17,262)	7,512	
Balance at 01.01.2021	24,764	10	(17,337)	7,437	
Loss for the financial period representing total comprehensive loss for the financial period	-	-	(3,155)	(3,155)	
<i>Transaction with owners recognised directly in equity</i>					
Issuance of Consideration Shares pursuant to RTO (Note 2)	19,000	-	-	19,000	
Issuance of PPCF Shares pursuant to RTO (Note 2)	400	-	-	400	
Issuance of Introducer Shares pursuant to RTO (Note 2)	300	-	-	300	
Balance at 30.09.2021	44,464	10	(20,492)	23,982	

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.

The Company and its subsidiaries (collectively, the “**Group**”) were formed pursuant to a reverse takeover by Shanaya Environmental Services Pte. Ltd. (“**SES**”) which was completed and announced on 18 August 2021 through the issuance of 79,1666,665 new ordinary shares (on post-consolidation basis) to the shareholders of SES.

The principal activity of the Company is that of investment holding.

These condensed interim consolidated financial statements as at and for the nine-month financial period ended 30 September 2021 comprise the Company and the Group.

2 Reverse acquisition

On 29 September 2020, the Company entered into a conditional sale and purchase agreement (“**SPA**”) with Shitthi Nabesathul Bathuria D/O Abdul Hamid, Sivakumar Martin S/O Sivanesan and Perumal S/O Gopal (collectively, the “**Vendors**”) and SES, pursuant to which the Company acquired the entire issued and paid up share capital of SES from the Vendors, based on the terms and conditions of the SPA (the “**Proposed Acquisition**”).

Under the terms of the Proposed Acquisition, the Company paid a consideration of \$22,000,000 (“**Purchase Consideration**”), to be satisfied by a combination of (i) the payment of \$3,000,000 in cash (“**Deferred Payment Consideration**”) to the Vendors within 12 months from the date of completion of the Proposed Acquisition, and (ii) the issuance and allotment of 3,166,666,667 new ordinary shares of the Company (on a pre-consolidation basis) at an issue price of \$0.006 per Consideration Share (“**Issue Price**”) to the Vendors.

On 16 August 2021, the shares in the Company were consolidated on the basis of one share for every forty (40) shares held by shareholders (the “**Share Consolidation**”). As a result, the Company has an issued share capital of approximately \$24,764,175 divided into 30,730,539 whole consolidated shares (the “**Consolidated Shares**”), after disregarding any fractions of Consolidated Shares arising from the Share Consolidation.

On 18 August 2021, the Company completed the acquisition of the entire issued and paid-up share capital of SES (“**Completion**”).

Pursuant to Completion, the Company has:

- i) acquired the entire issued share capital of SES;
- ii) issued and allotted 79,166,665 Consolidated Shares to the Vendors (“**Consideration Shares**”) at the Issue Price, in partial satisfaction of the Purchase Consideration for the Proposed Acquisition;
- iii) issued and allotted 1,250,000 Consolidated Shares to the Introducer (who provided management consultation services to the Vendors and SES in relation to the Proposed Acquisition) (“**Introducer Shares**”) at the Issue Price, in full settlement of the Introducer Fee; and
- iv) issued and allotted 1,666,666 Consolidated Shares to PPCF (who provided financial advisory services rendered as the Financial Adviser and Sponsor to the Company in connection to the Proposed Acquisition) (“**PPCF Shares**”) at the Issue Price, in partial settlement of PPCF’s professional fees.

For accounting purposes, the transaction is accounted for as a reverse acquisition and SES is regarded as the acquirer and the Company is regarded as the acquiree. As such, the consolidated financial statements have been prepared and presented as a continuation of SES’s financial statements.

At Group level

The consolidated financial statements of the Group have been prepared using the reverse acquisition accounting as set out in Singapore Financial Reporting Standards (International) SFRS(I) 3 Business Combinations (“**SFRS(I) 3**”), but it does not result in the recognition of goodwill, as the Company was deemed as a cash company and did not meet the definition of a business as set out in SFRS(I) 3. Instead, such transaction falls within the scope of SFRS(I) 2 Share-based Payment, which requires the shares deemed issued by the legal subsidiary (as consideration for the acquisition of the Company) to be recognised at fair value. Any difference between the consideration sum and the fair value of the Company’s identifiable net assets represents a service received by the legal subsidiary, SES, and is recognised as an expense or income in the statement of comprehensive income. For the purpose of reverse acquisition accounting, the Company is the legal acquirer (accounting acquiree) whilst SES is the legal acquiree (accounting acquirer)

The fair value of the identifiable assets and liabilities of the Company recognised as at the date of the reverse acquisition were:

	At date of reverse acquisition \$'000
Cash and cash equivalents	59
Other receivables	6,948
Other payables	(1,333)
Loans and borrowings	(792)
Total identifiable net assets at fair value	<u>4,882</u>
Fair value of shares deemed issued	8,144
Loss on reverse acquisition	<u><u>(3,262)</u></u>
Consideration settled in cash	-
Add: Cash and cash equivalents of the Company acquired	<u>59</u>
Cash inflow from reverse acquisition	<u><u>59</u></u>

Loss on reverse acquisition of \$3,261,845 had been recorded in the consolidated statement of comprehensive income for the financial period ended 30 September 2021. The Group had also incurred one-off reverse acquisition related costs of \$1,022,394 during the period.

The fair value of the shares deemed to be issued by the accounting acquirer (legal subsidiary) is based on the number of equity interests that the accounting acquirer (legal subsidiary) would have had to issue to give the owners of the accounting acquiree (legal parent) the same percentage equity interest in the combined entity that results from the reverse acquisition.

The Deferred Payment Consideration were deemed to be cash distributable to Vendors and are recorded under the reverse acquisition reserve.

Since such consolidated financial statements represent a continuation of the financial statements of SES:

- i) the assets and liabilities of SES are recognised and measured in the consolidated statement of financial position of the Group at their pre-acquisition carrying amounts;
- ii) the assets and liabilities of the Company are recognised and measured in the consolidated statement of financial position of the Group at their acquisition-date fair values;
- iii) the revenue reserve and other equity balances recognised in the consolidated financial statements are the revenue reserve and other equity balances of SES immediately before the reverse acquisition;
- iv) the amount recognised as issued equity interests in the consolidated financial statements is determined by adding the costs of acquisition to the issued equity of SES immediately before the reverse acquisition. However, the equity structure appearing in the consolidated financial statements (i.e. the number and type of equity instruments issued) reflects the equity structure of the legal parent (i.e. the Company), including the equity instruments issued by the Company to effect the reverse acquisition; and
- v) the consolidated statement of comprehensive income for the financial period from 1 January 2021 to 30 September 2021 reflects the 9-month result of SES together with the post-acquisition results of the Company.

At Company level

Reverse acquisition accounting applies only at the consolidated financial statements at the Group level. Therefore, in the Company's separate financial statements, the investment in subsidiaries is accounted for at cost less accumulated impairment losses, if any, in the Company's statement of financial position.

3 Basis of Preparation

The condensed interim financial statements for the nine-month financial period ended 30 September 2021 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.

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 3.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

3.1 New and amended standards adopted by the Group

On 1 January 2021, the Group adopted new and amended SFRS(I) and interpretations to SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial period. The adoption of these new or amended SFRS(I) and INT SFRS(I) did not have a material effect on the financial statements. The Group also did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

3.2 New and Revised Standards Issued but Not Yet Effective

At the date of release of these statements, the following SFRS(I)s and SFRS(I)s INT that are relevant to the Group were issued but not yet effective:

Description	Effective for annual periods beginning on or after
Annual Improvements to SFRS(I)s/FRSs Standards 2018-2020 Cycle - SFRS(I) 9 Financial Instruments – Fees in the '10 per cent' test for derecognition	January 1, 2022
Amendments to SFRS(I) 1-16 Property, Plant and Equipment – Proceeds before Intended Use	January 1, 2022
Amendments to SFRS(I) 3 Business Combinations – Reference to the Conceptual Framework	January 1, 2022
Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of liabilities as current or non-current	January 1, 2023
Amendments to SFRS(I) 1-1 Disclosure of Accounting Policies and SFRS(I) Practice Statement 2 Making Materiality Judgements	January 1, 2023
Amendments to SFRS(I) 1-8 Definition of Accounting Estimates	January 1, 2023

The Group does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/new standards will not have a material impact on the financial statements of the Group in the period of their initial adoption.

3.3 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 applied to SES's financial statements as at and for the financial year ended 31 December 2020.

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.

4 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.

5 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.

6 Financial assets and financial liabilities

	Group		Company	
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Financial assets at amortised cost				
- Trade and other receivables (excluding net GST receivables)	1,805	1,489	778	1,963
- Cash and bank balances	5,663	1,481	3,500	26
	<u>7,468</u>	<u>2,970</u>	<u>4,278</u>	<u>1,989</u>
Financial liabilities				
Financial liabilities at amortised cost				
- Trade and other payables ^	4,403	748	5,651	85
- Lease liabilities	6,464	6,514	-	-
- Loans and borrowings	9,848	9,256	-	-
	<u>20,715</u>	<u>16,518</u>	<u>5,651</u>	<u>85</u>

^ Excluding deferred government grant income and net GST payables.

7 Profit/(Loss) before tax

7.1 Significant items

The following items have been included in arriving at profit/(loss) before income tax:

	Group	
	9MFY2021	9MFY2020
	\$'000	\$'000
Income:		
Government grant	84	184
Expenses:		
Depreciation of property, plant and equipment	(424)	(251)
Amortisation of right-of-use assets	(210)	(151)
Interest on borrowings	(169)	(191)

7.2 Related party transactions

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

8 Taxation

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

	Group	
	9MFY2021	9MFY2020
	\$'000	\$'000
Current income tax expense	16	70
Deferred income tax expense relating to origination/reversal of temporary differences	59	68
	<u>75</u>	<u>138</u>

9 Earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue of 84,774,533 (30.9.2020: 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	
	30.09.2021 \$ cents	31.12.2020 \$ cents	30.09.2021 \$ cents	31.12.2020 \$ cents
Net asset value per ordinary share based on existing issued share capital excluding treasury shares as at the end of the period reported on	5.09	0.32	21.26	0.61

11 Property, plant and equipment

During the nine-month financial period ended 30 September 2021, the Group acquired assets amounting to \$1,871,643 (30 September 2020: \$2,607,245) and disposed of assets amounting to \$22,715 (30 September 2020: \$41,485). The assets acquired during the financial period reported on primarily relate to the construction of the Group's building at Tuas South Street 15 and purchase of plant and machinery for the general waste management and toxic waste management operations.

12 Trade and other receivables

	Group		Company	
	30.09.2021 \$'000	31.12.2020 \$'000	30.09.2021 \$'000	31.12.2020 \$'000
Trade receivables				
- Third parties	1,439	1,409	-	-
- Less: Loss allowance	(39)	(39)	-	-
	<u>1,400</u>	<u>1,370</u>	<u>-</u>	<u>-</u>
Non-trade receivables				
- Third parties	405	175	118	8
- Loan to a subsidiary	-	-	660	1,946
- Amount due from a subsidiary	-	-	197	186
- Less: Loss allowance	-	-	(197)	(177)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>9</u>
	<u>1,805</u>	<u>1,545</u>	<u>778</u>	<u>1,963</u>

Trade receivables from third parties are unsecured, non-interest bearing and generally on a 30 to 90 (9MFY2020: 30 to 90) days credit terms.

The loan to a subsidiary is unsecured, bears interest at a rate of 2.25% (9MFY2020: 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	
	30.09.2021 \$'000	31.12.2020 \$'000	30.09.2021 \$'000	31.12.2020 \$'000
Cash and bank balances	5,663	1,481	3,500	26
Less: Restricted cash	(414)	(396)	-	-
Cash and cash equivalents	<u>5,249</u>	<u>1,085</u>	<u>3,500</u>	<u>26</u>

For the financial period ended 30 September 2021, restricted cash pertains to bank balance earmarked for purpose of fulfilling the investment shortfall in relation to the minimum plant and machinery investment criteria as imposed by JTC which is required to be met by a subsidiary pursuant to a land lease arrangement ("**Investment Shortfall**"). For the financial period ended 30 September 2020, restricted cash pertains to bank balances held by the bank for the banking facilities granted.

Cash and bank balances are denominated in Singapore dollar.

14 Loans and borrowings

	Group		Company	
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	1,941	1,101	-	-
Unsecured	-	-	-	-
<u>Amount repayable after one year</u>				
Secured	7,907	8,155	-	-
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	
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000
<u>Non-current portion</u>				
Leasehold lands	5,586	5,760	-	-
Motor vehicles	353	229	-	-
Plant and machinery	72	116	-	-
	<u>6,011</u>	<u>6,105</u>	<u>-</u>	<u>-</u>
<u>Current portion</u>				
Leasehold lands	228	213	-	-
Motor vehicles	166	139	-	-
Plant and machinery	59	57	-	-
	<u>453</u>	<u>409</u>	<u>-</u>	<u>-</u>

The Group leases leasehold lands in Singapore. As at 30 September 2021, the average incremental borrowing rate applied was 3.60% (30 September 2020: 3.60%).

The Group also leases certain motor vehicles and plant and machinery with lease term ranging from 4 to 5 years (30 September 2020: 4 to 5 years). The average interest rates implicit in the lease range from 1.78% to 3.69% per annum (31 December 2019: 1.78% to 3.69% per annum).

The Group's lease liabilities of \$541,169 (30 September 2020: \$541,169) are secured over certain right-of-use assets over 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 Trade and other payables

	Group		Company	
	30.09.2021 \$'000	31.12.2020 \$'000	30.09.2021 \$'000	31.12.2020 \$'000
Trade payables				
- third parties	320	151	-	-
Non-trade payables				
- third parties	586	419	-	59
- subsidiary	-	-	2,593	-
- shareholders	3,000	-	3,000	-
Accrued expenses	497	178	51	26
GST payable, net	413	-	-	-
Other payables	20	19	7	-
	<u>4,836</u>	<u>767</u>	<u>5,651</u>	<u>85</u>

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

The non-trade payables to shareholders amounting to \$3,000,000 are deferred payment consideration payable to the Vendors pursuant to the RTO disclosed in Note 2 to the financial statements. The Company plans to pay the amount within twelve months from the date of completion of the RTO.

Trade and other payables are denominated in Singapore dollar.

17 Share capital

<u>Group</u>	30.09.2021	31.12.2020	30.09.2021	31.12.2020
	Number of shares ('000)		\$'000	\$'000
<i>Ordinary shares</i>				
At beginning of financial period	1,229,226	1,229,226	1,500	1,500
Effect of share consolidation (Note 2)	(1,198,495)	-	-	-
Balance after share consolidation	<u>30,731</u>	<u>1,229,226</u>	<u>1,500</u>	<u>1,500</u>
Issuance of shares pursuant to reverse acquisition (Note 2)	82,083	-	8,844	-
At end of financial period	<u>112,814</u>	<u>1,229,226</u>	<u>10,344</u>	<u>1,500</u>
<u>Company</u>	30.09.2021	31.12.2020	30.09.2021	31.12.2020
	Number of shares ('000)		\$'000	\$'000
<i>Ordinary shares</i>				
At beginning of financial period	1,229,226	1,229,226	24,764	24,764
Effect of share consolidation (Note 2)	(1,198,495)	-	-	-
Balance after share consolidation	<u>30,731</u>	<u>1,229,226</u>	<u>24,764</u>	<u>24,764</u>
Issuance of shares pursuant to reverse acquisition (Note 2)	82,083	-	19,700	-
At 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 September 2021 and 30 September 2020.

The Company has no outstanding options and convertible securities as at 30 September 2021 and 30 September 2020.

18 Reverse acquisition reserve

Reverse acquisition reserve is the cash consideration payable for the acquisition of 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 reverse acquisition, the cash consideration cannot form part of the consideration transferred by acquirer as the Company is the accounting acquiree.

19 Subsequent events (after 30 September 2021)

With reference to the announcement released on 23 August 2021 pertaining to the completion of disposal of the property at 8 First Lok Yang Road, Singapore 629731, the Company had, on 2 October 2021, transferred the \$414,287 of the net disposal proceeds to a fixed deposit account which carries the sole purpose of fulfilling the Investment Shortfall.

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 September 2021 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 nine-month period then ended and certain explanatory notes have not been audited or reviewed.

The Group's latest financial statements for the year ended 31 December 2020 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;
- (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 income statement

Group revenue for 9MFY2021 increased by \$0.39 million, or 9%, from \$4.46 million to \$4.85 million. The improvement was mainly driven by higher recycling revenue generated as well as collection of oily waste to commence trial run on the treatment and disposal of oil sludge and oily water after September 2021. Notwithstanding the Group had commenced its operations at its Tuas Facility since mid-2021, the revenue contribution did not increase significantly as the Singapore cruise industry had not recovered during 9MFY2021, whereas the 9MFY2020 had 2 months of normal cruise volume during the pre-COVID-19 period of January and February 2020.

Other income decreased by \$0.07 million, or 33%, from \$0.20 million to \$0.13 million. The decrease was mainly due to lower Government grant during 9MFY2021, notably those from the Job Support Scheme.

Employee benefits expense increased by \$0.13 million, or 12%, from \$1.10 million to \$1.23 million. The increase was mainly due to salary increment and higher trip-based wages incurred to support the revenue increase.

Amortisation of right-of-use assets increased by \$0.06 million, or 39%, from \$0.15 million to \$0.21 million. The increase was mainly due to cessation of capitalisation of amortisation in respect of land lease at Tuas South Street 15 w.e.f. 1 July 2021, partially offset by the effect of full settlement made in respect of certain motor vehicles during 2020.

Depreciation of property, plant and equipment increased by \$0.17 million, or 69%, from \$0.25 million to \$0.42 million. The increase was mainly due to the commencement of depreciation w.e.f. 1 July 2021 in respect of the property at Tuas South Street 15, as well as reclassification of certain motor vehicles from right-of-use assets to property, plant and equipment for depreciation purpose following full settlement of their lease liabilities towards end of FY2020.

Other operating expenses increased by \$0.61 million, or 31%, from \$1.95 million to \$2.56 million. The increase was primarily attributable to the increase in certain direct operating costs which was disproportionately higher as compared to the revenue increase, for the following reasons:

- i) Waste collected in 9MFY21 contained an increased proportion of non-recyclable content - and concomitantly, higher waste disposal cost, amidst declining collection volume of cruise waste which tends to have higher recyclable content;
- ii) Port subcontractor cost increased as labour cost rate increased amidst the pandemic-triggered labour shortage;
- iii) Profit margin advantage was relatively compromised in 9MFY21 due to the shift towards servicing more cargo shipping customers which generally had lower propensity to go beyond the concessionary charge rate for minimum volume given their typically low volume of waste discharge compared to cruise; and
- iv) Diesel cost increased largely due to higher diesel price.

Finance costs increased by \$0.03 million, or 13%, from \$0.21 million to \$0.23 million. The increase was mainly due to increase in interest on term loans and lease liabilities, partially offset by absence of interest expense incurred on loan from third party.

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

The Company completed its acquisition of the entire share capital of SES by way of the issuance of 79,166,665 new consolidated ordinary shares in capital of the Company to the shareholders of SES. The transaction is treated as a reverse acquisition for accounting purposes as the shareholders of SES became the controlling shareholders of the Company upon completion of the transaction. SES is thus deemed to have issued equity shares as purchase consideration for the assets and liabilities of the Company using the accounting principles in SFRS(I) 2 Share-based Payment, as the Company's operation did not constitute a business under SFRS(I) 3 Business Combinations at the time of completion of the reverse acquisition. The excess of the purchase consideration over the net identifiable assets of the Company acquired, amounting to \$3.26 million, has been recognised in profit or loss as acquisition costs arising from the reverse acquisition incurred by SES in accordance with SFRS(I) 2 Share-based Payment.

As a result of the above, the Group reported a net loss of \$4.04 million in 9MFY2021, reversing from a net profit of \$0.79 million in 9MFY2020 due mainly to the financial effect of the reverse acquisition. Excluding the exceptional items of the acquisition-related costs and loss on reverse acquisition, the Group would have made net profit of \$0.25 million in 9MFY2021.

Review of statement of financial position

Non-current assets

Non-current assets increased by \$1.98 million from \$17.94 million as at 31 December 2020 to \$19.92 million as at 30 September 2021, mainly due to (i) further cost incurred for the construction of Tuas Facility of \$1.00 million; (ii) purchase of motor vehicles of \$0.23 million; (iii) purchase of plant and machinery largely for the general waste management and toxic waste management operations of \$1.00 million; and (iv) recognition of right-of-use assets for new motor vehicles purchased under finance lease of \$0.54 million; partially offset by depreciation of \$0.42 million and amortisation of right-of-use assets of \$0.38 million.

Current assets

Current assets increased by \$4.44 million from \$3.03 million as at 31 December 2020 to \$7.47 million as at 30 September 2021, mainly due to (i) increase in cash and cash equivalents of \$4.18 million, and (ii) increase in trade and other receivables of \$0.26 million which is in tandem with the increase in revenue during the financial period.

Non-current Liabilities

Non-current liabilities decreased by \$0.28 million from \$14.55 million as at 31 December 2020 to \$14.27 million as at 30 September 2021, mainly due to (i) reclassification of bank borrowings from non-current to current of \$1.57 million; and (ii) reclassification of lease liabilities from non-current to current of \$0.37 million; partially offset by (i) drawdown of additional bank borrowings for purchase of new machinery and construction of Tuas Facility of \$1.32 million; (ii) recognition of new lease liabilities for purchase of motor vehicles of \$0.27 million; and (iii) increase in deferred tax liabilities of \$0.06 million.

Current liabilities

Current liabilities increased by \$4.88 million from \$2.50 million as at 31 December 2020 to \$7.37 million as at 30 September 2021, mainly due to (i) deferred payment consideration payable to vendor (pursuant to the RTO) of S\$3.0 million; (ii) drawdown of new borrowings of S\$0.20 million for working capital requirements; (iii) reclassification of loan from non-current portion to current portion of S\$1.57 million; (iv) reclassification from non-current to current portion in respect of lease liabilities for purchase of motor vehicles of \$0.37 million; (v) net GST payable largely in respect of sale of property held for sale of \$0.41m; (vi) increase in other payables and accruals of \$0.49 million largely due to purchase of motor vehicles; and (vii) increase in trade payables of \$0.17 million which is in tandem with the increase in operating expenses and revenue; partially offset by repayment of bank borrowings of \$0.94 million, repayment of lease liabilities of \$0.32 million and payment of income tax of \$0.09 million.

Equity

Total equity, after accounting for current year results for 9MFY2021, was \$5.74 million as at 30 September 2021 as compared to \$3.92 million as at 31 December 2020.

Retained earnings reversed from \$2.42 million as at 31 December 2020 to accumulated losses of \$1.62 million as at 30 September 2021, mainly due to the one-off exceptional items relating to loss on reverse acquisition and acquisition-related expenses.

Review of statement of cash flows

Operating activities

In 9MFY2021, net cash generated from operating activities was \$1.28 million after accounting for operating cash flows before working capital changes of \$1.21 million and net working capital change of \$0.16 million which were partially offset by tax paid of \$0.09 million. The net cash inflow from working capital changes of \$0.16 million resulted from (i) a decrease in trade and other receivables of \$0.42 million; and (ii) a decrease in trade and other payables of \$0.26 million.

Investing activities

Net cash generated from investing activities was \$5.46 million due to (a) proceeds from disposal of a property held-for-sale of \$6.50 million; and (b) net proceeds from reverse acquisition of \$0.06 million; partially offset by (a) purchase of new plant and equipment of \$0.59 million; (b) advance payments made for acquisition of plant and equipment of \$0.23 million; and (c) additions to right-of-use assets of \$0.27 million.

Financing activities

Net cash used in financing activities was \$2.59 million due to (a) repayment of bank borrowings of \$1.73 million; (b) repayment of obligations under lease liabilities of \$0.32 million; (c) interest payments of \$0.40 million; (d) increase in restricted cash of \$0.02 million; and (e) payment of acquisition-related cost of \$0.32 million; partially offset by fresh proceeds of bank borrowings of \$0.20 million.

As a result of the above, cash and cash equivalents increased by \$4.15 million to S\$5.25 million as at 30 September 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

The COVID-19 pandemic continues to affect the entire cruise industry in Singapore. Cruise activities grounded to a halt since March 2020, and in November 2020, the Singapore Tourism Board worked with Royal Caribbean and Genting to restart cruising for Singapore residents in a pilot scheme that allows cruise ships to operate at 50 percent capacity with stringent COVID-19 safety measures including pre-departure COVID-19 tests. On 19 July 2021, it was reported that about 0.22 million people had sailed on over 100 cruises since the resumption of cruising in Singapore.[#] The cruise passenger throughput was 1.82 million in 2019 and 0.41 million in 2020.^{##} Based on the aforementioned statistics and latest available observed outcome of the cruise resumption, it appears that the cruise industry could somewhat be at its nascent stage of recovery and any substantial recovery thereafter would be a critical factor in driving the Group's revenue over the next 12 months.

Barring any protracted delay in the full or substantially full resumption of cruise activities, the Group is poised to generate increasing revenue from its general waste collection as the cruise sector progressively recovers. While maintaining its strategic focus on the cruise and cargo shipping sectors, the Group will also continue to actively seek opportunities of serving other land-based sectors, notably the logistics, oil & gas, construction and food industry, to increase its general waste collection volume.

On the toxic industrial waste management front, the Group had recently started its trial run for the treatment and disposal of oil sludge and oil water waste collected under a probationary license from NEA. The probationary test phase is expected to be completed by December 2021, after which the treatment and disposal of oil sludge and oily water waste operations can proceed at full scale, generating income from both oil waste collection service and the sale of recovered oil.

On the biomedical waste management front, the Group had placed an order to import a biomedical waste incineration system which is slated to arrive by February 2022. Upon installation and commissioning, and subject to the approval by SCDF and relevant authorities, the Group is expected to commence generating income from the treatment of biomedical waste during first half of 2022.

In its pursuit of good sustainability practices and green initiatives, the Group is exploring the installation of rooftop solar power system on its business premises to tap green renewable energy at competitive rates through a Power Purchase Agreement (PPA) with a reputable energy company. Such move is expected to reduce utility costs significantly and contribute to better environment. The Group will continue to explore ways of collecting other types of waste for sorting and treatment where the residual waste can be reduced to its minimal after the treatment process. It is confident that such practices will not only progressively open up more streams of recycling revenue, but also significantly cut down waste disposal cost eventually, effectively fortifying the Group earnings capability and resilience.

Whilst working towards the commencement of the full-scale treatment and disposal of oil sludge and oily water waste operations and biomedical waste management, the Company will continue to exercise financial prudence to manage the Group's operating cash flows.

[#] Source: <https://www.aninews.in/news/world/asia/cruise-industry-restart-how-singapore-residents-are-vacationing-overseas20210719103053/>

^{##} Source: https://stan.stb.gov.sg/content/dam/stan-portal/documents/tourism-statistics/Time%20Series%20-%20Cruise%20Statistics_2020.xlsx

6 Dividend

(a) **Current financial period reported on - any dividend declared for the current financial period reported on?**

No.

(b) **Corresponding period of immediately preceding financial year - any dividend recommends for the corresponding period of the immediately preceding financial year?**

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 accumulated losses of 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 706(A)

Save for the disposal of the indirect 25% shareholding interest in Pearl Garden Restaurant Pte. Ltd. as announced on 30 September 2021, the Group has not undertaken any acquisition or sales of shares in subsidiaries and/or associated companies during the 9-month financial period ended 30 September 2021 and up to the date of this announcement.

BY ORDER OF THE BOARD

Yoo Loo Ping

Company Secretary

12 November 2021

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 nine-month financial period ended 30 September 2021 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 November 2021

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 Ms. Jennifer Tan, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.