

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

ENTERING A SETTLEMENT AGREEMENT AND TERMINATION DEED ON DISPOSAL OF X-PRESS PEARL SHIPWRECK

The Board of Directors (the “**Board**”) of Shanaya Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement dated 23 November 2022 in relation to the following:

- i) the sale & purchase contract (“**Contract**”) entered by its wholly-owned subsidiary, Shanaya Environmental Services Pte Ltd (“**SES**”) along with Crystal Offshore Pte Ltd (“**Crystal**”) (collectively, the “**Buyer**”) to jointly acquire from Shanghai Salvage Company (“**SSC**”) the recovered wreck of X-press Pearl (“**Scrap**”).
- ii) the deed (“**Deed**”) entered by SES with Crystal in conjunction with the Contract.

Under the Contract, the Scrap will be delivered by the Seller to the Buyer in the following manner:

- a) The hull of the sunk vessel (“**Vessel**”) will be delivered in at least 2 sections, one section at a time, on SSC’s semi-submersible vessel (“**SSV**”) at a designated anchorage (“**Designated Anchorage**”) in a condition whereby each of the hull sections is capable of temporary free-floating and being towed by the Buyer’s nominated tugs to the designated facility (“**Designated Facility**”).
- b) The Buyer will be responsible for the towing of each hull section as soon as it is temporary floating free from the SSC’s semi-submersible vessel at the Buyer’s risk and expense to the Designated Facility.
- c) The debris collected by the Seller within 1,000-metre radius around the Vessel and/or from the hull sections and/or as cut off from the Vessel’s accommodation (“**Balance of the Scrap**”) will be delivered on SSC’s deck barge to the Designated Facility for discharge by the Buyer.

Following the inking of the Contract and Deed, SSC and the Buyer had successfully fulfilled all pre-conditions of the Contract, including SSC having obtained permission from the Sri Lankan authorities for exporting the Scrap from Sri Lanka. Thus far, the Buyer had taken delivery of the Balance of the Scrap from SSC using the latter’s deck barges. For the first-half hull wreck section (“**First-half**”), given much difficulty encountered in putting First-half in a floatable condition fit for taking delivery due to the presence of heavy debris contained within it and in view of the high demurrage for holding SSC’s SSV (that carried First-half) in the Designated Anchorage area, SSC, upon giving notice to the Buyer, made its own arrangements to deliver the First-half in Indonesia so that SSC could return to the wreck site to remove the second-half section. As a result, costs disputes have arisen between SSC and the Buyer.

In a bid to settle the matter in the best interest of all parties, SES had, on 23 November 2023, signed a Settlement Agreement (“**Settlement Agreement**”) with Crystal and SSC to terminate the Contract. The Settlement Agreement captures, amongst others, the following salient terms:

- a) The Buyer shall submit to SSC all disposal certificates in respect of the completion of the disposal of the Balance of the Scrap the former had received.
- b) Upon fulfilment of the foregoing, SSC shall:
 - i) refund to the Buyer the deposit of US\$280,000 (of which US\$140,000 shall go to SES), being the only amount which the Buyer had paid to SSC; and

- ii) pay to Crystal a sum of US\$72,486.99 in full and final settlement of the costs it had incurred in the process of lightening the First-half during its stay on SSC's SSV in Malaysia waters.
- c) All three parties shall release each other from any further obligation and liability which may arise from the Contract, and the Contract shall be terminated with immediate effect thereafter.

In conjunction with the termination of the Contract, SES had, on 23 November 2023, signed a Deed of Termination and Mutual Release ("**Termination Deed**") with Crystal to terminate the Deed. The Termination Deed shall waive Crystal's obligation to pay SES a fee of US\$600,000 (as stated in the Deed) for having assigned the beneficial right to purchase the Scrap under the Contract back then.

The Settlement Agreement and Termination Deed are expected to have a material impact on the Group's profitability in terms of loss of potential earnings to the extent of approximately S\$810,000 (equivalent to US\$600,000), which translates into loss of 0.72 Singapore cent in terms of both earnings per share and net tangible asset value per share for the financial year ending 31 December 2023.

With Settlement Agreement and Termination Deed executed, both SES and Crystal will continue to explore with SSC on the sale and purchase of the second-half hull wreck on new terms. The Company shall provide further update on such matter if any material deal relating thereto goes through.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Settlement Agreement and/or Termination Deed, save for their respective shareholdings in the Company.

By Order of the Board

Mohamed Gani Mohamed Ansari
Executive Director & Chief Executive Officer

23 November 2023

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

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