

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

MEMORANDUM OF UNDERSTANDING WITH P. RESTORER PTE. LTD.

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Shanaya Limited (*formerly known as CPH Ltd.*) (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 today entered into a non-binding Memorandum of Understanding (“**MOU**”) with P. Restorer Pte. Ltd. (“**Restorer**”).

2. MOU

- 2.1 Pursuant to the MOU, SES and Restorer (collectively, the “**Parties**”) intend to form a joint venture (“**JV Entity**”) to set up and operate the business of chemical recycling of plastic waste for industrial use (“**Business**”) by tapping on their respective knowledge and resources. SES shall hold a 49% equity shareholding in the JV Entity, with the remaining 51% owned by Restorer.
- 2.2 Restorer is a company incorporated in Singapore and is principally engaged in the business of recycling non-metal waste. It has an exclusive license for the legal and intellectual proprietary rights to the technology and know-how for the processing of waste plastics into fuel using patented technology, including but not limited to the manufacture of catalyst and the setting up and operation of qualified plants.
- 2.3 Subject to in-principle approval being obtained from NEA and relevant authorities for the JV Entity to operate the Business, the MOU encapsulates the following salient points of collaboration:
- i) The Parties shall subscribe to an initial combined issued share capital of SGD100 on pro-rata basis according to their respective equity shareholding;
 - ii) The Parties shall each provide a shareholder loan of SGD2,000,000 to JV Entity on interest-free terms, and the loans are fully convertible to ordinary shares in JV Entity at later date. The SGD2,000,000 loan extended by Restorer shall be by way of Restorer’s supplying to JV Entity a plant (“**Plant**”) to operate the Business. The SGD2,000,000 loan extended by SES shall be in cash;
 - iii) In the event where there is a need for additional financial support for the JV Entity, the Parties shall extend interest-bearing loans on pro-rata basis in accordance with their respective shareholdings to the JV Entity up to a joint limit of SGD500,000;
 - iv) SES shall engage relevant professional parties to install and commission the Plant at SES’s premises; and provide certain support services to operate the Plant at a monthly fee to be paid by the JV Entity which is to be agreed between the Parties;
 - v) Both parties shall use their best endeavours to ensure satisfactory performance and functional condition of the Plant for the chemical recycling of plastic waste;

- v) Upon successful commissioning of the Plant, the JV Entity shall be given the exclusive rights from Restorer to market and sell replicated models or variants of the Plant in the Asia Pacific region excluding China, at a commission;
- vi) Profit distribution shall be based on the respective proportion of shareholding held by each of the Parties in the JV Entity; and
- vii) The Parties and JV Entity intend to enter into a joint venture agreement and other applicable collaborative agreements within one year from the effective date of the MOU, subject to satisfaction of the intended terms of the joint venture and outcome of any essential due diligence to be conducted.

The Group's entry into the MOU is not expected to have a material impact on the earnings per share or net tangible assets per share of the Group for the current financial year ending 31 December 2021.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the MOU, save for their respective shareholdings in the Company (if any).

The Company will make such further announcement(s) to keep shareholders informed, as and when there are material updates or developments in connection with the MOU.

By Order of the Board

Mohamed Gani Mohamed Ansari
Executive Director & Chief Executive Officer

27 December 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.

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