

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

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Shanaya Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights issue (the “**Rights Issue**”) of up to 112,813,870 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.0250 for each Rights Share (the “**Issue Price**”), on the basis of one (1) Rights Share for every one (1) existing ordinary share in the capital of the Company (the “**Shares**”) held by shareholders of the Company (the “**Shareholders**”) who are eligible to participate in the Rights Issue as at the Record Date (as defined below). The principal terms of the Rights Issue are summarised as follows:

Principal Terms of the Rights Issue	Description
Issue Price	S\$0.0250 per Rights Share, payable in full upon acceptance and/or application.
Discount (specifying benchmarks and periods)	<p>The Issue Price represents a discount of approximately:</p> <p>(a) 50.0% to the volume weighted average price of S\$0.0500 per Share for trades done on the Catalist of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 26 December 2023 (being the last trading day where there were Shares traded immediately prior to the date of this announcement (the “Last Trading Day”);</p> <p>(b) 50.0% to the closing price of S\$0.0500 per Share for trades done on the Catalist of the SGX-ST on the Last Trading Day; and</p> <p>(c) 33.3% to the theoretical ex-rights price of S\$0.0375 per Share (calculated based on the closing price of S\$0.0500 per Share for trades done on the SGX-ST on the Last Trading Day.</p> <p>The Issue Price and the discount have been determined after taking into account, among others, the size of the Rights Issue, net asset value per Share (“NAVPS”), the transaction structure, fundraising needs, prevailing market conditions, and the level of commitment provided under the Irrevocable Undertaking (as defined below). In arriving at the discount, the degree to which the NAVPS falls below the prevailing market price per Share is a key factor of consideration. In the Company’s most recently announced financial results on 10 August 2023, the Group’s NAVPS stood at 3.29 cents which is 34% significantly lower than the closing price on the Last Trading Day. At S\$0.0250, the Issue Price represents a discount of approximately 24% to the NAVPS as at 30 June 2023.</p>
Allotment Ratio	The Rights Issue will be offered on a renounceable basis to Entitled Shareholders (as defined below) on the basis of one (1)

	Rights Share for every one (1) existing Share held by Shareholders as at the Record Date.
Use of Proceeds	Please refer to Section 4 of this announcement for details on the use of proceeds of the Rights Issue.
Purpose of Rights Issue	Please refer to Section 3 of this announcement for details on the purpose of the Rights Issue.

The Rights Issue shall take place as at a time and date to be determined by the Directors, at and on which the register of members of the Company and the transfer books will be closed to determine the provisional allotment of the Rights Shares of the Entitled Shareholders (as defined below) (the “**Record Date**”). In accordance with Rule 821 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of **SGX-ST**, the Record Date shall only be determined after the listing and quotation notice for the dealing in, listing of and quotation for the Rights Shares on the Catalist of the SGX-ST (the “**LQN**”) has been issued by the SGX-ST.

The terms and conditions of the Rights Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights Issue, including the procedures for acceptances and applications for the Rights Shares, will be contained in the offer information statement (the “**Offer Information Statement**”), the notification containing instructions on how Shareholders who are eligible to participate in the Rights Issue on the basis of their shareholdings in the Company as at the Record Date (“**Entitled Shareholders**”) and Purchasers (as defined below) can access the Offer Information Statement electronically (the “**OIS Notification Letter**”), and its accompanying documents to be lodged with the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore (“**Authority**”). The Offer Information Statement will be electronically disseminated to Entitled Shareholders and the OIS Notification Letter, together with the accompanying documents, will be physically despatched by the Company to the Entitled Shareholders and Purchasers in due course.

2. PRINCIPAL TERMS OF THE RIGHTS ISSUE

2.1. Basis of Provisional Allotment

The Rights Issue is proposed to be made on a renounceable non-underwritten basis to all Entitled Shareholders on the basis of one (1) Rights Share for every one (1) existing Share held by the Entitled Shareholders as at the Record Date.

2.2. Authority to issue the Rights Shares

The Rights Shares are intended to be allotted and issued pursuant to and within the limits of the general share issue mandate (the “**General Mandate**”) to issue new Shares whether by way of rights, bonus or otherwise, which was approved by Shareholders at the annual general meeting of the Company held on 27 April 2023 (the “**2023 AGM**”).

The General Mandate authorises the Directors to, inter alia, allot and issue Shares on a *pro rata* basis, whether by way of rights, bonus or otherwise, of up to 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2023 AGM (after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were outstanding or subsisting as at the time the General Mandate was obtained provided that the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules, and any subsequent bonus issue or consolidation or subdivision of Shares).

As at the date of the 2023 AGM, the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company was 112,813,870. Accordingly, the maximum number of Shares that may be issued pursuant to the General Mandate on a *pro rata* basis is 112,813,870 Shares. As at the date of this announcement, the Company has not issued any new Shares pursuant to the General Mandate. Accordingly, the Company will not be required

to seek approval from Shareholders for the issuance of the Rights Shares as the maximum number of 112,813,870 Rights Shares is within the limit of the General Mandate.

2.3. Irrevocable Undertakings

The Board has received irrevocable undertakings from the following shareholders as an indication of their support for the Rights Issue and to demonstrate their commitment to and confidence in the prospects of the Group (each, an “**Undertaking Shareholder**” and collectively, the “**Undertaking Shareholders**”):

- (a) Shitthi Nabesathul Bathuria D/O Abdul Hamid (“**Shitthi**”);
- (b) Sivakumar Martin S/O Sivanesan (“**Martin**”); and
- (c) Perumal S/O Gopal (“**Kris**”),

(collectively, the “**Irrevocable Undertakings**”).

The Undertaking Shareholders hold the following interests in the Shares of the Company:

	Direct Interest		Deemed Interest	
	Number of Shares	Shareholding (%) ⁽¹⁾⁽²⁾	Number of Shares	Shareholding (%) ⁽¹⁾⁽²⁾
Shitthi	55,416,666 ⁽³⁾	49.12	-	-
Martin	15,833,333 ⁽⁴⁾	14.03	-	-
Kris	7,916,666 ⁽⁵⁾	7.02	-	-

Notes:

- (1) Calculated based on 112,813,870 Shares, being the total number of Shares issued by the Company as at the date of this announcement.
- (2) Rounded to the nearest two decimal places.
- (3) Apart from being an Undertaking Shareholder, Shitthi is also the Chief Administrative Officer of the Group. Due to their spousal relationship, Mr Mohamed Gani Mohamed Ansari, the Executive Director and Chief Executive Officer of the Group, is deemed interested in the shares held by Shitthi.
- (4) Apart from being an Undertaking Shareholder, Martin is also the Chief Operating Officer of the Group.
- (5) Apart from being an Undertaking Shareholder, Kris is also the Chief Sales Officer of the Group.

As part of the respective Irrevocable Undertakings, the Undertaking Shareholders will, each respectively:

- (a) subscribe and pay for, and/or procure the subscription of and payment for, their respective *pro rata* entitlement of:
 - (i) 55,416,666 Rights Shares for Shitthi;
 - (ii) 15,833,333 Rights Shares for Martin; and
 - (iii) 7,916,666 Rights Shares for Kris,

(collectively, the “**Undertaking Entitled Shares**”);
- (b) subscribe and pay for, and/or procure the subscription of and payment for, up to the Excess Rights Shares (as defined below) of:

- (i) 23,553,044 Rights Shares for Shitthi;
- (ii) 6,729,441 Rights Shares for Martin, subject to shareholders' approval of the Potential Transfer of Controlling Interest Resolution (as defined below); and
- (iii) 3,364,720 Rights Shares for Kris,

(collectively, the "**Undertaking Excess Shares**" and together with the Undertaking Entitled Shares, the "**Undertaking Shares**"); and

- (c) ensure that their registered shareholdings in the Company as at the Record Date shall not be less than:

- (i) 55,416,666 Shares for Shitthi;
- (ii) 15,833,333 Shares for Martin subject to shareholders' approval of the Potential Transfer of Controlling Interest Resolution (as defined below); and
- (iii) 7,916,666 Shares for Kris.

The obligations set out in the Irrevocable Undertakings are subject to and conditional upon, amongst others, the following:

- (a) receipt of the approval in-principle granted by the SGX-ST for the listing and quotation of the Rights Shares on the Catalist of the SGX-ST and such approval not being withdrawn or revoked as at the completion of the Rights Issue, and if such approval is granted subject to conditions, such conditions being acceptable to the Company;
- (b) lodgement of the Offer Information Statement, together with all other accompanying documents (if applicable), by the Company in respect of the Rights Issue with the SGX-ST, acting as an agent on behalf of the MAS;
- (c) the Whitewash Waiver (as defined below) being granted by the Securities Industry Council ("**SIC**") to waive the obligation incurred by Shitthi to make the Mandatory Offer (as defined below) pursuant to Rule 14.1(a) of the Singapore Code on Take-overs and Mergers (the "**Code**"); and
- (d) the Whitewash Resolution (as defined below) being approved by the Independent Shareholders (as defined below) at the EGM.

The Irrevocable Undertakings shall lapse and shall cease to have any effect upon the Rights Issue being withdrawn, lapsed or closed.

Offsetting subscription monies against debts owed to Undertaking Shareholders and Confirmation of Financial Resources

The subscription monies for the Undertaking Shares payable by the Undertaking Shareholders will be partially offset against each of their respective debts due and owing by the Company to the Undertaking Shareholders.

In respect of the remaining subscription monies that will not be offset against their respective debts due and owing by the Company to the Undertaking Shareholders, each of the Undertaking Shareholders will be providing a confirmation of financial resources from the relevant financial institutions in connection with its Irrevocable Undertaking to the Company in due course.

Illustration of shareholding interests of the Undertaking Shareholders pursuant to the Maximum Scenario and the Minimum Scenario

Illustrative Scenarios

Calculated on the assumption that:-

1. All the Rights Shares to be issued pursuant to the Rights Issue are fully subscribed for by all Entitled Shareholders, 112,813,870 Rights Shares will be issued pursuant to the Rights Issue, the issued and paid-up share capital of the Company will thus increase to 225,627,740 Shares (“**Maximum Scenario**”); and
2. Only the Undertaking Shareholders subscribes and pays for (or procures subscription and payment for) in full at the Issue Price, by way of acceptance, their provisional allotment of an aggregate of 79,166,665 Undertaking Entitled Shares and up to 33,647,205 Undertaking Excess Shares under the Rights Issue pursuant to the Irrevocable Undertakings and none of the other Entitled Shareholders or purchasers of the “nil-paid” rights during the “nil-paid” rights (“**Purchasers**”) trading period subscribe and pay for any Rights Shares the Company will issue up to 112,813,870 Rights Shares and the resultant enlarged issued and paid-up share capital of the Company in the Minimum Scenario will be 225,627,740 Shares (“**Minimum Scenario**”).

	Direct Interest		Deemed Interest	
	Number of Shares	Shareholding (%) ⁽¹⁾	Number of Shares	Shareholding (%) ⁽¹⁾
	Maximum Scenario			
Shitthi	110,833,332	49.12	-	-
Martin	31,666,666	14.03	-	-
Kris	15,833,332	7.02	-	-
	Minimum Scenario			
Shitthi	134,386,376	59.56 ⁽²⁾	-	-
Martin	38,396,107	17.02 ⁽³⁾	-	-
Kris	19,198,052	8.51 ⁽⁴⁾	-	-

Notes:

- (1) Rounded to the nearest two decimal places.
- (2) Under the Irrevocable Undertakings, the Rights Shares entitlement of Shitthi is 55,416,666 Rights Shares and she has undertaken, in the Minimum Scenario, to subscribe for 23,553,044 Excess Rights Shares (as defined below). Accordingly, in the Minimum Scenario, Shitthi would subscribe for an aggregate of 78,969,710 Right Shares. The allotment and issue of such number of Right Shares to Shitthi in a Minimum Scenario will result in Shitthi incurring an obligation under Rule 14 of the Code to make a mandatory general offer for all the Shares not owned by Shitthi as at the date of this announcement.
- (3) Under the Irrevocable Undertakings, the Rights Shares entitlement of Martin is 15,833,333 Rights Shares and he has undertaken, in the Minimum Scenario, to subscribe for 6,729,441 Excess Rights Shares (as defined below). Accordingly, in the Minimum Scenario, Martin would subscribe for an aggregate of 22,562,774 Right Shares. The allotment and issue of such number of Rights Shares to Martin in a Minimum Scenario will result in a potential transfer of controlling interests in the Company to Martin.
- (4) Under the Irrevocable Undertakings, the Rights Shares entitlement of Kris is 7,916,666 Rights Shares and he has undertaken, in the Minimum Scenario, to subscribe for 3,364,720 Excess Rights Shares (as defined below). Accordingly, in the Minimum Scenario, Kris would subscribe for an aggregate of 11,281,386 Rights Shares.

Potential transfer of controlling interests

In the Minimum Scenario, the allotment and issue of Undertaking Excess Shares may result in the potential transfer of controlling interest in the Company to Martin. In such a case, Rule 803 of the Catalist Rules provides that an issuer must not issue securities to transfer a controlling interest without the prior approval of shareholders in general meeting. Accordingly, the approval of Shareholders for the potential transfer of controlling interest in the Company to Martin arising from the allotment and issue of Undertaking Excess Shares will have to be obtained at an EGM to be convened (the “**Potential Transfer of Controlling Interest Resolution**”).

Notwithstanding the above, if the Potential Transfer of Controlling Interest Resolution tabled at the aforesaid EGM is not passed, Martin will instead subscribe for up to a maximum of 1,274,984 Excess Rights Shares (as defined below), which in addition to Martin’s pro rata entitlement of 15,833,333 Rights Shares, will result in Martin subscribing for an aggregate of 17,108,317 Rights Shares such that his total shareholding interests in the Company after the Rights Issue shall be 14.6% (the “**Scale Down Scenario**”). The remaining 5,454,457 Excess Rights Shares (as defined below) which Martin had undertaken to subscribe for shall instead be subscribed for by Kris, in addition to Kris’ pro rata entitlement of 7,916,666 Rights Shares and 3,364,720 Excess Rights Shares (as defined below), resulting in Kris subscribing for an aggregate of 16,735,843 Rights Shares.

Illustration of shareholding interests of the Undertaking Shareholders pursuant to the Scale Down Scenario

	Direct Interest		Deemed Interest	
	Number of Shares	Shareholding (%) ⁽¹⁾	Number of Shares	Shareholding (%) ⁽¹⁾
Scale Down Scenario				
Shitthi	134,386,376	59.56	-	-
Martin	32,941,650	14.60 ⁽²⁾	-	-
Kris	24,652,509	10.93 ⁽³⁾	-	-

Notes:

- (1) Rounded to the nearest two decimal places.
- (2) Under the Scale Down Scenario and pursuant to the Irrevocable Undertakings, Martin will subscribe for up to a maximum of 1,274,984 Excess Rights Shares (as defined below), which in addition to Martin’s pro rata entitlement of 15,833,333 Rights Shares, will result in Martin subscribing for an aggregate of 17,108,317 Rights Shares such that his total shareholding interests in the Company after the Rights Issue shall be 14.60%, comprising 32,941,650 Shares.
- (3) Under the Scale Down Scenario and pursuant to the Irrevocable Undertakings, the remaining 5,454,457 Excess Rights Shares (as defined below) which Martin had undertaken to subscribe for shall instead be subscribed for by Kris, in addition to Kris’ pro rata entitlement of 7,916,666 Rights Shares and 3,364,720 Excess Rights Shares (as defined below), resulting in Kris subscribing for an aggregate of 16,735,843 Rights Shares such that his total shareholding interests in the Company after the Rights Issue shall be 10.93%, comprising 24,652,509 Shares.

Waiver of Mandatory Offer

Under Rule 14.1 of the Code, where (a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carrying 30% or more of the voting rights in the Company;

or (b) any person who together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights in the Company and such person, or any person acting in concert with him, acquires in any period of six (6) months additional Shares carrying more than 1% of the voting rights, he is required to make a mandatory general offer for all the Shares in the Company which he does not already own or control ("**Mandatory Offer**").

Accordingly, the fulfilment by the Undertaking Shareholders of their obligations under the Irrevocable Undertakings and subscription for the Undertaking Shares, if applicable, in connection with the Rights Issue may result in Shitthi acquiring more than 1% of the voting rights of the Company in a period of six (6) months. In such event, Shitthi, and parties acting in concert with her would incur an obligation to make the Mandatory Offer pursuant to Rule 14.1(a) of the Code, unless the approval of a resolution ("**Whitewash Resolution**") for the waiver of the rights of the independent shareholders (being Shareholders other than Shitthi, and parties acting in concert with her) ("**Independent Shareholders**") to receive the Mandatory Offer for the Company from Shitthi, and parties acting in concert with them is obtained from the Independent Shareholders.

In view of the above, an application will be made to the SIC for, among others, a waiver of the obligations of Shitthi, and the parties acting in concert with her to make the Mandatory Offer as a result of the subscription of Rights Shares pursuant to the Rights Issue and the Irrevocable Undertakings (the "**Whitewash Waiver**").

Xander Capital Pte. Ltd. has been appointed as the independent financial adviser ("**IFA**") to advise the Directors who are considered independent for the purposes of making the recommendation to the Independent Shareholders in relation to the Whitewash Resolution for their approval at the EGM. Further details of the Whitewash Waiver being sought, and the advice of the IFA, will be set out in the Circular.

Upon receipt of the SIC's ruling on the Whitewash Waiver, the Company shall immediately make the relevant announcements.

For the avoidance of doubt, the Rights Issue shall be withdrawn in the event that the Whitewash Waiver is not obtained or the Whitewash Resolution is not approved.

2.4. **Issue Size**

Based on the Company's issued and paid-up share capital comprising 112,813,870 Shares (excluding treasury shares and subsidiary holdings, if any) as at the date of this announcement ("**Existing Issued Share Capital**") and assuming no new Shares are issued on or prior to the Record Date, the Company will allot and issue up to 112,813,870 Rights Shares under the Rights Issue and the issued and paid-up share capital of the Company will increase from 112,813,870 Shares to 225,627,740 Shares ("**Enlarged Share Capital**").

The Company holds NIL shares in treasury as at the date of this announcement.

As at the date of this announcement, the Company has no existing warrants or other convertible securities.

2.5. **Ranking of the Rights Shares**

The Rights Shares will be payable in full upon acceptance and/or application. The Rights Shares, when issued and allotted, will rank *pari passu* in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of issue of the Rights Shares.

For this purpose, a "**record date**" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd. (the "**Share Registrar**"), or The Central

Depository (Pte) Limited (“CDP”), as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

2.6. **Provisional Allotments and Excess Applications**

Entitlements to subscribe for the Rights Shares will be renounceable and are expected to be tradable on the Catalist of the SGX-ST over a period to be determined by the Directors in compliance with the Catalist Rules. Entitled Shareholders will be at liberty to accept in full or in part, decline or otherwise renounce or, in the case of Entitled Depositors (as defined herein) only, trade (during the “nil-paid” rights trading period prescribed by the SGX-ST) their provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares (“**Excess Rights Shares**”) in excess of their provisional allotments under the Rights Issue.

Provisional allotments of Rights Shares which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for Rights Shares (if any) or disposed or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the best interests of the Company, subject to applicable laws and the Catalist Rules. For avoidance of doubts, there will not be any fractional entitlements arising from the Rights Issue.

In the allotment of Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, whereas Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or the terms of the Rights Issue, or have a representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

The Company will not make any issuance and allotment of any Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of the Rights Shares and for the applications for Excess Rights Shares, including each different mode of acceptance or application and payment, will be contained in the Offer Information Statement and the relevant application forms.

2.7. **Non-underwritten basis of the Rights Shares**

The Rights Issue will not be underwritten.

The Directors are of the opinion that there is no minimum amount that must be raised from the Rights Issue. Accordingly, the Company has decided to undertake the Rights Issue on a non-underwritten basis in view of the Irrevocable Undertakings and savings in costs enjoyed by the Company as a result of not having to bear any underwriting fees and commission.

The Rights Issue will not be withdrawn after commencement of the ex-rights trading of the Shares pursuant to Rule 820(1) of the Catalist Rules.

3. **RATIONALE FOR THE RIGHTS ISSUE**

Owing to the COVID-19 pandemic, the Group's operations had experienced cumulative losses over the past two years. The lingering impact of Covid-19 mobility restrictions including lockdowns in China had created much disruptions to the global supply chain. With the adverse trend of labour shortages, the Group's waste management service was significantly impacted given that foreign workers constitute the majority of the Group's ground-level employees, in particular, the drivers. The highly open nature of the Singapore economy means that it is more susceptible to the impact of negative developments in the global economy. As the Group's business activities are currently only in Singapore, there was a negative impact on the Group's business, stemming from the practical challenge of ships choosing ports other than Singapore for docking due to the lower cost of port services. As Singapore ports tend to charge higher clearance and service fees relative to its counterparts in neighbouring countries, the Company was affected when ships chose to dock at lower-cost harbours other than Singapore. In addition,

the decline in Singapore non-oil exports and protracted uncertainty in Singapore cruise recovery compounded the difficulties encountered by the Group over the post-pandemic period.

Notwithstanding present sufficiency of the Group's working capital, the Company is undertaking the Rights Issue to raise funds as a prudent measure to strengthen the financial position and capital base of the Group, which will go towards meeting its short-term loan obligations and supporting its pursuit of business growth in areas of potential which the Group may explore, such as biomedical waste management, going forward. The Group is cautiously confident that, with an effective strategic plan and a strong management team to execute its plan, the Group is poised to effectively navigate the current challenging economic and financial markets. The Rights Issue will also provide Shareholders with an opportunity to further participate in the equity of the Company.

In addition, the Company has outstanding unsecured, non-interest bearing debts due and owing to the Undertaking Shareholders aggregating approximately S\$2.68 million as at 30 June 2023. These debts due and owing by the Company to the Undertaking Shareholders arose from the deferred cash consideration of S\$3 million for the acquisition of Shanaya Environmental Services Pte. Ltd. initially payable to the Undertaking Shareholders on 18 August 2021. Pursuant to the latest supplemental deed entered into between the Company and the Undertaking Shareholders on 29 December 2023, the payment date of the deferred consideration has been extended to 18 August 2025. The Rights Issue will thus allow the Company to reduce its indebtedness with the partial repayment of the debts due and owing by the Company to the Undertaking Shareholders under the offsetting arrangement set out in Sections 2.3 and 4 of this announcement.

4. USE OF PROCEEDS FROM THE RIGHTS ISSUE

Maximum Scenario

As described in Section 2.3 of this announcement, the subscription monies for the Undertaking Shares payable by the Undertaking Shareholders will be partially offset against their respective debts due and owing by the Company to the Undertaking Shareholders, and the remaining of the subscription monies not offset against their respective debts due and owing by the Company to the Undertaking Shareholders will be paid by cash by the Undertaking Shareholders. The following table sets out details of subscription monies to be paid in cash by Entitled Shareholders (including the Undertaking Shareholders) and subscription monies to be offset against debts due and owing by the Company to the Undertaking Shareholders in the Maximum Scenario:

Entitled Shareholders	Subscription monies paid in cash (S\$)	Subscription monies offset against debts due and owing by the Company (S\$)
Shitthi	831,250.00	554,166.65
Martin	237,500.00	158,333.33
Kris	118,750.00	79,166.65
Other shareholders	841,180.13	-
Total	2,028,680.13	791,666.63

Taking into account the offsetting arrangement as set out above, the Company expects to receive net proceeds (the "**Net Proceeds**") of approximately S\$1,828,680.13 under the Maximum Scenario, after deducting estimated expenses of approximately S\$200,000.00 to be incurred in connection with the Rights Issue.

The Company intends to utilise the Net Proceeds under the Maximum Scenario for the following purposes:

Use of Net Proceeds	Amount (S\$)	Percentage of Net Proceeds
General working capital requirements of the Group	1,300,000.00	71.1%
Acquisition of vehicles and equipment	528,680.13	28.9%
Total	1,828,680.13	100.0%

Minimum Scenario

As described in Section 2.3 of this announcement, the subscription monies for the Undertaking Shares payable by the Undertaking Shareholders will be partially offset against their respective debts due and owing by the Company to the Undertaking Shareholders, and the remaining of the subscription monies not offset against their respective debts due and owing by the Company to the Undertaking Shareholders will be paid by cash by the Undertaking Shareholders. The following table sets out details of subscription monies to be paid in cash by Entitled Shareholders (including the Undertaking Shareholders) and subscription monies to be offset against debts due and owing by the Company to the Undertaking Shareholders in the Minimum Scenario:

Entitled Shareholders	Subscription monies paid in cash (S\$)	Subscription monies offset against debts due and owing by the Company (S\$)
Shitthi	831,250.00	1,142,992.75
Martin	237,500.00	326,569.35
Kris	118,750.00	163,284.65
Other shareholders	-	-
Total	1,187,500.00	1,632,846.75

Taking into account the offsetting arrangement as set out above, the Company expects to receive Net Proceeds of approximately S\$987,500.00 under the Minimum Scenario, after deducting estimated expenses of approximately S\$200,000.00 to be incurred in connection with the Rights Issue.

The Company intends to utilise the Net Proceeds under the Minimum Scenario for the following purposes:

Use of Net Proceeds	Amount (S\$)	Percentage of Net Proceeds
General working capital requirements of the Group	987,500.00	100.0%
Total	987,500.00	100.0%

The above allocations are based on the Maximum Scenario and the Minimum Scenario only. In the event the Net Proceeds fall in between the Maximum Scenario and the Minimum Scenario and there are deviations to the above allocations, the Company will make the necessary announcements on the allocations when the final Net Proceeds have been determined. It is anticipated that the allocations would not deviate significantly from the above illustrations.

Where the Net Proceeds are used for general working capital purposes, the Company will provide a breakdown with specific details on how the proceeds have been applied in the Company's announcements and the annual report. The Company will make periodic

announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such disbursements are in accordance with the stated use of proceeds and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full year financial results announcement(s) and in the Company's annual report(s) until such time the Net Proceeds have been fully utilised. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

Pending the deployment of the Net Proceeds for the abovementioned purposes, such proceeds may, subject to relevant laws and regulations, be placed as deposits with banks and/or financial institutions or invested in short-term money market instruments or debt instruments and/or used for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem appropriate in the interests of the Group.

5. OPINION OF DIRECTORS

The Directors are of the opinion that, after taking into consideration the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the present sufficiency of working capital, the Directors are of the opinion that the Rights Issue is a prudent measure to strengthen the financial position and capital base of the Group, which will go towards meeting its short-term loan obligations and supporting its pursuit of business growth in areas of potential which the Group may explore, such as biomedical waste management, going forward. The Rights Issue will also provide the Shareholders with an opportunity to maintain their *pro rata* equity interests in the Company by accepting their *pro rata* entitlements to the Rights Issue, as well as applying for Excess Rights Shares at the Issue Price. For the reasons outlined in Sections 3 and 4 above, the Directors believe the Rights Issue is in the interest of the Group.

Further, the Directors are of the opinion that the discount in the Issue Price is necessary to enhance the attractiveness of the Rights Shares, and encourage Shareholders to participate in the Rights Issue. In view of the sustained low trading volume, low NAVPS and low market prices of the Shares in recent years, the Rights Issue provides an opportunity for Shareholders to support and strengthen the financial position of the Group in its pursuit of business growth going forward. Taking into account the reasons for the Rights Issue as stated in the sections entitled "Rationale for the Rights Issue" and "Use of Proceeds from the Rights Issue", the Directors believe that the terms of the Rights Issue, including the Issue Price, are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

The Directors are also of the opinion that barring any unforeseen circumstances, and after taking into account the Group's present banking facilities, cash and cash equivalents and the Net Proceeds from the Minimum Subscription Scenario, the working capital available to the Group is sufficient to meet the Group's present requirements for the next 12 months.

6. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE

6.1. Eligibility to Participate

The Company proposes to provisionally allot the Rights Shares to all Entitled Shareholders. The Entitled Shareholders comprise Entitled Depositors and Entitled Scripholders (each as defined herein).

Entitled Shareholders will be entitled to participate in the Rights Issue and receive the Offer Information Statement (through electronic dissemination, if applicable) together with the appropriate application forms and accompanying documents at their respective Singapore addresses as maintained with the records of CDP or the Share Registrar, as the case may be.

6.2. Entitled Depositors

“**Entitled Depositors**” are Shareholders with Shares standing to the credit of their securities accounts with CDP as at 5.00 p.m. (Singapore time) on the Record Date, provided that such Entitled Depositors have registered addresses in Singapore with CDP as at the Record Date or if they have registered addresses outside Singapore, they have provided CDP with a registered address in Singapore no later than 5.00 p.m. (Singapore time) on the date being three (3) market days (being a day on which the SGX-ST is open for trading in securities) prior to the Record Date.

Entitled Depositors will be provisionally allotted the Rights Shares on the basis of the number of Shares standing to the credit of their Securities Accounts as at 5.00 p.m. (Singapore time) on the Record Date.

6.3. Entitled Scripholders

“**Entitled Scripholders**” are Shareholders whose share certificates have not been deposited with CDP as well as transferees who have tendered to the Share Registrar, registrable transfers of their Shares and the certificates relating thereto for registration up to the Record Date, provided that such Entitled Scripholders have registered addresses in Singapore with the Company as at the Record Date or if they have registered addresses outside Singapore, they have provided the Share Registrar with a registered address in Singapore no later than 5.00 p.m. (Singapore time) on the date being three (3) market days (being a day on which the SGX-ST is open for trading in securities) prior to the Record Date.

Entitled Scripholders will have to submit duly completed and stamped transfers in respect of Shares not registered in the name of CDP, together with all relevant documents of title, so as to be received by 5.00 p.m. (Singapore time) on the Record Date by the Share Registrar, in order to be registered to determine provisional allotments of Rights Shares.

6.4. Foreign Shareholders

For practical reasons and to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Rights Shares will **NOT** be offered to Shareholders with registered addresses outside Singapore as at 5.00 p.m. (Singapore time) on the Record Date and who have not, by no later than 5.00 p.m. (Singapore time) on the date being three (3) market days (being a day on which the SGX-ST is open for trading in securities) prior to the Record Date, provided to the Share Registrar or CDP, as the case may be, with registered addresses in Singapore for the service of notices and documents (“**Foreign Shareholders**”). As Foreign Shareholders will not be entitled to participate in the Rights Issue, no provisional allotments of the Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application by Foreign Shareholders will be valid.

The Offer Information Statement and its accompanying documents will also NOT be despatched to persons purchasing entitlements to Rights Shares through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (“**Foreign Purchasers**”). Foreign Purchasers may not accept any “nil-paid” rights credited to their securities accounts unless the Company and its counsel are satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

Entitlements to Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders will, if practicable to do so and at the absolute discretion of the Company, be sold “nil-paid” on the SGX-ST, as soon as practicable, after dealings in the provisional allotments of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be dealt with in accordance with the terms set out in the Offer Information Statement.

SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE RIGHTS ISSUE SHOULD PROVIDE CDP OR THE SHARE REGISTRAR, AS THE CASE MAY BE, WITH ADDRESSES IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS BY NOTIFYING IN WRITING, AS THE CASE MAY BE, (I) THE CENTRAL DEPOSITORY (PTE) LIMITED AT 11 NORTH BUONA VISTA DRIVE, #06-07 THE METROPOLIS TOWER 2, SINGAPORE 138589 OR (II) BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD. AT 1 HARBOURFRONT AVENUE, KEPPEL BAY TOWER, #14-07, SINGAPORE 098632, IN EACH CASE, AT LEAST THREE (3) MARKET DAYS PRIOR TO THE RECORD DATE.

6.5. Supplementary Retirement Scheme (“SRS”) Shareholders

Persons who bought their Shares previously under the SRS must use monies standing to the credit of their respective SRS accounts for the payment of the Issue Price to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares, subject to the applicable SRS rules and regulations. Such persons who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares using SRS monies will need to instruct their respective approved banks, where they hold their accounts under the SRS, to accept the Rights Shares and (if applicable) apply for the Excess Rights Shares on their behalf in accordance with the Offer Information Statement. Any application made directly to CDP or through automated teller machines of any participating bank appointed and named in the Offer Information Statement by such Entitled Shareholders will be rejected. For the avoidance of doubt, monies in SRS accounts may not be used for the purchase of the provisional allotments of Rights Shares directly from the market. Such Entitled Shareholders should refer to the Offer Information Statement to be lodged with the SGX-ST acting as an agent on behalf of the Authority for important details relating to the offer procedure in connection with the Rights Issue.

7. NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT

The provisional allotments of Rights Shares as well and the Rights Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products Regulations 2018)) and Excluded Investment Products (as defined in the Authority's Notice on the Sale of Investment Products (Notice No.: SFA 04-N12) and the Authority's Notice on Recommendations on Investment Products (Notice No.: FAA-N16)).

8. PRIOR EQUITY FUNDRAISING

The Company has not undertaken any equity fund raising in the past 12 months.

9. APPROVALS

Shareholders should note that the Rights Issue is subject to, *inter alia*, the following conditions:

- (a) the receipt of the LQN from the SGX-ST, such approval not having been withdrawn or revoked as at the date of completion of the Rights Issue, and if such approval is granted subject to conditions, such conditions being acceptable to the Company;
- (b) the receipt of the Whitewash Waiver from the SIC;
- (c) the receipt of Independent Shareholders' approval for the Whitewash Resolution;
- (d) the lodgement of the Offer Information Statement together with all other accompanying documents (if applicable), to be issued by the Company in connection with the Rights issue, with the SGX-ST acting as agent on behalf of the Authority; and
- (e) all other necessary consents, approvals and waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Rights Issue and to give effect to the Rights Issue being obtained and not having been revoked

or amended before the last time and date for acceptance of and/or excess application and payment and renunciation of the Rights Shares, under the Rights Issue.

The Circular containing, *inter alia*, the notice of the EGM and information relating to the Rights Issue, the Whitewash Resolution and the Potential Transfer of Controlling Interest Resolution will be despatched to Shareholders in due course, whilst the Offer Information Statement will be lodged with the SGX-ST acting as agent of the MAS in due course following the EGM, if the relevant approvals are obtained at the EGM.

An application will be made by the Company, through its Sponsor, to the SGX-ST for the listing and quotation for the Rights Shares on the Catalist of the SGX-ST. An appropriate announcement will be made in due course when the Company receives the LQN from the SGX-ST.

The Record Date will also be fixed in due course after obtaining the LQN from the SGX-ST, for which an announcement on the Record Date will be separately made by the Company in due course.

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement and save for their interests arising by way of their respective shareholding interest in the Company and/or directorships in the Group, as the case may be, none of the Directors nor, to the best of the Directors' knowledge, any of the substantial Shareholders, has any interest, whether direct or indirect, in the transactions contemplated in this announcement.

11. FURTHER ANNOUNCEMENTS

The Company will make the appropriate announcement(s) as and when required and/or material developments arise in respect of the Rights Issue.

12. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares. The completion of the Rights Issue is subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Rights Issue will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully and where in doubt as to the action they should take, they should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional adviser(s) immediately.

13. DIRECTORS' RESPONSIBILITY STATEMENT

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

BY ORDER OF THE BOARD SHANAYA LIMITED

Mohamed Gani Mohamed Ansari
Executive Director and Chief Executive Officer
30 December 2023

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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