

CONDITIONAL SALE AND PURCHASE AGREEMENT IN RESPECT OF THE PROPOSED ACQUISITION OF 100% OF THE ISSUED SHARE CAPITAL OF SHANAYA ENVIRONMENTAL SERVICES PTE. LTD. (THE “PROPOSED ACQUISITION”)

- **COMPLETION OF THE PROPOSED ACQUISITION**
 - **APPOINTMENT OF NEW DIRECTORS AND RECONSTITUTION OF THE BOARD AND BOARD COMMITTEES**
 - **APPOINTMENT OF NEW EXECUTIVE OFFICERS**
 - **CHANGE OF FINANCIAL YEAR END OF THE COMPANY**
 - **CHANGE OF REGISTERED OFFICE ADDRESS AND NEW PRINCIPAL PLACE OF BUSINESS**
 - **EARMARKED SUM FOR TUAS FACILITY INVESTMENT**
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Unless otherwise expressly defined herein, all capitalised terms and references have the same meaning as ascribed to them in the announcement made by the Company on 29 September 2020 and the circular dated 29 June 2021 (the “Circular”) in relation to, inter alia, the Proposed Acquisition.

1. INTRODUCTION

The Board refers to the various relevant announcements of the Company from 29 September 2020 to 18 August 2021, as well as the Circular, in relation to the Proposed Transactions including, *inter alia*, the Proposed Acquisition.

2. COMPLETION OF THE PROPOSED ACQUISITION

The Board wishes to announce that the conditions precedent for the completion of the Proposed Acquisition have been fulfilled or deemed fulfilled and the Proposed Acquisition has been completed today (“**Completion**”).

Pursuant to Completion, the Company has:

- (i) acquired the entire issued share capital of the Target Company;
- (ii) issued and allotted 79,166,665 Consolidated Shares to the Vendors 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 at the Issue Price, in full settlement of the Introducer Fee; and
- (iv) issued and allotted 1,666,666 Consolidated Shares to PPCF at the Issue Price, in partial settlement of PPCF’s professional fees.

The aforementioned Consolidated Shares have been credited as fully paid-up and free from all encumbrances and rank *pari passu* in all respects with the existing Shares in the capital of the Company as at Completion, and are expected to be listed and quoted on the Catalist board with effect from 9.00 a.m. on 19 August 2021.

Following the issuance and allotment of the Consideration Shares, Introducer Shares and PPCF Shares, the total issued share capital of the Company has increased from 30,730,539 Shares to 112,813,870 Shares.

As disclosed in the Circular, the Purchase Consideration for the Proposed Acquisition comprises, *inter alia*, the payment of the Cash Consideration of S\$3.0 million to the Vendors within 12 months from the Completion Date, being 18 August 2021. The Company plans to settle the Cash Consideration within the aforementioned stipulated timeframe with the net proceeds to be received from the Disposal of Lok Yang Property or with any other means, as the Board may deem fit in the interests of the Company.

3. APPOINTMENT OF NEW DIRECTORS AND RECONSTITUTION OF THE BOARD AND BOARD COMMITTEES

Following Completion, the following persons have been appointed or re-elected (as the case may be) to the Board and the Board has been reconstituted with effect from 18 August 2021 as follows:

- (i) Sukhvinder Singh Chopra (Independent and Non-Executive Chairman);
- (ii) Mohamed Gani Mohamed Ansari (Executive Director and Chief Executive Officer);
- (iii) Ong Kian Soon (Non-Executive and Non-Independent Director);
- (iv) Lee Teong Sang (Independent and Non-Executive Director); and
- (v) Tito Shane Isaac (Independent and Non-Executive Director).

In accordance with the SPA, Choo Tung Kheng has resigned as the Managing Director and Executive Director of the Company with effect from 18 August 2021. The Board would like to express its appreciation to Mdm Choo for her contributions during her tenure as the Managing Director and Executive Director of the Company.

The details of the appointments of the above Directors and the cessation of Mdm Choo as required under Rule 704(6) of the Catalist Rules are set out in separate announcements released on SGXNET today.

Following the aforesaid changes, the Board Committees have been reconstituted with effect from 18 August 2021 as follows:

Audit Committee

Lee Teong Sang (Chairman)
Sukhvinder Singh Chopra (Member)
Tito Shane Isaac (Member)

Remuneration Committee

Sukhvinder Singh Chopra (Chairman)
Lee Teong Sang (Member)
Tito Shane Isaac (Member)

Nominating Committee

Tito Shane Isaac (Chairman)
Lee Teong Sang (Member)
Mohamed Gani Mohamed Ansari (Member)
Sukhvinder Singh Chopra (Member)

The Board considers the members of the Audit Committee (namely, Lee Teong Sang, Sukhvinder Singh Chopra and Tito Shane Isaac) to be independent for the purpose of Rule 704(7) of the Catalist Rules.

4. APPOINTMENT OF NEW EXECUTIVE OFFICERS

Following Completion, the following individuals have been appointed to the Company as executive officers with effect from 18 August 2021:

- (i) Loy Suan Choo (Chief Financial Officer);
- (ii) Perumal S/O Gopal (Chief Sales Officer);
- (iii) Shitthi Nabesathul Bathuria D/O Abdul Hamid (Chief Administrative Officer); and
- (iv) Sivakumar Martin S/O Sivanesan (Chief Operating Officer).

The details of their respective appointments as required under Rule 704(6) of the Catalist Rules are set out in separate announcements released on SGXNET today.

5. CHANGE OF FINANCIAL YEAR END OF THE COMPANY

Following Completion, the financial year end of the Company shall be changed from 31 March to 31 December.

As disclosed in the Circular, the change of the Company's financial year end is intended to align the Company's financial year end, currently ending on 31 March, with that of the Target Company which ends on 31 December of each year.

With this change, the Company's financial year will mirror that of the Target Company and will commence from 1 January 2021 and ending on 31 December 2021, with the first set of audited financial statements of the Enlarged Group covering the same period. The subsequent financial years of the Company will follow the same 1 January to 31 December financial year.

In accordance with Rule 705 of the Catalist Rules, the Company will be announcing its financial statements on SGXNET in accordance with the following timeline:

Financial Period	Previous Financial Period for Comparison	Type of Announcement	Latest Date of Release
1 January 2021 to 30 September 2021 (9-month period)	1 January 2020 to 30 September 2020 (9-month period)	Voluntary nine-month financial results ⁽¹⁾	14 November 2021
1 January 2021 to 31 December 2021 (12-month period)	1 January 2020 to 31 December 2020 (12-month period)	Full year financial results	1 March 2022

Note:

- (1) Shareholders should note that the Company is releasing a voluntary nine-month financial results announcement to present Shareholders with a timely update on the financials of the Target Company and the Enlarged Group following Completion, given that the latest financial results of the Target Company presented in the Circular was for the financial year ended 31 December 2020.

In accordance with the requirements of the Catalist Rules, the Company will hold its next Annual General Meeting for the financial year ended 31 December 2021 on or before 30 April 2022.

6. CHANGE OF REGISTERED OFFICE ADDRESS AND NEW PRINCIPAL PLACE OF BUSINESS

Following Completion, with effect from 18 August 2021, the registered office address and principal place of business of the Enlarged Group will be changed to as follows:-

3A Tuas South Street 15
Singapore 636845

The contact details of the Enlarged Group will be changed to as follows:

Main telephone no : +65 6316 2023
Facsimile no. : +65 6862 0304
Email address: info@shanayagroup.com

7. EARMARKED SUM FOR TUAS FACILITY INVESTMENT

As disclosed in the Circular, the Company and the Target Company has undertaken to earmark a sum of S\$414,287 (the “**Earmarked Sum**”) out of the net proceeds from the Disposal of Lok Yang Property solely for the purposes of fulfilling the investment shortfall of the same amount under the Minimum Plant and Machinery Investment Criteria, in order to secure the Full Lease Term in respect of the Tuas Land.

Upon the completion of the Disposal of Lok Yang Property and the receipt of the associated net proceeds, the Earmarked Sum will be placed in fixed deposit with a reputable and licensed financial institution and the disbursements and use of the monies for the investments in capital expenditure will be approved by the independent directors of the Company.

As announced on the SGXNET on 13 August 2021, the Company has received the confirmation from the Jurong Town Corporation that it has no objection to the execution of the Instrument of Transfer in relation to the Disposal of the Lok Yang Property. The Company is currently in the process of completing the disposal.

The Company will provide further updates to Shareholders when the Disposal of Lok Yang Property is completed.

BY ORDER OF THE BOARD

Yoo Loo Ping
Company Secretary

18 August 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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