

Shanaya

Designed for Recycling



ANNUAL REPORT 2024

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This annual report 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 annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

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

OUR MISSION

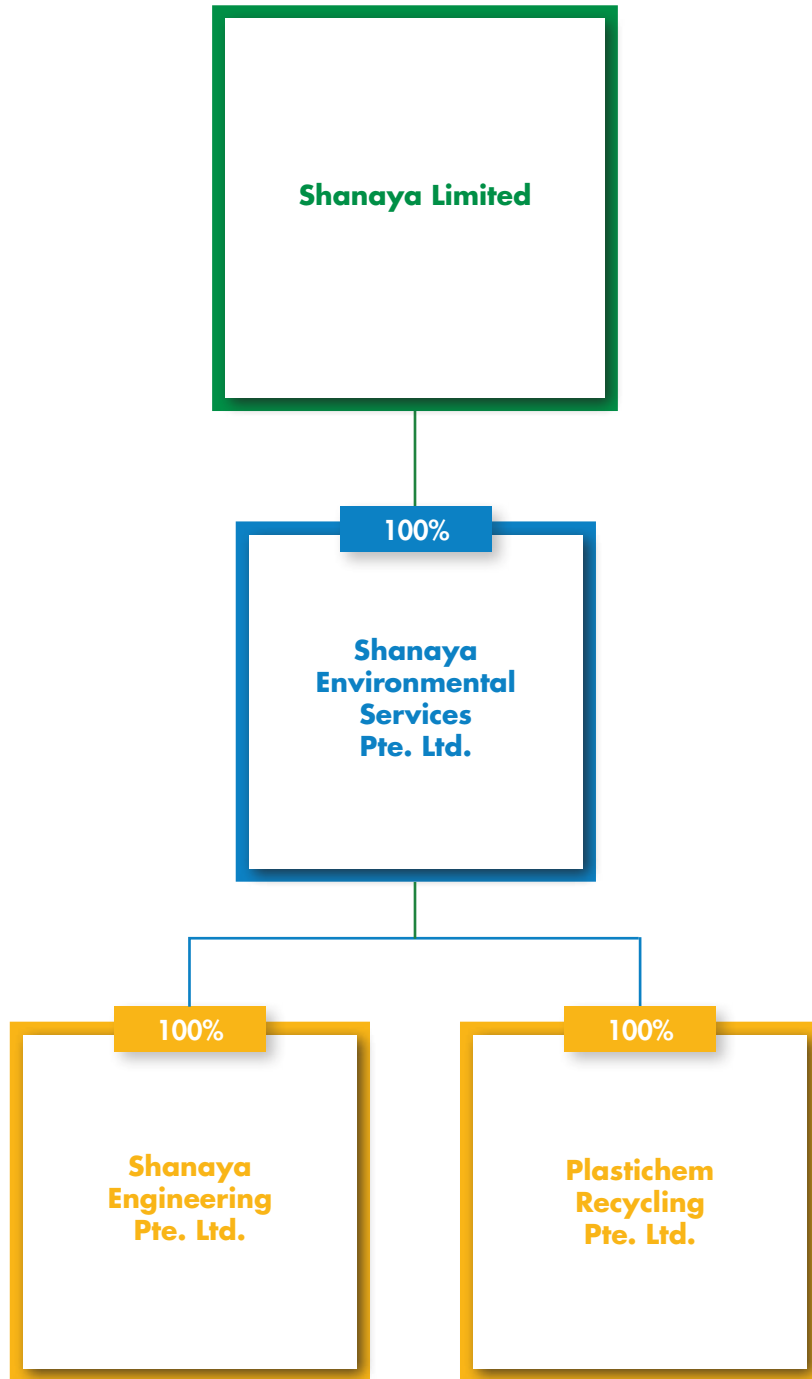
To provide our customers with innovative solutions tailored to their specific needs and supporting the Circular Economy.

OUR VISION

To be an integrated solutions provider of environmental services centered on the four pillars of Reduce, Recycle, Recover and Reuse.



GROUP STRUCTURE



WHAT WE DO



Shanaya Group is principally engaged in the provision of waste management and disposal services to shipping (including cruise ships), industrial and commercial clients in Singapore. It carries out operations through its wholly-owned subsidiary, Shanaya Environmental Services Pte Ltd (“SES”) as well as SES’s wholly-owned subsidiary, Shanaya Engineering Pte Ltd (“SEP”).

Waste management services

SES is licensed by National Environment Agency (“NEA”) as a general waste collector to handle waste such as unwanted furniture, electrical appliances, bulky waste, non-putrefiable waste, recyclable waste, food waste (excluding used cooking oil) and waste with a high organic content and which is putrefiable, pursuant to its General Waste Collector Licence (Class A and Class B). As part of the comprehensive suite of waste management and disposal services offered to its customers, SES also collects pyrotechnics from ships for safe disposal under the license of Singapore Police Force.

On the toxic industrial waste handling, SES possesses the requisite Toxic Industrial Waste Collectors (TIWC) licence from NEA for the collection of i) oil sludge and oily water from ships, ii) waste lead-acid batteries, and iii) polyvinyl chloride (PVC). The license allows the Group to generate income from both oil waste collection service and the sale of recovered oil.

SEP is registered with the Building and Construction Authority for its facility management services and is licensed by NEA as a general waste collector to collect and dispose of construction waste and debris for building contractors in Singapore.

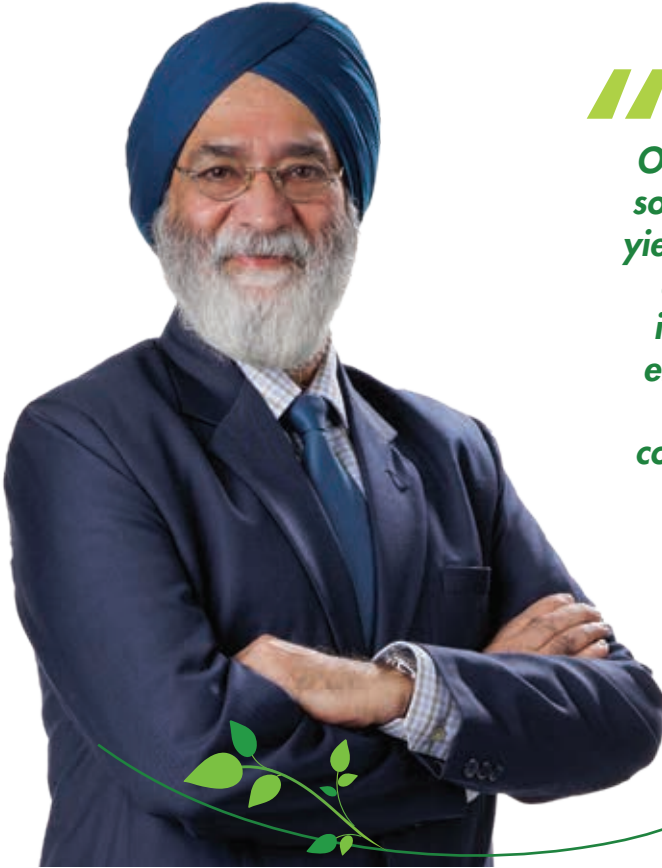
SES owns and operates an integrated waste management facility in Singapore at 3A Tuas South Street 15, Singapore 636845 (“**Tuas Facility**”):

Tuas Facility

Sitting on a 8,829.6 square meter land, the Tuas Facility provides the Group with a large operating capacity of handling 220 tonnes per day of waste (comprising industrial waste, commercial waste, food waste and electronic waste) and a storage limit of up to 500 tonnes of waste within the facility at any given time. Location-wise, the Tuas Facility sits within close proximity to the Tuas mega port where our Singapore container port operator, PSA, is expecting to move over all their operations in Tanjong Pagar, Keppel, and Brani Terminals by 2027. PSA’s operations at Pasir Panjang Terminal will be consolidated at the new port by 2040s.

The large capacity at Tuas Facility allows the Group to set up an integrated, scalable waste management plant for sorting general waste and treating toxic industrial waste. For general waste handling, the Trommel, Eddy Current System, overhead magnetic separator and other related modular waste sorting machineries have been installed to assist in certain processes of general waste sorting and the recovery of recyclable materials. Segregated recyclable materials from the general waste stream were sold to our downstream recycling partner companies at commercial value. These recyclable materials include used corrugated carton boxes, wooden pallets, ferrous and non-ferrous metal scrap, plastic and metallic drums, ropes, mattresses, pipes, batteries, PVC cables and e-waste. Segregated food waste will be treated and converted into organic fertilizer for garden, nursery and agriculture use. The Group believes that the steps taken to grow its recycling revenue will not only increase its overall topline but also decrease the volume and hence cost of post-treated and residual waste disposal, incidentally, contributing to the circular economy.

JOINT STATEMENT BY CHAIRMAN & CEO



Our strategic focus on enhancing financial, social, and environmental performance has yielded results. Our core value proposition is anchored on a robust, loyal client base; integrated operational facilities; a highly effective management team; and strategic positioning within challenging market conditions. These strengths also continue to enable us to attract opportunities and convert them into revenue streams.



Dear Shareholders,

On behalf of the Board of Directors (“**Board**”) and the Management, we are pleased to present the annual report of Shanaya Limited (“**Shanaya**”, the “**Company**”, or with its subsidiaries, the “**Group**”) for the financial year ended 31 December 2024 (“**FY2024**”).

Led by our CEO Mr. Ansari, and with the full support of the Board and the Management, we have been mapping out our longer-term strategy and we are committed, busy both acting as a steward of our principal businesses and scanning the horizon for new business opportunities, investments and ways to generate value for you.

Business Environment in FY2024

The business operating environment for FY2024 was challenging on multiple fronts. The cost of doing business continued to be strained under inflationary pressures, elevated interest rates, manpower shortage, and uncertainties stemmed from disruptions triggered by ongoing wars and geopolitical tensions around the world. The recovery in tourism and supply chain has yet to gain sufficient traction for meaningful growth in business activities.

The Group successfully improved its net asset position substantially in FY2024, increasing it by \$1.33 million to reach \$4.42 million, despite a challenging business climate. The net pre-tax loss of \$1.28 million in FY2024, which was almost on par with FY2023, occurred alongside a slight 3% revenue decrease. The net asset improvement was primarily due to the successful completion of rights issue which increased the Group’s share capital by \$2.61 million.

Despite volatile global conditions, we remain firmly committed to growth in the current financial year with clear plans. Our strategic focus on enhancing financial, social, and environmental performance has yielded results. Our core value proposition is anchored on a robust, loyal client base; integrated operational facilities; a highly effective management team; and strategic positioning within challenging market conditions. These strengths also continue to enable us to attract opportunities and convert them into revenue streams.

We hope that our plans will result in 2025 will be a milestone year for Shanaya Group in many respects – as we set the course today for our success in the decade to come.

Opportunities in the Waste Management, Resource Recovery, Recycling and Circular Economy System

Shanaya prioritizes innovation to capitalize on market opportunities. This approach, centred on waste management, resource recovery, and the circular economy, enables us to maximize opportunities across markets.

On 8th January 2025, the Company entered into a non-binding Memorandum of Understanding (“**MOU**”) with The Environmental Projects Cooperative Association, Green Smart Solutions Company and Qingdao EVU Environmental & Engineering Equipment Co., Ltd. to conduct a feasibility study for a wastewater treatment. The study will also explore potential opportunities for the construction, ownership, operation, transportation and sale of related systems in Saudi Arabia

JOINT STATEMENT BY CHAIRMAN & CEO

and the Middle East. Under this MOU, the Company will provide technology, design, technical support, business plan development, waste management expertise, knowledge transfer, wastewater treatment industry referrals, fundraising assistance, personnel selection and training for waste collection, sorting, treatment and safe disposal.

On 31 January 2025, the Company entered into a Business Collaboration Agreement with Zym-Tec Technologies Limited to jointly explore opportunities within Singapore, Malaysia, Indonesia, India, Bangladesh, and Saudi Arabia. The collaboration aims to promote an eco-friendly enzyme for the conversion of local soil and construction waste material into a range of sustainable construction applications. These applications include repurposed low-cost construction materials, land stabilizers, housing and building materials, road pavements, and other low carbon footprint products.

On 6 March 2025, the Company entered into an agreement with Zym-Tec Road Technologies Limited to conduct a joint feasibility study on the use of their technology resulting in sustainable 'waste-based' materials to upgrade a 30-kilometer road for coal transportation between a coal mine and an export shore jetty in East Kalimantan, Indonesia, known as "Nusantara Toll Road".

In summary, our initiatives reinforce our commitment to enhancing market access, particularly in waste management, resource recovery, energy conservation, and carbon emission reduction. By integrating our expertise with a local and global approach, we mitigate market fluctuations and ensure long-term stability of our Group.

Outlook of FY2025

Entering 2025, we acknowledge the significant progress, innovation, and resilience demonstrated by Shanaya Group. This year marks a key milestone in our organization. Aligning with our development strategy and leveraging shareholder resources, the Group actively pursued project opportunities within its core business in 2024. Through strategic collaborations with international partners, we gained valuable industry and project experience, positioning us for future project ventures.

Cruise Ship Industry 2025

In 2025, Singapore will see the debut of Disney's first Asia-based cruise ship, the Disney Adventure, offering voyages from Marina Bay Cruise Centre, along with other cruise lines like Royal Caribbean and Resorts World Cruises. Disney Cruise Line will homeport its new ship, the Disney Adventure, in Singapore for at least five years, making it the first Disney ship to be based in Asia. The Disney Adventure's maiden voyage from Singapore's Marina Bay Cruise Centre is scheduled for December 15, 2025.

Source: <https://www.travelweekly-asia.com/Cruise-Travel/StarCruises-and-Dream-Cruises-make-a-big-comeback>

Shipping Industry 2025

The outlook for 2025 is likely to be shaped by geopolitical dynamics and shifting trade patterns. Global GDP growth is forecasted to remain steady this year with seaborne trade projected to grow 1.9%, with some re-routing of trade routes expected. The major shipping segments – bulk carriers, containerships, tankers and specialised vessels – are expected to continue performing better than pre-pandemic years. Singapore will continue to enhance our offerings to serve all shipping

segments while expanding capabilities in emerging domains such as space, aerial drones, and cyberspace to support businesses. MPA anticipates steady growth for Maritime Singapore in 2025, driven by the strong tripartite cooperation with the industry, unions, government, a strong maritime R&D community, and Singapore's continued value offering as a preferred hub for ship operations and maritime business.

Source: <https://www.mpa.gov.sg/media-centre/details/strong-growth-momentum-for-maritime-singapore>

Disposal of Kian Teck Property

The Group's Proposed Disposal (as defined in the Company's announcement dated 30 June 2024) of its property at 27 Kian Teck Property is currently at an advanced stage of completion pending in-principle approval to be received from JTC for the assignment of lease to the buyer. Upon completion of the transaction (which is expected in 2025), the Group would stand to receive net proceeds of approximately S\$4 million (after deducting all estimated expenses in relation to the Proposed Disposal), and to realise a net gain of approximately \$1.00 million from the disposal of property. The Group intends to utilise the net proceeds for the repayment of existing borrowings and general working capital requirement.

Bio-Medical Waste Treatment and Safe Disposal

The Company has submitted to National Environment Agency ("NEA") all the necessary documentation to obtain clearance from the Pollution Control Department for the collection, treatment, and safe disposal of bio-hazardous waste at the Tuas Facility. The Group is expecting temporary clearance to conduct a trial run and fulfilment of the emission standards required, which would lead to a permanent license to be issued by NEA to enable the Group to upscale its biomedical waste collection and treatment operations from the second half of financial year ending 31 December 2025 ("FY2025").

Enhancing Green Initiatives

Shanaya's integrated facility at Tuas has been installed with solar panels as part of its ongoing drive to use green energy.

The Group will continue to seek initiatives that reaffirming our long-term (FY2025-FY2035) commitments across four key focus areas:

- Good health and well-being
- Clean water and sanitation
- Affordable and clean energy, and
- Industry, innovation and infrastructure

Reinforcing Our Values

As we chart our course for the future, Shanaya Group's mission and values remain at the heart of everything we do. We are committed to:

- **Innovating:** Staying ahead of trends to remain the leading integrated ship and cruise waste management service provider in our region.
- **Providing value:** Delivering competitive solutions through technology, fostering sustainable business relationships, and exceeding customer expectations.
- **Nurturing relationships:** Strengthening partnerships with our employees, customers, and stakeholders to create a culture of mutual success.

JOINT STATEMENT BY CHAIRMAN & CEO



Shanaya is committed to grow its businesses by bringing together wisdom of generations and new-age innovation. Guided by our core values of commitment, integrity, teamwork, innovation, and nurturing relationships, we look ahead with a renewed focus on creating value for our customers and partners.



Shanaya is committed to grow its businesses by bringing together wisdom of generations and new-age innovation. Guided by our core values of commitment, integrity, teamwork, innovation, and nurturing relationships, we look ahead with a renewed focus on creating value for our customers and partners. These guiding principles will continue to inspire our efforts as we expand our global reach, adopt transformative technologies, and build a circular economy ecosystem that is as sustainable as it is efficient.

Appreciation

The Group has benefitted from the diverse corporate backgrounds of our Board members, including those with expertise across international markets. The diversity and breadth of our new Board has been enhanced by the appointments of two independent directors namely, Mr Abuthahir S/O Abdul Gafoor and Ms Ch'ng Li-Ling, with considerable auditing and legal accomplishments respectively. Together, the Group aims to become a significant corporate player in the waste management and recycling industry.

Many thanks are owed to those who left the Board, namely, Mr Tito Shane Isaac and Mr Lee Teong Sang. They too played a critical role in Shanaya's evolution and paved the way for Shanaya Limited.

The foundation of our success has been built by our hard-working and innovative employees, who continue to express pride in our major corporate milestones and, naturally, are excited about Shanaya's future. We thank them for their dedication.

We thank all our customers for their trust in us to deliver and their continues support working together.

Without the capital provided by shareholders and financial support from our bankers, our business could not grow. We thank them for their confidence and support.

Conclusion

Looking ahead to FY2025 and beyond, we are confident in our ability to navigate the evolving landscape successfully. We remain committed to executing on our strategic priorities, driving sustainable growth and delivering value to our stakeholders.

On behalf of the Board and the Management team, we would like to express my heartfelt gratitude to you, our shareholders, for your unwavering confidence and support. It is your faith in our vision and strategy that has propelled us to achieve significant milestones.

Our sincere gratitude to our exceptionally talented and hardworking team, who have been relentlessly pursuing our mission every single day.

Best Regards,

Sukhvinder Singh Chopra

Independent and Non-Executive Chairman

Mohamed Gani Mohamed Ansari

Executive Director and Chief Executive Officer

BOARD OF DIRECTORS

SUKHVINDER SINGH CHOPRA

Independent and Non-Executive Chairman

Mr Sukhvinder Singh Chopra was appointed to the Board on 18 August 2021 and was last re-elected on 26 April 2024.

Mr Chopra is an investor, co-founder, executive director and board member in various companies such as in biotechnology, technical certification, software solutions and IPC accorded charity. Mr Chopra began his career in the Singapore Armed Forces ("**SAF**"), held several command appointments in support of naval, army and air operations and retired as a Colonel. After the SAF, he held various management roles, including at the Lee Kuan Yew School of Public Policy and at a World Bank funded capacity building project in Afghanistan. He was the Managing Director of a private equity owned technology software and services business and responsible for its management and business growth. Mr Chopra is an award recipient of the Public Administration Medal (Military, PBS) by the President of Singapore and has also been recognised for his service to Singapore's community by Prime Minister's office Singapore. Mr Chopra has kept up to date with the latest regulatory Board requirements through his certification and affiliation with the Singapore Institute of Directors.

Mr Chopra holds a Master of Business Administration from the University of Tasmania, Australia.

MOHAMED GANI MOHAMED ANSARI

Executive Director and Chief Executive Officer

Mr Mohamed Gani Mohamed Ansari is the co-founder of Shanaya Environmental Services Pte. Ltd. which was founded in 2002. He was appointed to the Board of Shanaya Limited on 18 August 2021 and was last re-elected on 27 April 2023. He is responsible for planning the Group's business strategy and providing guidance to the Management team in executing the plans to realise the strategic objectives. The Group's business strategy encompasses brand-building, market positioning, sourcing of investment, tender participation, business collaboration with local and overseas partners, and exploring opportunities for joint ventures, mergers and acquisitions.

Mr Ansari has over 30 years of experience within the waste management and recycling industry. He was previously the Head of Group Business Development (2008-2010) and Executive Director (2010-2012) in Enviro-Hub Holdings Ltd, a company presently listed on the Mainboard of Singapore Exchange Securities Trading Limited ("**SGX-ST**") (Singapore Stock Code: L23). He is currently also a non-executive director of Singapore Precious Metal Refinery Pte. Ltd, Kalisp Realty Private Limited (India), and Onaro Recycling Sdn Bhd, and a partner of Yanasha Enterprise (Singapore).

Mr Ansari holds a Master of Business Administration (Marketing) degree from the Annamalai University (India), a Bachelor of Commerce degree from Madurai Kamaraj University (India) and a Diploma in Business Management/Administration from the College of Professional Management (Britain).

ABUTHAHIR S/O ABDUL GAFOOR

Independent and Non-Executive Director

Mr Abuthahir S/O Abdul Gafoor was first appointed to the Board on 1 May 2024.

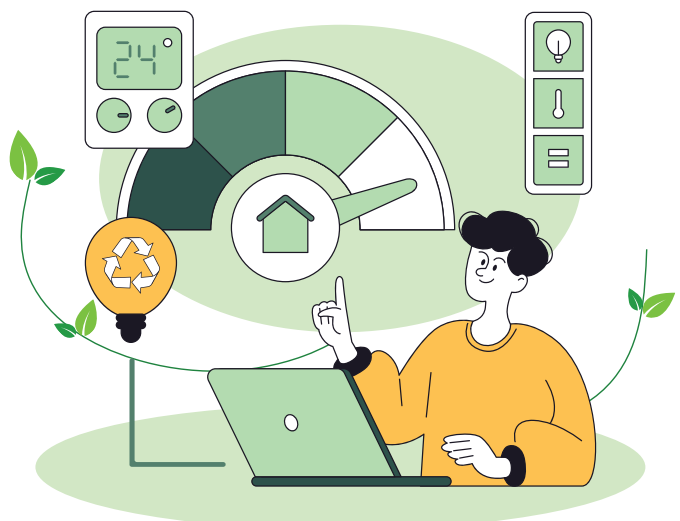
Mr Abdul Gafoor began his career in 1990 and has worked in Big-4 accounting firms, mainly in the areas of corporate insolvency and litigation consulting services. He held the position as a director in RSM Corporate Advisory Pte Ltd from 2010 to 2018. In 2018, he founded AAG Corporate Advisory Pte Ltd where he currently heads as its Executive Director.

With 35 years of work experience, Mr Abdul Gafoor is an approved liquidator who has been appointed to oversee numerous insolvencies, both by the Court and creditors. He has also undertaken restructuring and corporate workouts, judicial management, and receivership engagements. He has undertaken projects which include public-listed companies as well as large corporations, in Singapore and Southeast Asia.

Mr Abdul Gafoor also works closely with legal professionals in litigation consulting engagements to assist in commercial disputes. He specialises in the areas of assessment of dispute analysis, financial investigations, partnership or shareholder disputes, and fraud investigation in commercial disputes. He provides expert testimony in Court where his expertise is called upon.

Mr Abdul Gafoor is presently also the Director of Berjaya Kyoto Development (S) Pte Ltd, The Masonic Hall Board Ltd and Berjaya Okinawa Investment (S) Pte Ltd. He is a member of the Institute of Singapore Chartered Accountants as well as a Fellow of the Insolvency Practitioners Association of Singapore.

Mr Abdul Gafoor holds a Bachelor of Accountancy from the National University of Singapore.



BOARD OF DIRECTORS

CH'NG LI-LING

Independent and Non-Executive Director

Ms Ch'ng Li-Ling was first appointed to the Board on 1 May 2024.

Ms. Ch'ng is one of the founding members of RHTLaw Asia, where she co-lead the firm's Capital Markets Practice till 2019. She presently heads the firm's Financial Services (Regulatory) & Technology Practice where she advises Fintech firms, financial institutions and capital markets services providers on licensing and regulatory requirements and payment services providers on digital token issuances and the establishment of digital assets exchanges and e-payments platforms. She also advises fintech companies, investors and entrepreneurs in their M&A and capital-raising exercises.

As co-head of the firm's Environment Social Governance (ESG) Practice, Ms Ch'ng advises financial institutions, businesses and investors on legal, regulatory and governance issues relating to climate change and sustainable development.

Ms Ch'ng is currently an independent director of SGX-ST listed Biolidics Limited (Singapore Stock Code: 8YY), a member of the Singapore Academy of Law, Legal Practitioner (non-practising) of New South Wales, Australia and qualified as a solicitor of England and Wales. She was previously an independent director of SGX-ST listed LHN Limited (Singapore Stock Code: 41O) from 10 March 2015 to 24 January 2025, an independent director of SGX-ST listed DeClout Limited (Singapore Stock Code: 5UZ) from September 2012 to April 2018 and an independent director of SGX-ST listed Anchor Resources Limited (Singapore Stock Code: 43E) from December 2015 to January 2021.

Ms Ch'ng graduated with a Bachelor of Arts (Honours) degree from National University of Singapore and obtained her Bachelor of Laws (Honours) and Master of Laws (Merit) from the University of London. She is an Advocate and Solicitor from the Supreme Court of Singapore.

ONG KIAN SOON

Non-Independent and Non-Executive Director

Mr Ong Kian Soon was first appointed as an Executive Director of the Company on 29 December 1998. He was re-designated as the Non-Independent and Non-Executive Director of the Company with effect from 1 July 2011 and was last re-elected on 28 April 2022.

Mr Ong has more than 40 years of experience in the areas of accounting, finance, administration and sales. He is currently also an Executive Director of SGX-ST listed New Wave Holdings Ltd (Singapore Stock Code: 5FX).

Mr Ong holds a Bachelor of Commerce (Accountancy) degree from Nanyang University in 1979.



KEY MANAGEMENT

SHITTHI NABESATHUL BATHURIA D/O ABDUL HAMID

Chief Administrative Officer

Ms Shitthi Nabesathul Bathuria D/O Abdul Hamid is responsible for overseeing the administration, human resources, IT, data security, and system integration functions of the Group.

Ms Shitthi has extensive experience in the waste management and recycling industry and is the co-founder and Director of the Group's subsidiary Shanaya Environmental Services Pte. Ltd.. Over the last 29 years, Ms Shitthi has held several finance-focused positions including as an Accountant at APL Logistic Pte Ltd (2009-2010), Senior Finance Executive at the Lee Kuan Yew School of Public Policy (2005-2009), Accounts Executive at the People's Association (2004-2005), Finance Executive at Alexandra Hospital (2000-2003), Senior Accounts Officer at National University Hospital (1998-1999), Accounts Executive at Specargo Forwarding (S) Pte Ltd (1994-1997), and Accounts Assistant at Singapore General Hospital (1988-1994).

Ms Shitthi has a Bachelor of Science Degree in Accounting & Finance from the University of London. She is a non-executive director of Singapore Precious Metal Refinery Pte Ltd, Yanasha Trading Sdn Bhd, Onaro Recycling Sdn Bhd and is a Partner of Yanasha Enterprise.

SIVAKUMAR MARTIN S/O SIVANESAN

Chief Operating Officer

Mr Sivakumar Martin S/O Sivanesan is responsible for managing the Group's operations. This includes matters relating to vehicle fleet, logistics and warehouse management. He also ensures compliance with the Group's management systems and the regulations of the environmental services industry including licences and permits.

Mr Martin is a director of the Group's subsidiaries, Shanaya Environmental Services Pte. Ltd. and Shanaya Engineering Pte Ltd. His additional duties include business development, marketing, sales, public relations, and customer relations. He represents Shanaya Environmental Services Pte. Ltd. at the Waste Management and Recycling Association of Singapore.

Prior to joining the Group, Mr Martin held senior positions at Cleanway Disposal Services Pte Ltd and was a Director of AL Resources Pte. Ltd., Toh Ban Seng Contractor Pte Ltd and Ban Tiong Soon Contractor Pte. Ltd from 1997 to 2013. Mr Martin was a Partner at Fast Trax Logistics from 1995-1997.



KEY MANAGEMENT

PERUMAL S/O GOPAL

Chief Sales Officer

Mr Perumal S/O Gopal is the Group's Chief Sales Officer and is responsible for formulating sales and marketing strategies, brand planning and business development. His duties also include customer service and relationships, contracts management, project management and staff training.

Mr Gopal has more than 17 years of experience in the waste management industry. He held the position of Senior Operations Executive at Applied Logistics Pte Ltd (1985-2005), where he supervised the logistics and transportation functions of the company. His additional duties include the care and servicing of the company's customers. Prior to joining Applied Logistics, Mr Gopal was a Sales Executive at Cleanway Disposal Services Pte Ltd from 2005 to 2013 and an Executive Director of Cleanway from September 2013 to January 2014.

Mr Gopal has been an Executive Director of the Group subsidiary Shanaya Environmental Services Pte. Ltd. since 2017.

LOY SUAN CHOO

Chief Financial Officer

Mr Loy Suan Choo is the Chief Financial Officer at Shanaya Limited. He is responsible for the overall finance functions and accounting matters of the Group, including budgeting and forecasting, fund raising, enterprise risk management, investment appraisal, internal controls and corporate compliance matters.

Mr Loy has over 28 years of experience in accounting, audit, and corporate finance. Prior to joining the Group in 2021, he was the Group Chief Financial Officer at Y.E.S F&B Group Pte Ltd from 2018 to 2020. Mr Loy held the post of Group Financial Controller, and subsequently, Chief Financial Officer, at Cogent Holdings Limited (a company which was listed on the Mainboard of the SGX-ST until March 2018) from 2009 to 2018. He had also served as Senior Accountant and Finance Manager at MTQ Corporation Limited (from 2002 to 2009), and as Finance Manager at Acma Ltd (from 2000 to 2002). His auditing career from 1996 to 2000 includes 3 years in Ernst & Young LLP.

Mr Loy graduated from the Nanyang Technological University with a Bachelor of Accountancy in June 1996. He is a member of the Institute of Singapore Chartered Accountants.



OPERATING & FINANCIAL

REVIEW

REVIEW OF STATEMENT OF COMPREHENSIVE INCOME

	Group		
	FY2024 \$'000	FY2023 \$'000	Change %
Revenue	7,739	7,988	-3%
Other income	506	1,752	-71%
Amortisation of right-of-use assets	(559)	(567)	-1%
Depreciation of property, plant and equipment	(1,218)	(1,313)	-7%
Employee benefits expense	(2,595)	(2,150)	21%
Loss allowance on trade receivables	(86)	-	n/m
Other operating expenses	(4,330)	(6,198)	-30%
Finance costs	(739)	(782)	-5%
Loss before tax	(1,282)	(1,270)	1%
Income tax credit	61	183	-67%
Loss for the year, net of tax	(1,221)	(1,087)	12%

FY2024 vs FY2023

Group revenue decreased by \$0.25 million, or 3%, from \$7.99 million to \$7.74 million for FY2024. The decrease was largely driven by a decrease of \$0.54 million, or 53%, in the sales of recyclable materials, decrease of \$0.17 million in revenue from the collection and disposal of construction waste, absence of one-off project-based contributions of \$0.31 million enjoyed in FY2023 for disposal of ship wreck, partially offset by an increase of \$0.64 million, or 11%, in revenue collectively from the collection and disposal of general waste from ships and land-based customers and an increase of \$0.08 million, or 26%, in revenue from the collection and disposal of oil waste.

Other income decreased by \$1.25 million, or 71%, from \$1.75 million to \$0.51 million for FY2024, largely due to one-time insurance claim of \$1.31 million in FY2023 for damages in relation to a fire incident, partially offset by gain from disposal of plant and equipment amounting to \$0.05 million.

Employee benefits expense increased by \$0.44 million, or 21%, from \$2.15 million to \$2.59 million for FY2024. The increase was primarily due to the shift from labour outsourcing to internal manpower hiring for some of its operations, as well as pay increment and higher bonus.

Depreciation of property, plant and equipment ("PPE") decreased by \$0.09 million, or 7%, from \$1.31 million to \$1.22 million for FY2024. The decrease was largely due to the cessation of depreciation of the Group's leasehold property at 27 Kian Teck Drive, Singapore 628844 ("**27 KTD Property**"), along with its built-in renovation and immovable machinery, with effect from 1 July 2024, partially offset by the effect on depreciation arising from transfer of motor vehicles from right-of-use assets ("RoU") to PPE.

Other operating expenses decreased by \$1.87 million, or 30%, from \$6.20 million to \$4.33 million for FY2024. The decrease was largely due to a \$1.30 million one-off expenditure in FY2023 to repair damage caused during a fire incident (which was in turn offset by a similar amount in other income), decrease of \$0.43 million, or 63%, in the cost of scrap materials purchases, decrease of \$0.25 million, or 39%, in subcontractor costs, and decrease of \$0.06 million, or 12%, in diesel expenses, partially offset by loss allowance made for trade receivables of \$0.09 million for FY2024 and increase of \$0.10 million, or 17%, in crane and wharfage charges.

As a result of the above, coupled with a \$0.12 million lower writeback of excess deferred tax liability, a net loss of \$1.22 million was incurred for FY2024, an increase of \$0.13 million, or 12%, as compared to net loss of \$1.09 million incurred for FY2023.

REVIEW OF STATEMENT OF FINANCIAL POSITION

	Group		
	31.12.2024 \$'000	31.12.2023 \$'000	Change %
Non-current assets	12,434	17,615	-29%
Current assets	7,233	3,640	99%
Non-current liabilities	9,379	14,440	-35%
Current liabilities	5,873	3,730	57%
Equity	4,415	3,085	43%

Non-current assets

Non-current assets decreased by \$5.18 million from \$17.62 million as at 31 December 2023 to \$12.4 million as at 31 December 2024, mainly due to the following:

- reclassification of \$3.42 million comprising the net carrying value of 27KTD Property (along with related renovation and immovable machinery) and the RoU of its related land lease from non-current assets to assets classified as held for sale;
- depreciation of PPE of \$1.22 million; and
- amortisation of RoU of \$0.56 million.

OPERATING & FINANCIAL REVIEW

Current assets

Current assets increased by \$3.59 million from \$3.64 million as at 31 December 2023 to \$7.23 million as at 31 December 2024, mainly due to reclassification of \$3.42 million comprising the net carrying value of 27KTD Property (along with related renovation and immovable machinery) and RoU of its related land lease from non-current assets to assets classified as held for sale, an increase in cash and bank balances of \$0.50 million (as explained in the review of the statement of cash flows below), an increase in prepayments of \$0.12 million, partially offset by a decrease in trade and other receivables of \$0.45 million. The decrease in trade and other receivables was primarily attributable to the loss allowance made for trade receivables of \$0.09 million during FY2024, \$0.13 million reduction in deposits paid, and decrease in revenue in last quarter of FY2024.

Current liabilities

Current liabilities increased by \$2.14 million from \$3.73 million as at 31 December 2023 to \$5.87 million as of 31 December 2024, mainly due to the reclassification of amount due to shareholders of \$1.84 million from non-current liabilities to current liabilities, reclassification of \$0.42 million of the non-current portion of outstanding land lease liabilities to liabilities directly associated with assets classified as held for sale, drawdown of \$0.20 million revolving credit line, partially offset by an increase in trade and other payables of \$0.30 million.

Non-current liabilities

Non-current liabilities decreased by \$5.06 million from \$14.44 million as at 31 December 2023 to \$9.38 million as at 31 December 2024. The decrease was mainly due to partial repayment of amount due to shareholders of \$1.09 million (by way of loan offset pursuant to a rights issue) and the reclassification from non-current liabilities to current liabilities of the following:

- i) balance due from shareholders of \$1.84 million;
- ii) loans of \$1.19 million; and
- iii) lease liabilities of \$0.97 million (including portion transferred to liabilities associated with assets held for sale).

Equity

Total equity, after accounting for the rights issue as well as loss for FY2024, was \$4.42 million as at 31 December 2024 which was \$1.33 million, or 43%, higher than \$3.09 million as at 31 December 2023.

REVIEW OF STATEMENT OF CASH FLOWS

	Group		
	FY2024 \$'000	FY2023 \$'000	Change %
Net cash generated from/(used in)			
– operating activities	1,221	1,145	7%
– investing activities	(37)	(204)	-82%
– financing activities	(688)	(1,444)	-52%
Net increase/(decrease) in cash and cash equivalents	496	(503)	n/m
Cash and cash equivalents at beginning of year	955	1,458	-34%
Cash and cash equivalents at end of year	1,451	955	52%

Operating activities

In FY2024, net cash generated from operating activities was \$1.22 million. The net cash generated comprises operating cash inflows before working capital movement of \$1.27 million coupled with the effect of negative net working capital movement of \$0.05 million. The negative net working capital movement resulted from a decrease in trade and other payables of \$0.40 million and an increase in prepayments of \$0.01 million, partially offset by a decrease in trade and other receivables of \$0.36 million.

Investing activities

In FY2024, net cash used in investing activities was \$0.04 million, with \$0.18 million payments made to acquire plant and equipment, partially offset by proceeds of \$0.10 million from disposal of vehicle and equipment and deposit of \$0.04 million received in respect of the disposal of 27KTD Property.

Financing activities

In FY2024, net cash used in financing activities was \$0.69 million, primarily due to \$1.80 million of repayment of principals and interest in respect of bank borrowings and lease liabilities, interest payment of \$0.61 million, partially offset by net proceeds of \$1.52 million raised from a rights issue (after deducting rights issue expenses) and fresh proceeds of \$0.20 million from the drawdown of a revolving credit facility.

As a result of the above, cash and cash equivalents increased by \$0.50 million to \$1.45 million as at 31 December 2024 from \$0.96 million as at 31 December 2023.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Sukhvinder Singh Chopra
Independent and Non-Executive Chairman

Mr Mohamed Gani Mohamed Ansari
Executive Director and Chief Executive Officer

Mr Abuthahir S/O Abdul Gafoor
Independent and Non-Executive Director

Ms Ch'ng Li-Ling
Independent and Non-Executive Director

Mr Ong Kian Soon
Non-Independent and Non-Executive Director

COMPANY SECRETARY

Mr Yoo Loo Ping

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632
t: +65 6536 5355
w: www.boardroomlimited.com

AUDITOR

BDO LLP
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778
t: +65 6828 9118
w: www.bdo.com.sg

Partner-in-charge
Mr Tan Boon Kai
Appointed since the financial year ended 31 March 2021

BOARD COMMITTEES

Audit Committee

Mr Abuthahir S/O Abdul Gafoor (Chairman)
Ms Ch'ng Li-Ling
Mr Sukhvinder Singh Chopra

Nominating Committee

Ms Ch'ng Li-Ling (Chairperson)
Mr Abuthahir S/O Abdul Gafoor
Mr Sukhvinder Singh Chopra
Mr Mohamed Gani Mohamed Ansari

Remuneration Committee

Mr Sukhvinder Singh Chopra (Chairman)
Ms Ch'ng Li-Ling
Mr Abuthahir S/O Abdul Gafoor

SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay,
#10-00 Collyer Quay Centre
Singapore 049318

REGISTERED OFFICE

3A Tuas South Street 15
Singapore 636845
t: +65 6316 2023
f: +65 6862 0304
w: www.shanayagroup.com

COMPANY REGISTRATION NO.

199804583E

PLACE OF INCORPORATION

Singapore

DATE OF INCORPORATION

19 September 1998

PRINCIPAL BANKERS

United Overseas Bank Limited
Oversea-Chinese Banking Corporation Limited



CORPORATE GOVERNANCE REPORT

Shanaya Limited (the "**Company**") and together with its subsidiaries, the "**Group**") is committed to maintaining good corporate governance to enhance and protect the interests of the Company's shareholders and maximising long-term success of the Company and Group.

The following report describes the Company's corporate governance practices with specific reference to the Code of Corporate Governance 2018 (the "**Code**") for the financial year ended 31 December 2024 ("**FY2024**") and the relevant provisions in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Rules of Catalist**"). The Board of Directors of the Company (the "**Board**") is pleased to inform that the Company is substantially in compliance with the principles and provisions of the Code and any deviations are explained below. Such compliance is regularly reviewed to ensure transparency and accountability.

BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The functions of the Board, apart from its statutory responsibilities, include:

- deciding and approving strategic plans, key business initiatives, major investments and funding requirement matters;
- providing entrepreneurial leadership, set strategic aims and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
- monitoring the performance of the Management and the Group towards achieving adequate shareholders' values, including but not limited to reviewing the financial performance of the Group;
- ensuring the adequacy and effective internal controls and risk management system to safeguard shareholders' interest and Group's assets;
- identifying the key stakeholder groups and recognise that their perceptions affect the Company's reputation;
- constructively challenging Management and review its performance;
- setting the Group's values and standards (including ethical standards) and ensuring that obligations to shareholders are understood and duly met;
- considering sustainability issues as part of its strategic formulation;
- ensuring transparency and accountability to key stakeholder groups; and
- ensuring compliance with the Code, the Companies Act 1967 of Singapore ("**Companies Act**"), the Company's Constitution, the Rules of Catalist, accounting standards and other relevant statutes and regulations.

CORPORATE GOVERNANCE REPORT

All Directors exercise due diligence and independent judgment, and are obliged to act in good faith and consider at all times the interests of the Company. Each Director is required to promptly disclose any conflicts or potential conflicts of interest, whether direct or indirect, in relation to any transaction or matter discussed and contemplated by the Group. Where a potential conflict of interest arises, the Director concerned will recuse himself/herself from discussions and decisions involving the issue of conflict and refrains from exercising any influence over other members of the Board in respect of the issue.

The Board conducts regular scheduled meetings at least four times yearly and as warranted by particular circumstances. Ad-hoc meetings are also convened as and when they are deemed necessary. As provided in the Company's Constitution, the Board may convene telephonic and videoconferencing meetings. At each meeting, the Board is provided with adequate and timely information by Management on matters to be deliberated, thus facilitating an informed decision-making process. When a physical Board meeting is not possible, informal discussions between Board members will be achieved through electronic means or via circular of written resolutions for approval by the Board.

The Company recognises that the flow of relevant, complete and accurate information on a timely basis is critical for the Board to discharge its duties effectively. Management provides the Board with quarterly accounts as well as relevant background or explanatory information relating to the matters that would be discussed at the Board meetings, prior to the scheduled meetings. Besides the Board papers, Directors are also updated on initiatives and developments on the Group's business and are provided with statistics and explanatory materials as necessary. Management also provides at each meeting an updated report on risk management and internal controls. All Directors are given separate and unrestricted access to Management at all times in carrying out their duties. Any additional materials or information requested by the Directors to make informed decisions are promptly furnished by Management. When necessary, the Directors, whether as a group or individually, can seek independent professional advice at the Company's expense for the discharge of their duties.

All Directors are required to declare their board appointments. When a Director has multiple board representations, the Nominating Committee ("**NC**") will consider whether the Director is able to adequately carry out his/her duties as a director of the Company, taking into consideration the Directors' number of listed company board representations and other principal commitments. Directors with multiple board representations must ensure that sufficient time and attention are given to the affairs of the Group.

The Directors also have separate and independent access to the Company Secretary. The Company Secretary or his representative will attend all Board and Board Committees' meetings and ensures that Board procedures are followed, and that the Company complies with the requirements of the Companies Act and the Rules of Catalist. The Company Secretary also ensures that there are good information flows within the Board and its Board Committees and between Management and the Non-Executive Directors. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

To ensure compliance with legislative and regulatory requirements, including requirements under the Rules of Catalist, the Board through Management reviews the relevant compliance reports and ensures that Management seeks the Board's approval of such reports or requirements.

Directors have unrestricted access to Management at all times. Directors are entitled to request from Management and provided with such additional information as needed to make informed and timely decisions. Should Directors, whether as a group or individually, require independent advice relating to the Company's affairs, the Company will appoint a professional external advisor to render the relevant advice. The cost of such professional external advice will be borne by the Company.

In compliance with the Rules of Catalist, the Board provides a negative assurance statement to the shareholders in its half-yearly financial results announcement, confirming to the best of its knowledge that nothing has come to the attention of the Board which may render the financial statements to be false or misleading in any material aspect.

CORPORATE GOVERNANCE REPORT

The Company has procured undertakings from all Directors and Executive Officers in compliance with Rule 720(1) of the Rules of Catalist.

Other matters specifically reserved for the Board's approval are those involving material acquisitions and disposal of assets, major investments and divestments, corporate or financial restructuring, share issuances, fundings, major policies on key areas of operations, dividends to shareholders, release of the Group's half-year and full-year results and interested person transactions of a material nature.

To facilitate effective management, the Board delegates certain functions to the various Board committees whose actions are monitored and endorsed by the Board. These committees include the Audit Committee ("**AC**"), the NC and the Remuneration Committee ("**RC**") (collectively, the "**Board Committees**"), all of which operate within clearly defined terms of reference and functional procedures. Each of these Board Committees reports its activities regularly to the Board with their decisions and recommendations. However, the ultimate responsibility on all matters lies with the Board. The terms of reference and further details of the activities of the Board Committees in FY2024 are set out under the respective sections in this corporate governance report.

The Company recognises the importance of appropriate training for its Directors. The Board ensures that incoming new Directors are familiar with the Group's structure, business strategies, operations, and policies. The Company will provide newly appointed director(s) with a formal letter setting out their duties and obligations. The Company will ensure that first-time director of a listed company ("**First-Time Director**") will receive relevant training in the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange to meet the Mandatory Training requirements under Rule 406(3)(a) and Practice Note 4D of the Rules of Catalist.

The Company had appointed two (2) Independent Directors, Ms Ch'ng Li-Ling and Mr Abuthahir S/O Abdul Gafoor on 1 May 2024 in place of the retiring Directors, Mr Tito Shane Isaac and Mr Lee Teong Sang after the conclusion of annual general meeting ("**AGM**") held on 26 April 2024. Ms Ch'ng Li-Ling also serve as independent director of other SGX listed company. Mr Abuthahir S/O Abdul Gafoor will complete his training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange to meet the Mandatory Training requirements under Rule 406(3)(a) and Practice Note 4D of the Rules of Catalist in due course. Please refer to their profiles under "Board of Directors" section.

Directors are constantly kept abreast of latest developments in regulatory, legal and accounting frameworks that are of relevance to the Group through participation in briefings, seminars and workshops. The training of Directors will be arranged and funded by the Company.

Briefings and updates provided to the Directors for FY2024 include:

- briefing by the external auditor ("**EA**"), BDO LLP, on the developments in financial reporting and governance standard;
- relevant updates on developments and amendments to listing rules and releases issued by SGX-ST are circulated to the Directors;
- briefing by the sustainability reporting consultant, Yang Lee & Associates, on sustainability strategy development and reporting;
and
- updates by Management on the business activities and strategic directions of the Group.

CORPORATE GOVERNANCE REPORT

The Board meets regularly on a quarterly basis and ad-hoc Board Committee or Board meetings are convened when they are deemed necessary. The number of Board and Board Committee meetings held during FY2024 and the attendance of each Director are set out as follows:

Number of meetings										
	Board Meetings		AC Meeting		NC Meeting		RC Meeting		General Meeting	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Sukhvinder Singh Chopra	5	5	5	5	1	1	1	1	2	2
Mohamed Gani Mohamed Ansari	5	5	5	5*	1	1	1	1*	2	2
Lee Teong Sang ⁽¹⁾	5	2	5	2	1	1	1	1	2	1
Tito Shane Isaac ⁽²⁾	5	2	5	2	1	1	1	1	2	1
Ch'ng Li-Ling ⁽³⁾	5	3	5	3	1	0	1	0	2	1
Abuthahir S/O Abdul Gafoor ⁽⁴⁾	5	3	5	3	1	0	1	0	2	1
Ong Kian Soon	5	5	5	5*	1	1*	1	1*	2	2

Notes:

* Attendance at meetings that were held on a "By Invitation" basis.

⁽¹⁾ Mr Lee Teong Sang had retired as an Independent Director of the Company and ceased as the Chairman of the AC and Member of NC and RC on 26 April 2024.

⁽²⁾ Mr Tito Shane Isaac had retired as an Independent Director of the Company and ceased as the Chairman of NC and Member of AC and RC on 26 April 2024.

⁽³⁾ Ms Ch'ng Li-Ling was appointed as an Independent Director of the Company with effect from 1 May 2024 and Chairperson of the NC and Member of AC and RC.

⁽⁴⁾ Mr Abuthahir S/O Abdul Gafoor was appointed as an Independent Director of the Company with effect from 1 May 2024 and Chairman of AC and Member of NC and RC.

CORPORATE GOVERNANCE REPORT

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

The Board currently comprises five (5) Directors, one (1) of whom holds an executive position:

Directors	Board Membership	Audit Committee	Nominating Committee	Remuneration Committee
Sukhvinder Singh Chopra	Independent Non-Executive Chairman	Member	Member	Chairman
Mohamed Gani Mohamed Ansari	Executive Director and Chief Executive Officer ("CEO")	–	Member	–
Lee Teong Sang <i>(Retired on 26 April 2024)</i>	Independent Non-Executive Director	Chairman	Member	Member
Tito Shane Isaac <i>(Retired on 26 April 2024)</i>	Independent Non-Executive Director	Member	Chairman	Member
Ch'ng Li-Ling <i>(Appointed on 1 May 2024)</i>	Independent Non-Executive Director	Member	Chairperson	Member
Abuthahir S/O Abdul Gafoor <i>(Appointed on 1 May 2024)</i>	Independent Non-Executive Director	Chairman	Member	Member
Ong Kian Soon	Non-Independent and Non-Executive Director	–	–	–

The Company complies with Provision 2.2 of the Code as the Chairman of the Board is independent and more than half of the Board members are Independent Directors. Additionally, as the majority of the Board is made up of Non-Executive Directors, the Company also complies with Provision 2.3 of the Code. Therefore, the Board and the NC are satisfied that the Board has substantial independent elements to exercise objective judgment on corporate affairs independently.

As set out under the Code, an independent director is one who is independent in conduct, character and judgment, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment in the best interests of the Company. The NC assesses and reviews annually the independence of a Director bearing in mind the salient factors as set out under the Code as well as all other relevant circumstances and facts.

Each Non-Executive Director is required to complete a checklist annually to confirm his independence based on the provisions as set out in the Rules of Catalist, the Code and the Practice Guidance. The NC adopts 406(3)(d) of the Rules of Catalist and the Code's definition of what constitute an "independent" director in its review. The Directors must also confirm whether they consider themselves independent despite not having any relationship as identified in the Code. The NC takes into account, among other things, whether a Director has a business relationship with the Company, its related companies and its substantial shareholders, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company.

CORPORATE GOVERNANCE REPORT

The NC had reviewed the independence of the three Independent Directors, namely Mr Sukhvinder Singh Chopra, Ms Ch'ng Li-Ling and Mr Abuthahir S/O Abdul Gafoor. Having made its review on an annual basis, taking into consideration the independence checklist provided by the Independent Directors as mentioned under Principle 2 above and the requirements of Rule 406(3)(d) of the Rules of Catalyst, the NC has affirmed that Mr Sukhvinder Singh Chopra, Ms Ch'ng Li-Ling and Mr Abuthahir S/O Abdul Gafoor have satisfied the criteria for independence. Each of the Independent Directors has also confirmed his independence.

The Company has adopted a Board Diversity Policy. The Company understands and believes that a diverse Board will help improve the overall performance and operation capability of the Company. It enhances decision-making capability and with a diverse Board, it is more effective in dealing with organisational changes as well as getting different views. This also provides an opportunity to ensure that all Board discussions and decisions made are considered thoroughly. The NC is responsible for setting and maintaining the Board Diversity Policy, including setting of its targets, plans and timelines. The NC and the Board regularly review the size and composition of the Board, as well as succession planning, gender diversity and refreshment of the Board based on the current guidelines set under our Board Diversity Policy.

During FY2024, the Board has achieved gender diversity with the appointments of Ms Ch'ng Li-Ling and Mr Abuthahir S/O Abdul Gafoor as Independent Directors for the Board renewal subsequent to the AGM held on 26 April 2024. With the concurrence of the NC, the Board is of the view that the current composition is appropriate, having taken into consideration the nature and scope of the Group's operations. The Board comprises members with expertise, knowledge and experience in business management, law, investor relations and waste industry which provide diverse perspectives to the Board and thus better support the Company's achievement of its strategic objectives.

To ensure that the Company is well-equipped to meet the challenges and demands of the market, the NC and the Board will continuously review their size and composition to ensure they remain appropriate in response to evolving market conditions. The Company will also regularly assess the need for additional board diversity targets to further strengthen the governance.

To facilitate more effective check on Management, the Independent Directors meet as and when necessary and at least once a year without the presence of Management.

The Non-Executive Directors communicate regularly to discuss matters related to the Group, including, *inter alia*, the performance of the Management in the absence of the Executive Directors and Management. Where appropriate, the Independent Directors provide feedback to the Board after such meetings.

Chairman and CEO

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Mr Sukhvinder Singh Chopra, an Independent Non-Executive Director holds the position as Chairman of the Board, and Mr Mohamed Gani Mohamed Ansari, the Executive Director and CEO. Both positions are held by separate individuals to ensure an appropriate balance of power, increased accountability and greater capacity for independent decision-making.

The Chairman leads the Board to ensure effectiveness on all aspects of its role. With assistance from the Company Secretary who co-ordinates with the Management and CEO, the Chairman sets the meeting agenda and ensures that Directors are provided with complete, adequate and timely information. Board papers are sent to Directors at least three days in advance in order for Directors to be adequately prepared for the meetings. The Chairman ensures effective communication with shareholders and encourages constructive relations within the Board and between the Board and Management by promoting a culture of transparency and openness in such relationship and in discussion at meetings. Management staff who have prepared the Board papers or who can provide additional insights into the matters to be discussed at Board Meetings, are invited to carry out presentations or attend the Board meeting at the relevant time, as and when appropriate. The Chairman also facilitates the effective contribution of Non-Executive Directors and promotes high standards of corporate governance.

CORPORATE GOVERNANCE REPORT

The CEO works with the Board to determine the strategy for the Group and is responsible for the mapping of business plans and operational decisions of the Group. The CEO also works together with Management to ensure that the Group operates in accordance with its strategic and operational objectives.

All the Board Committees are chaired by Independent Directors and at least more than half of the Board consists of Independent Directors.

As the Chairman is a separate individual independent from the role of CEO, there is no need for a lead independent director to be appointed.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.

The NC is responsible for making recommendations on all board appointments and re-nominations, having regard to the contribution and performance of the Director seeking re-election.

The NC comprises four (4) Directors; namely, Ms Ch'ng Li-Ling (Chairperson), Mr Abuthahir S/O Abdul Gafoor, Mr Sukhvinder Singh Chopra and Mr Mohamed Gani Mohamed Ansari. A majority of the NC, including its Chairman, are independent.

The written terms of reference of the NC have been approved and adopted. The key responsibilities of the NC include, to:

- evaluate and review nominations for appointment and re-appointment to the Board and the various committees (including alternate directors, if any);
- review and nominate a Director for re-election to the Board, having regard to the Director's contribution and performance;
- determine annually and as and when circumstances require if a Director is independent;
- recommend to the Board the process for the evaluation of the performance of the Board, the Board Committees and individual Directors, and propose objective performance criteria to assess the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board;
- decide whether a Director who has multiple board representations is able to and has been adequately carrying out his/her duties as Director of the Company;
- review and make recommendations to the Board on relevant matters relating to the succession plans of the Board (in particular, the Chairman/CEO) and key management personnel ("**KMP**");
- review the training and professional development programmes for the Board and its directors; and
- other acts as may be required by the SGX-ST and the Code from time to time.

The Company does not have a formal criteria of selection for the appointment of new directors to the Board. The appointment of a new director would be required when a vacancy on the Board arises or when the NC has assessed and identified certain expertise and skills that are required in the context of strengths and weaknesses of the existing Board to complement and strengthen the Board.

CORPORATE GOVERNANCE REPORT

In identifying suitable candidates, the NC may:

1. advertise or use services of external advisers to facilitate the search;
2. approach alternative sources such as the Singapore Institute of Directors; or
3. consider candidates from a wide range of backgrounds from internal or external sources.

After short listing the candidates through comparing the needs of the Board against the skills and experience offered by each candidate, the NC shall:

- (a) consider and interview all candidates on merit against objective criteria, taking into consideration the appointees' ability to devote sufficient time in fulfilling the obligations of the position; and
- (b) evaluate and agree to a preferred candidate for recommendation to and appointment by the Board.

Rule 720(4) of the Rules of Catalist states that the Company must have all Directors submit themselves for re-nomination and re-appointment at least once every three years and the Company is in compliance with this Rule. The NC reviews and recommends to the Board the re-nomination of retiring Directors standing for re-election and re-appointment. The review ensures that the Director to be re-nominated or re-appointed has contributed to the ongoing effectiveness of the Board, exercised sound business and objective judgment, and possesses demonstrated leadership experience, high levels of professional skills and appropriate personal qualities.

At the forthcoming AGM, Ms Ch'ng Li-Ling and Mr Abuthahir S/O Abdul Gafoor are retiring pursuant to Article 96 of the Company's Constitution. Mr Ong Kian Soon is retiring pursuant to Article 97 of the Company's Constitution. All the retiring Directors will be seeking re-election at the Company's forthcoming AGM.

The retiring Directors are eligible for re-election and have consented to continue in office, and the Board has accepted the NC's recommendation for their re-election. In making the recommendation, the NC had considered their overall contribution and performance. The retiring Directors do not have any relationships, including immediate family relationships with the other Directors, the Company or its substantial shareholders.

The disclosure of information on the Directors seeking re-election can be found on pages 102 to 109 of this Annual Report.

The Board has not capped the maximum number of listed company board representations each Director may hold as the NC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions, after taking into account the other listed company board directorships and other principal commitments, and not guided by a numerical limit. All Directors are required to declare their Board representations annually. When a director has multiple board representations and principal commitments, the NC will consider whether the Director is able to adequately carry out his duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. The NC has reviewed and is satisfied that Mr Sukhvinder Singh Chopra, Ms Ch'ng Li-Ling, Mr Abuthahir S/O Abdul Gafoor and Mr Ong Kian Soon, who sit on multiple board representatives presently, have been able to devote sufficient time and attention to the affairs of the Company to adequately discharge their duties as Directors of the Company, notwithstanding their multiple board appointments.

In making this assessment, the NC has considered the size and composition of the Board and the nature and size of the Group's operations.

CORPORATE GOVERNANCE REPORT

The NC has reviewed the time and attention spent on the Company's affairs, and is satisfied that all the Directors have discharged their duties adequately for the financial year in review.

Each member of the NC has abstained from reviewing and voting on any resolution relating to the assessment of their independence, performance or their re-nomination as Director, or in any matter where they have an interest.

The Company currently does not have any alternate director on Board and none of the Directors hold shares in the subsidiaries of the Company.

Key information regarding the Directors, including their present and past three years' directorships in other listed companies and principal commitments is set out below:

Directors	Age	Board Membership	Date of initial appointment	Date of last appointment	Directorships in other listed companies		Principal Commitments
					Current	Past 3 Years	Current
Sukhvinder Singh Chopra	64	Independent Non-Executive Chairman	18 August 2021	27 April 2024	Nil	Nil	<ul style="list-style-type: none"> Executive Director, SGVector Pte. Ltd. Director and Board member, Love, Nils Ltd Director and Chairman, TSC Global Limited Director and Non-Executive Chairman, Qiji Holding Pte Ltd
Mohamed Gani Mohamed Ansari	66	Executive Director and CEO	18 August 2021	27 April 2023	Nil	Nil	<ul style="list-style-type: none"> Director, Kalisp Realty Private Limited Director, Onaro Recycling Sdn Bhd Director, Shanaya Environmental Services Pte. Ltd. Director, Singapore Precious Metal Refinery Pte. Ltd. Partner, Yanasha Enterprise (formerly known as Shanaya Recycling) Director, Plastichem Recycling Pte. Ltd.
Ch'ng Li-ling	53	Independent Non-Executive Director	1 May 2024	–	Biolidics Limited	LHN Limited	<ul style="list-style-type: none"> Partner, RHTLaw Asia LLP Non-Executive Director, Qashier Pte. Ltd.

CORPORATE GOVERNANCE REPORT

Directors	Age	Board Membership	Date of initial appointment	Date of last appointment	Directorships in other listed companies		Principal Commitments
					Current	Past 3 Years	Current
Abuthahir S/O Abdul Gafoor	61	Independent Non-Executive Director	1 May 2024	–	Nil	Nil	<ul style="list-style-type: none"> • Executive Director, AAG Corporate Advisory Pte. Ltd. • Director, Berjaya Kyoto Development (S) Pte. Ltd. • Director, The Masonic Hall Board Ltd. • Director, Berjaya Okinawa Investment (S) Pte. Ltd.
Ong Kian Soon	69	Non-Executive & Non-Independent Director	29 December 1998	28 April 2022	New Wave Holdings Ltd.	Nil	<ul style="list-style-type: none"> • Director, Eplus Technologies Pte Ltd • Director, Eplus Technologies Sdn. Bhd. • Director, General Electronics & Instrumentation Corporation Private Limited • Director, Manufacturing Network Pte Ltd • Director, MNPL Aluminium Centre Sdn. Bhd. • Director, MNPL Investments Pte. Ltd. • Director, MSC Aluminium Holdings Pte. Ltd. • Director, Twin Metal Service Centre Sdn. Bhd. • Director, Twin Metal (Penang) Sdn. Bhd. • Director, Alutech Metals Asiatic Pte. Ltd. • Director, MNPL Metals Co., Ltd. (Incorporated in the PRC) • Legal Representative, Alutech Metals Co., Ltd. (Incorporated in the PRC)

CORPORATE GOVERNANCE REPORT

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual Directors.

The NC evaluates the Board's performance annually based on established criteria.

Through the NC, the Board has implemented an annual evaluation process to assess the effectiveness of the Board as a whole, the AC and each individual Director. The evaluation process is undertaken as an internal exercise and involves Board members completing a questionnaire covering areas relating to:

- Board structure
- Conduct of Meetings
- Access to information
- Corporate Strategy and Planning
- Risk Management and internal control
- Measuring and monitoring performance
- Compensation
- Financial Reporting
- Whistle-blowing
- Communication with shareholders

The evaluation process takes into account the views of each Board member and provides an opportunity for Directors to provide constructive feedback on the workings of the Board including its procedures and processes and whether these may be improved upon.

A collective evaluation exercise was carried out by the NC with the approval of the Board in the financial year under review. Led by the NC Chairman, this collective assessment was conducted by means of a confidential online questionnaire completed by each Director which is collated, analysed and discussed with the NC and the Board. Recommendations to further enhance the effectiveness of the Board are implemented, as appropriate. The Chairman shall act on the results of the performance evaluation and in consultation with members of the NC, propose, where appropriate, new members to be appointed to the Board or seek the resignation of Directors.

The evaluation determined that all Directors had contributed effectively and had demonstrated full commitment to their roles.

Given that the current NC and RC were reconstituted on 1 May 2024 following the Board renewal, the NC and RC have not held any formal meetings in FY2024 and hence are not able to assess its performance. In view of that, the performance evaluations for the NC and RC would be deferred to FY2025.

For FY2024, the Board has not engaged any external consultant to conduct an assessment of the effectiveness of the Board and the contribution by each individual Director to the effectiveness of the Board. Where relevant, the NC will consider such an engagement.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a set of formal and transparent procedures for developing policies on Director and Executive remuneration, and for fixing the remuneration packages of individual Directors and KMP. No Director is involved in deciding his or her own remuneration.

The RC comprises three (3) Directors; namely, Mr Sukhvinder Singh Chopra (Chairman), Ms Ch'ng Li-Ling and Mr Abuthahir S/O Abdul Gafoor. The Chairman and all members of the RC are non-executive and independent directors.

The written terms of reference of the RC have been approved and adopted. The key responsibilities of the RC include, to:

- review and recommend to the Board a framework of remuneration that will attract, retain and motivate Directors and KMPs and the specific remuneration packages for each Director (executive, non-executive and independent) as well as for the KMPs;
- review the Company's obligations arising in the event of termination of the Executive Directors and KMPs' contracts of service, to ensure that such clauses are fair and reasonable and not overly-generous;
- consider whether Directors, the CEO and KMPs should be eligible for benefits under share schemes and such other long-term incentive schemes as may from time to time be implemented; and
- consider the disclosure requirements for Directors' and top 5 KMPs' remuneration as required by the Code.

The members of the RC are familiar with executive compensation matters as they manage their own businesses and/or in holding other senior management positions and directorships.

As part of its review, the RC shall ensure that the Directors and KMPs are appropriately remunerated based on industry benchmarks and other comparable companies. The RC will also take into consideration the Company's relative performance and the performance of individual Directors.

The RC's recommendations will be submitted for endorsement by the Board. From time to time, the RC, where necessary, will seek advice from the external remuneration consultant in framing the remuneration policy and determining the level and mix of remuneration for Directors and KMPs. The Board did not engage any external remuneration consultant to advise on remuneration matters for FY2024. None of the members of the RC or any Director is involved in deliberations in respect of any remuneration, compensation or any form of benefits to be granted to him/her.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and KMPs are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

In its review and recommendations for remuneration and the remuneration framework, the RC ensures that the Directors and KMPs are adequately but not excessively remunerated as compared to industry benchmarks and other comparable companies. In discharging its responsibilities, the RC takes into account the Group's relative performance and the performance of individual Directors and KMPs, linking rewards to corporate and individual performance, ensuring that the remuneration packages are fair and sufficiently competitive to attract, retain and motivate the Directors and KMPs for long-term success of the Company.

CORPORATE GOVERNANCE REPORT

Executive Director is paid a basic salary, allowances and performance-related bonus for his contributions. The performance-related bonus was payable based on both qualitative and quantitative performance criteria. Qualitative criteria included leadership skills, people development, commitment and teamwork. Quantitative performance conditions measure the achievement of individual and corporate performance targets such as sales and profitability targets.

The Non-Executive Directors receive a directors' fee for their effort and time spent, responsibilities and level of contribution to the Board and Board Committees, and are subject to shareholders' approval at the AGM of the Company. The RC also ensures that the remuneration of the Non-Executive Directors are appropriate to their level of contribution and they should not be over-compensated to the extent that their independence is compromised. There are no share-based compensation schemes in place for Non-Executive Directors. No Director is involved in deciding his or her own remuneration package.

The Group had entered into service agreements of employment with the KMPs, which were subsequently renewed on 18 August 2024.

All revisions to the remuneration packages for the Directors and KMPs are subject to the review and approval of the Board.

Having reviewed and considered the variable components of the Executive Directors and the KMPs' remuneration, the Company does not use contractual provisions to allow the Company to reclaim incentive components of the remuneration from Executive Directors and KMPs in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

Disclosure on Remuneration

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Board is of the view that full disclosure of the specific remuneration of each individual Director and CEO is not in the best interests of the Company, taking into account the sensitive nature of the subject, the highly competitive business environment in which the Group operates and the potential negative impact such disclosure will have on the Group. Despite having varied from Provision 8.1(a) of the Code, the Board believes that consistent with the intent of Principle 8 of the Code by disclosing on a named basis and in bands of S\$250,000 including the provision of a breakdown in percentage terms, sufficient information has been disclosed for shareholders' understanding with respect to the Group's level and mix of remuneration.

	Base/Fixed Salary %	Variable or performance- related income/ bonus %	Benefit in kinds %	Directors' Fees %	Total (in dollars) S\$
Sukhvinder Singh Chopra	–	–	–	100	25,000
Mohamed Gani Mohamed Ansari	84	11	5	–	264,968
Lee Teong Sang ⁽¹⁾	–	–	–	100	7,693
Tito Shane Isaac ⁽²⁾	–	–	–	100	7,052
Ong Kian Soon	–	–	–	100	18,000
Ch'ng Li-Ling ⁽³⁾	–	–	–	100	14,677
Abuthahir S/O Abdul Gafoor ⁽⁴⁾	–	–	–	100	16,011

CORPORATE GOVERNANCE REPORT

Notes –

- ⁽¹⁾ Mr Lee Teong Sang had retired as an Independent Director of the Company and ceased as the Chairman of the AC and Member of NC and RC on 26 April 2024.
- ⁽²⁾ Mr Tito Shane Isaac had retired as an Independent Director of the Company and ceased as the Chairman of NC and Member of AC and RC on 26 April 2024.
- ⁽³⁾ Ms Ch'ng Li-Ling was appointed as an Independent Director of the Company with effect from 1 May 2024 and Chairperson of the NC and Member of AC and RC.
- ⁽⁴⁾ Mr Abuthahir S/O Abdul Gafoor was appointed as an Independent Director of the Company with effect from 1 May 2024 and Chairman of AC and Member of NC and RC.

There were only four (4) KMPs (who are not Directors or the CEO of the Company) for FY2024. As such, disclosure was only made in respect of the remuneration of these four KMPs of the Group. A breakdown, showing the level and mix of each of the KMP's remuneration (who are not Directors or the CEO) in bands of S\$250,000, or S\$100,000-S\$199,999 for those who are substantial shareholders or spouse of a director, for FY2024 is as set out below:-

Remuneration Band and Name of KMPs	Base/Fixed Salary %	Variable or performance- related income/ bonus %	Benefit in kinds %	Total %
S\$100,000 – S\$199,999				
Shitthi Nabesathul Bathuria D/O Abdul Hamid ⁽¹⁾	79	10	11	100
Sivakumar Martin S/O Sivanesan ⁽²⁾	78	10	12	100
Perumal S/O Gopal ⁽²⁾	75	13	12	100
Below S\$250,000				
Loy Suan Choo	77	10	13	100

Note:

- ⁽¹⁾ Ms Shitthi Nabesathul Bathuria D/O Abdul Hamid is the spouse of Mr Mohamed Gani Mohamed Ansari, the Executive Director and CEO of the Company. She is also a substantial shareholder of the Company.
- ⁽²⁾ A substantial shareholder of the Company.

Saved as disclosed in the table above under the remuneration band of S\$100,000 – S\$199,000, the following 2 employees of the Group were an immediate family member of Mr Mohamed Gani Mohamed Ansari, the Executive Director and CEO of the Company and Ms Shitthi Nabesathul Bathuria D/O Abdul Hamid, a substantial shareholder of the Company, but whose respective remuneration does not exceed S\$100,000 for FY2024.

Names of Employees	Relationship with Mohamed Gani Mohamed Ansari
Nawaz Faizullah S/O Mohamed Ansari (resigned on 31 March 2024)	Son
Yaeesh Amrullah S/O Mohamed Ansari	Son

The Board believes that the disclosure provides sufficient overview of the remuneration of the Group while maintaining confidentiality of the KMP's remuneration matters.

The aggregate remuneration paid to the four (4) KMPs, who are not Directors or CEO, for FY2024 is \$771,090.

For FY2024, there were no terminations, retirement or post-employment benefits granted to Directors and KMPs. The Company does not have any share-based compensation scheme or any long-term scheme involving the offer of shares or options in place.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

The Board acknowledges that it is responsible for ensuring that Management maintains a sound system of internal controls to safeguard the shareholders' investments and the Group's assets. At every AC and Board meeting (which is on a half-yearly basis), the AC, together with the Board, reviews the adequacy and effectiveness of the Group's system of internal controls put in place to provide reasonable assurance that assets are safeguarded, proper accounting records are maintained and financial information are reliable.

The Group's control environment provides the foundation upon which all other components of internal controls are built upon. It provides discipline and structure, setting the tone of the organisation and influencing the control consciousness of its staff. A weak control environment foundation hampers the effectiveness of even the best designed internal control procedure.

The Board does not establish a separate Board risk committee as it believes that the current size and complexity of the Group's operations do not merit this. The Board is currently assisted by the AC, the internal auditors and external auditors in carrying out its responsibility of overseeing the Group's risk management framework and policies. Management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as takes appropriate measures to control and mitigate these risks. It reviews all significant control policies and procedures and highlights all significant matters to the Directors and the AC.

The AC, reviews the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls, and risk management policies and systems established by the Management on a yearly basis.

The Company's external auditors ("**EA**") are BDO LLP. As part of the annual statutory audit, the EA will also review and highlight any material weaknesses in internal controls over the areas which are significant to the audit. Any material non-compliances or failures in internal controls and recommendations for improvements are reported to the AC by way of a management letter. The AC also reviews the effectiveness of the actions taken on the recommendations made by the EA in this respect, if any.

The Board has adopted the recommendations of the EA set out in the management letters.

For FY2024, the Board has received written assurance ("**Assurance**") from:

- (i) the CEO and the Chief Financial Officer ("**CFO**") that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (ii) the CEO and KMPs that the Company's risk management and internal control systems in place are adequate and effective in addressing the material risks in the Company in its current business environment including material financial, operational, compliance and information technology controls, and risk management systems.

Based on the internal controls established and maintained by the Group, work performed by the external and internal auditors and reviews performed by the Management, various Board Committees and the Assurance received, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management and internal controls systems, which addresses the financial, operational, compliance and information technology controls and risk management systems, were adequate and effective for FY2024. The AC will continue to assess the adequacy and effectiveness of the internal control systems annually.

CORPORATE GOVERNANCE REPORT

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The AC comprises three (3) Directors; namely, Mr Abuthahir S/O Abdul Gafoor (Chairman), Ms Ch'ng Li-Ling and Mr Sukhvinder Singh Chopra. The Chairman and all members of the AC are non-executive and independent.

The written terms of reference of the AC have been approved and adopted. The key terms of reference of the AC includes, to:

- review with the external auditors and the internal auditors their evaluation of the system of internal accounting controls, the audit plans and the audit report including the adequacy, effectiveness, scope and results of the external audit, the reports on the risk management reviews conducted twice yearly, and the independence and objectivity of the external auditors;
- review the financial statements and statement of financial position and statement of comprehensive income including reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance, before submission to the Board for approval;
- review the internal control procedures, its scope and the results and to ensure co-ordination between the external auditors and the Management; and review the assistance given by Management to the external auditors, and discuss problems and concerns, if any, arising from the interim and final audits;
- review and report to the Board at least annually, on the adequacy and effectiveness of the Company's internal controls;
- review the adequacy and effectiveness of the Company's internal audit function (as applicable);
- review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results and/or financial position, and the Management's response;
- make recommendation to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors;
- review interested person transactions (if any) falling within the scope of Chapter 9 of the Rules of Catalyst;
- review potential conflicts of interest, if any;
- review the assurance from the CEO and CFO on the financial records and financial statements;
- undertake such other review and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and which requires the attention of the AC;
- review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;
- review significant audit findings reported, recommendations made, and Management's responses thereto, in respect of the internal review of the sustainability reporting process; and
- generally undertake such other functions and duties as may be required by statute or the Rules of Catalyst, or by such amendments as may be made from time to time.

CORPORATE GOVERNANCE REPORT

The AC also has explicit authority to investigate any matters within its terms of reference, full access to and cooperation by the Management and has full discretion to invite any Director or executive officer to attend its meetings.

All the members of the AC have had many years of experience in business and financial advisory, corporate and finance, investment and senior management positions in different sectors. The Board is of the view that the members of the AC have sufficient management and/or financial expertise and experience to discharge the AC's functions. None of the AC members were previous partners or Directors of the Company's external audit firm or auditing corporation nor does any of them have any financial interest in the audit firm.

The AC has met with the EA, without the presence of Management, in respect of FY2024 audit. Matters discussed include the reasonableness of the financial reporting process, the internal control process, the adequacy of resources, audit arrangements with particular emphasis on the observations and recommendations of the EA, the scope and quality of their audits and the independence and objectivity of the EAs and any matters that may be raised.

The AC had reviewed the audit plan and AC report presented by the EA. The AC also received from the EA regular updates on changes and amendments to accounting standards to enable the AC members to keep abreast of such changes, and issues which have a direct impact on financial statements. Following its review, the AC recommended to the Board for approval, the audited annual financial statements. On a half yearly basis, the AC also reviews the interested person transactions, if any, and the financial results announcements before their submission to the Board for approval.

The AC noted that there were no non-audit services provided by the EA of the Company, BDO LLP for FY2024 and is satisfied with the independence of BDO LLP.

Accordingly, the AC has recommended to the Board the re-appointment of BDO LLP as the Company's EA at the forthcoming AGM. Accordingly, the Company is in compliance with Rules 712, 715 and 716 of the Rules of Catalyst in relation to its EAs.

Each member of the AC abstains from voting on any resolutions and making any recommendation and/or participating in discussion on matters in which he is interested in.

Internal Audit

The key objectives of the internal audit function are as follows:

- review the Group's primary business segment in Singapore in which they operate, on a risk-oriented process based audit;
- appraise Management and report to the AC concerning the adequacy and effectiveness of the system of internal controls; and
- assist the Group to accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

The Group outsources its internal audit function to Yang Lee & Associates ("**YLA**" or "**IA**"). YLA is a professional service firm that specialises in the provision of Internal Audit, Enterprise Risk Management and Sustainability Reporting advisory services. The firm was set up in the year 2005 and currently maintains a diverse outsourced internal audit portfolio of SGX-ST listed companies across different industries including distribution, manufacturing, services, food & beverage, trading, retail and property development industries. YLA is a corporate member of the Institute of Internal Auditors Singapore and is staffed with professionals with sufficient expertise in corporate governance, risk management, internal controls, and other relevant disciplines. IA is guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors in carrying out the internal audit review.

CORPORATE GOVERNANCE REPORT

The AC is responsible for the appointment, evaluation, termination and remuneration of the professional service firm or corporation to which the internal audit function of the Company is sourced.

The IA reports directly to the AC and has unfettered access to all Group's documents, records, properties and personnel, including access to the AC, and has full appropriate standing within the Company and full cooperation of the Company.

The AC reviews and approves the annual internal audit plan to ensure the adequacy of the scope of audit. It also oversees the implementation of the internal audit plan and ensures that Management provides the necessary co-operation to enable the IA to perform its function.

The IA completed one review during FY2024 in accordance with the risk-aligned internal audit plan approved by the AC. The findings and recommendations of the IA, Management's responses, and Management's implementation of the recommendations have been reviewed and discussed with the AC.

The AC met with the IA without presence of the Management in relation to the work done for the financial year under review. The AC has reviewed and is satisfied with the independence, adequacy and effectiveness of the internal audit function for FY2024.

Whistleblowing Policy

The Company has, with the help of the AC, formulated the guidelines for a whistle-blowing policy to provide a channel for employees of the Group to report in good faith and in confidence their concerns about possible improprieties in the matter of financial reporting or in other matters. The objective of the policy is to ensure that there is independent investigation of such matters and that appropriate follow up actions will be taken. The employee could report his concerns via email directly to auditcom@shanaya.com.sg for the attention of the AC members. The whistle-blowing policy shall not be prejudiced in his position in any way as a result of such reporting, and the identity of the whistle-blower will be kept confidential. The whistle-blower who has not himself or herself engaged in serious misconduct or illegal conduct shall be protected from any forms of harassment, retaliation, and in the case of an employee of the Group, any adverse employment or career advancement consequence or discrimination, including but not limited to demotion, dismissal or reduction of compensation or privileges of employment.

The AC is in charge of overseeing and monitoring the function and handling of matters being reported through the whistle-blowing system, including ensuring that any investigation and follow-up procedures are taken, if any. The AC reports to the Board on such matters at the Board meetings, or as and when necessary. Should the AC receive reports relating to serious offences and/or criminal activities in the Group, the AC and the Board have access to the appropriate external advice where necessary.

No whistle-blowing reports had been received for FY2024.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company recognises the importance of treating all shareholders fairly and equitably, as well as the responsibility to facilitate the exercise of shareholders' rights, and have the opportunity to communicate their views on matters affecting the Company. All registered shareholders are given the opportunity to participate effectively in and vote at general meetings. Shareholders are informed of shareholders' meetings through notices published via SGXNET, newspaper and the Company's corporate website prior to the meetings with the details of the agenda of the general meetings.

The Company adopts an open and non-discriminatory communication program to promote regular, effective and fair communication with shareholders, for the shareholders to stay informed of the Group's performance, position and prospects. Shareholders are encouraged to attend and participate at the general meetings to ensure a greater level of shareholders' participation. Shareholders are informed of the rules, including voting procedures that govern the general meetings to enable them to participate effectively in and vote at the general meetings. If any shareholders are unable to physically attend the general meetings of the Company, he/she is allowed to appoint up to two (2) proxies to vote on his/her behalf at the general meetings through Proxy Forms submitted in advance. As authentication of shareholder identity information and other related security issues remain a concern, the Company, for the time being, has not amended its Constitution to allow absentia voting at general meetings and such absentia voting will only be possible following careful study to ensure that the integrity of the information and authentication of the identity of shareholders through the web is not compromised.

The Company's forthcoming AGM in respect of FY2024 will be held physically at 3A Tuas South Street 15, Singapore 636845 on 29 April 2025. Shareholders will be able to raise questions and vote in person at the AGM. There will be no option for shareholders to participate virtually. Arrangements relating to the mode of publication of notice of AGM, Annual Report and Proxy Form, attendance at the AGM, submission of questions in advance of, or at, the AGM, addressing of substantial and relevant questions in advance of and/or at the AGM and voting at the AGM by shareholders or their duly appointed proxy(ies), are set out in the Notice of AGM on pages 97 to 101 of this Annual Report.

All Directors and the KMPs shall attend the general meetings, unless in cases of exigencies, and shareholders are given opportunities to ask the Board and Management questions regarding the operations of the Group and in relation to the meeting agenda prior to the respective meetings, and the Company is to answer any relevant questions prior or during the general meetings. All Directors attending the general meetings are to answer any questions relating to the work of their respective Committees. The EAs are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. All directors, KMPs and EAs attended the last AGM of the Company held for FY2023.

At the AGM or other general meetings, separate resolutions will be set out as distinct issues for approval by shareholders. All resolutions tabled at general meetings are put to vote by poll, and their detailed results will be announced via SGXNET after the conclusion of the general meetings. Where the resolutions are "bundled", the Company will explain the reasons and material implications in the notice of meeting.

The Company prepares minutes of general meetings which includes key comments and queries from shareholders relating to the agenda of the general meetings, and responses from the Board and Management. The Company's minutes of general meeting(s) will be published in the SGXNET and Company's corporate website within one (1) month of the general meeting.

CORPORATE GOVERNANCE REPORT

Engagement with Shareholders

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

The Company is committed to maintaining high standards of corporate disclosure and transparency and will ensure that all material information is fully disclosed in a timely manner to shareholders in compliance with statutory requirements and the Rules of Catalist. The Company also strives to provide its shareholders a balanced and understandable assessment of the Group's performance, position and prospects. The Company believes that supplying reliable and timely information will strengthen the relationship with its shareholders based on trust and accessibility.

The Company values dialogue sessions with its shareholders and believes in regular, effective and fair communication with shareholders and is committed to hearing shareholders' views and addressing their concerns.

Material information is disclosed in a comprehensive, accurate and timely manner via SGXNET. To ensure a level playing field and provide confidence to shareholders, unpublished price sensitive information is not selectively disclosed. Shareholders are given the opportunity to pose questions to the Board or the Management at the general meetings.

Shareholders are provided with the half-yearly and full year results as well as annual financial reports on a timely manner. In presenting the annual financial statements and half-yearly financial results announcements to shareholders, it is the aim of the Board to provide the shareholders with adequate analysis, explanation and assessment of the Group's financial position and prospects. Financial reports and other price-sensitive information are disseminated to shareholders through announcements via the SGXNET. Notice of general meeting is announced through SGXNET, posted on the Company's corporate website.

The Directors may decide, if the need arises, to organise media/analyst briefings to enable a better appreciation of the Group's performance and developments, which will also act as platforms to solicit and understand the views of shareholders and investors.

Although the Company has not adopted a formal investor relations policy to regularly convey pertinent information to the shareholders, the Board acknowledges its obligation to furnish timely information to shareholders and ensures full disclosure of material information in its Annual Report to comply with statutory requirements and the Rules of Catalist is made. By supplying shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility. The Company has appointed a professional investor relations firm to handle matters pertaining to investor relations and shareholder communications.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company has in place an informal investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. Through an internal assessment, the Company has identified its key stakeholders who could have an impact on the Company's long term sustainability and its service standards are our shareholders, employees, customers, suppliers, regulators as well as the community.

CORPORATE GOVERNANCE REPORT

Therefore, the Company regularly engaged these stakeholders through various formal and informal means and through different communication channels including formal meetings, telephonic discussions, induction and training programmes for employees, seminars, trade shows and public announcements via SGXNET. Any enquiries from shareholders, analysts or press are handled internally by our Management team (in lieu of a dedicated investor relations team) who observe strict rules against any possible selective disclosure or forecast.

Besides the current AGMs (whether virtual or physical) where shareholders can provide comments and ask questions relevant to the agenda of the meeting, the Company also provides our stakeholders an email to submit feedback and questions through the Company's website at <http://www.shanayagroup.com>.

The Company also believes that its interests are best served if the Company could carefully consider and balance the needs and interests of the material stakeholders. Material information regarding the Company and its subsidiaries are available on demand on the SGXNET and the Company's corporate website at <http://www.shanayagroup.com>. Other general information on the Group such as annual reports, financial results and corporate updates are also released through SGXNET.

More details on the Company's approach to stakeholder engagement will be provided in the Sustainability Report which the Company will release on a stand-alone basis within the stipulated period of four months after its financial year end, i.e. by 30 April 2025. As required by Catalist Rule 711B(3), the Group has subjected its sustainability reporting process to an internal review by Philip Liew & Co.

Dealings in Securities

In line with Rule 1204(19) of the Rules of Catalist, the Group has adopted an internal compliance code to provide guidance to its officers with regard to dealings in the Company's securities. The code prohibits dealing in the Company's securities by the Company, Directors and employees of the Group while in possession of unpublished price-sensitive information and during the period commencing one (1) month before the announcement of the Company's half year and full year financial results and ending on the date of the announcement of the results. The Company, its Directors and officers of the Group are also not allowed to deal in the Company's securities on short-term considerations. The Directors and officers are also required to adhere to the provisions of the Companies Act and any other relevant regulations with regard to their securities transactions. Directors and officers are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading periods.

The Board confirms that for FY2024, the Group has complied with Rule 1204(19) of the Rules of Catalist.

Material Contracts

Save for the renewal of service agreements between the CEO, KMPs as disclosed in the section entitled "Key Management" and the Company, there were no other material contracts of the Company or its subsidiaries involving the interest of the CEO, any Director or controlling shareholder either still subsisting as at 31 December 2024 or if not then subsisting, entered into since the end of the previous financial year.

CORPORATE GOVERNANCE REPORT

Interested Person Transactions

The Company does not have a general shareholders' mandate for interested person transactions pursuant to Rule 920 of the Rules of Catalist.

The AC is satisfied that the review procedures for interested person transactions and the reviews to be made half-yearly by the AC in relation thereto are adequate to ensure that interested person transactions, if any, will be transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. The Company confirms that there were no interested person transactions of S\$100,000 or more entered into during the financial year under review.

Non-Sponsorship Fees

During FY2024, non-sponsor fees of approximately S\$35,000 were paid to the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. for their logistics support services in relation to a rights issue.

Use of Proceeds from Right Issue

During August 2024, the Company had raised from a rights issue net proceeds of approximately S\$1.52 million after deducting issue expenses of S\$0.21 million and offsetting debts due and owing by the Company to the undertaking shareholders of S\$1.09 million ("**Net Proceeds**"). As at 14 April 2025, the status of the usage of the Net Proceeds is as follows:

	Amount Allocated S\$'000	Amount utilised S\$'000	Balance of Net Proceeds S\$'000
General working capital requirements	1,300	897	403
Acquisition of vehicles and equipment	216	153	63
	1,516	1,050	466

The amount of S\$0.90 million utilised for general working capital requirement of the Group comprises approximately S\$0.40 million used for employee's payroll expenses and foreign worker levy, S\$0.36 million for waste disposal fees, S\$0.09 million for diesel expenses, and S\$0.05 million for subcontractor and other business expenses.

Sustainability Report

The Group believes that the management of environmental, social and governance (ESG) factors is crucial in ensuring the sustainability and growth of the business in the long run.

The Group intends to publish its standalone FY2024 Sustainability Report in April 2025. The Sustainability Report comprises information relating to the Group's sustainability approach and governance, the material sustainability factors that are relevant to our business and stakeholders, the policies and processes in place to monitor these factors as well as the performance against targets set for each factor.

The Sustainability Report will be publicly accessible on SGXNET.

DIRECTORS' STATEMENT

The Directors of Shanaya Limited (the "Company") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2024 and the statement of financial position of the Company as at 31 December 2024.

1. Opinion of the Directors

In the opinion of the Board of Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and
- (b) at the date of this statement and as disclosed in Note 4 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The Directors of the Company in office at the date of this statement are:

Sukhvinder Singh Chopra	Independent, Non-Executive Chairman
Mohamed Gani Mohamed Ansari	Executive Director, Chief Executive Officer
Abuthahir S/O Abdul Gafoor	Independent, Non-Executive Director (Appointed on 1 May 2024)
Ch'ng Li-Ling	Independent, Non-Executive Director (Appointed on 1 May 2024)
Ong Kian Soon	Non-Independent, Non-Executive Director

3. Arrangements to enable Directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' STATEMENT

4. Directors' interests in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company for the purposes of Section 164 of the Singapore Companies Act 1967 (the "Act"), none of the Directors of the Company who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations except as detailed below:

	Number of ordinary shares			
	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have interests	
	Balance at 1 January 2024	Balance at 31 December 2024	Balance at 1 January 2024	Balance at 31 December 2024
Company				
Mohamed Gani Mohamed Ansari ⁽¹⁾	–	–	55,416,666	119,174,651
Ong Kian Soon	263,350	263,350	–	–

Note:

⁽¹⁾ Mr Mohamed Gani Mohamed Ansari was appointed a director of the Company on 18 August 2021 and is deemed to be interested in the shares held by his spouse, Ms Shiithi Nabesathul Bathuria D/O Abdul Hamid.

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the Register of Directors' Shareholdings, the Directors' interests as at 21 January 2025 in the shares of the Company have not changed from those disclosed as at 31 December 2024.

5. Share options

There were no share options granted by the Company or its subsidiaries during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or of its subsidiaries under option as at the end of the financial year.

DIRECTORS' STATEMENT

6. Audit Committee

The Audit Committee comprises the following members, who are all Non-Executive Directors and all of whom, including the Chairman, are Independent Directors. The members of the Audit Committee at the date of this statement are:

Abuthahir S/O Abdul Gafoor (Chairman)
Ch'ng Li-Ling
Sukhvinder Singh Chopra

The Audit Committee carries out its functions in accordance with Section 201B (5) of the Act, and the Code of Corporate Governance, including the following:

- (i) review with the external auditors and the internal auditors their evaluation of the system of internal accounting controls, the audit plans and the audit report including the adequacy, effectiveness, scope and results of the external audit, the reports on the risk management reviews conducted twice yearly, and the independence and objectivity of the external auditors;
- (ii) review the financial statements and statement of financial position and statement of comprehensive income including reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance, before submission to the Board for approval;
- (iii) review the internal control procedures, its scope and the results and to ensure co-ordination between the external auditors and the Management; and review the assistance given by Management to the external auditors, and discuss problems and concerns, if any, arising from the interim and final;
- (iv) review and report to the Board at least annually, on the adequacy and effectiveness of the Company's internal controls;
- (v) review the adequacy and effectiveness of the Company's internal audit function;
- (iv) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results and/or financial position, and the Management's response;
- (vii) make recommendation to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors;
- (viii) review interested person transactions (if any) falling within the scope of Chapter 9 of the Rules of Catalist;
- (ix) review potential conflicts of interest;
- (x) review the assurance from the CEO and CFO on the financial records and financial statements;
- (xi) undertake such other review and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and which requires the attention of the AC;

DIRECTORS' STATEMENT

6. Audit Committee (Continued)

The Audit Committee comprises the following members, who are all Non-Executive Directors and all of whom, including the Chairman, are Independent Directors. The members of the Audit Committee at the date of this statement are: (Continued)

- (xii) review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on; and
- (xiii) generally undertake such other functions and duties as may be required by statute or the Rules of Catalist, or by such amendments as may be made from time to time.

The Audit Committee also has explicit authority to investigate any matters within its terms of reference, full access to and cooperation by the Management and has full discretion to invite any Director or executive officer to attend its meetings.

All the members of the Audit Committee have had many years of experience in business and financial advisory, corporate and finance, investment and senior management positions in different sectors. The Board is of the view that the members of the Audit Committee have sufficient management and/or financial expertise and experience to discharge the Audit Committee's functions. None of the Audit Committee members were previous partners or Directors of the Company's external audit firm or auditing corporation nor does any of them have any financial interest in the audit firm.

The Audit Committee has met with the External Auditor, without the presence of Management, in respect of FY2024 audit. Matters discussed include the reasonableness of the financial reporting process, the internal control process, the adequacy of resources, audit arrangements with particular emphasis on the observations and recommendations of the External Auditor, the scope and quality of their audits and the independence and objectivity of the External Auditors and any matters that may be raised.

The Audit Committee had reviewed the audit plan and Audit Committee report presented by the External Auditor. The Audit Committee also received from the External Auditor regular updates on changes and amendments to accounting standards to enable the Audit Committee members to keep abreast of such changes, and issues which have a direct impact on financial statements. Following its review, the Audit Committee recommended to the Board for approval, the audited annual financial statements. On a half yearly basis, the Audit Committee also reviews the interested person transactions, if any, and the financial results announcements before their submission to the Board for approval.

The Audit Committee noted that there were no non-audit services provided by the External Auditor of the Company, BDO LLP for FY2024 and is satisfied with the independence of BDO LLP.

Accordingly, the Audit Committee has recommended to the Board the re-appointment of BDO LLP as the Company's External Auditor at the forthcoming AGM. Accordingly, the Company is in compliance with Rules 712, 715 and 716 of the Rules of Catalist in relation to its External Auditors.

Each member of Audit Committee abstains from voting on any resolutions and making any recommendation and/or participating in discussion on matters in which he is interested in.

DIRECTORS' STATEMENT

7. Independent auditor

The independent auditor, BDO LLP, has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors

Mohamed Gani Mohamed Ansari

Director

Sukhvinder Singh Chopra

Director

Singapore
4 April 2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHANAYA LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Shanaya Limited (the "Company") and its subsidiaries (the "Group"), which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group for the financial year then ended; and
- notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024, and of its consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHANAYA LIMITED

Key Audit Matters (Continued)

1 Impairment of investments in subsidiaries

As at 31 December 2024, the net carrying amount of the Company's investments in subsidiaries amounted to \$4,780,000. The subsidiaries' principal activities are the provision of waste management and disposal services and sale of recycling of waste.

At the end of the financial year, management carried out an impairment assessment in respect of subsidiaries with indicators of impairment to determine whether an impairment loss should be recognised in the financial statements.

Management determined the recoverable amounts based on higher of the value-in-use calculations by estimating the discounted future cash flows derived from those investments and fair value less of cost of disposal. Arising from the assessment, an impairment loss of \$1,089,000 on the investments in subsidiaries was recognised in the Company's profit and loss during the financial year.

We focused on the impairment assessment on the investments in one of the subsidiaries which is based on the value-in-use calculation as a key audit matter owing to the significant management judgements involved in the key assumptions used in estimating the discounted future cash flows such as the revenue growth rates and discount rate.

Related Disclosures

Refer to Note 3.2(ii) and Note 5 to the financial statements.

Audit Response

Our procedures included, amongst others, the following:

- Evaluated management's assessment for indicators of impairment relating to the Company's investments in subsidiaries;
- For investment in subsidiaries with indicators of impairment, obtained and reviewed the cash flow projections based on approved management forecasts;
- Performed a retrospective review of management's prior year cashflow forecast against actual results;
- Assessed the reasonableness of the key assumptions made by management, including comparing the revenue growth rates against recent trends and market outlook, as appropriate, and terminal growth rate against market data;
- Engaged our internal valuation specialist to evaluate the reasonableness of the discount rate and terminal growth rate used;
- Performed sensitivity analysis around the key assumptions, including the revenue growth rates and discount rate; and
- Evaluated the adequacy of the disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHANAYA LIMITED

Key Audit Matters (Continued)

2 Impairment of property, plant and equipment ("PPE") and right-of-use ("ROU") assets

As at 31 December 2024, the carrying amount of the Group's PPE and ROU assets were \$7,583,000 and \$4,851,000, respectively, which comprised 39% and 25% of the Group's total assets, respectively. These assets were used in the Group's provision of waste management and disposal services and sale of recyclable waste.

During the financial year, there were impairment indications on its PPE and ROU assets as the Group reported a net loss. Management engaged a professional valuer to assist them in determining the fair values of these assets, comprising mainly leasehold land and building, plant and equipment, ROU assets as well as its corresponding lease liabilities.

The fair values of leasehold land and building were mainly determined by taking into consideration the following:

- the selling price of comparable properties in similar locations adjusted for location, size, design and layout, tenure, age and condition of property, dates of transactions amongst other relevant factors; and
- estimated present cost of reproducing or replacing the existing properties and other land improvements on the properties with comparable new ones, adjusted for depreciation to reflect the remaining economic life.

We have determined the impairment assessment of PPE and ROU assets to be a key audit matter as the determination of the recoverable amounts of these assets involved significant judgements and critical assumptions.

Related Disclosures

Refer to Note 3.2(i), Note 6 and 7 to the financial statements.

Audit Response

Our procedures included, amongst others, the following:

- Evaluated management's impairment assessment of the PPE and ROU assets to determine the recoverable amount in accordance with SFRS(I) 1-36;
- Evaluated the methodology and reasonableness of the key assumptions used to determine the recoverable amounts of the assets;
- Assessed the competency, capabilities and objectivity of the valuer as management's expert; and
- Evaluated the adequacy of the related disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHANAYA LIMITED

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHANAYA LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHANAYA LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tan Boon Kai.

BDO LLP

Public Accountants and
Chartered Accountants

Singapore
4 April 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

Note	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
ASSETS				
Non-current assets				
Investments in subsidiaries	5	–	4,780	5,869
Property, plant and equipment	6	7,583	11,567	–
Right-of-use assets	7	4,851	6,048	–
Amount due from subsidiaries	8	–	5,355	4,757
		12,434	17,615	10,135
				10,626
Current assets				
Trade and other receivables	8	1,726	2,173	1
Prepayments		238	116	61
Cash and bank balances	9	1,847	1,351	647
Assets classified as held for sale	10	3,422	–	–
		7,233	3,640	709
				655
Total assets		19,667	21,255	10,844
				11,281
EQUITY AND LIABILITIES				
Equity				
Share capital	11	12,950	10,344	47,070
Share-based payment reserve	12	–	–	10
Reverse acquisition reserve	13	(2,503)	(2,448)	–
Capital reserve	13	–	–	3,606
Accumulated losses		(6,032)	(4,811)	(44,040)
Total equity attributable to owners of the Company		4,415	3,085	6,646
				7,149
Non-current liabilities				
Bank borrowings	14	4,569	5,756	–
Lease liabilities	15	4,725	5,692	–
Non-trade payables	17	–	2,846	–
Deferred tax liabilities	16	85	146	–
		9,379	14,440	–
				2,748
Current liabilities				
Trade and other payables	17	2,668	1,124	4,198
Bank borrowings	14	2,197	2,057	–
Lease liabilities	15	528	549	–
Deferred income		41	–	–
Liabilities directly associated with assets classified as held for sale	18	439	–	–
		5,873	3,730	4,198
				1,384
Total liabilities		15,252	18,170	4,198
				4,132
Total equity and liabilities		19,667	21,255	10,844
				11,281

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 \$'000	2023 \$'000
Revenue	19	7,739	7,988
Other items of income			
Other income	20	506	1,752
Other items of expense			
Amortisation of right-of-use assets	7	(559)	(567)
Depreciation of property, plant and equipment	6	(1,218)	(1,313)
Employee benefits expense	21	(2,595)	(2,150)
Loss allowance on trade receivables	8	(86)	-
Other operating expenses		(4,330)	(6,198)
Finance costs	22	(739)	(782)
Loss before income tax	23	(1,282)	(1,270)
Income tax credit	24	61	183
Loss for the financial year, total comprehensive income attributable to owners of the Company		(1,221)	(1,087)
Loss per share, attributable to owners of the Company (cents)			
- Basic and diluted	25	(0.78)	(0.96)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Share capital \$'000	Reverse acquisition reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 January 2024		10,344	(2,448)	(4,811)	3,085
Issuance of new shares pursuant to rights issue	11	2,606	–	–	2,606
Fair value adjustment of the deferred cash consideration pursuant to reverse acquisition	17	–	(55)	–	(55)
Loss for the financial year, representing total comprehensive loss for the financial year		–	–	(1,221)	(1,221)
Balance at 31 December 2024		12,950	(2,503)	(6,032)	4,415
Balance at 1 January 2023		10,344	(2,448)	(3,724)	4,172
Loss for the financial year, representing total comprehensive loss for the financial year		–	–	(1,087)	(1,087)
Balance at 31 December 2023		10,344	(2,448)	(4,811)	3,085

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 \$'000	2023 \$'000
Operating activities			
Loss before income tax		(1,282)	(1,270)
Adjustments for:			
Depreciation of property, plant and equipment	6	1,218	1,313
Amortisation of right-of-use assets	7	559	567
Loss allowance on trade receivables	8	86	–
Gain from disposal of property, plant and equipment, net		(48)	–
Interest expense	22	739	782
Operating cash flows before working capital changes		1,272	1,392
Working capital changes:			
Trade and other receivables		360	(283)
Prepayments		(14)	(47)
Trade and other payables		(397)	86
Cash generated from operations		1,221	1,148
Income tax paid		–	(3)
Net cash from operating activities		1,221	1,145
Investing activities			
Purchase of property, plant and equipment	6	(65)	(149)
Advance payments for acquisition of property, plant and equipment		(109)	–
Proceeds from disposal of property, plant and equipment		96	–
Non-refundable deposit received for intended disposal of leasehold property classified as held for sale		41	–
Additions to right-of-use assets	7	–	(55)
Net cash used in investing activities		(37)	(204)
Financing activities			
Proceeds from bank borrowings (Note A)	A, 14	200	600
Repayment of bank borrowings (Note A)	A, 14	(1,247)	(1,261)
Proceeds from pledging of asset to bank (Note A)	A, 15	–	377
Repayment of lease obligations (Note A)	A, 15	(549)	(536)
Interest paid	14, 15	(609)	(624)
Proceeds from rights issue		1,731	–
Payment of rights issue expenses		(214)	–
Net cash used in financing activities		(688)	(1,444)
Net change in cash and cash equivalents		496	(503)
Cash and cash equivalents at beginning of financial year		955	1,458
Cash and cash equivalents at end of financial year (Note 9)		1,451	955

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Note A: Reconciliation of liabilities arising from financing activities

	← Cash flows →			Non-cash changes Transfer to liabilities directly associated with assets classified as held for sale	
	1.1.2024 \$'000	Repayments \$'000	Proceeds \$'000	\$'000	31.12.2024 \$'000
Lease liabilities	6,241	(549)	–	(439)	5,253
Bank borrowings	7,813	(1,247)	200	–	6,766

	← Cash flows →			Non-cash changes Additions of lease liabilities	
	1.1.2023 \$'000	Repayments \$'000	Proceeds \$'000	\$'000	31.12.2023 \$'000
Lease liabilities	6,156	(536)	377	244	6,241
Bank borrowings	8,474	(1,261)	600	–	7,813

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

These notes form an integral part of and should be read in conjunction with the financial statements.

1. CORPORATE INFORMATION

1.1 General corporate information

Shanaya Limited (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's registration number is 199804583E.

The principal activity of the Company is that of the provision of management and office administration services on a fee, and investment holding.

The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

The statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2024 were authorised for issue in accordance with a Directors' resolution dated 4 April 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the provisions of Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s") including the related interpretations of ("SFRS(I) INTs") and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The individual financial statements of each entity within the Group are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar ("S") which is the functional currency of the Company and the presentation currency for the consolidated financial statements and all values presented are rounded to the nearest thousand ("S'000") as indicated.

The preparation of financial statements in compliance with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from estimates. The areas where such judgements or estimates have the most significant effect on the financial statements are disclosed in Note 3 to the financial statements.

Changes in accounting policies

New standards, amendments and interpretations effective from 1 January 2024

On 1 January 2024, the Group adopted the new or amended SFRS(I) and interpretations to SFRS(I) that are mandatory for application for the financial year. The adoption of these standards did not result in significant changes to the Group's accounting policies and had no material impact to the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation of financial statements (Continued)

New standards, amendments and interpretations issued but not yet effective

There are a number of standards, amendments to standards, and interpretations, which have been issued that are effective in future accounting periods and the Group has not decided to early adopt. The Group does not expect any of these standards upon adoption will have a material impact to the Group, except as disclosed below:

SFRS(I) 18 Presentation and Disclosure in Financial Statements

The SFRS(I) 18 replaces SFRS(I) 1-1 *Presentation of Financial Statements* and provides guidance on presentation and disclosure in financial statements, focus on the statement of profit or loss.

SFRS(I) 18 introduces:

- New structure on statement of profit or loss with defined subtotals;
- Disclosure related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by accounting standards with adjustments made (e.g. "adjusted profit or loss"). A reconciliation of MPMs to the nearest total or subtotal calculated in accordance with accounting standards; and
- Enhanced principles on aggregation and disaggregation of financial information which apply to the primary financial statements and notes in general.

SFRS(I) 18 will take effect on 1 January 2027 and management anticipates that the new requirements will change the current presentation and disclosure in the financial statements. An impact assessment regarding the adoption of SFRS(I) 18 is still underway and has not yet been completed.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are consolidated from the date on which control is obtained by to the Group up to the effective date on which control is lost, as appropriate.

All intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides an impairment indicator of the transferred asset.

The financial statements of the subsidiaries are prepared for the same financial year as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Group.

In the separate financial statements of the Company, investments in subsidiaries are carried at cost, less any impairment loss that has been recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated using the straight-line method to allocate the depreciable amounts of the assets over their estimated useful lives as follows:

Buildings	Over the lease term of 14 to 21 years
Renovation	3 years
Computers	3 years
Furniture and fittings	3 years
Motor vehicles	1 to 10 years
Plant and machinery	3 to 7 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each reporting period.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.4 Impairment of non-financial assets

At the end of each financial year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Impairment of non-financial assets (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.5 Financial assets

The Group classifies its financial assets into one of the categories below, depending on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group shall reclassify its affected financial assets when and only when the Group changes its business model for managing these financial assets. The Group's accounting policy for each category is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

Impairment allowances for trade receivables are recognised based on the simplified approach within SFRS(I) 9 using the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised on the face of the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment allowances for non-trade receivable including those from subsidiaries is recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. Receivables are considered as credit impaired when significant financial difficulties and non-payment of past due balances have occurred.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

The Group's financial assets measured at amortised cost comprise trade and other receivables (excluding Goods and Services Tax ("GST") receivables) and cash and cash equivalents in the consolidated statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Financial assets (Continued)

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the receivable;
- breach of contract, such as default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

2.6 Cash and bank balances

Cash and bank balances comprise cash on hand, cash and deposits with banks and financial institutions. Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, cash at banks net of restricted cash.

2.7 Financial liabilities

Financial liabilities are recognised on the statements of financial position when, and only when, the Group becomes parties to the contractual provisions of the financial instruments.

Financial liabilities of the Group are classified as amortised cost.

The accounting policies adopted for financial liabilities classified as amortised cost are set out below:

- (i) Trade and other payables

Trade and other payables are recognised initially at cost which represents the fair value of the consideration to be paid in the future, less transaction cost, for goods received or services rendered, whether or not billed to the Group, and are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.7 Financial liabilities (Continued)

The accounting policies adopted for financial liabilities classified as amortised cost are set out below: (Continued)

(ii) Bank borrowings

Interest-bearing bank loans and loans from third parties are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (Note 2.12).

Borrowings are presented as current liabilities unless the Group and the Company have the right to defer settlement for at least 12 months after the end of reporting period, in which case they are presented as non-current liabilities.

(iii) Financial guarantee contracts

The Company has issued corporate guarantees to banks for borrowings of a subsidiary and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if this subsidiary breach any repayment term.

Financial guarantee contract liabilities are measured initially at their fair values, net of transaction costs. Financial guarantee contracts are subsequently measured at the higher of:

- a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- b) the amount of loss provisions determined in accordance with SFRS(I) 9.

Derecognition of financial liabilities

Financial liabilities are derecognised when the contractual obligation has been discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. The difference between:

- a) the carrying amount of the liability before the modification; and
- b) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Leases

When the Group is the lessee:

All leases are accounted for by recognising a right-of-use asset and a lease liability except for leases with a duration of twelve months or less.

The payments for short-term leases are recognised as an expense on a straight-line basis over the lease term.

Initial measurement

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

Variable lease payments are only included in the measurement of the lease liability if it is depending on an index or rate. In such case, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying amount of lease liabilities also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option; and
- any penalties payables for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of lease liabilities, reduced by any lease incentives received and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

The Group presents the right-of-use assets (excluding those which meet the definition of investment property) and lease liabilities separately from other assets and other liabilities in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Leases (Continued)

When the Group is the lessee: (Continued)

Subsequent measurement

Right-of-use assets are subsequently measured at cost less any accumulated depreciation, any accumulated impairment loss and, if applicable, adjusted for any remeasurement of the lease liabilities. The right-of-use assets under cost model are depreciated on a straight-line basis over the shorter of either the remaining lease term or the remaining useful life of the right-of-use assets. If the lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise the purchase option, the right-of-use assets are depreciated over the useful life of the underlying asset. The estimated useful life of right-of-use assets are as follows:

Leasehold land	Over the lease term ranging from 17 to 21 years
Motor vehicles	5 years
Plant and machinery	5 years

The carrying amount of right-of-use assets are reviewed for impairment when events or changes in circumstances indicate that the right-of-use asset may be impaired. The accounting policy on impairment is as described in Note 2.4 to the financial statements.

Subsequent to initial measurement, lease liabilities are adjusted to reflect interest charged at a constant periodic rate over the remaining lease liabilities, lease payment made and if applicable, account for any remeasurement due to reassessment or lease modifications.

After the commencement date, interest on the lease liabilities and variable lease payments not included in the measurement of the lease liabilities are recognised in profit or loss, unless the costs are eligible for capitalisation in accordance with other applicable standards.

When the Group revises its estimate of any lease term (i.e. probability of extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments over the revised term. The carrying amount of lease liabilities is similarly revised when the variable element of the future lease payment dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying amount of the right-of-use assets. If the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of lease liabilities, the remaining amount of the remeasurement is recognised directly in profit or loss.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting treatment depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional right-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- In all other cases where the renegotiation increases the scope of the lease (i.e. extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Leases (Continued)

When the Group is the lessee: (Continued)

Subsequent measurement (Continued)

- If the renegotiation results in a decrease in scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference being recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For lease contracts that convey a right to use an identified asset and require services to be provided by the lessor, the Group has elected to account for the entire contract as a lease. The Group does not allocate any amount of contractual payments to, and account separately for, any services provided by the lessor as part of the contract.

2.9 Revenue recognition

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on consideration of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (i.e. sales related taxes). The consideration promised in the contracts with customers may include fixed amounts, variable amounts or both. Most of the Group's revenue is derived from fixed price contracts and therefore the amount of revenue earned for each contract is determined by reference to these fixed prices.

Provision of waste management and disposal services

Revenue from the provision of waste management and disposal services are recognised at a point in time when the services are performed. There is no element of significant financing component in the Group's revenue transactions as customers are required to pay within a credit term ranging from 30 to 90 days.

Sale of recyclable waste

Revenue from the sale of recyclable waste is recognised at a point in time when the recyclable materials are delivered to the customer.

2.10 Government grants

Government grants are recognised at the fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grants relate to expenditures, which are not capitalised, the fair value of grants are credited to profit or loss. Such grants are presented under "Other income".

Grants which are receivable in relation to expenses to be incurred in the subsequent financial period, are included as government grant receivables and deferred government grant income, classified as current assets and current liabilities respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.11 Employee benefits

Defined contribution plans

Contributions to defined contribution plans are recognised as expenses in profit or loss in the same financial year as the employment that gives rise to the contributions.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for unutilised leaves as a result of services rendered by employees up to the end of the financial year.

2.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised as expenses in profit or loss in the financial year in which they are incurred. Borrowing costs are recognised on a time-proportion basis in profit or loss using the effective interest method.

2.13 Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit reported as profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is recognised at the amount expected to be paid or recovered from the taxation authorities and is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the financial year.

Current income taxes are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.13 Taxes (Continued)

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the timing of reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured using the tax rates expected to apply for the period when the asset is realised or the liability is settled, based on tax rate and tax law that have been enacted or substantially enacted by the end of financial year. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects to recover or settle its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is recognised in profit or loss.

Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchase of assets or services is not recoverable from the taxation authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.14 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded at the rates of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items and on re-translating of monetary items are recognised in profit or loss for the financial year. Exchange differences arising on the re-translation of non-monetary items carried at fair value are recognised in profit or loss for the financial year.

2.15 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statements of financial position, except for contingent liabilities assumed in a business combination that are present obligations and for which the fair value can be reliably determined.

2.16 Assets held for sale

Assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of reclassification.

Assets held for sale are measured at the lower of the asset's previous carrying amount and fair value less costs to sell. The assets are not depreciated or amortised while classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2 to the financial statements, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements made in applying the accounting policies

In the process of applying the accounting policies, the management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements, except as discussed below.

(i) *Commencement of depreciation for property, plant and equipment*

In determining the commencement date for depreciation, critical judgement is required to determine the assets' readiness for their intended use, by taking into consideration the location and condition of the asset for it to be operating in a manner intended by management.

For an asset to be deemed in a condition for intended use, the technical specification of these assets must be met and this often requires management to exercise their judgement to appropriately identify the relevant components (of the specific asset) that need assembling in order to achieve the intended use of that specific asset.

As at the end of the financial year, the total property, plant and equipment that have not commenced depreciation amounted to approximately \$349,000 (2023: \$342,000).

(ii) *Accounting assessment for assets held for sale*

Management determines the assets held for sale are measured at the lower of the asset's previous carrying amount and fair value less costs to sell.

During the financial year, the asset meets the criteria for classification as held for sale, as an Option to Purchase has already been issued to the Purchaser, indicating management's active efforts to market the assets for immediate sale. Furthermore, the sale is expected to occur within the next 12 months and is currently pending approval from Jurong Town Corporation ("JTC"). The assets are available for sale in its current condition, and the necessary documentation, including board approval and sales agreements, have been maintained to support the decision.

The carrying amount of the Company's assets held for sale as at 31 December 2024 is disclosed in Note 10 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and reported amounts of revenue and expenses within the next financial year, are discussed below.

(i) *Impairment of property, plant and equipment ("PPE") and right-of-use ("ROU") assets*

The Group assesses whether there are any indicators of impairment for its PPE and ROU assets at each reporting date. PPE and ROU assets are tested for impairment when there are indicators that the carrying amount may not be recoverable.

During the financial year, there were impairment indicators on its PPE and ROU assets as the Group reported a net loss. Management engaged a professional valuer to assist them in determining the fair value of these assets. The fair value were mainly determined by:

- the selling price of comparable properties in similar locations adjusted for location, size, design and layout, tenure, age and condition of property, dates of transactions amongst other relevant factors; and
- estimated present cost of reproducing or replacing the existing assets and other improvements on the assets with comparable new ones.

No impairment was recognised from the review as the recoverable amounts were in excess of the carrying amounts.

The carrying amounts of the Group's PPE and ROU assets as at 31 December 2024 are disclosed in Note 6 and 7 to the financial statements, respectively.

(ii) *Impairment of investments in subsidiaries*

At the end of each reporting period, an assessment is made on whether there is indication that the investments in subsidiaries are impaired. For those subsidiaries with indication of impairment, the recoverable amounts of these assets and where applicable, cash-generating units ("CGU") have been determined based on higher of value-in-use calculations or fair value less cost of disposal ("FVLCD") using the key assumptions as disclosed in Note 5 to the financial statements. The carrying amount of the Company's investment in subsidiaries as at 31 December 2024 are disclosed in Note 5 to the financial statements.

(iii) *Loss allowance on trade receivables*

Management determines the expected loss arising from default for trade receivables by categorising them based on the Group's historical credit loss experience and past due status of the trade receivables. Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The carrying amount of the Group's trade receivables as at 31 December 2024 are disclosed in Note 8 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

(iv) *Loss allowance on amount due from a subsidiary*

The Company is required to assess and recognise a loss allowance for expected credit losses on amount due from a subsidiary in accordance with three-stage impairment model. Management has made the assessment based on whether there has been a significant increase in the credit risk of amount due from a subsidiary since its initial recognition. Subsequently, determine the amount of allowance to be recognised either based on 12-month expected credit loss or lifetime expected credit loss as well as the amount of interest revenue, if any, to be recognised in future periods.

Management's assessment includes judgement reflecting all relevant evidence including the subsidiary's financial performance, cash position as well as any breach of external financial covenant. The Company continues to monitor the financial performance and financial position of this counterparty in order to ensure that 12-month expected credit loss continues to be appropriate.

The carrying amount of the Company's amount due from a subsidiary as at 31 December 2024 are disclosed in Note 8 to the financial statements.

4. GOING CONCERN ASSUMPTIONS

The Group and Company assess whether there are any indicators of going concern matter at each reporting date. The Group and Company recorded net losses of \$1,221,000 and \$3,109,000 respectively for the financial year ended 31 December 2024 and as of that date, the Group and Company had cash and bank balances of \$1,847,000 and \$647,000, while the Group had total lease liabilities and bank borrowings of approximately \$5,253,000 and \$6,766,000, of which \$528,000 and \$2,197,000 are repayable within the next 12 months. These conditions are indications of liquidity risk and could affect the Group's and Company's ability to continue as a going concern and to meet their obligations as and when due.

Management has prepared a cash flow forecast, approved by the Board, which includes approximately \$4 million in cash proceeds from the expected sale of the Kian Teck Property, and that demonstrates that the Group and Company have sufficient resources to meet their debt obligations as and when due 12 months after year end. Management also performed a loan covenant assessment to ensure compliance with the loan covenants. In addition, as disclosed in Note 31, subsequent to the end of financial year, the repayment of \$2 million due to shareholders was deferred by another 24 months from August 2025 to August 2027. The Group also entered into a share subscription agreement with a third party to raise \$5.28 million of which \$1 million is intended for general and working capital purposes.

Therefore, the Directors of the Group and Company are of the view that it is reasonable to prepare the financial statements of the Group and Company for the financial year ended 31 December 2024 on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024	2023
	\$'000	\$'000
Unquoted equity shares, at cost	21,877	21,877
Allowances for impairment losses	(17,097)	(16,008)
	<u>4,780</u>	<u>5,869</u>

At the end of the current financial year, the Company carried out a review on the recoverable amount of its investments in subsidiaries with indicators of impairment. Its subsidiary, Shanaya Environmental Services Pte Ltd ("SES") has been incurring losses.

The management has determined the recoverable amount of SES, as a CGU, of approximately \$4,780,000 (2023: \$5,869,000) is based on value-in-use calculations using management-approved discounted cash flow projections covering a period of 3 years and projected to terminal year. Management assessed that the 3 years cash flows and projection to terminal year for the financial forecast of the CGU is appropriate considering management's plan for its business plan in the near future.

Key assumptions used for value-in-use calculations:

	SES
31 December 2024	
Revenue growth rates	1.53% to 36.0%
Pre-tax discount rate	<u>13.32%</u>
31 December 2023	
Revenue growth rates	– 1.1% to 39.3%
Pre-tax discount rate	<u>12.50%</u>

Revenue growth rates – The forecasted growth rates are based on management's expectations for the CGU with reference to the historical trends, expected commencement of new revenue streams as well as average growth rates of the industry.

Pre-tax discount rate – Management estimates discount rate that reflect current market assessments of the time value of money and the risks specific to the CGU.

As at the end of the financial year, the recoverable amount of the CGU based on value-in-use calculations was approximately \$4,780,000 (2023: \$5,869,000) which is lower than its carrying amount. Accordingly, an impairment loss of \$1,089,000 (2023: \$2,540,000) was recognised during the year in respect of the Company's cost of investment in SES.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Sensitivity analysis

As at the end of the financial year, based on management's assessment of the CGUs, a change of 100 basis points to the key assumptions applied would cause the recoverable amount to fluctuate as below:

	Increase/ (Decrease) in recoverable amount \$'000
Revenue growth rates	
– Increase in 100 basis points	101
– Decrease in 100 basis points	(85)
Pre-tax discount rate	
– Increase in 100 basis points	(1,176)
– Decrease in 100 basis points	1,394

Movements in allowances for impairment losses:

	Company	
	2024	2023
	\$'000	\$'000
Balance at beginning of financial year	16,008	37,526
Impairment loss recognised during the financial year	1,089	2,540
Write off of impairment loss during the financial year	–	(24,058)
Balance at end of financial year	<u>17,097</u>	<u>16,008</u>

In prior financial year, Circuit Plus Pte Ltd was struck off and accordingly the cost of investment and impairment of investment amounting to \$24,058,000 had been written off.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The particulars of the subsidiaries are as follows:

Name of company	Place of incorporation/ registration and principal place of business	Principal activities	Proportion of ownership interest held by the Group	
			2024 %	2023 %
Held by the Company				
Shanaya Environmental Services Pte. Ltd. ⁽¹⁾	Singapore	Collection of waste and waste management	100	100
Held by Shanaya Environmental Services Pte. Ltd.				
Plastichem Recycling Pte. Ltd. ⁽²⁾	Singapore	Chemical recycling of plastic waste	100	100
Shanaya Engineering Pte. Ltd. ⁽¹⁾	Singapore	Wrecking and demolition works and electrical works	100	100

Notes:

⁽¹⁾ Audited by BDO LLP, Singapore

⁽²⁾ Unaudited, the subsidiary was incorporated during the year ended 31 December 2022 and had yet to commence its operations since incorporation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

6. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings	Renovation	Computers	Furniture and fittings	Motor vehicles	Plant and machinery	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost							
Balance at 1 January 2024	10,440	350	94	29	805	4,103	15,821
Additions	-	1	-	-	-	64	65
Disposals	-	-	-	-	(224)	(106)	(330)
Reclassification from right-of-use assets (Note 7)	-	-	-	-	479	-	479
Reclassification to assets classified as held for sale (Note 10)	(4,029)	(95)	-	-	-	(30)	(4,154)
Balance at 31 December 2024	6,411	256	94	29	1,060	4,031	11,881
Accumulated depreciation							
Balance at 1 January 2024	2,103	231	83	26	462	1,349	4,254
Depreciation charge	535	69	9	3	125	477	1,218
Disposals	-	-	-	-	(177)	(105)	(282)
Reclassification from right-of-use assets (Note 7)	-	-	-	-	254	-	254
Reclassification to assets classified as held for sale (Note 10)	(1,059)	(63)	-	-	-	(24)	(1,146)
Balance at 31 December 2024	1,579	237	92	29	664	1,697	4,298
Carrying amount							
Balance at 31 December 2024	4,832	19	2	-	396	2,334	7,583

As of 31 December 2024, included in plant and equipment is a carrying amount of \$349,000 (2023: \$342,000) which have not commenced depreciation as the assets are not yet ready for their intended use, pending the issuance of official licenses from The National Environment Agency.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Buildings \$'000	Renovation \$'000	Computers \$'000	Furniture and fittings \$'000	Motor vehicles \$'000	Plant and machinery \$'000	Total \$'000
Cost							
Balance at 1 January 2023	10,440	333	90	29	1,100	4,098	16,090
Additions	–	17	4	–	4	124	149
Reclassification to right-of use assets (Note 7)	–	–	–	–	(299)	(119)	(418)
Balance at 31 December 2023	10,440	350	94	29	805	4,103	15,821
Accumulated depreciation							
Balance at 1 January 2023	1,475	139	64	19	380	901	2,978
Depreciation charge	628	92	19	7	108	459	1,313
Reclassification to right-of use assets (Note 7)	–	–	–	–	(26)	(11)	(37)
Balance at 31 December 2023	2,103	231	83	26	462	1,349	4,254
Carrying amount							
Balance at 31 December 2023	8,337	119	11	3	343	2,754	11,567

For the purpose of the consolidated statement of cash flows, the Group's additions to property, plant and equipment during the financial years were financed as follows:

	Group	
	2024 \$'000	2023 \$'000
Cash payments to purchase property, plant and equipment	65	149

As at each reporting date, the carrying amounts of the property, plant and equipment pledged as security to secure bank loans granted (Note 14) were as follows:

	Group	
	2024 \$'000	2023 \$'000
Buildings	4,832	8,337
Plant and machinery	1,705	2,058
	6,537	10,395

Particulars of the buildings held by the Group are as follows:

Location	Description	Usage	Tenure
3A Tuas South Street 15 Singapore 636845	Part single/part 2-storey single-user general industrial factory with ancillary office with land area of 8,829.6 square metres	Collection, storage, sorting and disposal of general waste; treatment of oil sludge, oily water, and spent chemicals; temporary storage of pyrotechnics for safe disposal; recycling of wastes; and regeneration of traction batteries	17 years and 7 months commencing from 15 May 2018

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

7. RIGHT-OF-USE ASSETS

	Leasehold lands \$'000	Motor vehicles \$'000	Plant and machinery \$'000	Total \$'000
Group				
Balance at 1 January 2024	4,525	1,206	317	6,048
Amortisation charges	(354)	(137)	(68)	(559)
Transferred to property, plant and equipment	–	(225)	–	(225)
Transferred to assets classified as held for sale	(413)	–	–	(413)
Balance at 31 December 2024	<u>3,758</u>	<u>844</u>	<u>249</u>	<u>4,851</u>
Balance at 1 January 2023	4,893	753	268	5,914
Additions	–	353	–	353
Amortisation charges	(368)	(140)	(59)	(567)
Adjustment	–	(33)	–	(33)
Transferred from property, plant and equipment	–	273	108	381
Balance at 31 December 2023	<u>4,525</u>	<u>1,206</u>	<u>317</u>	<u>6,048</u>

Restrictions

Included in the above, motor vehicles and plant and machinery with carrying amounts of \$844,000 (2023: \$1,206,000) and \$249,000 (2023: \$317,000) respectively, are pledged as security in respect of the lease liabilities of \$523,000 (2023: \$740,000) and \$168,000 (2023: \$225,000) (Note 15) respectively. The motor vehicles and plant and machinery will be returned to the lessor in the event of default by the Group.

For the purpose of the consolidated statement of cash flows, the Group's additions to right-of-use assets during the financial years were financed as follows:

	Group	
	2024 \$'000	2023 \$'000
Additions to right-of-use assets	–	353
Acquired under lease arrangements (Note 15)	–	(244)
Reversal from prepayments	–	(54)
Cash payments before the lease commencement and initial direct costs	<u>–</u>	<u>55</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<u>Non-current</u>				
Amount due from subsidiaries	–	–	5,355	4,757
<u>Current</u>				
Trade receivables				
– third parties	1,739	1,888	–	–
– less: loss allowance for trade receivables	(222)	(136)	–	–
	1,517	1,752	–	–
Non-trade receivables				
– subsidiary	–	–	–	88
Deposits	138	265	1	–
GST receivables	71	156	–	–
	1,726	2,173	1	88

The non-current amount due from subsidiaries are unsecured, non-interest bearing and repayable on demand. As at 31 December 2024 and 31 December 2023, the balance is classified as non-current as the balance is only expected to be realised after 12 months.

The carrying amount of the non-current amount due from subsidiaries approximates their fair value as it is discounted at market interest rate of 5% (2023: 5%).

Trade receivables from third parties are unsecured, non-interest bearing and generally on 30 to 90 (2023: 30 to 90) days credit terms.

The non-trade amounts due from subsidiary is unsecured, non-interest bearing and repayable on demand.

Trade receivables

Movements in loss allowance on the Group's trade receivables are as follows:

	Group	
	2024 \$'000	2023 \$'000
Balance at beginning of the financial year	136	136
Loss allowance made during the financial year	86	3
Reversal of loss allowance during the financial year	–	(3)
Balance at end of financial year	222	136
Comprising:		
– non-credit impaired	39	39
– credit impaired	183	97
Balance at end of financial year	222	136

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

8. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables (Continued)

As at 31 December 2024, the Group has credit-impaired trade receivables of \$183,000 (2023: \$97,000) as these customers are in financial difficulties.

Trade and other receivables are denominated in Singapore dollar.

9. CASH AND BANK BALANCES

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash at bank	1,843	1,350	647	515
Cash in hand	4	1	-	-
Cash and bank balances as per statement of financial position	1,847	1,351	647	515
Restricted cash	(396)	(396)	-	-
Cash and cash equivalents as per statement of cash flows	1,451	955	647	515

Restricted cash pertains to bank balances held by the bank for the banking facilities granted.

Cash and bank balances are denominated in Singapore dollar.

10. ASSETS CLASSIFIED AS HELD FOR SALE

	2024 \$'000	2023 \$'000
Leasehold property	2,970	-
Leasehold land	413	-
Plant and equipment and renovations associated with leasehold property	38	-
Balance at end of financial year	3,422	-

During the financial year, the Group entered into an option-to-purchase agreement to sell its leasehold property located at 27 Kian Teck Drive, Singapore 628844, to a third party for a sales consideration of \$4,100,000. The property, including the associated plant and equipment as well as renovations and the right-of-use assets has been reclassified to "Assets classified as held for sale". The sale is highly probable and expected to be completed within the next twelve months. In addition, the Group has received 1% of consideration upon acceptance of the letter of offer, and that this consideration is non-refundable.

The liabilities directly associated with assets classified as held for sale are disclosed in Note 18.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11. SHARE CAPITAL

	Group			
	2024		2023	
	Number of ordinary shares '000	\$'000	Number of ordinary shares '000	\$'000
Issued and fully paid:				
Balance at beginning of financial year	112,814	10,344	112,814	10,344
Shares issued pursuant to rights issue	112,814	2,606	–	–
Balance at end of financial year	225,628	12,950	112,814	10,344

	Company			
	2024		2023	
	Number of ordinary shares '000	\$'000	Number of ordinary shares '000	\$'000
Issued and fully paid:				
Balance at beginning of financial year	112,814	44,464	112,814	44,464
Shares issued pursuant to rights issue	112,814	2,606	–	–
Balance at end of financial year	225,628	47,070	112,814	44,464

The ordinary shares have no par value, carry one vote per share without restrictions and their holders are entitled to receive dividends when declared by the Company. On 5 August 2024, the Company issued 112,814,000 new ordinary shares for a total consideration of \$2,820,000, comprising \$1,731,000 in actual proceeds from the rights issue and \$1,089,000 offset against a loan due to shareholders, with an additional \$214,000 allocated to rights issue expenses.

The Company did not have any outstanding treasury shares or subsidiary holdings as at 31 December 2024 and 31 December 2023.

The Company has no outstanding options and convertible securities as at 31 December 2024 and 31 December 2023.

12. SHARE-BASED PAYMENT RESERVE

The share-based payment reserve represents the fair value of the shares transferred by a former Director and ex-shareholder of the Company at the date of transfer to the employees for services provided to the Group. The share-based payment reserve is non-distributable.

13. RESERVES

Reverse acquisition reserve

Reserve acquisition reserve is the cash consideration payable for the acquisition of SES which was accounted for as cash distribution to SES's shareholders and is non-distributable. In view that the consolidated financial statements 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13. RESERVES (CONTINUED)

Capital reserve

During the prior financial year, the Company had loans totalling approximately \$3,606,000 payable to Circuits Plus Pte Ltd ("CPS"), a subsidiary of the Company. In the same financial year, the outstanding amounts were waived by CPS and was recognised in capital reserve and is non-distributable. As at 31 December 2023, CPS was struck off from the Register of Companies.

14. BANK BORROWINGS

	Group	
	2024	2023
	\$'000	\$'000
Balance at beginning of financial year	7,813	8,474
Interest expense during the financial year	383	411
Interest paid during the financial year	(383)	(394)
Interest accrued during the financial year	–	(17)
Repayment of bank borrowings	(1,247)	(1,261)
Drawdown of bank borrowings	200	600
Total bank borrowings	<u>6,766</u>	<u>7,813</u>
<u>Current</u>		
<u>Term loans – secured</u>		
Term loan 1	145	147
Term loan 2	6	62
Term loan 3	3	37
Term loan 4	329	333
Term loan 5	233	234
Term loan 6	265	338
Term loan 7	108	53
Term loan 8	108	53
	<u>1,197</u>	<u>1,257</u>
Short-term revolving loan	1,000	800
	<u>2,197</u>	<u>2,057</u>
<u>Non-current</u>		
<u>Term loans – secured</u>		
Term loan 1	1,793	1,937
Term loan 2	–	6
Term loan 3	–	4
Term loan 4	1,328	1,657
Term loan 5	1,162	1,395
Term loan 6	–	265
Term loan 7	147	245
Term loan 8	139	247
	<u>4,569</u>	<u>5,756</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

14. BANK BORROWINGS (CONTINUED)

Term loan 1

Term loan 1 was taken to finance the purchase of property at 27 Kian Teck Drive, Singapore 628844 ("Property 1"). The loan commenced on 12 December 2018 and is repayable in 192 monthly instalments. It is secured by a first legal mortgage over one of the leasehold land classified as held for sale (Note 10) and Property 1. It is guaranteed by the Directors of the Company.

In the previous financial years, the interest rate for the loan is calculated at Singapore Overnight Rate Average ("SORA") in-advance plus a margin of 1.4% per annum for the first and second subsequent year and SORA in-advance plus a margin of 3% per annum for the third year onwards. The repayment tenure was also extended by 36 months.

As at 31 December 2024, the interest for the loan is fixed at a certain margin above SORA in-advance. The interest rate for this facility ranges from 5.03% to 6.34% (2023: 3.99% to 5.15%) per annum.

Term loan 2

Term loan 2 commenced on 27 December 2019 and is repayable in 60 monthly instalments. Term loan 2 is guaranteed by the Directors of the Company.

The interest rate for the loan is calculated at 3.12% per annum below the Bank's prevailing board rate for loans. The interest rate for this facility is 8.88% per annum.

Term loan 3

Term loan 3 commenced on 30 December 2019 and is repayable in 60 monthly instalments. Term loan 3 is guaranteed by the Directors of the Company.

The interest rate for this facility is 6.75% per annum based on Bank's prevailing board rate for loans.

Term loan 4

Term loan 4 was taken to finance the construction of 3A Tuas South Street 15 Lot A3006428 Singapore 636845 ("Property 2"). The loan commenced on 15 May 2020 and is repayable in 120 monthly instalments. It is secured by the following:

- (i) First legal mortgage over Property 2;
- (ii) Legal assignment of all rights, title and interests in the construction contract, insurance policies, performance bonds (if any), tenancy agreements and sale and purchase agreements in respect of the Property 2;
- (iii) Corporate guarantee (unlimited) from the Company; and
- (iv) First deed of debenture incorporating a fixed and floating charge over the environmental waste machinery/oil sludge treatment and recovery plant.

The interest rate for this facility is calculated as 2.50% per annum over the bank's cost of funds or at such other rates as the bank may stipulate from time to time at its absolute discretion. During the year, the interest rate for this facility is 6.25% (2023: 5.90% to 6.25%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

14. BANK BORROWINGS (CONTINUED)

Term loan 5

Term loan 5 is a Temporary Bridging Loan granted under Enterprise Financing Scheme (EFS). The loan commenced on 4 May 2020 and is repayable in 60 monthly instalments. It is guaranteed by corporate guarantee (unlimited) from the Company.

In the previous financial years, the term loan was restructured with the number of monthly instalments extended from 60 to 120. The interest rate calculated on the extended tenor is 5.50% per annum, effective from June 2025 onwards.

As at 31 December 2024, the interest rate for this facility is calculated as 3.00% per annum or such other rate as may be stipulated by Enterprise Singapore under EFS. The effective interest rate for this facility is 4.25% per annum.

Term loan 6

Term loan 6 is a term loan taken to finance the purchase of equipment. The loan commenced on 25 September 2020 and is repayable in 60 monthly instalments. It is secured by the following:

- (i) First legal mortgage over Property 2;
- (ii) Legal assignment of all rights, title and interests in the construction contract, insurance policies, performance bonds (if any), tenancy agreements and sale and purchase agreements in respect of Property 2;
- (iii) Corporate guarantee (unlimited) from the Company; and
- (iv) First deed of debenture incorporating a fixed and floating charge over the environmental waste machinery/oil sludge treatment and recovery plant.

The effective interest rate for this facility is 4.73% per annum.

Term loan 7

Term loan 7 commenced on 22 October 2021 and is repayable in 60 monthly instalments. Term loan 7 is secured by securities commonly applicable to those of term loan 4.

In the previous financial years, the term loan was restructured on an 8-year amortisation basis with significant portion of the monthly principal repayments deferred to the final 2 years of the 5-year loan tenor.

The loan is secured by the following:

- (i) First legal mortgage over Property 2;
- (ii) Legal assignment of all rights, title and interests in the construction contract, insurance policies, performance bonds (if any), tenancy agreements and sale and purchase agreements in respect of Property 2;
- (iii) Corporate guarantee (unlimited) from the Company; and
- (iv) First deed of debenture incorporating a fixed and floating charge over the environmental waste machinery/oil sludge treatment and recovery plant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

14. BANK BORROWINGS (CONTINUED)

Term loan Z (Continued)

The interest rate for this facility is calculated as 2.00% per annum over the bank's prevailing 3-month cost of funds or at such other rates as the bank may stipulate from time to time at the bank's discretion. During the year, the interest rate for this facility ranges from 5.37% to 6.12% (2023: 5.86% to 6.23%) per annum.

Term loan 8

Term loan 8 commenced on 22 October 2021 and is repayable in 60 monthly instalments.

In the previous financial years, the term loan was restructured on an 8-year amortisation basis with significant portion of the monthly principal repayments deferred to the final 2 years of the 5-year loan tenor.

The loan is secured by the following:

- (i) First legal mortgage over Property 2;
- (ii) Legal assignment of all rights, title and interests in the construction contract, insurance policies, performance bonds (if any), tenancy agreements and sale and purchase agreements in respect of Property 2;
- (iii) Corporate guarantee (unlimited) from the Company; and
- (iv) First deed of debenture incorporating a fixed and floating charge over the environmental waste machinery/oil sludge treatment and recovery plant.

The interest rate for this facility is calculated as 2.00% per annum over the bank's prevailing 3-month cost of funds or at such other rates as the bank may stipulate from time to time at the bank's discretion. During the year, the interest rate for this facility ranges from 5.28% to 6.12% (2023: 5.86% to 6.23%) per annum.

Unutilised banking facilities

As at the end of the financial year, the Group has no unutilised banking facilities (2023: \$200,000).

Short-term revolving loan

Short-term revolving loan is drawn down for maturity of 3 months (2023: 1, 3 or 6 months) as may be mutually agreed with the bank. It may be rolled over subject to bank's approval and availability of funds.

The loan is secured by the following:

- (i) First legal mortgage over Property 2;
- (ii) Legal assignment of all rights, title and interests in the construction contract, insurance policies, performance bonds (if any), tenancy agreements and sale and purchase agreements in respect of Property 2;
- (iii) Corporate guarantee (unlimited) from the Company; and
- (iv) First deed of debenture incorporating a fixed and floating charge over the environmental waste machinery/oil sludge treatment and recovery plant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

14. BANK BORROWINGS (CONTINUED)

Short-term revolving loan (Continued)

The interest rate for this facility is calculated as 2.00% per annum over the bank's prevailing cost of funds or at such other rates as the bank may stipulate from time to time at the bank's discretion. During the year, the interest rate for this facility ranges from 5.20% to 6.16% (2023: 6.03% to 6.36%) per annum.

The Group is subject to covenants imposed in respect of the bank borrowings.

15. LEASE LIABILITIES

	Leasehold lands \$'000	Motor vehicles \$'000	Plant and machinery \$'000	Total \$'000
Group				
Balance at 1 January 2024	5,276	740	225	6,241
Reclassification to liabilities directly associated with assets classified as held for sale	(439)	–	–	(439)
	4,837	740	225	5,802
Interest expense	186	32	8	226
Lease payments				
– Principal portion	(275)	(217)	(57)	(549)
– Interest portion	(186)	(32)	(8)	(226)
Balance at 31 December 2024	<u>4,562</u>	<u>523</u>	<u>168</u>	<u>5,253</u>
Balance at 1 January 2023	5,530	438	188	6,156
Additions	–	244	–	244
Proceeds from pledging of asset	–	270	107	377
	5,530	952	295	6,777
Interest expense	195	25	10	230
Lease payments				
– Principal portion	(254)	(212)	(70)	(536)
– Interest portion	(195)	(25)	(10)	(230)
Balance at 31 December 2023	<u>5,276</u>	<u>740</u>	<u>225</u>	<u>6,241</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15. LEASE LIABILITIES (CONTINUED)

	Group	
	2024	2023
	\$'000	\$'000
Contractual undiscounted cash flows		
– Not later than a year	717	775
– Between one and five years	2,342	2,718
– More than five years	3,277	4,189
	6,336	7,682
Less: Future interest expense	(1,083)	(1,441)
Present value of lease liabilities	5,253	6,241
Presented in statements of financial position		
– Non-current	4,725	5,692
– Current	528	549
	5,253	6,241

The Group leases leasehold lands in Singapore. As at 31 December 2024, the average incremental borrowing rate applied was 3.60% (2023: 3.60%).

The Group also leases certain motor vehicles and plant and machinery under finance leases with lease term ranging from 4 to 5 years (2023: 4 to 5 years). The average interest rates implicit in the lease range from 1.70% to 4.75% (2023: 1.70% to 4.75%).

The Group's lease liabilities of \$691,000 (2023: \$965,000) are secured over certain right-of-use assets in respect of motor vehicles and plant and machinery (Note 7), which will revert to the lessors in the event of default by the Group.

Lease liabilities are denominated in Singapore dollar.

16. DEFERRED TAX LIABILITIES

	Group	
	2024	2023
	\$'000	\$'000
Balance at 1 January	146	331
Credited to profit or loss	(61)	(185)
Balance at 31 December	85	146

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

16. DEFERRED TAX LIABILITIES (CONTINUED)

The following are the deferred tax liabilities recognised by the Group and the movements during the financial years:

	Accelerated tax depreciation \$'000	Lease assets \$'000	Lease liabilities \$'000	Total \$'000
At 1 January 2024	53	910	(817)	146
(Credit)/Charge to profit or loss	(47)	(61)	47	(61)
At 31 December 2024	6	849	(770)	85
At 1 January 2023	220	973	(862)	331
(Credit)/Charge to profit or loss	(167)	(63)	45	(185)
At 31 December 2023	53	910	(817)	146

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current				
Trade payables				
– third parties	327	399	–	–
Non-trade payables				
– third parties	344	391	179	104
– subsidiary	–	–	2,095	1,117
– shareholders	1,845	–	1,845	–
Accrued expenses	152	334	79	163
	2,668	1,124	4,198	1,384
Non-current				
Non-trade payable				
– third parties	–	98	–	–
– shareholders	–	2,748	–	2,748
	–	2,846	–	2,748
	2,668	3,970	4,198	4,132

Trade and other payables to third parties are unsecured, non-interest bearing and normally settled between 30 to 90 (2023: 30 to 90) days credit terms.

The current and non-current non-trade amounts due to subsidiary and third parties are unsecured, interest-free and repayable on demand.

The Group's and Company's amount due to shareholders relates to discounted value of the deferred consideration of approximately \$1,900,000 (2023: \$3,000,000) due to the shareholders.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

17. TRADE AND OTHER PAYABLES (CONTINUED)

The amount owing to shareholders are unsecured, non-interest bearing and repayable within 48 months (2023: 48 months) from the completion of Reverse Acquisition on 18 August 2021. The carrying amount of the amount due to shareholders approximate their fair value.

In August 2024, the Company partially settled the amount due to shareholders by way of offsetting approximately \$1,089,000 for the subscription of rights issue shares.

The trade and other payables at the end of the financial year were denominated in Singapore dollar.

18. LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

The liabilities directly associated with assets classified as held for sale (Note 10) are exclusively related to lease liabilities for the land at 27 Kian Teck Drive, Singapore 628844.

19. REVENUE

	Group	
	2024	2023
	\$'000	\$'000
<u>Recognised at a point in time:</u>		
Provision of waste management and disposal services	7,256	6,970
Sale of recyclable waste	483	1,018
	<u>7,739</u>	<u>7,988</u>

20. OTHER INCOME

	Group	
	2024	2023
	\$'000	\$'000
Claim from insurance	8	1,313
Gain on disposal of property, plant and equipment	48	-
Government grants	203	203
Waste logistics and support services	247	236
	<u>506</u>	<u>1,752</u>

In the prior financial year, the claim from insurance pertains to the building maintenance expense incurred for the Group's premise situated at 3A Tuas South Street 15, in relation to damage caused by a fire in December 2021. The restoration works were completed by April 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

21. EMPLOYEE BENEFITS EXPENSE

	Group	
	2024	2023
	\$'000	\$'000
Salaries, wages and other short-term benefits	2,413	1,976
Contributions to defined contribution plans	182	174
	2,595	2,150

The above includes key management personnel remuneration as disclosed in Note 29 to the financial statements.

22. FINANCE COSTS

	Group	
	2024	2023
	\$'000	\$'000
Interest expense		
– lease liabilities (Note 15)	226	230
– bank borrowings	383	411
– non-trade payables to shareholders	130	141
	739	782

23. LOSS BEFORE INCOME TAX

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the loss before income tax includes the following charges:

	Group	
	2024	2023
	\$'000	\$'000
<i>Other operating expenses</i>		
Audit fees		
– auditors of the Company	90	100
Non-audit fees		
– auditors of the Company	–	–
Crane and wharfage expenses	663	564
Diesel expenses	447	510
Property taxes	100	97
Purchase of recyclables	234	680
Subcontractor and other labour costs	391	636
Vehicle overhead	217	212
Waste disposal fees	1,523	1,441
Building maintenance expense	24	1,326

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

24. INCOME TAX CREDIT

	Group	
	2024	2023
	\$'000	\$'000
Current income tax		
– underprovision for prior year	–	2
Deferred tax		
– current financial year	(80)	(76)
– under/(overprovision) for prior year	19	(109)
	(61)	(185)
	(61)	(183)

The income tax credit varied from the amount of income tax expense determined by applying the applicable income tax rate of 17% to loss before income tax as a result of the following differences:

	Group	
	2024	2023
	\$'000	\$'000
Loss before income tax	(1,282)	(1,270)
Income tax at the applicable tax rate of 17% (2023: 17%)	(218)	(216)
Effect of expenses not deductible for tax purposes	137	132
Effect of income not subject to tax	(44)	(22)
Deferred tax assets not recognised	45	30
Underprovision for prior year's current taxation	–	2
Under/(Overprovision) for prior year's deferred taxation	19	(109)
	(61)	(183)

As at end of the reporting period, the Group has unabsorbed tax losses of approximately \$440,000 for which no deferred tax assets have been recognised due to the unpredictability of profit streams in the future. The realisation of deferred tax benefit arising from the unutilised tax losses is available for unlimited period subject to there being no substantial changes in shareholders as required in the provisions of the Income Tax Act.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

25. LOSS PER SHARE

The calculation for loss per share is based on:

	Group	
	2024	2023
Numerator		
Loss attributable to owners of Company (\$'000)	1,221	1,087
Denominator		
Weighted average number of ordinary shares for purpose of computing loss per share ('000)	155,967	112,814
Loss per share		
Basic and diluted (cents)	0.78	0.96

Basic loss per share is calculated by dividing the Group's loss after income tax attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year. As the Group has no dilutive potential ordinary shares, the diluted loss per share is equivalent to basic loss per share for the financial year.

26. COMMITMENTS

Capital commitments

At each reporting date, commitments in respect of capital expenditure are as follows:

	Group	
	2024	2023
	\$'000	\$'000
Capital expenditure contracted but not provided for		
– Property, plant and equipment	73	–

27. CONTINGENT LIABILITIES

Corporate guarantee

The Company had given corporate guarantees to certain banks in respect of banking facilities granted to the subsidiary. These guarantees are financial guarantee contract as they require the Company to reimburse the banks if the subsidiary fails to make principal or interest payments when due in accordance with the terms of the facilities drawn. As at 31 December 2024, such banking facilities granted to the subsidiary amounted to \$8,734,000 in aggregate (2023: \$8,734,000) and the amount utilised by the subsidiary amounted to \$4,818,000 (2023: \$5,620,000). There has been no default or non-repayment since the utilisation of the banking facilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

28. SEGMENT INFORMATION

Management monitors the operating results of the segment separately for the purposes of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

The Group has one primary business segment, which is that of the provision of waste management and disposal services to industrial and commercial clients and the sales of recyclable materials. Accordingly, no segmental information is prepared based on business segment as it is not meaningful.

Geographical information

The Group's segment revenue, assets, liabilities and other material items are mainly derived from Singapore. Accordingly, no geographical segment information is presented during these financial years.

Major customer

For the financial year ended 31 December 2024, revenue from one major customer of the Group represents approximately 11.8% (2023: 8.5%) of the Group's total revenue.

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following were significant related party transactions at rates and terms agreed between the Group entities with its related parties during the financial years ended 31 December 2024 and 31 December 2023:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
With shareholders				
Interest payable to	130	141	130	141
With subsidiaries				
Management fees charged to	–	–	1,019	1,028
Loan to	–	–	1,100	120
Recharge of remuneration by	–	–	615	595
Waiver of debt by	–	–	–	285

As at the end of each financial year end, the outstanding balances in respect of the above transactions are disclosed in Notes 8 and 17 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

Compensation of Directors and key management personnel

Key management personnel are Directors of the Group and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly, or indirectly.

The remuneration of Directors and key management personnel of the Group and the Company during the financial years ended 31 December 2024 and 31 December 2023 were as follows:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Short-term employee benefits	933	858	693	663
Post-employment benefits	103	91	69	62
Directors' fees	88	84	88	84
	1,124	1,033	850	809

The above includes the following remuneration to the Directors of the Company and subsidiaries:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<i>Directors of the Company</i>				
Short-term employee benefits	203	195	203	195
Post-employment benefits	8	8	8	8
Directors' fees	88	84	88	84
	299	287	299	287
<i>Directors of the subsidiaries</i>				
Short-term employee benefits	562	507	–	–
Post-employment benefits	71	63	–	–
	633	570	–	–
	932	857	299	287

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

The Group's activities expose it to financial risks (including credit risk, interest rate risk, foreign currency risk and liquidity risk) arising in the ordinary course of business. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets in the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

There has been no change to the Group's exposure to these financial risks or the manner in which the risk is managed and measured. The Group does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange rates.

30.1 Credit risks

Credit risks refer to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require a collateral.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position except for the following:

	Company	
	2024	2023
	\$'000	\$'000
Corporate guarantees provided to a bank for a subsidiary's utilised banking facilities as at the end of financial year	4,818	5,620

For the corporate guarantee issued, the Company has assessed that this subsidiary has sufficient future expected cash flows to meet its contractual cash flows obligation in the near future and hence, does not expect any material loss allowance under a 12-month expected credit loss model.

Based on assessment at the end of the financial year, the Group considers that it is more likely than not that no amount will be payable under the arrangement.

Trade receivables

The Group does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except for the 3 (2023: 3) trade receivables from third parties of approximately \$368,000 (2023: \$508,000) representing 24% (2023: 29%) of the Group's total trade receivables as at the end of the financial year.

The Group and the Company have applied the simplified approach in accordance with SFRS(I) 9 to measure the loss allowance of trade receivables using the Expected Credit Loss model ("ECL"). The ECL is determined based on historical data which have been defaulted adjusted with forward-looking information.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. Accordingly, management believes that there is no further impairment required in excess of the loss allowance on trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

30.1 Credit risks (Continued)

Non-trade receivables

For amount due from subsidiaries, including loan to subsidiaries, the Board of Directors has taken into account information that it has available internally about these subsidiaries' past, current and expected operating performance and cash flow position. The Board of Directors monitors and assesses at each reporting date for any indicator of significant increase in credit risk on the amount due from the respective subsidiaries, by considering their financial performance and any default in external debt. During the year, the Board of Directors assessed the credit risk relating to amount due from subsidiaries to have increased significantly due to the financial performance and position of its subsidiaries. However, after evaluating the subsidiaries' expected future cash flows, management found the expected credit loss on the amount due from subsidiaries to be immaterial.

Bank balances

Bank balances are deposited with reputable banks with minimum rating "A", based on Moody's credit ratings. The Board of Directors monitor the credit ratings of counterparties regularly. Impairment of cash at bank has been measured based on a 12-month expected credit loss model. As at 31 December 2024, the Group and Company did not expect any credit losses from non-performance by the counterparties.

30.2 Interest rate risk

The Group's exposure to changes in interest rates related primarily to the Group's interest bearing financial liabilities. Changes to interest rates will affect borrowings which bear interest at a floating rate. Any increase in interest rates will affect the Group's cost of servicing these borrowings which may adversely affect its financial position.

The exposure of the Group's interest-bearing financial liabilities to variable interest rate changes at the end of the reporting period are as follows:

	Group	
	2024	2023
	\$'000	\$'000
Bank borrowings	5,107	5,582

Group's interest rate risk arises mainly from its term loans and short-term revolving loan. The interest rates and repayment terms of the term loans and short-term revolving loan are disclosed in Note 14. It is the Group's policy not to enter derivative contracts to hedge its interest rate risk. The Group obtained quotes from reputable banks to ensure that the most favourable rates are made available to the Group.

Interest rate sensitivity analysis

At the end of the financial year, if borrowing interest rates had been 100 basis points (2023: 100 basis points) higher with all other variables held constant, the Group's loss would have been approximately \$46,149 (2023: \$52,457) higher arising from higher interest expense.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

30.3 Foreign currency risks

The Group mainly carries out its transactions in their entities' respective functional currencies. Since the financial assets and financial liabilities are denominated in the respective functional currencies, there is no exposure to foreign exchange risk. The Company's exposure to foreign currency risk is insignificant as the business is operated in Singapore and transactions are mainly denominated in Singapore dollar, which is the functional currency of the Company.

30.4 Liquidity risks

Liquidity risks refer to the risks in which the Group and the Company encounter difficulties in meeting their short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Group and the Company manage their debt maturity profile, operating cash flows and the availability of funding (as disclosed in note 4 and note 31) so as to ensure that all repayment and funding needs are met. As part of the overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

Corporate guarantees given by the Company to the banks in connection with banking facilities granted to subsidiaries are disclosed in Note 14 and 27 to the financial statements.

Contract maturity analysis

The following tables detail the Group's and the Company's remaining contractual maturity for their non-derivative financial instruments. The tables have been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group and the Company are expected to pay.

	Within one financial year \$'000	After one financial year but within five financial years \$'000	After five financial years \$'000	Total \$'000
Group				
31 December 2024				
Financial liabilities				
Non-interest bearing	2,668	–	–	2,668
– Trade and other payables				
Interest bearing				
– Bank borrowings	4,219	2,963	124	7,306
– Lease liabilities	717	2,342	3,277	6,336
	7,604	5,305	3,401	16,310

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

30.4 Liquidity risks (Continued)

Contract maturity analysis (Continued)

	Within one financial year \$'000	After one financial year but within five financial years \$'000	After five financial years \$'000	Total \$'000
Group				
31 December 2023				
<u>Financial liabilities</u>				
Non-interest bearing				
– Trade and other payables	1,124	3,098	–	4,222
Interest bearing				
– Bank borrowings	2,380	4,672	2,108	9,160
– Lease liabilities	775	2,718	4,189	7,682
	4,279	10,488	6,297	21,064
	Within one financial year \$'000	After one financial year but within five financial years \$'000	After five financial years \$'000	Total \$'000
Company				
31 December 2024				
<u>Financial liabilities</u>				
Non-interest bearing				
– Trade and other payables	4,198	1,900	–	6,098
Financial guarantee contracts	4,818	–	–	4,818
31 December 2023				
<u>Financial liabilities</u>				
Non-interest bearing				
– Trade and other payables	1,384	3,000	–	4,384
Financial guarantee contracts	5,620	–	–	5,620

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

30.4 Liquidity risks (Continued)

Contract maturity analysis (Continued)

The Group's operations are financed mainly through equity and bank borrowings. The Company's operations are financed mainly through equity.

Corporate guarantee contracts represent the maximum amount that the Company would be called upon to pay at the earliest period should the subsidiary default on the loan repayments to the bank.

The repayment terms of the Group's bank borrowings and lease liabilities are disclosed in Note 14 and Note 15 to the financial statements respectively.

Term loan 1 is classified under the "within one financial year" category for the financial year ended 2024, as it is expected to be fully settled upon the disposal of the Kian Teck facility, which is expected to take place in May 2025.

30.5 Capital management policies and objectives

The Group manage their capital to ensure that the Group are able to continue as a going concern and maintain an optimal capital structure so as to maximise shareholders' value. The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issues new shares or sell assets to reduce debts.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital and reserves as disclosed in Notes 11, 12 and 13 to the financial statements.

The management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. The Group include within net debt, lease liabilities and bank borrowings less cash and bank balances. Total capital is calculated as total equity plus net debt.

	Group	
	2024	2023
	\$'000	\$'000
Bank borrowings	6,766	7,813
Lease liabilities	5,253	6,241
Less: Cash and bank balances	(1,847)	(1,351)
Net debt	10,172	12,703
Total equity	4,415	3,085
Total capital	14,587	15,788
Gearing ratio	69.7%	80.5%

The Group have complied with all externally imposed capital requirements as disclosed in Note 14 to the financial statements, for the financial years ended 31 December 2024 and 31 December 2023. The Group's overall strategy remains unchanged from 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

30.6 Categories of financial instruments

The following table sets out the financial instruments as at the end of the financial year:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Financial assets				
Trade and other receivables ⁽¹⁾	1,655	2,017	5,356	4,845
Cash and bank balances	1,847	1,351	647	515
Financial assets, at amortised cost	3,502	3,368	6,003	5,360
Financial liabilities				
Trade and other payables	823	1,222	2,353	1,384
Non-trade payables to shareholders	1,845	2,748	1,845	2,748
Bank borrowings	6,766	7,813	–	–
Lease liabilities	5,253	6,241	–	–
Financial liabilities, at amortised cost	14,687	18,024	4,198	4,132

(1) Excludes goods and services tax receivable.

31. SUBSEQUENT EVENTS

Subsequent to the financial year ended 31 December 2024, the Group entered into a fourth supplemental deed with its shareholders to extend the settlement due date for the \$2 million repayment. The due date was deferred for an additional 24 months, from August 2025 to August 2027.

On 26 February 2025, the Group entered into a share subscription agreement with a third party. Pursuant to the agreement, the subscriber agreed to subscribe for an aggregate of 96 million new ordinary shares in the capital of the Company at an issue price of \$0.055 per share for a cash consideration of \$5.28 million. As part of this agreement, the Group has received approximately \$1.05 million from the subscriber as partial settlement of the deposit receivable which forms part of the total subscription amount.

On 6 March 2025, the Group executed an agreement with a third party to conduct a joint feasibility study to upgrade a 30-kilometer road for coal transportation between a coal mine and an export shore jetty in East Kalimantan, Indonesia, known as "Nusantara Toll Road". The Group shall bear the expenses incurred in connection with the Feasibility Study up to a maximum spending of HK\$6 million (approximately \$1.03 million). The expenses will be funded from the deposit received for the share subscription agreement.

STATISTICS OF SHAREHOLDINGS

AS AT 24 MARCH 2025

Issued and fully paid-up share capital	:	\$47,070,848
Number of Issued Shares (excluding Treasury Shares)	:	225,627,740
Number of Treasury Shares held	:	Nil
Number of Subsidiary Holdings held	:	Nil
Class of shares	:	Ordinary
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders		No. of Shares	
		%		%
1 – 99	689	20.26	30,692	0.01
100 – 1,000	1,421	41.79	543,439	0.24
1,001 – 10,000	918	27.00	2,994,812	1.33
10,001 – 1,000,000	363	10.68	34,360,443	15.23
1,000,001 and above	9	0.27	187,698,354	83.19
Total	3,400	100.00	225,627,740	100.00

SUBSTANTIAL SHAREHOLDERS

 (As recorded in the Register of Substantial Shareholders as at 24 March 2025⁽¹⁾)

Name of Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Mohamed Gani Mohamed Ansari	–	–	119,174,651 ⁽²⁾	52.82
Shitthi Nabesathul Bathuria D/O Abdul Hamid	119,174,651	52.82	–	–
Sivakumar Martin S/O Sivanesan	32,118,202	14.24	–	–
Perumal S/O Gopal	18,956,647	8.40	–	–

Notes:

(1) Based on 225,627,740 ordinary shares of the Company issued as at 24 March 2025.

(2) Mohamed Gani Mohamed Ansari is deemed interested in the shares held by his spouse, Shitthi Nabesathul Bathuria D/O Abdul Hamid.

STATISTICS OF SHAREHOLDINGS

AS AT 24 MARCH 2025

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	SHITTHI NABESATHUL BATHURIA D/O ABDUL HAMID	119,174,651	52.82
2	SIVAKUMAR MARTIN S/O SIVANESAN	32,118,202	14.24
3	PERUMAL S/O GOPAL	18,956,647	8.40
4	CHOO TUNG KHENG	6,175,307	2.74
5	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	5,687,664	2.52
6	DBS NOMINEES (PRIVATE) LIMITED	1,695,589	0.75
7	POH CHONG PENG	1,500,000	0.66
8	OAKWOOD & DREHEM CAPITAL PTE LTD	1,208,000	0.54
9	TIGER BROKERS (SINGAPORE) PTE. LTD.	1,182,294	0.52
10	CHAN MENG SOON	1,000,000	0.44
11	TAN KHEE BOON	990,800	0.44
12	UOB KAY HIAN PRIVATE LIMITED	987,387	0.44
13	LIM KAH HIN	906,127	0.40
14	RAFFLES NOMINEES (PTE.) LIMITED	834,609	0.37
15	PHILLIP SECURITIES PTE LTD	733,070	0.32
16	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	700,007	0.31
17	HSBC (SINGAPORE) NOMINEES PTE LTD	650,005	0.29
18	FONG CHEE MENG	600,000	0.27
19	YAN NING TZEE (ZHEN NINGZHI)	593,300	0.26
20	OCBC SECURITIES PRIVATE LIMITED	560,385	0.25
Total		196,254,044	86.98

SHAREHOLDINGS HELD BY THE PUBLIC

Based on the information available to the Company as at 24 March 2025, approximately 24.43% of the issued ordinary shares of the Company are held by the public. Accordingly, Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Shanaya Limited (the "**Company**") will be convened and held at 3A Tuas South Street 15, Singapore 636845 on Tuesday, 29 April 2025 at 10.00 a.m. (Singapore time) to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2024 together with the Directors' Statement and the Auditors' Report thereon.
(Resolution 1)
2. To re-elect Ms Ch'ng Li-Ling, who is retiring pursuant to Regulation 96 of the Company's Constitution and who, being eligible, offers herself for re-election as a Director of the Company.
[See Explanatory Note (i)]
(Resolution 2)
3. To re-elect Mr Abuthahir S/O Abdul Gafoor, who is retiring pursuant to Regulation 96 of the Company's Constitution and who, being eligible, offers himself for re-election as a Director of the Company.
[See Explanatory Note (ii)]
(Resolution 3)
4. To re-elect Mr Ong Kian Soon, who is retiring pursuant to Regulation 97 of the Company's Constitution and Rule 720(4) of the Catalist Rules and who, being eligible, offers himself for re-election as a Director of the Company.
[See Explanatory Note (iii)]
(Resolution 4)
5. To approve the payment of Directors' fees of up to S\$89,000 for the financial year ending 31 December 2025, payable quarterly in arrears (FY2024: S\$89,000).
(Resolution 5)
6. To re-appoint BDO LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.
(Resolution 6)
7. To transact any other ordinary business which may be properly transacted at an AGM.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, with or without amendments, as Ordinary Resolutions:

8. Authority to allot and issue shares

"That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**"), the Company's Constitution and Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors of the Company to:

- (a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements, or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue:
- (i) Additional instruments as adjustments in accordance with the terms and conditions of the Instruments made or granted by the Directors while this Resolution was in force; and
 - (ii) Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force of such additional Instruments in (b)(i) above,

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed, of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below) or any such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed;
- (2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time this Resolution is passed, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of convertible securities;
 - (b) new Shares arising from the exercise of share options or vesting of share awards, provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments for (a) and (b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, and otherwise, and the Company's Constitution for the time being of the Company; and
- (4) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier or in the case of Shares to be issued in pursuance of the instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments."

[See Explanatory Note (iv)]

(Resolution 7)

NOTICE OF ANNUAL GENERAL MEETING

9. Authority to allot and issue shares under the Shanaya Employee Share Option Scheme (the “Share Option Scheme”)

That authority be and is hereby given to the Directors of the Company to offer and grant options (the “Options”) in accordance with the provisions of the Share Option Scheme and pursuant to Section 161 of the Companies Act to allot and issue and/or deliver from time to time such number of fully paid-up Shares as may be required to be issued or delivered pursuant to the exercise of Options provided that the aggregate number of new Shares available pursuant to the Share Option Scheme, and any other share-based schemes of the Company, shall not exceed fifteen per cent. (15%) of the total issued Shares of the Company (excluding treasury shares and subsidiary holdings) from time to time.

[See Explanatory Note (v)]

(Resolution 8)

10. Authority to allot and issue shares under the Shanaya Performance Share Plan (the “Performance Share Plan”)

That authority be and is hereby given to the Directors to grant awards (the “Awards”) in accordance with the provisions of the Performance Share Plan and pursuant to Section 161 of the Companies Act to allot and issue new Shares pursuant to the vesting of Awards provided that the aggregate number of new Shares available pursuant to the Performance Share Plan, and any other share-based schemes of the Company, shall not exceed fifteen per cent. (15%) of the total issued Shares of the Company (excluding treasury shares and subsidiary holdings) on the day immediately preceding that date.

[See Explanatory Note (vi)]

(Resolution 9)

By Order of the Board

Yoo Loo Ping
Company Secretary

Singapore, 14 April 2025

Explanatory Notes:

- (i) **Ordinary Resolution 2** – Ms Ch’ng Li-Ling will, upon re-election as a Director of the Company, remain as an Independent and Non-Executive Director, Chairperson of Nominating Committee and Member of the Audit Committee and Remuneration Committee of the Company. Detailed information on Ms Ch’ng Li-Ling can be found under the “Board of Directors”, “Corporate Governance Report” and “Information on Directors Seeking Re-election” sections in the Company’s Annual Report 2024.
- (ii) **Ordinary Resolution 3** – Mr Abuthahir S/O Abdul Gafoor will, upon re-election as a Director of the Company, remain as an Independent and Non-Executive Director, Chairman of Audit Committee and Member of the Remuneration Committee and Nominating Committee of the Company. Detailed information on Mr Abuthahir S/O Abdul Gafoor can be found under the “Board of Directors”, “Corporate Governance Report” and “Information on Directors Seeking Re-election” sections in the Company’s Annual Report 2024.
- (iii) **Ordinary Resolution 4** – Mr Ong Kian Soon will, upon re-election as a Director of the Company, remain as a Non-Independent and Non-Executive Director of the Company. Detailed information on Mr Ong Kian Soon can be found under the “Board of Directors”, “Corporate Governance Report” and “Information on Directors Seeking Re-election” sections in the Company’s Annual Report 2024.
- (iv) **Ordinary Resolution 7** – The resolution, if passed, will empower the Directors of the Company to allot and issue Shares in the capital of the Company and/or Instruments (as defined above), up to a number not exceeding, in total, 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which not exceeding 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) may be issued other than on a *pro-rata* basis to existing shareholders. This authority will, unless revoked or varied at a general meeting, expire at the next annual general meeting of the Company or by the date by which the next annual general meeting of the Company is required by law to be held whichever is earlier.
- (v) **Ordinary Resolution 8** – The resolution, if passed, will empower the Directors of the Company from the date of this AGM until the next AGM of the Company, to offer and grant Options in accordance with the provisions of the Share Option Scheme, and to allot and issue and/or deliver from time to time such number of fully paid-up Shares as may be required to be issued or delivered pursuant to the exercise of Options provided that the aggregate number of new Shares available pursuant to the Share Option Scheme, and any other share-based schemes of the Company, shall not exceed fifteen per cent. (15%) of the total issued Shares of the Company (excluding treasury shares and subsidiary holdings) from time to time.
- (vi) **Ordinary Resolution 9** – The resolution, if passed, will empower the Directors of the Company from the date of this AGM to grant Awards in accordance with the provisions of the Performance Share Plan and to allot and issue new Shares pursuant to the vesting of Awards provided that the aggregate number of new Shares available pursuant to the Performance Share Plan, and any other share-based schemes of the Company, shall not exceed fifteen per cent. (15%) of the total issued Shares of the Company (excluding treasury shares and subsidiary holdings) on the day immediately preceding that date.

NOTICE OF ANNUAL GENERAL MEETING

IMPORTANT NOTES FOR SHAREHOLDERS:

The Company's AGM will be held at 3A Tuas South Street 15, Singapore 636845 on Tuesday, 29 April 2025 at 10.00 a.m. (Singapore Time). **There will be no option for shareholders to participate virtually.**

Printed copies of the Notice of AGM, Proxy Form and the Annual Report 2024 request form ("**Request Form**") will be sent by post to shareholders.

Annual Report 2024, Notice of AGM, Proxy Form and the Request Form have been made available on the Company's corporate website at the URL <http://www.shanayagroup.com/> and SGX-ST website at the URL <https://www.sgx.com/securities/company-announcements>. The Notice of AGM will also be published in the print edition of the Business Times on 14 April 2025.

Shareholders who wish to receive a printed copy of the Annual Report 2024 may do so by completing the Request Form and sending it to the Company by 21 April 2025 through any of the following means:

- (i) via email to info@shanayagroup.com; or
- (ii) by post and be deposited at, or in hard copy by sending personally to, the Company's registered office at 3A Tuas South Street 15, Singapore 636845.

Shareholders should take note of the following arrangements for the AGM:

(a) **Participation in the AGM**

Shareholders, including Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") investors, may participate in the AGM by:

- (i) Attending the AGM in person;
- (ii) Submitting questions in relation to any agenda item in this Notice of AGM in advance of, or at the AGM; and/or
- (iii) voting at the AGM by (i) themselves; or (ii) through duly appointed proxy(ies).

Details of the steps for registration, asking of questions and voting at the AGM by shareholders, are set out in notes (b) to (f) below.

(b) **Register in person to attend the AGM**

Shareholders, including CPF and SRS investors can attend the AGM in person.

To do so, they will need to register in person at the registration counter(s) outside the AGM venue on the day of the event. Please bring along your NRIC/passport to enable the Company to verify your identity. The Company reserves the right to refuse admittance to the AGM if the attendee's identity cannot be verified accurately.

For investors who hold shares through relevant intermediaries (excluding CDP/SRS investors) (as defined in Section 181 of the Companies Act 1967 of Singapore) (the "**Relevant Intermediary**"), please refer to note (e) for the procedures to attend and vote at the AGM.

(c) **Asking Questions**

Shareholders including CPF and SRS investors who have questions in relation to any agenda items in this Notice of AGM can ask questions during the AGM physically or can submit their questions to the Company in advance ("**Advanced Questions**"), by **22 April 2025, 10.00 a.m.**, through any of the following means:

- (i) by email to info@shanayagroup.com; or
- (ii) by post and be deposited at, or in hard copy by sending personally to, the Company's registered office at 3A Tuas South Street 15, Singapore 636845.

Shareholders including CPF and SRS investors must identify themselves when posting questions through email or mail by providing the following details:

- (i) Full Name;
- (ii) Contact Telephone Number;
- (iii) Email Address; and
- (iv) The manner in which you hold shares (if you hold shares directly, please provide your CDP account number; otherwise, please state if you hold your shares through CPF or SRS, or are a relevant intermediary shareholder).

The Company will address all substantial and relevant Advanced Questions through announcement on the Company's corporate website at the URL <http://www.shanayagroup.com/> and on the SGX-ST website at the URL <https://www.sgx.com/securities/company-announcements> by 24 April 2025, 10.00 a.m.



NOTICE OF ANNUAL GENERAL MEETING

Follow up questions which are submitted after 22 April 2025, 10.00 a.m. will be consolidated and addressed either before the AGM via an announcement on SGXNet and the Company's website or at the AGM. The Company will publish the minutes of the AGM, which will include responses from the Board and management of the Company on the substantial and relevant questions received from Shareholders and Investors via an announcement on SGXNet and the Company's website within one (1) month after the AGM.

(d) **Voting at the AGM or voting by appointing proxy(ies)**

Shareholders will be able to vote at the AGM in person, or by appointing proxy(ies) to vote on their behalf.

Duly completed Proxy Forms must be submitted through any of the following means **no later than 26 April 2025, 10.00 a.m.** (being no later than seventy-two (72) hours before the time appointed for holding the AGM):

- (i) by email, a copy to info@shanayagroup.com; or
- (ii) by post and be deposited at, or in hard copy by sending personally to, the Company's registered office at 3A Tuas South Street 15, Singapore 636845.

The Proxy Form is made available on SGXNet and the Company's corporate website and may be accessed at the URLs <https://www.sgx.com/securities/company-announcements> and <http://www.shanayagroup.com/>.

In appointing proxy(ies), if no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain at his/her discretion.

Please refer to the detailed instruction set out in the Proxy Form.

(e) **Voting at the AGM by Relevant Intermediary Investors (excluding CPF/SRS Investors)**

Investors holding shares through Relevant Intermediary (other than CPF/SRS Investors) who wish to appoint proxy(ies) should approach their Relevant Intermediary as soon as possible.

CPF/SRS investors who wish to appoint proxy(ies) to vote at the AGM, they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **16 April 2025**, being at least seven (7) working days before the AGM, in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the proxy(ies) to vote on their behalf.

Personal Data Privacy

"Personal data" has the same meaning ascribed to it in the Personal Data Protection Act 2012 of Singapore, which includes name, address, NRIC/passport number of a Shareholder and proxy(ies) and/or representative(s) of a Shareholder.

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or submitting any question prior to the AGM in accordance with this Notice of AGM, a Shareholder (i) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or, service providers) for the purposes of (a) processing, administration and analysis by the Company (or its agents or, service providers) of Proxy Forms/instruments appointing proxy(ies) and/or representative(s) for the AGM (including any adjournment thereof); (b) addressing substantial and relevant questions from Shareholders received before the AGM and if necessary, following up with the relevant Shareholders in relation to such questions; (c) preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof); and (d) in order for the Company (or its agents or, service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the Shareholder discloses the personal data of the Member's proxy(ies) and/or representative(s) to the Company (or its agents or, service providers), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or, service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees to indemnify the Company in respect of any penalties, liabilities, claims, losses and damages as a result of the Shareholder's breach of warranty.

In the case of a Shareholder who is a Relevant Intermediary, by submitting the consolidated list of participants, such Shareholder represents and warrants that it has obtained the prior consent of the individuals for the collection, use and disclosure by the Company (or its agents or, service providers) of the personal data of such individuals by the Company (or its agents or, service providers) for any of the Purposes.

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(5) of the Listing Manual Section B: Rules of Catalist (the "**Rules of Catalist**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the following is the information relating to the Directors seeking re-appointment (as set out in Appendix 7F to the Rules of Catalist):

Name of Person	Ch'ng Li-Ling	Abuthahir S/O Abdul Gafoor	Ong Kian Soon
Date of appointment	1 May 2024	1 May 2024	29 December 1998
Date of last re-appointment (if applicable)	–	–	28 April 2022
Age	53	61	69
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The Board of the Company, having considered, among others, the recommendation of the NC and having reviewed and considered the contribution and performance, attendance, participation, candour and suitability of Ms Ch'ng Li-Ling ("Ms Ch'ng") for re-election as Independent Non-Executive Director.</p> <p>The Board has reviewed and concluded that Ms Ch'ng possesses the experience, expertise, knowledge and skills to continue to contribute towards the core competencies of the Board.</p> <p>The Board considers Ms Ch'ng to be independent for the purpose of Rule 704(7) of the Catalist Rules.</p>	<p>The Board of the Company, having considered, among others, the recommendation of the NC and having reviewed and considered the contribution and performance, attendance, participation, candour and suitability of Mr Abuthahir S/O Abdul Gafoor ("Mr Abu") for re-election as Independent Non-Executive Director.</p> <p>The Board has reviewed and concluded that Mr Abu possesses the experience, expertise, knowledge and skills to continue to contribute towards the core competencies of the Board.</p> <p>The Board considers Mr Abu to be independent for the purpose of Rule 704(7) of the Catalist Rules.</p>	<p>The Board of the Company, having considered, among others, the recommendation of the NC and having reviewed and considered the contribution and performance, attendance, participation, candour and suitability of Mr Ong Kian Soon ("Mr Ong") for re-election as Non-Executive Director.</p> <p>The Board has reviewed and concluded that Mr Ong possesses the experience, expertise, knowledge and skills to continue to contribute towards the core competencies of the Board.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent and Non-Executive Director, Chairperson of Nominating Committee and Member of Audit and Remuneration Committees.	Independent and Non-Executive Director, Chairman of Audit Committee and Member of Nominating and Remuneration Committees.	Non-Executive Director



INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Ch'ng Li-Ling	Abuthahir S/O Abdul Gafoor	Ong Kian Soon
Professional qualifications	(i) Master of Laws (Merit), University of London (ii) Bachelor of Laws (Honours), University of London (iii) Bachelor of Arts (Honours), National University of Singapore (iv) Advocate and Solicitor, Supreme Court of Singapore	(i) Institute of Singapore Chartered Accountants (ii) Insolvency Practitioners Association of Singapore (iii) Bachelor of Accountancy, National University of Singapore	(i) Bachelor of Commerce (Accountancy) Degree from Nanyang University, Singapore
Working experience and occupation(s) during the past 10 years	May 2011 – Present Partner, RHTLaw Asia LLP May 2019 – Present Head, Financial Services (Regulatory) & Technology Practice May 2011 – May 2019 Co-Head, Capital Markets Practice	August 2018 – Present Executive Director, AAG Corporate Advisory Pte. Ltd. October 2010 – July 2018 Director, RSM Corporate Advisory Pte. Ltd.	July 2011 – Present Executive Director and Chief Executive Officer, New Wave Holdings Ltd.
Shareholding interest in the listed issuer and its subsidiaries	No	No	Direct Interest: 263,350 ordinary shares (0.12%)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments including Directorships			
Past (for the last 5 years)	LHN Limited Anchor Resources Limited Declout Limited	Nil	Circuits Plus (M) Sdn. Bhd. CP Lifestyle Pte. Ltd. Circuits Plus Pte Ltd



INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Ch'ng Li-Ling	Abuthahir S/O Abdul Gafoor	Ong Kian Soon
Present	RHTLaw Asia LLP Biolidics Limited Qashier Pte. Ltd.	AAG Corporate Advisory Pte. Ltd. Berjaya Kyoto Development (S) Pte. Ltd. Berjaya Okinawa Investment (S) Pte. Ltd. The Masonic Hall Board Ltd.	New Wave Holdings Ltd. Eplus Technologies Pte Ltd Eplus Technologies Sdn. Bhd. General Electronics & Instrumentation Corporation Private Limited Manufacturing Network Pte Ltd MNPL Aluminium Centre Sdn. Bhd. MNPL Investments Pte. Ltd. MSC Aluminium Holdings Pte. Ltd. Twin Metal Service Centre Sdn. Bhd. Twin Metal (Penang) Sdn. Bhd. Alutech Metals Asiatic Pte. Ltd. MNPL Metals Co., Ltd. Alutech Metals Co., Ltd.
<p>Information required Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</p>			
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No



INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Ch'ng Li-Ling	Abuthahir S/O Abdul Gafoor	Ong Kian Soon
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
c) Whether there is any unsatisfied judgment against him?	No	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No



INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Ch'ng Li-Ling	Abuthahir S/O Abdul Gafoor	Ong Kian Soon
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No



INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Ch'ng Li-Ling	Abuthahir S/O Abdul Gafoor	Ong Kian Soon
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Ch'ng Li-Ling	Abuthahir S/O Abdul Gafoor	Ong Kian Soon
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
Information Required			
Disclosure applicable to the appointment of Director only			
Any prior experience as a director of an issuer listed on the Exchange?	Not Applicable. This disclosure relates to re-appointment of Director.	Not Applicable. This disclosure relates to re-appointment of Director.	Not Applicable. This disclosure relates to re-appointment of Director.
If yes, please provide details of prior experience.	Not Applicable.	Not Applicable.	Not Applicable.



INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Ch'ng Li-Ling	Abuthahir S/O Abdul Gafoor	Ong Kian Soon
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Not Applicable.	Not Applicable.	Not Applicable.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not Applicable.	Not Applicable.	Not Applicable.

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SHANAYA LIMITED
(Company Registration No. 199804583E)
(Incorporated in the Republic of Singapore)

IMPORTANT:

1. CPF or SRS investors who wish to appoint the Chairman of the Meeting or such other person(s) as their proxy(ies) should approach their CPF and/or SRS Approved Nominees to submit their votes by 16 April 2025. This Proxy Form is not valid for use by CPF or SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
2. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting or such other person(s) as a shareholder's proxy(ies) to vote on his/her/its behalf at the AGM.

I/We _____ (Name), _____ (NRIC/Passport/Company Registration Number) of _____ (Address) being a Shareholder/Shareholders of Shanaya Limited (the "**Company**") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)	
			No. of Shares	%

and/or*

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)	
			No. of Shares	%

or failing him/her/them*, the Chairman of the Annual General Meeting ("**AGM**" or the "**Meeting**") of the Company as my/our* proxy/proxies* to vote for me/us* on my/our* behalf at the AGM to be held at 3A Tuas South Street 15, Singapore 636845 on Tuesday, 29 April 2025 at 10.00 a.m. (Singapore Time) and at any adjournment thereof in the manner as indicated hereunder. If no specific direction as to voting or abstention is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her/their discretion.

Voting will be conducted by poll. If you wish to exercise all your votes "For", "Against" or "Abstain", please tick within the box provided. Alternatively, please indicate the number of votes as appropriate.

No.	Resolutions	For	Against	Abstain
Ordinary Business				
1.	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2024.			
2.	Re-election of Ms Ch'ng Li-Ling as a Director.			
3.	Re-election of Mr Abuthahir S/O Abdul Gafoor as a Director.			
4.	Re-election of Mr Ong Kian Soon as a Director.			
5.	Approval of Directors' fees for financial year ending 31 December 2025 amounting to S\$89,000, payable quarterly in arrears.			
6.	Re-appointment of BDO LLP as auditors of the Company and to authorise the Directors to fix their remuneration.			
Special Business				
7.	Authority to allot and issue new shares.			
8.	Authority to allot and issue shares under the Shanaya Employee Share Option Scheme.			
9.	Authority to allot and issue shares under the Shanaya Performance Share Plan.			

* Delete as appropriate.

Dated this _____ day of _____ 2025.

Total Number of Shares in	Number of Shares held
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s)
or Common Seal of Corporate Shareholder

IMPORTANT: Please read the notes overleaf before completing this proxy form.



Notes

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this proxy form will be deemed to relate to the entire number of ordinary Shares in the Company registered in your name(s).
2. (a) A Shareholder who is not a relevant intermediary is entitled to appoint not more than two proxies to attend and vote at the AGM. Where such Shareholder's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A Shareholder who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Shareholder (for which the number and class of shares shall be specified).

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

A proxy need not be a shareholder of the Company.

3. The proxy form, duly executed, must be submitted to the Company through any of the following means:
 - (i) by email, a copy in Portable Document Format (PDF) to info@shanayagroup.com; or
 - (ii) by post and be deposited at, or in hard copy by sending personally to, the Company's registered office at 3A Tuas South Street 15, Singapore 636845,

in either case, no later than 10.00 a.m. on 26 April 2025, and in default, the instrument of proxy shall not be treated as valid.

Shareholders are strongly encouraged to submit their completed Proxy Forms electronically via email.

4. This Proxy Form must be signed by the Shareholder or his/her/its attorney duly authorised in writing. In the case of joint holders, all joint holders must sign this Proxy Form. If the Shareholder is a corporation, this Proxy Form must be executed either under seal or under the hand of an officer or attorney duly authorised in writing. A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with this Proxy Form, failing which the Proxy Form may be treated as invalid.
5. The Company shall be entitled to reject the proxy form appointing Chairman of the Meeting or such other person(s) as proxy(ies) if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form appointing Chairman of the Meeting or such other person(s) as proxy(ies). The Company may reject any proxy form appointment the Chairman of the Meeting or such other person(s) as proxy(ies) lodged if the shareholder being the appointor, is not shown to have shares entered against his/her/its name in the Register of Members of the Company as at seventy-two (72) hours before the time appointed for holding the AGM, as certified The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this proxy form appointing Chairman of the Meeting or such other person(s) as proxy(ies), the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 April 2025.

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