
RESPONSE TO SGX REQUEST FOR FURTHER INFORMATION ON ANNUAL REPORT 2019

Further to the announcement of Enviro-Hub Holdings Ltd. (“**Company**”) on the Annual Report 2019 released on 13 April 2020, and in response to the query by SGX in its e-mail dated 4 May 2020, the Company hereby provides the following additional information:

SGX Query 1:

- (i) Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the “**Code**”), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. In this regard:
- (a) Provision 3.1 of the Code states that:

“The Chairman and Chief Executive Officer (“CEO”) are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision-making.”

We note that the Company has not complied with Provision 3.1 of the Code as the Company’s Chairman and CEO position is filled by the same person.

Where the Company’s practices deviate from the provisions of the Code, please explicitly state the provision from which it has deviated from and explain how the practices it had adopted are consistent with the intent of Principle 3 of the Code, which requires a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making.

Company’s Response.

The Company has explained its deviation from the provision of the Code on page 16 of the Annual Report 2019 as follows:

As explained in Provision 3.1, Mr Raymond Ng Ah Hua currently fulfills the role of the Executive Chairman and is responsible for the day-to-day running of the Group, business development, investment decisions, and strategic direction and planning as well as exercising of control over the quality, quantity and timeliness of information flow between the Board, Management and the shareholders of the Company.

As explained in Provision 3.2, all major decisions made by the Executive Chairman are reviewed by the Board. The Executive Chairman and other non-executive directors have regular meetings. All important and major decisions relating to the operations and Management of the Group are made jointly and collectively by them. There is a balance of power and authority within the Board as all the Board Committees are chaired by independent directors. Please also refer to Provision 2.2 and 2.5 which further amplified the role played by the non-executive directors in ensuring that there is a strong and independent element on the Board. In this sense, 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.

In view of the above, the Company believes that the existing practices are consistent with the intent of Principle 3 of the Code.

SGX Query 2:

(b) Provision 8.1 of the Code states that:

“The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

(a) each individual director and the CEO; and

(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.”

We note the Company’s disclosure on remuneration at pages 21 and 31 of the annual report for FY2019. Where the Company’s practices deviate from the provisions of the Code, please explicitly state the provision from which it has deviated from and explain how the practices it had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company’s remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

Company’s Response:

As explained in Provision 8.1 on page 21 of the Annual Report 2019, the Company discloses the actual remuneration paid to each director, the Executive Chairman and the key management personnel using a narrow band of S\$100,000 to improve transparency. The Company has further explained that given the confidentiality and commercial sensitivity attached to remuneration matters, no full disclosure on the remuneration of the directors and top key management personnel has been made, and that disclosing remuneration in the respective bands and disclosing in aggregate the total remuneration paid to the directors and the top key management personnel (who are not directors or the CEO) provide sufficient overview of the remuneration of directors and the top key management personnel (who are not directors or the CEO).

Please refer to Provisions 7.1 and 7.2 on page 20 of the Annual Report 2019 for further details on the Company’s policy and criteria for setting remuneration.

In view of the above, the Company believes that the existing practices are consistent with the intent of Principle 8 of the Code.

BY ORDER OF THE BOARD

Raymond Ng
Executive Chairman

5 May 2020