
PROPOSED PLACEMENT OF UP TO 206,749,200 NEW ORDINARY SHARES IN THE CAPITAL OF ENVIRO-HUB HOLDINGS LTD. AT S\$0.042 PER PLACEMENT SHARE

1. INTRODUCTION

The board of directors of Enviro-Hub Holdings Ltd. (the “**Company**”, together with its subsidiaries, referred to as the “**Group**”) wishes to announce that the Company has, on 2 December 2020, entered into a placement agreement (the “**Placement Agreement**”) with Soochow CSSD Capital Markets (Asia) Pte. Ltd. (the “**Placement Agent**”), pursuant to which the Placement Agent has agreed to procure placees (the “**Placees**”) to subscribe for up to 206,749,200 new ordinary shares in the capital of the Company (the “**Placement Shares**”) at the Placement Price (as defined below), on a commercially reasonable efforts basis, by way of a placement (the “**Proposed Placement**”), upon the terms and subject to the conditions set out in the Placement Agreement. Assuming that the Placement Shares are fully subscribed, the aggregate Placement Price for the Placement Shares will be approximately S\$8,683,466.

When completed, and assuming that the Placement Shares are fully subscribed, the Placement Shares will represent approximately 20.00% of the existing issued and paid-up share capital of the Company (excluding treasury shares¹ and subsidiary holdings, if any) as at the date of this announcement, and approximately 16.67% of the enlarged issued and paid-up share capital of the Company (excluding treasury shares and subsidiary holdings, if any) immediately after completion of the Placement Shares. The Proposed Placement, if fully subscribed, will increase the issued and paid-up share capital of the Company to 1,240,495,342 Shares.

The price at which each Placement Share is proposed to be issued is S\$0.042 (the “**Placement Price**”). Each Placee subscribing for the Placement Shares pursuant to the Placement Agreement will be independently procured by the Placement Agent. A commission of 2.0% of the aggregate of the Placement Price for all of the Placement Shares subscribed pursuant to the Placement Agreement is payable by the Company to the Placement Agent.

Pursuant to the Placement Agreement, none of the Placement Shares will be issued to any restricted placees under Rule 812(1) of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), save for persons who fall within the exceptions provided under Rule 812(3) of the Listing Manual.

2. PRINCIPAL TERMS OF THE PROPOSED PLACEMENT

2.1 Ranking and No Encumbrances

The Placement Shares shall be issued and allotted free from any and all mortgages, charges, claims, securities, pledges, liens, equities, encumbrances or any other interests whatsoever and, when issued and fully paid, shall rank *pari passu* in all respects with the ordinary shares in the capital of the Company (the “**Shares**”) existing

¹ As at the date hereof, the Company does not have any treasury shares.

at the Completion Date (defined below), save that they shall not rank for any dividend, right, allotment or other distributions, the record date for which falls prior to the Completion Date. For the purposes of this Section 2.1, “**record date**” means the date fixed by the Company for the purposes of determining entitlements to dividends, rights, allotments or other distributions of holders of Shares.

2.2 Placement Price

The Placement Price of S\$0.042 per Placement Share represents a discount of approximately 7.7% to the volume weighted average price of the Shares of S\$0.0455 per Share for trades done on the SGX-ST for the full market day on 27 November 2020, being the last full market day prior to the time a trading halt for the Shares was called on 30 November 2020 (prior to the signing of the Placement Agreement).

2.3 General Mandate

The Placement Shares will be allotted and issued pursuant to the general mandate which was granted by shareholders of the Company (the “**Shareholders**”) by way of an ordinary resolution at the annual general meeting of the Company held on 28 April 2020 (the “**General Mandate**”).

Under the General Mandate, the Directors are authorised to, in the case where shares are issued other than on a *pro-rata* basis to existing Shareholders, allot and issue new Shares not exceeding 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of passing by the Shareholders of the General Mandate, after adjusting for, (a) any new Shares arising from the conversion or exercise of any convertible securities which were issued and outstanding or subsisting at the time the General Mandate was approved; (b) any new Shares arising from exercising share options or vesting of share awards which were issued and outstanding or subsisting at the time the General Mandate was approved (provided that such options or awards were granted in compliance with the provisions of the Listing Manual); and (c) any subsequent bonus issue, consolidation or subdivision of Shares.

The total number of Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time of passing by the Shareholders of the General Mandate was 1,033,746,142. As at the date of this announcement, the Company has not issued any Shares under the General Mandate and no event has occurred which would result in any adjustment in the number of Shares on which the General Mandate is based.

The Placement Shares represent approximately 20.00% of the total number of issued Shares of 1,033,746,142 Shares (excluding treasury shares and subsidiary holdings, if any) as at the date the General Mandate was approved. Accordingly, the proposed issue of the Placement Shares is within the limit approved by the Shareholders pursuant to the General Mandate.

2.4 Additional Listing Application

The Company will be making an application to the SGX-ST for the listing of and quotation for the Placement Shares on the Official List of the SGX-ST (the “**Additional Listing Application**”). The Company will make the necessary announcement in due course upon obtaining the AIP (as defined below) from the SGX-ST.

2.5 Conditions Precedent

The Proposed Placement is conditional upon, *inter alia*, the receipt of the approval in-principle from the SGX-ST for the listing and quotation of the Placement Shares on the mainboard of the SGX-ST (the “**AIP**”) and such approval not being revoked and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Placement Agent and the Company and to the extent that any conditions to such

approval are required to be fulfilled on or before the completion of the Proposed Placement, they are so fulfilled, prior to the completion of the Proposed Placement.

2.6 Completion

Completion of the Proposed Placement shall take place on a date (the “**Completion Date**”) falling no later than five (5) clear market days after the conditions precedent are satisfied or, where applicable, waived in accordance with the Placement Agreement or such later date as the parties may agree but in any event being a date not later than the Cut-Off Date (as defined below).

2.7 Cut-Off Date

If any of the conditions precedent is not satisfied or, where applicable, waived in accordance with the Placement Agreement, by 31 December 2020 (the “**Cut-Off Date**”) or such other date as the Company and the Placement Agent may agree, the obligations of the parties under the Placement Agreement shall *ipso facto* cease and determine thereafter and the parties shall be released and discharged from their respective obligations (save for certain surviving provisions) except for any liability accruing before or in relation to such termination.

3. RATIONALE AND USE OF PROCEEDS

Based on the Placement Price and assuming the Placement Shares will be taken up in full, the net proceeds from the Proposed Placement (after deducting estimated commission, costs and expenses of approximately S\$200,000) (the “**Net Proceeds**”) of approximately S\$8,483,466 will be used for the repayment of loans, expansions of existing core business, potential business investments and/or acquisitions, and as working capital of and for the Group, in the following estimated proportions:

Use of Net Proceeds	Amount Allocated (S\$)	Amount Allocated as a Percentage of Net Proceeds (%)
Repayment of loans	S\$1,000,000 – S\$1,500,000	12% – 18%
Expansions of existing core business	S\$2,500,000 – S\$3,000,000	29% – 35%
Potential business investments and/or acquisitions	S\$3,000,000 – S\$4,000,000	35% – 47%
Working capital	S\$500,000 – S\$800,000	6% – 9%

The Company will announce the use of the Net Proceeds as and when the Net Proceeds are materially disbursed and whether such use of the Net Proceeds is in accordance with the stated use and the percentage allocated. Where there is any material deviation from the stated use, the Company will announce the reasons for such deviation. The Company will also provide a status report on the use of the Net Proceeds in its annual report. Further, where the Net Proceeds are used for working capital purposes, the Company will disclose a breakdown with specific details on the use of the Net Proceeds for working capital in the Company's announcements on the use of proceeds and in the annual report.

Pending the deployment of the Net Proceeds for the purposes mentioned above, the Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, or used for any other purposes

on a short-term basis, as the Directors may, in their absolute discretion, deem fit.

4. NO PROSPECTUS OR OFFER INFORMATION STATEMENT

The Proposed Placement will be undertaken by way of a placement to investors in accordance with Sections 272B, 274 and/or 275 of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in connection with the Proposed Placement.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The Proposed Placement will not result in the transfer of a controlling interest in the Company when completed without the prior approval of the Shareholders in a general meeting pursuant to Rule 803 of the Listing Manual.

To the best of the Company's knowledge, none of the Directors and substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Placement (other than through their respective direct and indirect shareholdings and/or directorships in the Company).

6. FURTHER ANNOUNCEMENTS

The Company will make further announcements as and when there are material updates on the foregoing, including upon receipt of the AIP.

7. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

The financial effects of the Proposed Placement as set out below are for illustrative purposes only and do not necessarily reflect the actual results and financial position of the Group and the Company following completion of the Proposed Placement.

The pro forma financial effects have been prepared based on the audited consolidated financial statements of the Group for FY2019 subject to the following assumptions:

- (a) the Placement Shares are fully subscribed;
- (b) the financial effects of the Proposed Placement on the net tangible assets ("NTA") per share of the Company are computed assuming that the Proposed Placement had been completed on 31 December 2019;
- (c) the financial effects of the Proposed Placement on the earnings per share ("EPS") of the Company are computed assuming that the Proposed Placement had been completed on 1 January 2019; and
- (d) the estimated commission, costs and expenses incurred by the Company in connection with the Proposed Placement will be approximately S\$200,000.

7.1 Financial effects on NTA per share

	Before the Proposed Placement	After the Proposed Placement
NTA (S\$)	44,556,932	53,040,398
Number of shares	1,033,746,142	1,240,495,342
NTA per share (cents)	4.31	4.28

7.2 Financial effects on EPS

	Before the Proposed Placement	After the Proposed Placement
Profit/(loss) (S\$)	298,100	298,100
Number of shares	1,033,746,142	1,240,495,342
EPS (cents) ⁽¹⁾	0.03	0.02

Note:

- (1) EPS is calculated based on the profit attributable to owners of the Company over the weighted average number of shares of the year.

8. DIRECTORS' OPINION

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

Notwithstanding the above, the Company has decided to undertake the Proposed Placement to strengthen the Group's financial position and flexibility to capitalise on growth opportunities. The Proposed Placement will result in an injection of funds into the Company for the repayment of loans, expansions of existing core business, potential business investments and/or acquisitions, and as additional working capital of and for the Group.

The Directors are of the further opinion that, as at the date of this announcement, after taking into account the Group's present bank facilities and the net proceeds of the Proposed Placement, the working capital available to the Group is sufficient to meet its present requirements.

9. DOCUMENT(S) AVAILABLE FOR INSPECTION

A copy of the Placement Agreement is available for inspection at the registered office of the Company at 3 Gul Crescent, Singapore 629519 during normal business hours for a period of three (3) months from the date of this announcement.

10. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Placement is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Placement will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available

sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD

Raymond Ng
Executive Chairman
2 December 2020

Notification under Section 309B of the Securities and Futures Act, Chapter 289 of Singapore:
The Placement Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and “Excluded Investment Products” (as defined in MAS Notice SFA 04- N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).