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## RESPONSE TO QUERIES FROM SGX-ST

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The board of directors (the “**Board**”) of Enviro-Hub Holdings Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to the queries raised by the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 5 September 2022 in relation to the Company’s condensed interim financial statements for the six months ended 30 June 2022 announced on 11 August 2022, and wishes to respond as follows: -

**Query 1:** Please explain why interest received was only \$9,000 during the first half ended 30 June 2022 when the Company has significant cash and bank balance amounting to \$28,510,000.

**Company's Response:**

The Group has significant cash and bank balance amounting to \$28,510,000 was mainly due to receipt of proceeds from additional bank loan amounted to \$18,000,000 on 30 June 2022. The Group’s fixed deposit of \$1,691,000 was pledged to banks and the remaining cash and bank balance was reserved for the Group’s operating activities.

**Query 2.** The Group recorded an outstanding loan to associate of \$632,000. Please disclose the terms of the loan and whether and how much of the interest received in the first half ended 30 June 2022 is attributable to the loan.

**Company's Response:**

The Group recorded an outstanding loan to associate of \$632,000, via its wholly-owned subsidiary, Pastel Glove Sdn. Bhd. (“PGSB”). The Company announced its investment in the associate which is engaged in pharmacy business via SGXNet on 9 December 2021. This interest-free shareholder loan was disbursed in proportionate to PGSB’s shareholding in the associate for the purpose of the Group’s pharmacy business expansion.

**Query 3.** Please disclose a breakdown of trade and other payables amounting to \$22,472,000 and \$23,827,000 as at 30 June 2022 and 31 December 2021 respectively. For other payables, please disclose the aging and nature of these other payables and whether the counterparties are related parties.

**Company's Response:**

The breakdown of trade and other payables amounting to \$22,472,000 and \$23,827,000 as at 30 June 2022 and 31 December 2021 are as below:

	Note	30.06.22 \$'000	31.12.21 \$'000
Deferred income		123	-*
Trade payables		4,148	3,388
Project costs accruals		72	165
Accruals		1,354	2,357
Other payables	(a)	3,336	3,504
Security deposits		1,068	2,144
Loan due to a shareholder	(b)	1,300	1,800
Amounts due to a director of a subsidiary			
- non-interest bearing loan	(c)	994	-
Amount due to non-controlling interests:			
- non-interest bearing loan	(d)	7,223	7,919
- non-trade	(e)	2,550	2,550
Provision for property restoration		304	-
		<u>22,472</u>	<u>23,827</u>

\* Denotes amount < \$1,000

- (a) The amount is non-trade in nature and repayable within 12 months.
- (b) Refer to the Group's Annual Report FY2021 as announced on 24 February 2022, the loan due to a shareholder is unsecured, bears interest at bank's cost of funds rate or SWOP offer rate plus 3% per annum and expired in November 2023.
- (c) The amounts due to a director of a subsidiary/shareholder of the Company is unsecured, interest-free and repayable on demand.
- (d) Refer to the Group's Annual Report FY2021 as announced on 24 February 2022, the amounts are due to a company where an Executive Director of the Company has controlling interest. The amounts are unsecured, interest-free and repayable on demand.
- (e) Refer to the Group's Annual Report FY2021 as announced on 24 February 2022, the amounts are due to a company where Executive Director of the Company has minority interest. The amounts are unsecured, interest-free and repayable on demand after June 2023.

**Query 4.** It is noted that the Company has a net cash used in operating activities of \$1,850,000 and a net profit of \$1,650,000 for the financial period ended 30 June 2022. Please explain why the Company is unable to generate net cash inflow from its operating activities, despite the Company's net profit position for the financial period.

**Company's Response:**

Refer to the condensed interim consolidated statement of cash flows, the Group has a net cash used in operating activities of \$1,850,000 despite its net profit position of \$1,650,000. This was due to the increase in the inventories of the Group's healthcare business as at the end of the financial period.

**BY ORDER OF THE BOARD**

**Raymond Ng**  
Executive Chairman  
7 September 2022