
RESPONSE TO QUERIES FROM SGX-ST

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 25 April 2023 in relation to Company’s Annual Report for the financial year ended 31 December 2022 announced on 11 April 2023, and wishes to respond as follows: -

Query 1: Listing Rule 710A states that an issuer must describe in its annual report its board diversity policy, including the following:

- (a) the issuer’s targets to achieve diversity on its board;
- (b) the issuer’s accompanying plans and timelines for achieving the targets;
- (c) the issuer’s progress towards achieving the targets within the timelines; and
- (d) a description of how the combination of skills, talents, experience and diversity of its directors serves the needs and plans of the issuer.

Please disclose whether and how Listing Rule 710A has been complied with.

Company's Response:

As described on page 18 of the Annual Report, Enviro-Hub has adopted a formal Board Diversity Policy setting out its policy, framework and measurable objectives for promoting diversity on the Board. In line with the Board Diversity Policy, the Board has met its objectives in ensuring a diverse of skills and experience given that the existing Board members comprises Directors with a mix of professional accounting and diverse background. The biographies of all Board members are set out in the section titled “Board of Directors”. The Nominating Committee (“NC”) and the Board however recognise that skillsets and core competencies required of the Board may change over time as the business of the Group develops, hence any progress made towards our Board Diversity Policy will be disclosed in our future Corporate Governance Report, as appropriate.

Although the current composition of the Board comprises all male, as and when the circumstances arise for the Board to appoint a new director, the NC will nominate the most suitable candidate (taking into account the relevant skillsets and diversity) which includes potential female candidates to be taken into consideration based on the set objectives of the Board. As our NC has assessed the current level of diversity on the Board to be satisfactory, the Company generally does not set concrete timelines for achieving board diversity targets. Instead, the Company takes the approach that maintaining a satisfactory level of diversity is an ongoing process.

Query 2. Listing Rule 1207(10C) requires the Audit Committee’s comments on whether the internal audit function is independent, effective and adequately resourced. On page 30 of the Annual Report, we note that “The AC is satisfied that the internal audit function is adequately resourced and staffed with suitably qualified and experienced professionals with the relevant experience.”. Please disclose the Audit Committee’s comments on whether the internal audit function is independent and effective.

Company's Response:

The Audit Committee (“AC”) opined that the internal audit function is independent, effective and adequately resourced based on the following practices implemented by the Group:

- i) The AC is empowered to appoint reputable independent third-party Internal Auditors (“IA”) to plan the Group’s internal audit schedules and scope of work;
- ii) The IA report directly and independently to the AC;
- iii) The AC reviews and approves the IA annual internal audit plan and report;
- iv) The AC reviews the activities of the IA on a regular basis, including overseeing and monitoring the implementation of the improvements required on internal control weaknesses identified;
- v) The AC ensures that the IA is provided with the necessary resources to adequately perform their duties including unfettered access to all of the Group’s documents, records, properties and personnel; and
- vi) The AC is empowered to decide on the appointment, termination and remuneration of outsourced IA professionals.

Query 3. We note the Board opined, with the concurrence of the Audit Committee, that there are adequate controls in place within the Group addressing material financial, operational, compliance and information technology risks to meet the needs of the Group in their current business environment.

Listing Rule 1207(10) also requires the board's comment on the adequacy and effectiveness of the issuer's risk management systems, as well as the effectiveness of the issuer's internal controls. Please clarify whether and how the above has been complied with.

Company's Response:

Internal control processes are regularly strengthened to take into account changes to the business needs of the Group. Audit checks are performed by both the IA and external auditors, while regular reviews are done by management, the Board and relevant Board Committees. On these bases, the Board, with the concurrence of the AC is of the opinion that the Group's internal controls and risk management systems were adequate and effective as at 31 December 2022 to address financial, operations, IT and compliance risks which are relevant and material to the Group's operations.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. Furthermore, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence or material errors, poor judgement in decision-making, human error, fraud or other irregularities.

BY ORDER OF THE BOARD

Raymond Ng
Executive Chairman
26 April 2023