
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 17 April 2023 in relation to the Company’s annual report for the financial year ended 31 December 2023 (“**FY2023 Annual Report**”) announced on 9 April 2024, and wishes to respond as follows: -

Query 1: It is disclosed on page 52 of the FY2023 Annual Report that “Based on the framework established and the reviews conducted by the internal and external auditors, the Board opines, with the concurrence of the AC, 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) states that, the board must comment on the adequacy and effectiveness of the issuer's internal controls (including financial, operational, compliance and information technology controls) and risk management systems. A statement on whether the audit committee concurs with the board's comment must also be provided.

Please clarify whether and how Listing Rule 1207(10) has been complied with, in relation to (i) the effectiveness of the “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.” and (ii) the adequacy and effectiveness of its risk management systems.

Company's Response:

The Group had previously engaged independent consultant - KPMG Services Pte. Ltd. to assist in the review of the Group’s governance structure in response to the requirements under Listing Rule 1207(10). This includes reviewing the Group’s structure and mechanism of its various business, operational activities and internal functions in arriving at the requirement for the Board and the AC to issue an opinion on the internal controls system. In addition, the Group continues to maintain CLA Global TS Risk Advisory Pte Ltd as the Group’s outsourced internal auditor to advise, monitor and audit the adequacy and effectiveness of the Company’s internal controls (including financial, operational, compliance and information technology controls) and risk management for the compliance of Listing Rule 1207(10).

The Board, the AC and the Management assume the responsibility of the risk management function on ongoing basis. The Management has also put in place a financial risk management policy and regularly reviews the Company’s business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. Management reviews all significant control policies and procedures and highlights all significant matters to the Board and the AC. The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. Details of the Group’s risk management policy is set out in Note 33 “Financial Instruments and Financial Risks” of the Notes to the Financial Statements.

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. The Board with the concurrence of AC is of the opinion that the risk management within the Group that has been maintained by the Group's Management and that was in place throughout the financial year are adequate and effective.

Query 2: 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. We note that the Company had not complied with Provision 8.1 of the Code with regards to the disclosure of remuneration of each individual director and the CEO, and there were no explanations provided for in your FY2023 annual report on how it is consistent with the intent of Principle 8 of the Code. Please clarify how the practices the Company 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:

The Company has disclosed the remuneration of each individual director using a narrower band of SGD100,000 to improve transparency and provided a breakdown on page 65 of our Annual Report 2023. The Company believes such disclosure will balance the interest of the Company and provide shareholders with an adequate appreciation of the Directors' remuneration packages and is consistent with the intent of Principle 8 of the Code.

The Company will disclose the exact amounts and breakdown of remuneration paid to each individual director and the Executive Chairman in the Company's annual report for the financial year 31 Dec 2024 to comply with SGX Practice Guidance 8: Disclosure on Remuneration.

Query 3: It is disclosed on page 42 of the FY2023 Annual Report that "The Company remains committed to implementing the Board Diversity Policy and progresses made towards the implementation of the said policy for FY2023".

Pursuant to Listing Rule 710A(2), please describe the following:

- (a) the targets in the Board Diversity Policy to achieve diversity on the board;
- (b) the Company's accompanying plans and timelines for achieving the targets;
- (c) the Company'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 Company.

Company's Response:

As described in Provision 2.4 on page 41 of the Annual Report 2023, 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.

Despite the majority of directors on the Board being 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. On 17th Jul 2023, the Board approved and announced the appointment of Ms Ang Siew Geok as a Non-Executive Independent Director (“NEID”) of the Company after having considered the recommendation from the NC and having reviewed her credentials and experience, thereby enriching the Board’s expertise and diversity. Additional disclosure on the Board composition and the progress made towards the Board Diversity Policy can be found in pages 41-42 of FY2023 Annual Report.

Given that the Company has recently refreshed its Board and instead of setting timelines on diversity targets (where there is no visibility and impractical), the Board is of the view that a two-year time span be given to the new Board members to stabilise and familiarise with the affairs of the Company. The NC and the Board will review annually, the Board’s structure, size and composition, taking into consideration the Board Diversity Policy.

Query 4: Listing Rule 712(1) states that an issuer must appoint a suitable auditing firm to meet its audit obligations, having regard to the adequacy of the resources and experience of the auditing firm and the audit partner-in-charge assigned to the audit, the firm's other audit engagements, the size and complexity of the listed group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit.

It is disclosed on page 57 that in appointing the audit firms for the Company, its subsidiaries and significant associated companies, the Audit Committee and the Board are satisfied that the Group has complied with Listing Rules 712, 715 and 716.

Please disclose the Audit Committee’s and Board’s assessment in determining the suitability of the audit firm appointed pursuant to Listing Rule 712(1).

Company's Response:

The Audit Committee has considered, amongst others, the Audit Quality Indicators Disclosure Framework issued by ACRA, the adequacy of the resources and experience of Mazars LLP (“Mazars”) and the audit engagement partner assigned to the audit, other audit engagements of Mazars, the Group’s audit requirements, the size and complexity of the Group and the number and experience of supervisory and professional staff of Mazars to be assigned to the audit, the fee structure and audit arrangements proposed by Mazars, is of the opinion that Mazars will be able to meet the audit requirements of the Group. The Audit Committee has also assessed and confirmed that the scope of audit services to be provided by Mazars will be comparable to and would not result in a reduction of the scope of audit services previously provided by KPMG LLP.

Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services (where permitted under applicable country laws). Operating in over 100 countries and territories around the world, we draw on the expertise of more than 50,000 professionals – 33,000+ in Mazars’ integrated partnership and 17,000+ via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development. Mazars in Singapore, an ACRA-accredited firm of Chartered Accountants, features a dynamic team of over 400 professionals. This team serves a diverse clientele ranging from small businesses to large corporations across the Asia-Pacific region and globally. With a focus on agility and seamlessness, Mazars offers a comprehensive

suite of services to businesses and individuals across various industries. The firm also holds considerable expertise in acting as auditors for companies listed on the Singapore Exchange (SGX-ST).

For the audit of the Group, the audit engagement team comprised of 1 engagement partner, 1 engagement concurring partner, 1 engagement manager, and at least 4 audit staff including assistant manager, senior and associate level. Mr Tan Chee Tyan is the audit engagement partner assigned to the audit of the Company and its Singapore incorporated subsidiaries. Mr Tan Chee Tyan is a practising member of the Institute of Singapore Chartered Accountants and a public accountant registered with ACRA. Mr Tan Chee Tyan has extensive experience over a span of more than 25 years with public accounting firms in Singapore and Malaysia in a wide range of industries. Mr Tan Chee Tyan is currently the engagement partner of several Singapore-listed and private companies with operations in various geographical locations including the People's Republic of China, Hong Kong, France, Singapore and Malaysia. Mr Tan Chee Tyan was last selected by ACRA for the Practise Monitoring Programme review in 2016 and received no adverse feedback.

For more information on the appointment of Mazars as auditors for the Group, please refer to note 5 – the proposed change of auditors in the Company's Appendix to shareholders dated 12 April 2023.

Query 5: It is disclosed on page 177 of the annual report that Mr Lau Chin Huat and Dr Teo Ho Pin have present commitments in respect of more than 10 other companies.

Please disclose the Board's & Nominating Committee's assessment on how Mr Lau Chin Huat and Dr Teo Ho Pin will have sufficient time and bandwidth to fulfil their responsibilities as independent directors effectively in view of their concurrent appointments.

Company's Response:

On the Board's and NC's assessment on how Mr Lau and Dr Teo will have sufficient time and bandwidth to fulfil their responsibilities as independent directors effectively in view of their concurrent appointments, it was disclosed in Provision 4.5 and Principle 5 on pages 46, 47 and 65 of the Annual Report 2023 respectively. As NEIDs of the Company, Mr Lau and Dr Teo are committed to active participation in the Company's governance and contribute significantly by attending Board and Committee meetings and discussions. The Board and the NC understands from Mr Lau and Dr Teo the following:

With regards to Mr Lau, the Board understands that apart from the listed entities, Technic Inter-Asia Pte Ltd and Lau Chin Huat & Co, the other entities are dormant companies or passive investment holding companies which do not require Mr Lau to attend board meetings nor spend much time in connection with positions held at these companies. Please refer to the Company's response to SGX query dated 11 Oct 2023 for more information.

Likewise for Dr Teo, the Board acknowledges that, with the exception of the specified listed entities: Tiong Seng Holdings Ltd, Broadway Industrial Group Ltd, ISOTeam Ltd, and King Wan Corporation Ltd, Dr Teo's involvement in the remaining unlisted companies does not necessitate his attendance at regular meetings or significant time commitment in relation to the positions held within those companies.

As of today, Mr Lau and Dr Teo have maintained a perfect attendance record at Board and Committee meetings since they were appointed. Please refer to Table 1 on page 64 of the Annual Report 2023 and Table 1 on page 35 of the Annual Report 2022 for a summary of their attendance.

The Board and the NC considered the foregoing and Mr Lau's and Dr Teo's assurance that their concurrent appointments will not impede the performance of their duties as a NEIDs to the Company. The Board and the NC also considered that Mr Lau and Dr Teo will have ready access to the management and other Board members for exchange of views both within and outside the formal environment of the Board and Board Committee meetings to aid them in carrying out their duties as a NEIDs of the Company. The Board and the NC are of the view that they are competent individuals with diversified background and collectively brings with them a wide range of experience, knowledge and business sense, their multiple board seats do not affect their time and ability to serve on the Enviro-hub Board.

BY ORDER OF THE BOARD

Raymond Ng
Executive Chairman
19 April 2024